

Session 11-01, a Regular Meeting of the Port and Harbor Advisory Commission was called to order at 5:03 p.m. by Vice Chair Zimmerman on January 26, 2011 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER CARROLL, HOWARD, HARTLEY, HOTTMANN, WEDIN AND ZIMMERMAN

ABSENT: COMMISSIONER ULMER (EXCUSED)  
HARBORMASTER HAWKINS (EXCUSED)

STAFF: DEPUTY HARBORMASTER CLARKE  
DEPUTY CITY CLERK KRAUSE

### **APPROVAL OF THE AGENDA**

Vice Chair Zimmerman requested a motion to approve the agenda.

HOWARD/HOTTMANN – MOVED TO APPROVE THE AGENDA AS WRITTEN.

There was no discussion

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA** *(3 Minute Time Limit)*

Dave Seaman, President of the Kachemak Bay Wooden Boat Society (KBWBS) requested support from the Commissioners for waiving the fees related to beaching the Rolphy at this year's annual festival.

There were no additional comments.

### **RECONSIDERATION**

There were no items for reconsideration.

### **APPROVAL OF MINUTES**

A. Regular Meeting Minutes for December 15, 2010

Vice Chair Zimmerman requested a motion to approve the minutes of December 15, 2010.

HOWARD/HOTTMANN - SO MOVED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **VISITORS**

There were no visitors scheduled.

**STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**

*(Chair set time limit not to exceed 5 minutes)*

A. Port & Harbor Director's Staff Report – January 2011

Matt Clarke, Deputy Harbormaster was filling in for Bryan Hawkins who was out of town. He noted the following:

1. The Harbormaster spoke with the Corps of Engineers regarding operations and maintenance dredging of the Homer Harbor.
2. The energy audit report was postponed until receipt of further information from Siemen Building Technologies regarding the high mast lights and the improvements they proposed explained to the Harbormaster and Public Works Director.
3. The Harbormaster worked with staff to create/update the informational tri-fold brochure and is currently distributing these updated materials at the Seattle Boat Show.
4. A meeting with Jim Beckham, Petro Marine Services was conducted on the projected time line for the installation of a new pipeline from the Homer Ferry Terminal to Pioneer Dock, it appears to be tentatively schedule for spring or summer project start.
5. Many vessels are taking advantage of the energized portions of the harbor.
6. Ice was a factor during several days the last few weeks hampering some traffic in the small boat harbor.
7. ETT training was conducted and all members were able to participate for recertification requirements. It was noted that this training was vital to deal with various emergency situations around the harbor.

Deputy Harbormaster Clarke further summarized the receipt of DHS grant for promoting interoperability which incorporated three new radios with AMLR capability; planning improvements to the harbor is scheduled to begin in February; the weather station is back up on the website; the Deep Water Security Gates is in final stages with Nelson Engineering. A Request for Proposal will be issued soon.

Commissioner Carroll commented on the amount of fresh water ice in the harbor and was concerned that there was a leak, discharge or similar event that put more fresh water in the harbor than normal. He noted that the ice buildup was very quick and so was the dissipation.

There was no further discussion.

Vice Chair Zimmerman took a moment to introduce and welcome the newest Commissioner, Bob Howard.

B. Lease Committee Report

Vice Chair Zimmerman noted that at the meeting on January 13, 2011 they approved the new lease without the RFP process for the Homer Spit Campground; recommended allowing the City Manager or Harbormaster to enter into short term rental agreements for parcels on the Spit in specific locations without going through the RFP process. The terms would be six months. This must be approved by the Land Allocation process. This will be for smaller kiosks type businesses.

Discussion included that Lot 12A and 9 would be in addition to the lots recommended last year by the commission.

There was no further discussion.

**PUBLIC HEARING** *(3 minute time limit)*

There were no public hearings scheduled.

**PENDING BUSINESS**

A. Memorandum dated January 17, 2011 to Mayor and Council Re: Credit Card Fee Ordinance

Vice Chair Zimmerman requested a motion to bring this item to the floor for discussion.

HOWARD/HARTLEY – MOVED TO BRING THE CREDIT CARD FEE PROGRAM TO THE TABLE FOR DISCUSSION.

There was no discussion.

The motion to discuss was approved by consensus of the Commission.

Vice Chair Zimmerman stated that before further discussion was held he wanted to report that recent information indicated that the City could not charge a fee due to the agreement the City has in place with the current credit card company.

Commissioner Wedin noted that the way around this would be to offer a cash discount. He offered his personal experience during his business. He commented that they did not have to offer 3% but could offer 2% discount. Commissioner Hottmann asked for the actual revenue and costs figures for 2010 for credit cards. Vice Chair Zimmerman stated that 44% of the revenue received was on credit cards totaling just under \$1.6 million dollars and the fees paid were \$51,500.00 which amounts to 3.2% in costs. Commissioner Hartley questioned if the rates would be increased again if they accepted discounts. Commissioner Wedin cited a previous discussion regarding increasing rates. He did note that the recent increase was to boost the reserves but it would be difficult to convince the public to accept this as necessary. Discussion continued and included the following points:

1. A one-time percentage increase does not cover future years of increased operational costs.
2. The 3% fee increase is just coincidental to the 3.2% costs to accept credit cards.
3. The presumed inequity between cash/check payers and credit card payers.
4. The individual does benefit from using a credit card depending on his card company program with airplane miles, etc.
5. There may be a greater loss than the costs for accepting credit cards by adding in the discount given for cash payments.
6. Determine the goal of the commission - to totally mitigate the costs incurred to accept credit cards for payments; or encourage the city to negotiate better terms; or establish an administrative surcharge to cover the costs of using a credit card.
7. Add a 3% administration fee to every transaction and discount that if it is a cash transaction.
8. Achieve a fair equity for all who use the services of the harbor, cash and credit alike.
9. Accepting credits cards as reduced the costs of collecting unpaid fees and rents.
10. The City is currently reviewing options to retain new merchant services or renegotiate fees.

It was requested to have on future agendas for status updates.

There was no further discussion.

- B. Memorandum dated January 14, 2011 to Port and Harbor Advisory Commission  
Re: Long Term Parking Passes  
1. Terminal tariff Rule 34.22 – Upland Storage

HOWARD/HARTLEY – MOVED TO DISCUSS THE ISSUE OF PAID PARKING ON THE SPIT.

There was no discussion.

The motion to discuss was approved by the commission.

Deputy Harbormaster Clarke explained that the City and Harbor does not have any regulations or guidance other than the ordinance regarding seven day parking on the Spit. There is the need from several user groups for longer than seven day parking and this requirement needs to be in place before May of this year. He noted that the Harbormaster has identified some key points for consideration of the Commission to establish long term paid parking on the Spit.

- Define long term parking.
  - Is long term parking really storage?
- Who are the user groups that require long term parking?
- What is the minimum acceptable number of days that a person should be allowed to park in the open areas on the Spit for free?
- Are there any limitations on what kind of vehicles that can be stored or parked on the Spit long term?
  - Cars, RV's? How Long?

Discussion ensued on designating locations where vehicles can be parked long term. Commissioners expressed concern regarding the vehicles that were parked on the Spit year round by residents from across the Bay and parking in a choice location such as near ramp access; parking passes should be for designated areas; it was recommended to keep long term parking from areas close to the top of the ramps, and between the Harbormaster Office and Salty Dawg during the summer season; if long term parking is allowed in other areas such as the gravel lots then the daily users will be displaced; long term lots should be designated in all areas of the spit and these should be placed away from the ramps or choice spots; there are a number of groups considered as long term parking that require access such as the small recreational boat owner; south bay resident; crab fisherman or a marine highway employee that have a requirement for long term parking. Some may be a long term lessee for boat stall and other may be transient. Long term parking should be available 360 degrees around the harbor. Questions to ask are what price should be charged, who should automatically be given a permit or parking pass. The fee should be affordable. It was noted by Commissioner Hartley that giving everyone who moors a boat in the harbor the city will still incur an expense in issuing those permits. It was suggested to include a moderate fee to cover those costs. Deputy Harbormaster Clarke did note that the administrative fee currently built into the moorage could be adjusted and admitted that this will be a considerable task to take on administratively a lot of the permitting could be handled during stall renewal in the fall.

Commissioner Howard inquired about a permit in lieu of payment in the existing pay lots. He requested the Commission look at issuing a limited amount of yearly permits for parking in pay parking lots. This would be for spaces as available, first come - first serve.

Vice Chair Zimmerman requested a motion to suspend the rules to allow comment from the audience.

There was consensus of the Commission to allow the public comments on the current discussion.

John Crandall, Harbor user, agreed completely, he stated that at the height of the holiday periods during the season these lots are mostly empty and he would be happy to pay a yearly fee. He stated he comes

and goes during the course of the day. He was unaware that a one-time payment per day was required not every time you came and go.

Discussion centered on the revenue each spot would bring in on a daily rate. It was recommended to take the total revenue each lot brings in for the season and then divide that by the number of spaces in the lot to determine the average income per space. It is up to the user to determine if the amount whether attractive or unattractive is up to the customer. It was noted that there were probably more incidents of a person paying more than once during the day to pay for parking. It was further noted that not every car stays the entire day so some spots may earn \$10 or more dollars and it was very frustrating to park clear across from the ramp when there were empty spots close by in paid parking area.

Deputy Harbormaster Clarke stated that if the Commission would determine a fee and formula so the seasonal permit system could be put in place. Vice Chair Zimmerman asked for Staff to bring numbers and information for the commission to review at the next meeting. He further stated that the total revenue divided by the total number of parking spaces would reflect a more realistic cost for a permit. Vice Chair Zimmerman suggested creating a coupon book with a set number of coupons for a discounted price. Commissioner Carroll suggested a lottery.

This item was asked to be on the February agenda.

Commissioner Howard recommended establishing a committee to focus on the issue of paid parking to resolve it. He did not believe it did any good to just continuously talk about it.

Deputy Harbormaster Clarke stated that he had enough to come back to the February meeting regarding the fee parking issues. He restated his understanding of the discussion. He will include protecting areas in close proximity to the ramps. He additionally asked the Commission to address the issue of over-parking of junk such as unregistered vehicles. A mechanism needs to be in place to assist in enforcement of long term parking and storage.

Commissioner Hottmann suggested donating the abandoned vehicles to Kachemak or Homer Emergency Services to use for training purposes such as how to use the Jaws of Life.

There was no further discussion.

- C. Memorandum dated January 18, 2011 to Mayor and City Council Re: Dredge Spoils Management
  - 1. Ordinance 6-720.2 Control of Excavation or Removal of Gravel, Gravel Fill or Fill Materials From Beaches
  - 2. Ordinance 98-2(A) (S) (A)
  - 3. Chapter 19.12 Excavation of Homer Spit Beaches
  - 4. Maps of Dredge Areas

Vice Chair Zimmerman introduced the item and requested a motion to discuss.

HOWARD/HOTTMANN - MOVED TO BRING MANAGEMENT OF DREDGE SPOILS TO FLOOR FOR DISCUSSION.

There was no further discussion.

There was consensus to bring to the floor for discussion.

Deputy Harbormaster Clarke stated this was just brought before City Council for discussion. There was no action taken at that meeting. He further summarized that there is a potential of 40,000 CY of materials for 2011. Deputy Harbormaster Clarke summarized the area to be dredged and amounts.

Some of the points made during discussion were:

- The intent of the ordinance originally to protect the Spit from persons taking materials off the spit as fill.
- Create an ordinance to address surplus dredge spoil materials produced over the annual average
- Prioritize the uses for dredge spoils materials
  - Beach renourishment
  - Build-up projects, land creation to benefit the City of Homer Port and Harbor
  - Materials sold to land owners and projects on the Spit
  - Stock Pile up to 10,000 CY of dredge spoils for emergency erosion repairs and small quantity sales for use on the spit.
  - Only when the above uses are fulfilled issue RFP for sale of materials for off spit use such as fill material. Proceeds to be used for Enterprise operational costs.

It was noted that in the past few years English Bay Native Corporation has purchased the surplus but this need is almost complete and with land at a premium on the Spit something must be done. Dredging of the harbor basin will need to be done in the near future and handling the dredge spoils in the future must be implemented sooner rather than later. The discussion included the amount of materials needed to bring certain areas up to grade for use as parking, if a survey has been done to determine the type of materials removed in the different areas.

Commissioner Carroll suggested placing materials all along the Spit to the high tide line which would increase the parking areas and make use of the dredged materials. He opined that this would use of a significant quantity of materials.

There was no further discussion.

## **NEW BUSINESS**

- A. Memorandum dated January 19, 2011 to Port and Harbor Advisory Commission Re:  
Waiving Fees for Vessels Rolphy and Dolphin during the Annual Wooden Boat Festival

Vice Chair Zimmerman requested a motion to discuss.

WEDIN/CARROLL – MOVED TO DISCUSS WAIVING FEES.

There was no discussion.

The motion to discuss was approved by consensus of the Commission.

Commissioner Wedin requested clarification on liability agreements if fees are waived. Deputy Harbormaster Clarke stated each vessel named in this request have moorage agreements in place so the issue of liability is covered during the event.

Commissioner Carroll was concerned regarding the City's liability for damages to the vessels while beached. Deputy Harbormaster stated that it is a "use at your own risk" beach; there are no

improvements to this beach. There are scattering of rocks along the beach. No formal grooming was done to this area. Commissioner Carroll suggested a liability waiver was needed.

Mr. Seaman, President of the KBWBS did note that last summer he did see city personnel removing large rocks from the area.

In response to a question on the fees, Deputy Harbormaster Clarke noted that the fees were \$1.50 per foot per vessel per day. The fee for the Rolphy would be \$135.00 per day and the Dolphin \$120.00 per day. He confirmed that the Harbormaster has the authority to waive these fees without getting Council approval.

HOWARD/WEDIN - MOVED THE PORT AND HARBOR COMMISSION DIRECTS STAFF TO WAIVE THE LANDING FEES FOR THOSE WOODEN BOATS THAT WISH TO PARTICIPATE IN THE WOODEN BOAT FESTIVAL DURING SEPTEMBER, PROVIDING THAT THE VESSEL OWNERS DO NOT PERFORM DRY HULL MAINTENANCE WHILE ON THE BEACH AND SHALL NOT BE BEACHED FOR MORE THAN FIVE CALENDAR DAYS.

Discussion on increasing the number of wooden boats to be beached on the appropriate beach and possible liability. It was agreed the harbormaster could exercise discretion on the number of wooden boats to be allowed to be on the beach for the duration and benefit of the festival.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further discussion.

B. Memorandum dated January 17, 2011 to Port and Harbor Advisory Commission  
Re: Cook Inlet Marine Winter Barge Storage on Beach Proposal

Vice Chair Zimmerman requested a motion to bring to the floor for discussion.

HOWARD/HARTLEY - MOVED THAT THE PORT AND HARBOR COMMISSION RECOMMEND CITY COUNCIL CREATE A CAPITAL IMPROVEMENT PROJECT THAT RESULTS IN CONSTRUCTION OF A BARGE MOORAGE FACILITY ON THE BEACH BETWEEN THE FISHING LAGOON AND FREIGHTDOCK ROAD.

Commissioner Howard requested staff to explain the desire to carry out the project. The Clerk confirmed that participation in discussion by the party of the proposal was allowable.

Deputy Harbormaster Clarke proceeded to summarize the background leading to this request for recommendation to council.

Mr. John Crandall, Cook Inlet Marine, LLC, stated his need for a more reliable, safer location for winter moorage. He explained that without a permanent arrangement it can take several tides to properly anchor the barge.

Further discussion covered and included the following:

1. Configuration needed to accomplish an appropriate moorage.
2. Local interest by several additional businesses.
3. Benefits to the local economy.

Commissioner Hottmann opined that the pilings would be tidal and a permit would be required but should not be an issue per earlier conversation with staff. It was noted that there would be several governmental agencies involved in the permitting process.

HOTTMANN/HARTLEY - MOVED TO FURTHER RECOMMEND STAFF SEEK ESTIMATES FOR COST AND CONTINUE FURTHER DEVELOPMENT OF THIS PROJECT.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Additional discussion on performing maintenance such as sandblasting ensued. Commissioner Carroll inquired if Mr. Crandall would perform sandblasting here in Homer. Mr. Crandall responded that he would be very interested in staying in Homer to perform sandblasting since it would save tens of thousands of dollars. Deputy Harbormaster Clarke stated the harbor is interested in new ideas and the intent is to become a full working harbor. He gave a brief explanation on the touchy issue of sandblasting and the environmental effects of sandblasting with the comment that it is something that should be performed indoors. He further stated that the savings to the boat owners to be able to stay local to maintenance larger vessels would be substantial, not to mention the positive impact to local businesses.

VOTE. (Main) YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Vice Chair Zimmerman recognized Mr. Mike Kennedy, city resident, allowing him to voice his concern on the Commission not discussing or considering on the second alternative presented in the proposal. Vice Chair Zimmerman stated that the commission addressed the more useful option and no one brought up to discuss the alternative option. Mr. Kennedy noted he was bringing it up.

Vice Chair Zimmerman thanked him but noted that if required it could be brought back at a future meeting of the commission by Mr. Crandall.

There was no further discussion.

C. Memorandum dated January 20, 2011 to Port and Harbor Advisory Commission  
Re: Strategic Plan Update

Vice Chair Zimmerman requested a motion to discuss.

HOWARD/HARTLEY – MOVED TO DISCUSS THE STRATEGIC PLAN UPDATE.

Items removed from the plan as completed were the following:

Short Term Goals	Midterm Goals	Long Term Goals
1. Remove Item #6	1. Remove item #4	1. Remove Item #2
2. Add Improvements to Barge Ramp	2. Remove item #6	2. Remove Item #3
	3. Add Improvements to Barge Terminal Facility	3.
	4. Add Container System	

Change – Improve Harbor Recycling Efforts

Add Under Short Term – Improvements to Barge Ramp – Serious considerations for improvements need to be address. The higher use of this ramp has resulted in increased wear and tear to the aged facilities. This provides significant revenue to the Harbor.

Add under Mid-Term Goals – Container Freight System – Offer support to staff and encourage market research for container handling facility. Obtain information regarding the interest in use, cost effectiveness and benefits to the Kenai Peninsula.

Commissioner Wedin requested to add the Barge Ramp Terminal Facility Improvements under Mid-Term Goals. This project would address sheet piling and improvements to the bulkhead.

CARROLL/HOTTMANN - MOVED TO DIRECT STAFF TO MAKE THE AMENDMENTS TO THE STRATEGIC PLAN AS NOTED IN DISCUSSION.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further discussion.

**INFORMATIONAL MATERIALS**

- A. Harbormaster’s Monthly Statistical Report for December 2010
- B. Weekly Crane & Ice Report
- C. Deep Water Dock Report - NONE
- D. Pioneer Dock Report & Ferry Landings - NONE
- E. Water Usage Report - NONE
- F. Lease Expirations as of 01/06/11
- G. 2011 Commissioner Attendance at City Council Meetings
- H. Appointment of Bob Howard to the Commission – Welcome!
- I. Memorandum to Mayor and City Council dated January 5, 2011 from Lease Committee  
Re: Recommendations for the Kachemak Bay Wooden Boat Society Lease Proposal

There was no discussion on the informational materials.

**COMMENTS OF THE AUDIENCE**

Mr. Kennedy commented that the Commission is doing a great job.

**COMMENTS OF THE CITY STAFF**

Deputy Harbormaster Clarke stated he recognized the need to be concise in listing the key issues on parking for the next meeting.

Deputy City Clerk Krause commented that the commission is doing wonderful and welcomed Commissioner Howard.

**COMMENTS OF THE COUNCILMEMBER** (*If one has been assigned*)

None.

**COMMENTS OF THE CHAIR**

Vice Chair Zimmerman requested the Land Allocation Plan to be on the February agenda. He further thanked the Clerk for the cheat sheet to get him through the meeting. It was a great help. He welcomed Commissioner Howard.

**COMMENTS OF THE COMMISSION**

Commissioner Carroll complimented Vice Chair Zimmerman on a great job, just a little bit slow, need to bit a bit more precise to speed the meeting along.

Commissioner Wedin thanked the staff, thanked Matt Clarke for attending, he hoped Port & Harbor Director Hawkins was having good luck, welcomed Commissioner Howard, and stated good job to Vice Chair Zimmerman.

Commissioner Howard stated he was very pleased to join the commission and looks forward to working with everybody on making their harbor a very sustainable operation.

Commissioner Hartley welcomed Commissioner Howard.

Commissioner Hottmann welcomed Commissioner Howard and complimented Deputy Clerk Krause and Vice Chair Zimmerman on a job well done.

**ADJOURN**

There being no more business to come before the Commission the meeting was adjourned by Vice Chair Zimmerman at 7:25 p.m. The next regular meeting is scheduled for February 23, 2011 at 5:00 p.m. in the City Hall Cowles Council Chambers.

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RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved: \_\_\_\_\_