

PORTS AND HARBOR COMMISSION
Minutes for Regular Meeting
February 15, 2011

I. CALL TO ORDER

Chairman Bruce Painter called the regular meeting of the Ports and Harbor Commission to order at 7:01 p.m. in the Valdez City Council Chambers.

II. ROLL CALL

Commissioners Present: Bruce Painter, Laura Meadors, Steve Cotter, Jeff Johnson, Colleen Stephens, and John Bradshaw.

Bernie Culbertson was absent and excused.

Also present: Diane Kinney, Ports & Harbor Director; Steve Waller, Harbormaster; Sarah VonBargen, Harbor Office Manager; Karen Feero, Recording Secretary; and 1 member of the audience.

III. APPROVAL OF MINUTES – February 1, 2011

The minutes of the February 1, 2011 meeting were approved as amended.

IV. PUBLIC BUSINESS FROM THE FLOOR

A. North Star Terminal & Stevedore Co., LLC

Ms. Kinney said that due to the winds, Steve Post with North Star did not make it in on the plane, so this would be postponed until the next meeting.

V. STAFF REPORTS

Steve Waller, Harbormaster, reported the launch ramp project is ongoing. A.J. Keeton was hired to fill the 75% Marine Equipment Operator position. Mr. Waller said he was the only applicant that already had a certificate to operate the Marine Travelift. Contractors have received the parts to finish the high mast lighting project. He has requested a walk through for staff after the project is completed.

Diane Kinney, Ports & Harbor Director, reported the Kelsey Dock mooring dolphin project may be a fall project instead of a spring project. There is a little bit more design work to do to place the winch that has been requested.

VI. UNFINISHED BUSINESS

- A. Approval of Recommendation Naming Rates and Fees for Use of Facilities in the Valdez Small Boat Harbor.
(Postponed from Regular Meeting of 2/1/11)

MOTION: Approval of Recommendation Naming Rates and Fees for Use of Facilities in the Valdez Small Boat Harbor. (Postponed from the February 1, 2011 regular meeting)

Ms. Kinney passed out an updated harbor expense spreadsheet. She asked commissioners to consider what items they feel should be covered by harbor revenues and what items should be covered by the City's general fund.

Ms. Kinney felt postage and credit card expenses should be covered by harbor revenues. With expenses like snow removal in the uplands, the City would still do snow removal so they would have the employees and equipment anyway.

Commissioner Meadors felt all the support services should be treated the same when deciding the harbor expenses. She felt the City would still have IT personnel also.

Commissioner Stephens asked how other departments budget for similar expenses. She felt all departments should be treated the same so there is consistency.

Ms. Kinney suggested the commission make a recommendation to council and see if everyone is in agreement on what the harbor revenues should cover. Chairman Painter felt there was agreement about City funds and the fish taxes helping to pay for capital replacement costs.

Ms. Kinney asked commissioners if they felt the equipment should be in the same category as the capital replacement costs. Commissioner Meadors agreed that the Travelift needed to be in the same category, but some of the other smaller equipment she would question being on the list.

Alan Sorum mentioned his concern with treating the major equipment separately since Public Works has schedules for equipment replacement and in some instances they have sell-back agreements. He explained that just because the equipment is on the list doesn't necessarily mean the equipment is always replaced on schedule. Ms. Kinney said the City's general fund does cover equipment and vehicle expenses for all the other departments.

Commissioner Bradshaw asked if the commission is justifying the rate increase to council or what the commission's intent with this review is. Ms. Kinney indicated that council wanted to know why the commission recommended the increase in harbor fees and their question to the commission was asking what

the commission was trying to achieve with the increase. Ms. Kinney explained having this list of expenses will help council understand the costs of running the harbor. She felt the commission's recommendation to council should indicate whether or not the harbor revenues should cover all or some of the expenses listed and which expenses should come out of the general fund. Commissioner Bradshaw felt that they were working towards making the Harbor self sufficient.

Commissioner Meadors felt the expense to bring the Marine Equipment Operator position up to full time should be added to the shortfall.

Ms. Kinney asked the commission if they needed any more information for their recommendation.

Commissioner Meadors asked if the commission was looking at the next 3 years or if the goal was to re-evaluate the cost year to year. The resolution indicated the increase at a not to exceed rate up to 10% per year. Commissioner Stephens felt they at least needed a 2012 plan and then after strategic planning is completed they can re-evaluate rates.

Chairman Painter commented he was under the impression they would re-evaluate the increase year to year.

Chairman Painter voiced his concern on whether or not there is enough information to make a reasonable determination for an increase for 2012.

Ms. VonBargen said that by approving the increased fees for miscellaneous charges, the shortfall for 2011 would be covered. Chairman Painter said that would be assuming no increased coverage of other fees, only the normal operating expenses they are covering now.

Chairman Painter asked commissioners if they felt the harbor fees should cover anything else that is not covered now. Commissioner Meadors felt the equipment operator coverage to 100% status should be on the list. Commissioner Meadors indicated that the basic services seemed reasonable items to be covered by harbor revenues. Commissioner Stephens felt personnel costs should be consistent. They should either be included or not included.

Ms. Kinney informed the commission the figures for water and sewer are rough estimates. One of the two meters is not currently working.

Ms. Kinney clarified with the commission that the recommendation to council was to not include equipment, but other expenses such as postage, credit card costs, hardware and software IT expenses, some building maintenance expenses and the cost for water and sewer should be covered by the revenues.

Commissioner Cotter mentioned the impression he received from council was that they wanted to cover some of the harbor expenses.

MOTION TO POSTPONE: Commissioner Stephens moved, seconded by Commissioner Johnson, to postpone the recommendation until the next meeting.

VOTE ON THE MOTION TO POSTPONE: 6 yeas, 1 absent (Culbertson). Motion carried.

VII. NEW BUSINESS

A. Discussion Item: Consideration of Port Tariff Waiver for Coast Guard

Chairman Painter asked if there had been a request from council to waive the fees for the Coast Guard.

Ms. Kinney responded that at one of the City Council meetings a representative from the Coast Guard came and requested that the city consider waiving the fees. Then it was determined that they probably shouldn't have made the request, but the City Manager asked that the commission review the waiver since the Coast Guard has received the waiver in the past and they have volunteered their time to the community helping with projects. Coast Guard volunteers will be providing the labor to remove all the seating in the Civic Center Theater so new seats can be installed. This would be a way for Valdez to show appreciation for their contribution to the community.

Commissioner Bradshaw asked if the revenue the city receives from the Coast Guard is a high amount.

Ms. Kinney said the revenue the city receives from the Coast Guard is not high. Basically the fees that the city receives are for the use of the Kelsey Dock for fueling when there is a barge at the fuel dock.

Commissioner Cotter asked if the waiver would be for both docks. Ms. Kinney said it would be for both docks since the tariff covers both docks. Commissioner Cotter said he didn't have a problem offering this since it wasn't a lot of money.

Ms. Kinney said this was on the agenda as a discussion item to see if the commission would like to revisit this. Commissioners agreed to have this added to the next agenda. Ms. Kinney said she would bring back the information regarding the previous fee waiver.

VIII. REPORTS

There were no reports.

IX. INFORMATION

A. U.S. Foreign-Trade Zones Program

Ms Kinney clarified that living in a Foreign-Trade Zone (FTZ) is prohibited. During the joint work session with the Planning & Zoning Commission regarding the land at old town there was a brief comment on this issue. Ms. Kinney wanted the commission to have the documentation regarding what is allowed in the FTZ.

B. Resolution 11-08

C. Resolution 11-10

D. Valdez City Council Minutes of 1/18/11

There was no discussion on these agenda items.

Ms. Kinney informed commissioners that the Valdez Small Boat Harbor and Tour Dock Electrical Upgrade Project update that was passed out at the beginning of the meeting would be discussed at the next meeting. Staff received the updated information today and wanted to give commissioners extra time to review the document.

X. COMMISSION BUSINESS FROM THE FLOOR

Commissioner Bradshaw asked if the electrical upgrade at the VCT would include stand-by power at the gate if the electricity goes off and whether someone would have to go start the generator.

Ms. Kinney responded that currently the gate at the VCT is on a generator which needs to be manually started when there is a power outage. With the upgrade the gate would switch to an automatic start generator.

Commissioner Stephens recently returned from the Passenger Vessel Association meeting and ADA access issues were discussed. There are proposed laws that will change the ADA requirements. The discussion of second and third party consequences to boat operators and not conforming to the ADA requirements were discussed as well. The new laws are in the final comment stage. The Passenger Vessel Association will be keeping an eye on the proposed requirements. Commissioner Stephens will keep the commission updated with the changes.

Commissioner Stephens also noted that Council member Wells asked her if the harbor safety and harbor fishing concerns were being resolved.

Ms. Kinney informed the commission she has spoken with the Captain of the Port regarding these issues. She said he was willing to work with the Harbor this next summer and would be more willing to send boats out. He would also be willing to discuss this with Fish and Wildlife.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at 8:01 p.m.

CITY OF VALDEZ, ALASKA
PORTS AND HARBOR COMMISSION

Bruce Painter, Chairman

ATTEST:

Karen Feero, Recording Secretary