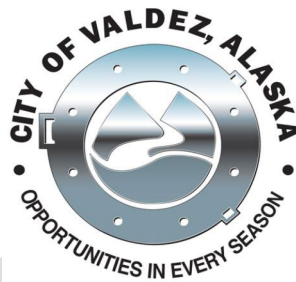


# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686



## Meeting Minutes - Draft

Monday, April 18, 2022

7:00 PM

Regular Meeting

Council Chambers

**Ports and Harbor Commission**

**REGULAR AGENDA - 7:00 PM****I. CALL TO ORDER**

Chair Hirsch called the meeting to order at 7:00 p.m. in Valdez City Council Chambers.

**II. ROLL CALL**

Present 5 - Chair Stu Hirsch  
Chair Pro Tempore Colleen Stephens  
Commission Member Mark Swanson  
Commission Member Alan Steed  
Commission Member Monty Morgan

Excused 2 - Commission Member Tim Bouchard  
Commission Member Ryan Sontag

Also Present 3 - Director Ports and Harbor Jeremy Talbott  
Harbormaster Sarah Von Barga  
Ports and Harbor Office Manager Karisa Friend

**III. PUBLIC APPEARANCES****1. Report: Peter Pan Seafoods Season and Future Plans Update**

Mr. Talbott stated the Peter Pan Seafoods representative was unable to attend this meeting, but his intent was to inform the Commission of their summer plans. A specific reason for an update is because they received a letter from DEC about their disposal process, so they'll be coming up with a plan to stop dumping offshore.

**IV. PUBLIC BUSINESS FROM THE FLOOR**

There was no public business from the floor.

**V. NEW BUSINESS****1. Discussion Item: Airport Space Update**

Mr. Talbot stated the Airport has 100% occupancy with a waitlist. He asked if the Commission was ok with managing a waitlist without a fee. He said that someone is interested in the tower with stipulations to not interfere with current operations in the space.

Commission Member Swanson asked if it would be possible to move some of the City Departments out of the Airport and Mr. Talbott stated there would probably only be one of the departments that could be moved. Due to the size of the other departments it would be more difficult to move them.

Mr. Talbott also stated that all businesses are busy and new ones coming in will be busy during the ski seasons.

Chair Hirsch stated that every year a rate comparison is done and it shows how much space the City Departments utilize, he asked if the departments did have to pay would it show better financially. Mr. Talbott said that there would still need to be some subsidizing.

## **2. Approval of a Recommendation to City Council Authorizing a Lease with Harris Sand & Gravel for 4380 McKinley Street, Parcel B, ATS 10 Owned by the City of Valdez**

MOTION: Commission Member Stephens moved, seconded by Commission Member Swanson to approve the Recommendation to City Council Authorizing a Lease with Harris Sand & Gravel for 4380 McKinley Street, Parcel B, ATS 10 Owned by the City of Valdez. The motion carried by the following vote, after the following discussion occurred.

Commission Member Morgan asked about the way the boundary is being moved and if it is approved to change the lot. Kate Huber, Planning Director addressed the question by stating the boundary is not changing of the lease area. It has been noted in the image it could appear the leased area is extending, but it is not and will be addressed with updated imagery and new technology at a later time.

Commission Member Swanson asked about the staff recommendation given it is a 20 year lease, periodically the land needs appraised to have rental value established. This states it is not applicable for appraisal fees. He said if the applicant is not going to pay for these fees and that goes against City policy. Ms. Huber said it is something dictated by City code and not something that would typically change. Nicole LeRoy, Planner stated that the applicant understands it is a required fee and required every 5 years to be reappraised to adjust fair rental value. Ms. Huber said it will be made clear to Council what the applicant is approving.

Commission Member Swanson also noted the requirement of PPE while on and working on the property. Commissioners agreed that it should be on the lessee to ensure the company employees are following proper protocol. Ms. Huber stated she would pass on Commission comments and concerns to City Council.

There being no further discussion, Chair Hirsch invited a vote on the motion:

### **VOTES ON THE MOTION:**

Yays: 5 - Chair Hirsch, Chair Pro Tempore Stephens, Commission Member Swanson, Commission Member Steed, and Commission Member Morgan

Excused: 2 - Commission Member Bouchard, and Commission Member Sontag

## **3. Discussion of Harbor Rates and Fees for Use of Facilities in the Valdez Harbors**

Chair Hirsch opened this item for discussion. Mr. Talbott stated that City Council passed the rates and fees and since it was passed there has been emails with feedback from users. This is currently being brought back to the Commission for discussion again. Commission Member Swanson asked if there were any other issues with other rates.

Ms. Von Bargen stated she did forward on all the feedback she received to the Commissioners.

Josh McDonald, Valdez Harbor Resident, stated he is speaking to the new harbor live aboard fee. He stated the \$75.00 fee is the concern and he didn't understand why the Harbor Residential Surcharge was not adjusted instead. Mr. McDonald read his list of concerns, there was no notice for comment about the new fee and it seemed to come out of nowhere, in the new live aboard policy this fee was never listed, in the past it was stated that no additional fees would be added and he wanted to know why this user group needs to be more responsible for the facilities when the public uses them for free. He felt this fee is unnecessary and the Harbor Residential Surcharge is minimal and more reasonable.

He said it would make more sense to adjust that fee.

Mrs. McDonald also stated another concern is additional fees be applied without notice.

Commission Member Swanson stated there are proposals brought to the Commission first. He said Valdez is cheaper across the board on all rates and fees and the Commission is looking to gradually increase over the years. At each of these events new fees are addressed.

Mr. McDonald said he has visited Harbors all over the world and lived on his boat. He stated in California marinas charge \$400 to \$500 a month to be a live aboard. So it is something other harbors do, but this is Valdez Alaska. He asked if this is something to really do, to copycat other places do or should this place be kept a little freer and less government control over things.

Commission Member Swanson said that is exactly why the Commission wants to hear from harbor users. He said the Commission has proposed fee changes to make the harbor pay for itself and pay for maintenance and it has been rejected by City Council and the Council says to subsidize the harbor a little bit. Commission Member Swanson said that in the end the Commission doesn't decide anything, it all gets taken to City Council and they decide.

Mr. McDonald stated he spoke with one City Council member and it was mentioned they just passed the rates and fees without being aware of this particular charge affecting this user group. He said City Council didn't know about this fee.

Commission Member Swanson asked about the Harbor Residential Surcharge and if it is part of the Harbor Rates and Fees. Ms. Von Barga stated that charge was a separate resolution passed in 2000 and there is not a lot of history or information about the charge. She also mentioned she cannot dictate what the City Council reads or does not read in the resolution because all documentation is provided including redlined versions that show changes.

Mr. Talbott stated this is not a live aboard issue, this was a fees and charges discussion that affected the live aboards but all fees across all facilities was raised. All requirements of notification were followed and the Harbor has followed the appropriate procedures.

Chair Hirsch commented on Mr. McDonald's question about generating more fees. He referred to a commercial fee that now affects his business and operations. All fee increases affect everyone.

Commission Member Swanson stated that the Commission has attempted to be very mindful of being slow and incremental of the price increases.

Mr. Talbott explained the process if the Commission decided to change or remove this fee. He said that it is the Harbor's goal to have funds available to replace and repair facilities.

Ms. Nikki Newcome, Valdez Harbor Resident, stated that the new harbor fee was not a gradual increase like moorage. She said the Harbor Residential Surcharge goes into the City fund in lieu of paying taxes and she understands that. She knows that the fees go into different accounts for different purposes. She has recommended the increase of the surcharge to put these users more in line with the

people who pay City taxes.

Mr. Talbott clarified the only user group that is putting money toward future replacements and repairs is the commercial fisherman which comes out of the annual fish tax. These specific funds being discussed go into the general fund.

Mr. Talbott also reiterated that the harbor live aboards were not singled out in this process of raising fees. He also said that the live aboards have valid points to address. Ms. Von Barga agrees that either the Harbor Residential Surcharge or this live aboard fee can be adjusted.

Chair Hirsch asked if there were any comments from Commissioners.

Mr. McDonald asked about the revenue and the reason to raise rates to meet the revenue need. Commission Member Swanson stated that there is a larger picture and the task of the Commission is to be good stewards of the infrastructure and of the Harbor and responsive to the needs of the citizens and harbor users. He stated there is no single fee in the harbor that will pay the way for improvements.

Commission Member Steed reiterated that the live aboards were not the only ones to receive an increase in rates. Commission Member Stephens stated she understands what the live aboards are saying and sees the oversight and will address it pertaining to the Harbor Residential Surcharge and the new live aboard fee.

Commission Member Morgan stated it appears the Harbor Residential Surcharge has been the same amount since 2000. He said if this fee is raised to what it should be based on percentages then this becomes the 75.00 fee that is in place. He said the Surcharge could be much higher if bringing it up to today's rates.

Mr. Talbott asked for 3 volunteers from the Commission and 2 live aboards to form a small group to further discuss this fee and then to bring it to Council. He stated that the live aboards have been heard loud and clear and this will be addressed.

Ms. Colleen Stephens, Stan Stephens Cruises wanted to provide comment about the rates. She wanted to respond to the commercial per head fee, she heard a lot of feedback about this fee that will take place in 2023. She stated that pertaining to her business in particular that bookings are done a year in advance so in order to capture that fee from the passengers it needs to be decided in advance.

Chair Hirsch asked if there were any comments from Commissioners.

#### **4. Discussion of Lease Space for Privately Owned Vending Machines on Port & Harbor Property**

Kaitlin Kramer, Valdez Resident, stated that she has two vending machines that she would like to install at the Harbor facilities, one at North Harbor and one at South Harbor. She explained the variety of items that the machine could hold and her idea of what to provide. She provided information on the logistics of placement, operation, and use of electric. She confirmed that she owns the machines and will be responsible for maintaining and cleaning them and can monitor them remotely.

Commission Member Swanson asked about the planned location of the machines and if they are covered by security cameras to deter vandalism. Ms. Kramer confirmed there are internal cameras that will be installed within the units themselves, but she does hope that maybe at some point external cameras would be placed around the area at North Harbor. She was informed that at South Harbor there is a possibility it will be within the scope of existing security cameras.

Chair Hirsch asked how long she has done this venture. Ms. Kramer said this is her first time to do this. He also asked if she plans on maintaining them year round. Ms. Kramer said that with these machines she can access them remotely so she will be able to monitor sales and any errors that would occur.

Commission Member Steed asked about her timeframe. Ms. Kramer said that the machines are on order and they will hopefully arrive within the next few weeks.

Ms. Von Bargen confirmed there is a space lease agreement in the works and once approved, will be signed and executed.

Chair Hirsch asked for any additional comments or questions from the Commission.

## **VI. REPORTS**

### **1. Report: SBH H-K Major Reconstruction: 65% Design Update**

Nate Duval, Capital Facilities Director, wanted to provide an update on the progress and now PND Engineers has completed 65% of the design drawings. Mr. Duval said he wanted to point out the cost of construction is so unpredictable right now, so trying to find ways to mitigate risk and minimize cost as much as possible. He also stated that the budget is currently short on funds but the effort will be made to maintain it and accomplish all requests.

Chip Courtright, PND Engineers provided a verbal overview of the written report included in the agenda packet. Mr. Courtright asked for any comments or questions.

Chair Hirsch asked about the seawall float width and Mr. Courtright confirmed it will be about 15 feet wide.

Commission Member Swanson asked about electrical service and recommended the outlets being installed meet the needs of the users. He also asked about slips designed as ADA and he wanted to know what the requirements were. Mr. Courtright explained those requirements based on compliance.

Commission Member Stephens commented that she is still looking for a meeting to occur with tour dock users and now that the design has progressed to 65% she wants to ensure this meeting does happen before design completion.

Ron Rozak, project manager, asked Mr. Duval if there is a likelihood the schedule for the project will be extended beyond the current scope. Mr. Duval stated there will be an understanding that this will be a fall/winter of 2023 versus a fall/winter of 2022 start of construction.

Chair Hirsch asked for any additional comments or questions from Commissioners.

**VII. COMMISSION BUSINESS FROM THE FLOOR**

Chair Hirsch opened the floor for business from Commissioners.

Commission Members Steed and Morgan stated no business.

Commission Member Swanson mentioned the barge loading facility. He said every time the barge loads there is significant BTX vapors in the air and it is near the docks where cruise ships will be docked and near the tour dock in the harbor where other operations take place. He said that since we are trying to be good stewards maybe the Commission could ask if the company would be willing to invest in vapor control because the smell is horrible and could potentially have health impacts. He said it is enough of a deal to bring it to their attention. Due to the vicinity of these docks everyone is affected. Also mentioned having the City send a formal letter if it came to it.

Commission Member Stephens and Chair Hirsch stated no business.

**VIII. ADJOURNMENT**

There being no further business, Chair Hirsch adjourned the meeting at 9:07 p.m.