

**MINUTES
NOME PORT COMMISSION
REGULAR MEETING
February 20, 2020**

The Regular Meeting of the Nome Port Commission was called to order at 6:43 pm by Chairman West in Council Chambers at City Hall, located at 102 Division Street.

ROLL CALL

Members Present: Lean; West; Henderson; Sheffield; McLarty

Absent: Smithhisler; Rowe

Also Present: Lucas Stotts, Harbormaster; Glenn Steckman, City Manager; Joy Baker, Port Director (telephonically)

In the audience:

APPROVAL OF AGENDA

Chairman West asked for a motion to approve the agenda:

Motion to approve made by Sheffield, seconded by Henderson.

At the Roll Call:

Ayes: Lean, West; Henderson; Sheffield; McLarty;

Nays:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

January, 16, 2020 Motion made by Lean, seconded by McLarty to approve minutes;
Regular Meeting

At the Roll Call:

Ayes: West; Henderson; Sheffield; McLarty; Lean

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

None.

COMMUNICATIONS

- 2019 Dec - U.S. Navy Environmental Port Guides- Nome, AK
- 20-01-09 – Launch Ramp Engineering Services Award Packet
- 20-01-23 – PolArctic, LLC – AI to Forecast Arctic Changes
- 20-02-09 – Alaska Public – Alaska Will Be Nation's Vanguard in Thawing Arctic

Discussion:

- PD Baker commented on the Environmental Port Guide prepared for the Nome area that we were the first location in Alaska to have this survey done.
- Lean commented that the report failed to note Nome ability to span both the City and Middle dock and put a longer vessel at the Nome docks. PD Baker said we would get that back to them.

COMMISSIONERS' UPDATES

None.

HARBORMASTER'S REPORT (*Verbal*)

Harbormaster Stotts provided an update on day to day items around the port office including;

- Obtaining quotes from various vendors in preparation for spring facility operations, returning staff and facility asset testing, such as the pipeline.
- An overview of the 2nd QTR Harbormaster Report – daily operations and upcoming maintenance items and prioritization.
- Identifying costs associated with upcoming operational season start.
- Update on new port skiff finished and being shipped to Nome.
- Provided an update on the 2020 Cruise schedule with note more information will be coming soon on the 2020 operating season in Nome. *NTNL GEO ORION II* and *SCENIC ECLIPSE*. Note that all vessels will be a full PAX turn.
- Overview of 2020 AAHAP Winter Admin Conference in Anchorage.
 - Compared daily port and office operations with other facilities around the state. Work together with those facility offices and identify similarities and differences and how those can be improved.
 - Overview of Marina Management Software used by rest of the facilities around the state and how those programs could be developed for use on storage related; not just slip management.
 - Forms – Contracts - Insurance; compare to all other facilities.
 - State DNR new creation of Abandoned and Derelict Vessels Task Force-update on new state team.

Discussion:

- Lean commented on the Abandoned and Derelict Vessels Task Force; that years ago in UNK there was a floating processor that was abandoned and then beached on the flats in a storm. They had to wait for years for a large enough storm to float it again and barely get it back into the water.

- Sheffield commented that NOAA research wants to have the *FAIRWEATHER* be at the docks in Nome to take part in a conference at the NW Campus with the Royal Hydrographic Group in August. Possible vessel tours.
- Henderson commented that he has noticed more vessels stored on the Port Uplands and asked if those folks are paying storage and staying current, or if there has been as up-swing in the number of people parking and not operating their vessels?
 - HM Stotts responded that there has been a slow increase in stored vessels since 2011/2012 as smaller users drop off or combine into larger operations it seems.

PORT DIRECTOR REPORT (20-02-17 Written Report)

PD Baker commented on the following;

- Deepening of the Small Boat Harbor to -12 and is working through revised documents from the USACE on that progress and also addressing the 50/50 cost split through a grant opportunity.
- Work on expanding the turning basin- federal limits in the Snake River.
- Also looking at the Snake River Moorage Facility grant opportunities, cost share and options there for the future.
- Launch Replacement Project is moving forward and Bristol is getting us a design for review next week so we can get a bid out to contractors next month.
- Port Security Grant for VHF Communications to upgrade all Port and PWR radios for port operations and security – application due in April 2020.
- Update on CORPS Mod Feasibility Study.

Discussion:

- Sheffield asked for an update on the need for a new sewage lagoon for the port if we get the large port expansion in the future to handle capacity for vessels, or if there is another option combined with NJU's system.
- McLarty asked about the proposed construction window for the Barge Ramp Constructing. We are thinking a window of around July 1st - September 15th but that is fluid as we work toward a contractor proposal.
- West asked about the SBH deepening to -12 and what was the max depth we could go to, based on Sheet-Pile wall design. PD Baker commented the PND walls will tolerate -12 but the USACE walls may be different, so we are evaluating those.
- Henderson asked if there were any major changes to the Ports budget during the final submittal process. PD Baker responded about the few minor changes to projected revenues and expenditures, but nothing major.

OLD BUSINESS

Fiscal Health Planning Strategy to Fund Capital Improvements, Repair & Maintenance for Recommendation to Council.

- 20-02-17 Motion to Council to Approve Port Tariff No.16 with 10% Increase and Policy Changes as Presented.

- Draft Motion to Council to Annually Set Aside \$150K to Fund Capital Projects, Repair and Maintenance.

Discussion:

PD Baker noted this section was informational, to bring back to the Commission what happened with the Council reading and where the Ports budget stands;

- Thanked CM Lean for attending Monday night's Council meeting and speaking on the Port Tariff increase; asked anyone able to join on the 9th would be good to have PC members in the room to answer questions.
- Update on workings with the city attorney on setting aside \$150k annually to fund Capital Projects, Repair and Maintenance. It looks like we cannot do it this way but instead ask the Council to budget and set aside money another way. It appears we may need to set up a joint work session with the PC and Council to strategize

CM Steckman commented;

- We can easily create a line item to set this money aside as an easy way to do this.
- We will be creating a 5 year history of the port budget for comparison and assisting on line item budgeting each year.
- Another option, any reserve moneys go into a designated reserve account similar like we already do; currently those accounts are not reserved though.
- This money would be set aside for long term projects and part of this money would go to benefit the areas the money is coming from.

Henderson commented;

- Asked what the problem was with the way it was presented in the tariff language?
 - PD Baker responded that, per the City Attorney, this could not be entered into the Tariff but needs to be entered into the budget process each year.
- Feels that the 10% Tariff increase along with setting aside \$150,000 each year for these types of projects should be easily obtainable.

PD Baker commented;

- That in the past when the Port was making revenue surpluses each year that money went into the Port Fund Balance. Then, when we had a grant match or project that needed funding, like the Low Dock, we would use the money in that account for Capital Improvements, Repair and Maintenance, just like we are proposing now, but this is a reserved account. The Port Fund Balance will not go away, as it still needs to be used as a fund balance for when an operational surplus or shortfall exists.
- The Port has not increased tariff prices to even keep up with the annual cost increases for staff wages, insurance, utilities, operational tools and maintenance.
- The PC raised tariff rates in the past; 2013- 10%, 2014- 5% and 2015, 5%. PC recommended to the Council to raise the rates in 2016 and the council denied.

Henderson commented;

- He believes that we had a healthy balance in the Port Fund Balance in the past but then spent the majority of that purchasing the Thornbush Pad and that was what contributed to the current need to replace those funds and we need to put

a mechanism in place to ensure we can set that money aside in the future without more need to raise rates.

- PD Baker responded that we were already seeing the need to raise rates separate from the TBS purchase, which was considered by the Council as a good long term investment for the City/Port of Nome. The Fund Balance was also used to pay our 50% cost-share with ADOT for the Harbor Repairs & Upgrades, which replaced failing fenders, several piling, rebuilt ladders and installed much needed overhead lighting.

NEW BUSINESS

- FY2021 Draft Capital Projects for Review & Consideration
- Proposed Tug Use Requirements & Risk Factors by Vessel Class

PD Baker commented on the FY2021 Draft Capital Projects for Review & Consideration; that this was another item the Council has at their table Monday night, for a preview of capital projects we have on going right now. This would go to the PC in the future but wanted them to take a look now as the Council looked at it.

PD Baker commented on the Proposed Tug Use Requirements. The city attorney has noted that he agrees we do not need specific tariff language for incorporation of this requirement. This was just for the PC to look at and see what we have had proposed. Gave overview on Port of Nome Risk Factors provided by Capt. Ed Page with The Marine Exchange of Alaska, when he was last here in Nome. Provided an update on the possibility of a company staging an assist tug here in Nome during the summer season.

Chair West asked if other facilities have these same types of parameters on vessel use and restriction like this. PD Baker responded that it is very common.

Various discussion on what that would mean for vessels using the facility that already have a powerful Dynamic Positioning System (DPS) or folks with strong Bow/Stern thrusters.

Lean commented that in Vicksburg, MI the simulators showed that the ability to service the facility and offshore vessels with an assist tug, would benefit the community greatly and would not only allow vessels to come in in bad weather but be serviced offshore in harsher weather conditions. He feels an assist tug operating would be very beneficial to the community and port facility.

CITIZENS' COMMENTS

None.

COMMISSIONERS' COMMENTS

McLarty – It was a good meeting and enjoyed it.

Henderson – Thanked everyone for coming to the meeting and the explanations on everything. Would like to know the economic impact on the PAX vessels that come to Nome each year, a dollar amount per person on what they bring/ spend in Nome. That would help make these types of

decisions. Feels the assist tug is a great idea and fully supports this idea but sometime the regulatory bodies need to make exceptions to entice revenue into the facility.

Sheffield – Commented about the 2020 expected 5k cruise PAX is a lot of people in Nome for only a few gift shops and other businesses and she is also interested in how much money they spend each summer in Nome.

Lean – Commented that he will not be in Nome on the 9th as he will be at the Board of Fish talking about low Crab number in Nome. No buyer in Nome this year due to population. Possible alternative fisheries out of Nome but will have to wait and see what they actually open. Thinks that the Port Guide shows that the government is interested in Nome and is taking us seriously as a location to operate out of which is a positive indicator.

West – Thanked Joy, Glenn and John Handeland for attending the recent meeting in DC and heard it went well. Encouraged all to attend Monday's City Council Meeting.

SCHEDULE OF NEXT MEETING

The next Regular Meeting is SCHEDULED for March 19th, 2020.

ADJOURNMENT

Motion was made by Lean for adjournment – 8:09 pm.

APPROVED and **SIGNED** this 16th day of April, 2020.

ATTEST:



Joy Baker, Port Director



Jim West, Chairman