

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

I. CALL TO ORDER

Chairman Bruce Painter called the regular meeting of the Ports and Harbor Commission to order at 7:04 p.m. in the Valdez City Council Chambers.

II. ROLL CALL

Commissioners Present: Bruce Painter, Laura Meadors, Bernie Culbertson, and Steve Cotter.

Commissioners Colleen Stephens, Mark Swanson, and Jeff Johnson were absent and excused.

Also present: Diane Kinney, Ports & Harbor Director; Steve Waller, Harbormaster; Karen Feero, Recording Secretary.

III. APPROVAL OF MINUTES – August 23, 2011

The minutes for the August 23, 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 the high tower light repair is ongoing. Mr. Waller mentioned there was a problem with the ballast on the A Dock light and the ballast has been repaired. Mr. Waller also reported the harbor staff has been doing a great job on the snow removal. Mr. Waller mentioned the replacement and relocation of the boiler for the Harbormaster's Office should be completed next week.

Diane Kinney, Ports & Harbor Director reported she attended the Alaska Association of Harbormasters and Port Administrators Conference in Homer. Kyle Rennie, Stephan Benda and Steve Waller also attended the conference. Ms. Kinney mentioned the Valdez Ports & Harbor Department has volunteered to host the 2013 conference. Ms. Kinney stated the 2012 conference will be held in Sitka.

Ms. Kinney is continuing to work with the Capital Facilities Department on the airport building interior upgrades project. Ms. Kinney said the project will start after the holidays.

Ms. Kinney reported Commissioner Swanson volunteered to work on the Community Strategic Planning committee. Ms. Kinney mentioned there will be a Strategic Planning session this Saturday and Sunday at the Civic Center if any of the commissioners would like to attend.

VI. UNFINISHED BUSINESS

There was no unfinished business.

VII. NEW BUSINESS

A. Discussion Item: Port Tariff & Fees

Ms. Kinney explained the attachments to this agenda item. Ms. Kinney provided information on the Port Tariff and other fees associated with Port services.

Ms. Kinney mentioned the fair market rental value for the cell tower sites came from the city's assessor and the rental range is from \$700 to \$800 per month. Currently a monthly fee of \$500 is the charge for new users with an increase of 3% annually.

Commissioner Culbertson asked if the city was requesting an increase per month or an increase to the yearly percentage.

Ms. Kinney said based on the assessors letter the city should increase the base starting point and keep the annual 3% increase.

Commissioner Meadors questioned whether the commission was in charge of setting the rates.

Ms. Kinney explained the tariff and other Port rates are similar to setting the Harbor rates. The commission reviews and evaluates the rates when necessary. Ms. Kinney also informed the commission the building lease agreement at 10% fair market value is written in the city code. Special use permits and leases come to the commission for recommendation and then to council for approval. The leases and permits are negotiated individually.

Ms. Kinney will remove the Port Vendor Permit from the resolution since cruise ships no longer dock at the Container Terminal.

Commissioner Meadors asked if the city had a provision for vendors at the Kelsey Dock.

Ms. Kinney said the decision to have vendors at the Kelsey Dock would need to be a recommendation from the commissioners. Ms. Kinney reminded the

commission that during the discussion for the Kelsey Dock fees the decision to have vendors was discouraged at the time. The idea is to encourage passengers to explore the downtown area.

Commissioner Cotter asked what the city is charging for the reefers vans when connected to the pedestals at the VCT.

Ms. Kinney said the electrical cost is in the tariff and the charge is \$20 per day for electricity.

Commissioner Cotter questioned whether or not the city could decipher what the actual cost is for the electricity being used for each reefer unit. Commissioner Cotter suggested if the city is not able to calculate the cost, CVEA might have the information.

Ms. Kinney said the city receives a bill for the electrical usage for the VCT facility, but not individual reefer vans. Ms. Kinney said staff could calculate VCT usage by subtracting out the cell sites and North Star usage, the total will indicate the cost for other VCT electrical usage.

Commissioner Cotter felt the \$20 for electricity is too low and would recommend an increase to the charge.

Ms. Kinney said staff would research to see what the cost of electricity would be for each pedestal.

Ms. Kinney informed commissioners that staff had completed a comparison spreadsheet for charges at other Ports in Alaska and Washington.

Commissioner Meadors asked if staff had a recommendation on the rates for the commission to review.

Ms. Kinney would like the commission to review the comparison spreadsheet first and if needed she would suggest a recommendation.

Commissioner Culbertson asked what port was the main competition for the City of Valdez.

Ms. Kinney said Seward and Port McKenzie were the competition for barge traffic.

Commissioner Culbertson suggested a break in rate for vessels at a 60' length. He said the majority of fish companies will pay for the cost of smaller vessels.

Ms. Kinney recommended a different rate for smaller vessels from 0-60' and then the next break would be 61'-100'.

Commissioner Cotter requested to review the rate at the Small Boat Harbor for vessels up to 60' and compare the cost to the Port tariff.

Ms. Kinney said staff would put a comparison sheet together for the same size vessel in the harbor versus the Kelsey Dock. Ms. Kinney also mentioned the port comparison for dockage fees on a vessel at 830' varies from very low to very high at different Alaskan ports.

Commissioner Culbertson asked whether or not the Klondike Express used the Kelsey Dock this summer.

Ms. Kinney responded that the contract between Princess Cruise Lines and the Klondike Express was not renewed.

Commissioner Meadors requested a recommendation from staff for the changes to the tariff and resolution.

Commissioner Cotter felt some of the smaller charges in the tariff, such as water and water hook-ups seem to be very inexpensive for the services being provided.

Commissioners Meadors requested additional information along with recommendations and further discussion with the other Ports & Harbor Commissioners that are absent.

Ms. Kinney confirmed she will have information on the cost for smaller vessels at the harbor and lease information on the user agreements.

## VIII. REPORTS

### A. Valdez Small Boat Harbor Report

Chairman Painter pointed out the report was very informative and he would recommend this to be a yearly report to the commission.

Mr. Waller mentioned the Harbor ran smoothly this past summer with very few incidents. Mr. Waller also mentioned the signage for no trolling and fishing worked well at the harbor.

Commissioner Cotter requested an update on the expansion of the launch ramp.

Ms. Kinney reported the expansion to the launch ramp has been put on hold at this time. The cost of the launch ramp is higher than expected.

### B. Feasibility and Resource Analysis for Relocating the Home Port of the CDQ Fishing Fleet

Commissioner Meadors reconfirmed the decision made by council to not go further into the analysis was a good choice.

Ms. Kinney mentioned the bid gave the option of not going forward if Phase I was not acceptable. And with the information the city received, Administration chose not to go forward.

IX. INFORMATION

A. Valdez City Council Minutes of 8/1/11, 8/15/11, 9/6/11, 9/19/11, 9/21/11, 10/3/11, and 10/17/11

There was no discussion on these items.

X. COMMISSION BUSINESS FROM THE FLOOR

Chairman Painter felt the harbor business this summer went rather smoothly compared to previous years. He was very impressed with all of the vessels that the harbor staff dealt with over the summer.

Next regular scheduled meeting will be held on December 6<sup>th</sup> at 7:00 p.m.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at 8:23 p.m.

CITY OF VALDEZ, ALASKA  
PORTS AND HARBOR COMMISSION

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Bruce Painter, Chairman

ATTEST:

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Karen Feero, Recording Secretary