

Session 21-01, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Steve Zimmerman at 5:00 p.m. on January 27, 2021 in the Cowles Council Chambers, City Hall located at 491 E Pioneer Avenue, Homer, Alaska via Zoom Webinar.

PRESENT: COMMISSIONERS ZIMMERMAN, CARROLL, ERICKSON, ULMER, ZEISET, STOCKBURGER, DONICH (arrived 5:06 p.m.), AND STUDENT REPRESENTATIVE ENGBRETSSEN

CONSULTING

MEMBER: MAYOR CASTNER

STAFF: PORT DIRECTOR/HARBORMASTER HAWKINS
DEPUTY CITY CLERK TUSSEY

AGENDA APPROVAL

Chair Zimmerman asked for a motion to approve the agenda.

STOCKBURGER/ZEISET MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

APPROVAL OF MINUTES

A. December 9, 2020 Regular Meeting Minutes

Chair Zimmerman asked for a motion to approve the minutes.

ULMER/STOCKBURGER MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

A. Port & Harbor Staff Report for January 2021

Commissioner Donich arrived at 5:06 p.m.

Port Director Hawkins provided his staff report and facilitated discussion on the following topics:

- Valdez reaching out to Homer for research into constructing and building their own fuel float.
- Lisa Ellington retiring and the hiring of a new Admin Supervisor.

B. Homer Marine Trades Association Report

Commissioner Zeiset reported that the Northern Enterprise Boat Yard is scheduled to receive their 200-ton boat lift in May; they hope to be lifting boats by this fall. HMTA decided not to participate in the Anchorage Boat Show this year as a group due to COVID-19 and because this year's event is to be held outside. Individual members can go if they wish, but the association agreed to not go as a whole.

Chair Zimmerman inquired if HMTA will be participating in the Mat-Su boat show in April. Mr. Zeiset responded that Bayweld Boats plans to attend and will be reporting back to the association on how it goes. It sounds like a different audience goes to that show so they're interested to know if HMTA should be involved in that show as well.

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

A. Port & Harbor Budget

- i. Memo Re: Mid-Biennium & 2021 Truncated Budget Adjustments w/ Attachments
- ii. Memo Re: Deferred Port Maintenance & 2022 Budget Planning w/ Attachments

Chair Zimmerman introduced the item by reading the title and deferred to Mayor Castner to begin discussions.

Mayor Castner thanked the commissioners for their service, recognized Commissioners Carroll and Donich for their service, and encouraged Student Representative Engebretsen to be a proactive member.

Mayor Castner spoke to City Council's actions to change the City's budget cycle from a calendar year budget to a fiscal year that ends on June 30th. He acknowledged that this truncated budget caused a loss to the Port and Harbor's Enterprise Fund but wanted to emphasize that this will not be a loss to the enterprise. He opined that during this six month period there are many things that need to be fixed, such as various irrelevant fees that are charged to the enterprise fund. Staff, led by the city Manager, will be going through the budget thoroughly in the upcoming months to find those "chunks" of excess

budget expenses that could be “slivers”, and will then be presenting a new harbor budget to Council for approval.

Port Director Hawkins noted the memos in the packet that highlight the recognized deficit issue and Council’s motion to remove the \$311,223 general fund admin fees from the truncated budget. In response to questions, Mr. Hawkins explained the issue of how bad debt is applied to the enterprise as a liability, and how a truncated budget works. At the end of the budget year, we have to balance, but because the harbor makes much of its revenue later in the year, when this year’s budget ends June 30th it will reflect as a loss and the enterprise will have to pay that deficit out of savings. The money is all there, but it will just be spread out differently while leaving a hole in the middle. Council plans to fill that hole with City money and over the course of time it will level out and we will be better able to gauge the harbor’s financial health with the new budget cycle.

Commissioner Carroll inquired as to the reason for the new budget and concerns over the deficit. Mayor Castner responded, explaining how the new midyear budget will align with the other government agencies and better reflect aged account receivables. He reiterated his discussion points and that the deficit will be covered by the City, not by the Harbor Enterprise.

Commissioner Stockburger commented on the commission’s experiences and concerns regarding the harbor reserves and his appreciation for the Mayor and Council for recognizing the issues of enterprise funds going to other City expenses.

Commissioner Donich asked if they could get it in writing that Council will cover that debt. Mayor Castner explained that while he can’t speak for the entire Council, he did share their sentiment which is they do not want a failing harbor, and they discussed that at their last meeting. Mr. Donich noted that he was present at the last Council meeting to give the PHC report and he heard Council agree to cover that.

Chair Zimmerman commented how there are many qualified harbor employees who assist other departments with emergency and maintenance responses that aren’t reimbursed. Mayor Castner noted that this was why he wanted to have the commission involved in the discussions. This is the time for change and Mr. Hawkins will need the commission’s words when he goes to the City Manager and Council to work on this.

Commissioner Ulmer requested that Port Director Hawkins let them know when they need to be at Council meetings. She thanked Mr. Hawkins and Mayor Castner for this work to finally make these changes.

Commissioner Carroll commented about the need for budget education at the commission level and having more staff members or councilmembers attend the meetings to explain it well.

Chair Zimmerman moved the discussion on to the second budget memo regarding deferred port maintenance and 2022 budget planning. He requested Port Director Hawkins begin the discussion.

Mr. Hawkins explained how he felt it was important for the commission to look at the entire facility infrastructure from a management point of view and answer some pertinent questions. He referenced his memo and harbor staff's deferred maintenance spreadsheet, explaining what the data entails. Mr. Hawkins shared a photo presentation to highlight some of the dock infrastructure issues that are in need of complete replacement, and explained how Port Maintenance staff has done their best to maintain the float systems.

Mayor Castner shared information on potential funding from the State that could help pay for these maintenance projects. Mr. Hawkins commented on a bond study, hoping that it will provide the needed matching funds to make this project happen.

Mr. Hawkins posed the question to the commission: Are we meeting our mission? He does not believe they are as they are unable to fund these projects and they need to have conversations about their expenditures. It is high time to learn what charges are real and what needs to change.

Discussion ensued on the harbor's history with City expenses, areas that they've tried to cut costs, other areas that fees have been applied and/or increased, and the amount of sales tax that harbor activity brings to the City. There was an agreement to discuss the budget further at a future meeting.

- B. Resolution 21-008 & Personal Watercraft (PWCs) in Kachemak Bay
 - i. Resolution 21-008
 - ii. Memo from City Manager Re: Personal Water Crafts (PWCs) in Kachemak Bay

Chair Zimmerman introduced the item by reading the title and opened the floor for discussion.

Commissioner Ulmer commented on her 17 years of experience serving on the State of Alaska's Critical Habitat Area Service Board. She voiced her objection to personal watercrafts in the Kachemak Bay area, primarily due to noise pollution.

Commissioner Donich voiced his support of personal watercraft and how they're not any worse than a motorized skiff. He opined that allowing personal jet boats in critical habitat areas, but not personal watercrafts, is unwarranted discrimination. Mr. Donich and Ms. Ulmer commented on the need for compromise, that if they have to be banned, perhaps there could be designated areas where they're allowed and not allowed.

Commissioner Carroll noted that everyone will have their opinion but he hopes that the City would have an election on the matter.

At Chair Zimmerman's request for a motion, Commissioner Donich stated a possible motion of compromise to allow personal watercraft on the west side of the Spit, and closing it to the east side of the Spit. He opined that it would just be a matter of enforcement of open/closed areas, such as how vehicles are not allowed in certain beach areas and you're subject to a citation if you violate that law.

Commissioner Zeiset commented that he was under the impression that the State's decision to allow personal watercraft in Kachemak Bay was already a done deal, and that the commission is only

providing recommendations to City Council so that the City can pass those comments to the State. Mayor Castner clarified that there are waters controlled by the City and they have a say on what the City can do to influence behaviors in those areas. Mr. Donich rescinded his suggested motion and provided additional comments regarding how there are already established laws enforcing vehicles not access certain parts of the beach. The same can be done for personal watercraft.

Mr. Zeiset opined that the commission's feedback should focus more on personal watercraft use in the harbor, including the Load and Launch Ramp and other ramp areas. They should be treated as a boat: they go up and down the ramp, pay the launch fee, and not get to offload on any beach.

Mayor Caster posed the question on which ramp should personal watercrafts use to launch: the regular launch ramp where they would have to traverse the entire length of the harbor to exit (which poses greater safety risks), or have them launch elsewhere that's closer to the mouth of the harbor.

Discussion ensued on the following topics:

- Safety risks surrounding enter/exiting the harbor due to excess wakes.
- High traffic of various vessel sizes at the harbor entrance.
- How Harbor Officers are expected to enforce policies; need for cooperative enforcement with other agencies, such as Alaska State Troopers, Coast Guard, or Department of Fish and Game.
- How having a camera at the mouth of the harbor would greatly help.
- How modern-day jet-skis are capable of minding wake speeds; they are not like older ones that require to be on-step to get going.
- There will still be personal watercraft users that follow the rules responsibly and others that violate the policies just like any other user group.
- Looking at other harbors in Alaska to see what policies they've implemented to address personal watercraft in their harbors; Homer is the only place that has banned them.
- The need to write citations and implement policy for all harbor users, not just geared towards personal watercraft.

STOCKBURGER/ULMER MOVED TO DIRECT THE CITY MANAGER AND STAFF TO IMPLEMENT THE FOLLOWING:

- INCREASE ENFORCEMENT OF EXISTING RULES REGARDING VEHICLES ON THE BEACH AND NO WAKE ZONES.
- RESEARCH A CAMERA SYSTEM FOR THE HARBOR ENTRANCE.
- WORK WITH OTHER AGENCIES TO ENFORCE WAKE SPEED REGULATIONS AND VESSEL SAFETY FOR ALL VESSEL TYPES AT THE HARBOR ENTRANCE.
- RESEARCH POLICIES IN OTHER HARBORS THAT ALLOW PERSONAL WATERCRAFT.
- CREATE AND IMPLEMENT AN EDUCATIONAL CAMPAIGN ABOUT THE USE OF THE LOAD AND LAUNCH RAMP AND HARBOR.

There was discussion on the motion's verbiage and suggested amendments to the wording to include additional recommendations of action to staff.

VOTE: YES: ZIMMERMAN, CARROLL, ERICKSON, ULMER, ZEISET, STOCKBURGER, DONICH

Motion carried.

INFORMATIONAL MATERIALS

- A. Memo 21-004 & Ordinance 21-02 Amending HCC 18.08 City Property Leases-Subleases
- B. Port & Harbor Monthly Statistical Report for December 2020 & EOY 2020
- C. Water/Sewer Bills Report for December 2020
- D. 2020 Load and Launch EOY Stats
- E. 2020 Parking EOY Stats
- F. Crane & Ice Report
- G. Dock Activity Reports
- H. PHC 2021 Meeting Calendar
- I. Memo from City Clerk to City Advisory Bodies Re: Reports to Council
- J. Certificate & Letter of Recognition for Glen Carroll
- K. Certificate & Letter of Recognition for Daniel Donich

There was brief discussion on the amendment to Homer City Code regarding subleases, docking and beach barge use statistics, and changes in the PHC schedule for reporting at City Council meetings.

COMMENTS OF THE AUDIENCE

Crisi Matthews, non-resident, shared her agreement with Commissioner Donich regarding additional revenue sources for the harbor. Don't hit just charters. Lots of people visit the Spit that use it and revenue potential there, plus out of area charters who launch without a slip, should be explored as additional revenue sources. Out of area users don't seem to pay their daily Homer sales tax for launching there, just their origination tax to the Borough.

Commissioner Donich responded, commenting how sales tax originates at the business location, not at the point of sale. Charter businesses based out of Ninilchik who launch in Homer aren't paying their due share for the use of Homer facilities. He opined that a commercial launch fee should be considered.

COMMENTS OF THE CITY STAFF

Deputy City Clerk Tussey thanked Commissioners Carroll and Donich for their service, noting Mr. Carroll's 15 years with the commission.

Port Director Hawkins provided an update on the derelict vessel North Pacific and how the City plans to dispose of the vessel through a deal with Alaska Scrap and Salvage, given USCG is done with the vessel and the owner has disowned it.

COMMENTS OF THE CITY COUNCILMEMBER

Mayor Castner thanked Commissioners Carroll and Donich for their service. He also commented on it being a good meeting and that PHC will be reporting at the February 8th City Council meeting. He spoke to the Alaska Marine Highway System ferry schedule, which is currently open for public comments, and

encouraged commissioners to be aggressive in their involvement in that process. Mayor Castner noted that he is at the call of the Chair if he would like him to come back and speak with the commission.

COMMENTS OF THE CHAIR

Chair Zimmerman commented that it's been a really good meeting. He thanked Commissioners Carroll and Donich for all the work they have put into the commission.

COMMENTS OF THE COMMISSION

Commissioner Stockburger thanked Mayor Castner for attending, and to Commissioners Carroll and Donich for their perspectives on the commission.

Commissioner Ulmer thanked Mayor Castner, Commissioners Carroll and Donich, and the whole team and staff. She noted how she had originally scouted Commissioner Donich and was glad to have him on the PHC.

Commissioner Zeiset echoed the comments made so far; he appreciated Mayor Castner's comments on the budget, and gave a huge thank you to Commissioners Carroll and Donich for all their work.

Commissioner Erickson commented ditto and thanked Mayor Castner for his comments and everyone for their service.

Commissioner Donich commented that it has been great to work with them. He's very much involved in the harbor and is passionate about it. He thanked Port Director Hawkins for his leadership, and Mayor Castner for attending. He hopes to see him and councilmembers at future meetings.

Commissioner Carroll commented that it has been a pleasure working with everyone over the years. He noted that he wasn't disappointed that he wasn't reappointed, but that there was not going to be someone from the commercial fishing community appointed. He hopes that the next appointment would be to someone from that industry.

Student Representative Engebretsen thanked them for letting her listen in.

ADJOURNMENT

There being no further business to come before the Commission the meeting adjourned at 7:35 p.m. The next regular meeting is scheduled for Wednesday, February 24, 2021 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska via Zoom webinar.



RACHEL TUSSEY, CMC, DEPUTY CITY CLERK I

Approved: February 24, 2021