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

I. CALL TO ORDER

Chairman Bruce Painter called the regular meeting of the Ports and Harbor Commission to order at 7:05 p.m. in the Valdez City Council Chambers.

II. ROLL CALL

Commissioners Present: Bruce Painter, Laura Meadors, Steve Cotter, and Jeff Johnson.

Commissioners Colleen Stephens, Bernie Culbertson and John Bradshaw were absent and excused.

Also present: Diane Kinney, Ports & Harbor Director; Steve Waller, Harbormaster; Sarah VonBargen, Harbor Office Manager; Laura Robertson, Community & Economic Development Department GIS/Planning Technician; Karen Feero, Recording Secretary; and 2 members of the audience.

III. APPROVAL OF MINUTES – February 15, 2011

The minutes for the February 15, 2011 meeting were approved as presented.

IV. PUBLIC BUSINESS FROM THE FLOOR

On behalf of the City Council, Sheri Pierce, City Clerk, presented Ports and Harbor Commissioners with vests in appreciation for all the hard work that the commissioners do for the city.

V. STAFF REPORTS

Steve Waller, Harbormaster, reported he has been working with the State of Alaska Department of Fish and Game regarding the rules and regulations for fishing in the Small Boat Harbor. He was informed by Fish & Game the rules need to be stated in the City's harbor policies. The enforcement of fishing in the harbor falls under the Harbormaster's authority.

Mr. Waller also reported the city has hired New Vision Architects for the remodeling of the harbor public restroom facilities. New Vision has been contacting Mr. Waller for information regarding the facilities. Mr. Waller mentioned the harbor has received notice from thirteen slip owner's not renewing slips this year.

Diane Kinney, Ports & Harbor Director informed the commission Commander Verfaillie from the Coast Guard said the Coast Guard would be helping enforce the fishing regulations in the harbor as well.

Ms. Kinney provided a written director's report in the packet. The tariff waiver for the Coast Guard discussed earlier this year has been postponed until the city's revenues have been reviewed.

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 explained the page titled Valdez SBH Estimated 2010 Administrative expenses are the expenses the commission felt the harbor revenues should cover. The calculation of the cost is 6.88% of the 2010 budget. The second page is a breakdown of the harbor equipment and snow removal expenses. The worksheet that is titled Valdez SBH Revenues and Expenses Worksheet with Administrative Costs includes the budget with Administrative costs.

Chairman Painter asked if the administrative expenses were currently coming out of the general fund. Ms. Kinney confirmed that they were.

Chairman Painter noted that according to the spreadsheet the harbor still has a shortfall of \$75,777 for budget year 2011 if Administrative expenses are included.

Ms. Kinney affirmed if the administrative cost were added into the 2011 budget the harbor would have a \$75,000 shortfall. The commission needs to make a recommendation to council regarding what they feel Harbor revenues should cover.

Commissioner Cotter recommended a 5% increase.

Chairman Painter asked if some of the items listed in the administrative costs had ever been covered under the harbor budget.

Ms. Kinney explained that in the past the harbor covered the cost of postage, credit cards, and snow removal.

Chairman Painter mentioned from the Work Session he felt city council was not concerned with paying all harbor costs. He reiterated city council needs to understand the expenses the increase will cover if approved.

Commissioner Meadors suggested preparing a couple of options for city council to review. The first option would be to have the general fund cover all harbor administrative expenses, and the second option would be to have the harbor be self sufficient. Commissioner Meadors noted the difference between 5% and 10% is \$30.00 per year for a 30 ft vessel. She recommended increasing the rate for one year at 5% and in 2012 review the expenses. She also suggested having council decide how self supporting the harbor needs to be.

Ms. Kinney clarified that option one would be an increase of 5% with the city general fund covering all of the harbor administrative expenses and option two would be an increase of 10% with the harbor covering some administrative expenses.

Commissioner Meador pointed out with all of this information it will help the city council make a more informed decision.

Ms. Kinney reviewed the changes to the draft resolutions. The recommended changes to the draft resolutions are on page 2 under Section I delete paragraphs 6 & 7. Reword paragraph 3 on page 2 starting with "The rate structure for reserved moorage privileges on A-M Docks will be <u>adjusted each year as needed</u> to help offset the ongoing effects of inflationary pressures and other escalations associated with the long-term maintenance and operations of the Valdez Small Boat Harbor. And the last sentence of paragraph 3 is reworded as "Annual increases will be set <u>one year in advance</u>". Paragraph 5 Reserved moorage rates on A-M Docks for 2012 will be charged at \$25.41 per foot. Other recommended changes are on page 5 under Section III (A.5) the boat lift no show fee is deleted; page 6 Section V (B) add "<u>cost plus 10%</u>"; page 7 Section IX (15) NSF fee is deleted since the Finance Department handles this charge.

Ms. Kinney verified the consensus from the Ports & Harbor Commission is to recommend a change to the resolution for a rate increase of 5% for 2012.

Commissioner Meadors requested a work session to explain the different options.

Ms. Kinney will contact the Clerk's Office and try to schedule a work session with the City Council on April 4th. She will make the changes in a different color to show council there have been changes to the resolution. The new spreadsheet will be given to council at the work session in order for them to see the expense and revenues.

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

VOTE ON THE MOTION TO POSTPONE: 4 yeas, 3 absent (Culbertson, Stephens and Bradshaw). Motion carried.

VII. NEW BUSINESS

A. Approval of Recommendation to City Council to Sell Lots 7-12, Block 31, Valdez Townsite and 19,000 Square Feet of Vacated Keystone Avenue Right-of-Way (Applicant: Karen & Mark Cline)

MOTION: Commissioner Johnson moved, seconded by Commissioner Meadors, to approve the recommendation to City Council to Sell Lots 7-12, Block 31 Valdez Townsite and 19,000 Square Feet of Vacated Keystone Avenue Right-of-Way to Karen and Mark Cline.

Commissioner Meadors questioned whether or not this was a preferred option for the Clines since this is not the original request.

Chairman Painter felt the recommendation was straight forward and he did not have any questions.

Ms. Kinney expressed her concern with the limited road access to the city warehouse and the lease for the KVAK tower. She felt the cost of reestablishing another road access should be presented with the land sale recommendation to city council. Ms. Kinney's concern is that Alaska Avenue is very narrow and if the port had a large project such as a gas line or another oil spill, having only this narrow road for larger trucks would not be wise.

Laura Robertson, Community & Economic Development GIS/Planner Technician, commented that she has spoken to the Public Works Department regarding building a new road for this area. During the conversation with Public Works the recommendation was to clear the area west of the proposed land sale for a road.

Ms. Kinney also recommended the land to the west of the proposed land sale due to the cost of developing the road in any other location. She mentioned having the most direct route for the trucks to be able to access the Richardson Highway without turning corners would be the most effective road.

Commissioner Johnson suggested looking at Alaska Avenue and changing the 90 degree turn into an angle at the snow cross parking into the pipe yard.

Ms. Robertson commented that there is a fence in the area that Public Works would need to remove. She said if the decision to clear the proposed road was

approved the Public Works Department would be able to use the summer hire employee to do the work.

Ms. Kinney mentioned Alaska Avenue is also a tourist area. She did not feel that directing tourists down a road that might have large trucks moving freight would be safe.

Commissioner Meadors asked how the commission should recommend the road improvements with the land sale.

Ms. Kinney felt the commission could approve the recommendation for the land sale and also request a recommendation to have the city reestablish the access road.

Mark Cline inquired about the concern for large truck usage in the area. Ms. Kinney explained to Mr. Cline that the Port and the Commission need to consider long range planning for land use of the pipe yard. While there may not be large trucks currently using the pipe yard, the Port is always marketing the area to customers. And, if a gas line project goes through or there is another oil spill, there could very well be a lot of traffic in that area.

Commissioner Meadors asked the Clines if they were aware of the hazardous designation for the property. Mark and Karen Cline both acknowledged that they were aware of the designation for the property.

Ms. Robertson clarified the recommendation was to reestablish the access road to the west of the existing access road.

VOTE ON THE MOTION: 4 yeas, 3 absent (Culbertson, Stephens, and Bradshaw). Motion carried.

B. Discussion Item: Valdez Small Boat Harbor H-K Docks & Tour Dock Electrical Upgrade Project

There was no discussion on this item.

C. Discussion Item: Valdez Container Terminal Electrical Upgrade Project

Ms. Kinney said the recommendation from the engineering company was to preorder the pedestals while the city continues the bid process for installation of the pedestals.

Commissioner Cotter mentioned he has heard discussion on relocating the pedestals to the back of the container terminal yard, but he felt it was easier to have them closer to the dock.

PORTS AND HARBOR COMMISSION Regular Meeting of March 15, 2011 Page 6

Ms. Kinney commented that a few years ago there was discussion on relocating the pedestals, but she spoke with Mr. Sontag at the beginning of the project and he said they were fine where they were. She also mentioned that with AML using the landing craft area, they were in a good location. Ms. Kinney also requested some information on temporary placement of the pedestals during the busy summer season.

Ms. Kinney explained the power pedestals are the most important project at the VCT. The VCT lighting project may need to wait for additional funding.

VIII. REPORTS

There were no reports.

IX. INFORMATION

A. Valdez City Council Minutes of 2/7/11 and 2/22/11

No discussion.

X. COMMISSION BUSINESS FROM THE FLOOR

<u>Commissioner Cotter</u> thanked the staff for ordering a defibrillator and scheduling defibrillator training for the employees at the Valdez Container Terminal.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at 8:24 p.m.

CITY OF VALDEZ, ALASKA PORTS AND HARBOR COMMISSION

ATTEST:	Bruce Painter, Chairman	
Karen Feero, Recording Secretary		