PORTS AND HARBOR COMMISSION Minutes for Regular Meeting June 21, 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, John Bradshaw, and Bernie Culbertson.

Commissioner Colleen Stephens was absent and excused.

Also present: Diane Kinney, Ports & Harbor Director; Steve Waller, Harbormaster; Sarah VonBargen, Harbor Office Manager; Karen Feero, Recording Secretary; and 2 members of the audience.

III. APPROVAL OF MINUTES – May 9, 2011

The minutes for the May 9, 2011 meeting were approved as presented.

IV. PUBLIC BUSINESS FROM THE FLOOR

There was no business from the floor.

V. STAFF REPORTS

Steve Waller, Harbormaster, reported that all of the fish stations are in the water and being used. The 2nd annual small boat owner's safety day will be held this Saturday, June 25th beginning at 1:00 p.m. The boxes that hold the life vests for the "Kids Don't Float" program have been modified and are now easier for children to access.

Diane Kinney, Ports & Harbor Director reported the VCT power pedestal project is going well and should be completed on time. This past weekend there was a tanker docked at the VCT for the first time in several years. The 4th of July festivities will be at the Kelsey Plaza this year with a few minor changes. Instead of using the parking lot for the main gathering area, the plaza will be used for the community picnic, fire pit, and evening events. Ms. Kinney also mentioned that the Clerk's Office would like all commissioners to update their contact information on the form that was passed out.

VI. UNFINISHED BUSINESS

There was no unfinished business.

VII. NEW BUSINESS

A. Approval of Recommendation for a Five Year Extension to the Stevedoring Services Permit Issued to North Star Terminal and Stevedore Co., LLC

MOTION: Commissioner Johnson moved, seconded by Commissioner Culbertson, to approve the five year extension to the Stevedoring Services Permit issued to North Star Terminal and Stevedore Co., LLC.

Commissioner Cotter declared a conflict of interest due to the fact that he receives money from North Star Terminal and Stevedore Co., LLC.

Commissioner Meadors questioned whether the conflict of interest is up to the individual or the commission. Ms. Kinney responded that the conflict of interest is decided by the commission.

Commissioner Bradshaw also declared a conflict of interest as well since he occasionally works for North Star.

Ms. Kinney said that because the commissioners receive money from North Star there is a conflict of interest. Ms. Kinney said that when a conflict of interest is declared, the commissioner is not allowed to discuss or vote on the agenda item.

Commissioners Meadors, Culbertson, Painter, and Johnson decided there is a conflict of interest for Commissioners Cotter and Bradshaw.

Commissioner Meadors asked if this recommendation for the agreement was an exclusive permit with North Star.

Ms. Kinney informed the commission that this is an exclusive permit. The original agreement was for 5 years with two options to renew for 5 years each. This recommendation is for the final 5 year extension on the permit. Ms. Kinney explained that after this agreement expires the permit will go out to bid again.

Commissioner Meadors asked Ms. Kinney if she had received any inquires from other companies interested in providing stevedoring services. Ms. Kinney said that she has not been contacted by anyone wanting to provide these services.

Ms. Kinney informed the commission that Steve Post and Ryan Sontag were present at the meeting if commissioners had any questions for them.

VOTE ON THE MOTION: 4 yeas, 2 abstentions (Cotter and Bradshaw), 1 absent (Stephens). Motion carried.

B. Approval of Recommendation to Council for a Five Year Extension to the Building Lease Agreement with North Star Terminal and Stevedore Co., LLC

MOTION: Commissioner Culbertson moved, seconded by Commissioner Johnson, to approve the recommendation for a five year extension to the Building Lease Agreement with North Star Terminal and Stevedore Co., LLC.

Ms. Kinney reported she has not received rental rate information from the City's appraisal company. She said the rental rate information will be given to North Star before the recommendation goes to council.

VOTE ON THE MOTION: 4 yeas, 2 abstentions (Cotter and Bradshaw), 1 absent (Stephens). Motion carried.

Ms. Kinney informed Mr. Post and Mr. Sontag that these items would be referred to Council for the meeting of July 5th.

- Mr. Sontag said he appreciated the commission's support.
 - C. Discussion Item: CDQ Fishing Fleet Feasibility Analysis

Ms. Kinney reported that the City Council approved the McDowell Group's proposal to investigate the possibility of moving one of the CDQ fishing fleets to Valdez. In the proposal from the McDowell Group there is a stopping point if no interest is found. She said the committee liked the two phased approach to the analysis.

Mr. Sontag informed the commission that Jeff Bentz, President of North Star would be meeting with one of the groups the following morning. Mr. Post said they had initiated a meeting with Coastal Villages to discuss what they are looking at and to promote Valdez.

Commissioner Cotter said he understood there are six companies and two of them are spoken for already. He said Sitka has contacted one of the companies also. He thought the concept of the city chasing this down is very proactive for the community.

Ms. Kinney explained that Mike and Jason Wells brought this idea to her and the City Manager's attention to pursue.

Commissioner Meadors also felt it was good that the City was being proactive. She questioned the process of the RFP. She asked why the budgeted amount was put in the RFP. She felt the city should give the scope of work and have the bidding agencies explain to the city the cost for the analysis. Commissioner Meadors said she was opposed to showing the budgeted amount. She felt if the budget amount is known then there is no way to negotiate the cost. She felt the City had given up its negotiating power.

Ms. Kinney explained this is how the city sends out the majority of the RFP's. She said she understood Commissioner Meadors' concerns and would pass the information on to city administration.

Commissioner Meadors did express her appreciation for the McDowell Group proposing the two phased approach for the analysis.

Ms. Kinney informed the commission that the City Manager has received an agreement from the Corps of Engineers for design money on the harbor expansion. The agreement is a 75/25 match. The Corps of Engineers is putting up \$500,000 and the city would put up \$180,000 for the design. Ms. Kinney felt this could help with bringing one of the CDQ Fleets to Valdez.

Commissioner Cotter said his brother is the CEO of one of the companies. They are in Homer, Kodiak, Petersburg, and Seattle. He has offered to help in any way he can. He said there are 4 other groups that are undecided. He had received a letter from Sitka. Commissioner Cotter felt it was worthwhile going after these other groups.

VIII. REPORTS

A. Fishing in the Valdez Small Boat Harbor.

Mr. Waller reported the flyer with the rules for fishing in the harbor has been posted in strategic areas throughout the harbor. Mr. Waller mentioned besides the flyers there will be signs posted in the launch ramp area as well.

Commissioner Cotter asked whether the rule included fishing from the shore. Mr. Waller responded that the "no fishing" zone rule is from vessels, fishing from the shore is still allowed.

Ms. Kinney reported the council liked the phased approach with the signs and if further enforcement is needed staff will make changes if necessary.

Commissioner Bradshaw asked whether or not there was a fine involved with the fishing infraction. Mr. Waller responded at this time there is no fine attached to the no fishing rule. He said this hasn't been a problem until just recently.

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IX. INFORMATION

A. Valdez City Council Minutes of 5/2/11 and 5/16/11

There was no discussion on these items.

X. COMMISSION BUSINESS FROM THE FLOOR

<u>Commissioner Meadors</u> mentioned the new "fish" directional signs at the Small Boat Harbor look great.

<u>Chairman Painter</u> agreed with Commissioner Meadors on the new "fish" directional signs. He also noted the boat yard seems to be busier this year than in years past.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at 7:40 p.m.

	CITY OF VALDEZ, ALASKA PORTS AND HARBOR COMMISSION
	Bruce Painter, Chairman
ATTEST:	
Karen Feero, Recording Secretary	_