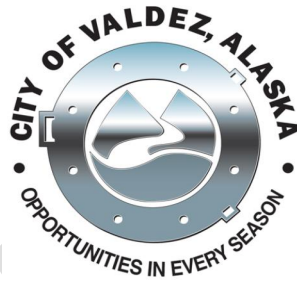


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Monday, November 18, 2019

7:00 PM

Regular Meeting

Council Chambers

Ports and Harbor Commission

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

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

II. ROLL CALL

Present 6 - Chair Mark Swanson
Commission Member Alan Steed
Commission Member Colleen Stephens
Commission Member Tim Bouchard
Commission Member Ryan Sontag
Commission Member Steve Cotter

Excused 1 - Commission Member Stu Hirsch (late arrival)

Also Present 4 - Ports and Harbor Director Jeremy Talbott
Port Operations Manager Jenessa Ables
Harbormaster Sarah Von Bargaen
Ports and Harbor Office Manager Karisa Friend

III. PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

IV. NEW BUSINESS**1. #19-62 - Adopting Terminal Tariff No. 100-20 and Terminal Rules & Regulations for the Port of Valdez and Repealing Resolution No. 18-46**

MOTION: Commission Member Stephens moved, seconded by Commission Member Sontag to approve recommendation to City Council to adopt Terminal Tariff No. 100-20 and Terminal Rules & Regulations for the Port of Valdez. The motion carried by the following vote after the following discussion occurred.

Mr. Talbott said there is some correcting of errors and a typo but overall no significant changes. Mr. Talbott stated if the Commissioners want to see a raise in rates, he suggests that be a discussion soon. He also said the Waterfront Master Plan is coming to an end and also suggests a work session with City Council so the Commission can make suggestions.

Chair Swanson said it looked like some clean up took place, table's filled and minor tweaks. Chair Swanson asked if there were any other questions or comments from Commissioners.

There being no further discussion, Chair Swanson invited a vote on the motion.

VOTE ON THE MOTION:

Yays – 6: Chair Swanson, Commission Member Steed, Commission Member Stephens, Commission Member Bouchard, Commission Member Sontag and Commission Member Cotter

Excused – 1: Commission Member Hirsch

2. Maintain Sublease Rates at the Valdez Pioneer Field Airport Terminal Building, Resolution 10-60 Naming Sublease Rates and Fees

Commission Member Cotter asked if it was to “maintain” the current lease rate. Mr. Talbott stated the Port previously recommended lease rates increase due to recent improvements. A Valdez resident and local business owner, Pat Day, had a discussion with Mr. Talbott and stated he believed Airport rates should be above market value. Mr. Talbott stated the Airport is currently below, but when the recommendation to raise rates went to City Council it was voted down.

Commission Member Cotter agreed that Mr. Day had a point, City shouldn't be under private business owners. Chair Swanson said that was the consensus, there is a lot of vacant space at the Airport and don't want to undercut.

Chair Swanson referred to the presented spreadsheet that shows the Airport is financially breaking even. Mr. Talbott said some investments could be done and an HVAC upgrade is occurring, but the Airport is status normal with no significant changes. Chair Swanson asked about the big space near Mr. Talbott's office. Mr. Talbott said it is a space available to rent.

Commission Member Cotter wanted to state again he thinks the City should be equal to or higher than the market rate in town so there's no competing. Chair Swanson asked if the Port knew the market rate in town and Mr. Talbott said the Airport is a little low by comparison. He also said the market rate could be researched and present back to the Commission with 4 head nods. Commission Member Cotter said yes and Commission Member Steed agreed.

Mr. Talbott mentioned State of Alaska has increased rent every year and the City put a new roof on the building at an estimated \$2 million and updated the restrooms for an estimated \$1 million. Commission Member Cotter confirmed the City owns the Airport building and State of Alaska owns the land, State is increasing rent on land the Airport building sits on.

Mr. Talbott stated the Airport Master Plan clarified information and that they are invested in Airports across the state and the Valdez Airport is not going anywhere.

Commission Member Stephens said competitive market place situation should be the goal for the lease rate. Mr. Talbott said the Airport will never break even if the desire is to pay for the building.

Chair Swanson stated he'd also like to see market rate research come back to the Commission for review, then a formal vote to send the recommendation to City Council. Commission Member Cotter said let Council say yay or nay. Commission Member Stephens said Harbor rate increases have happened staggered over 2 or 3 years' time and wondered if Council would consider doing the same. Chair Swanson said the previous recommended amount was a \$1.90 per square foot only \$0.09 more and City Council voted it down. Commission Member Cotter recommended to present as a onetime increase or span over years to make the change slowly.

Commission Member Hirsch arrived at 7:09 p.m. Chair Swanson brought Commission Member Hirsch up to speed on the current discussion of rate increase at Airport. Commission Member Hirsch agreed that he'd like to see the market comparison. With the 4 nods Mr. Talbott stated it would be brought to the next meeting.

3. #19-XX - Naming Rates and Fees for Use of Facilities in the Valdez Harbors and Repealing Resolution No. 17-44 Formerly Naming Such Rates and Fees

Ms. Von Bargaen stated the Harbor is going into the 3rd year of its 3 year rate increase and changes made were things that had come up over time. She also stated there are fees that now need to be in place with South Harbor basin opening. Ms. Von Bargaen stated its more verbiage changes and boat towing rates changed a little when the skiff is involved and moving from 1 basin to another basin. Chair Swanson asked if boat moves come up less now with the new basin. Ms. Von Bargaen stated the new basin has larger vessels and moves are mostly 24 to 30 foot boats. She further explained boat moves and why charges would apply.

Ms. Von Bargaen also stated electrical services changed verbiage and removed the \$20 meter fee. This fee was in place because it applied more for the older globe style of meters that could actually be removed and placed at another location.

Ms. Von Bargaen stated another fee added is for vessels left unattended at the boat launch, it doesn't happen often but not wanting to encourage long tie-ups.

Mr. Talbott mentioned recognizing the Police Department for the assistance provided to pull a truck and trailer that was about 10 to 12 feet underwater at the launch ramp.

Ms. Von Bargaen stated the next two to three changes are in the miscellaneous fees section. Chair Swanson questioned raising the impound fee, when it's hard enough to get money from someone in this situation initially. Ms. Von Bargaen explained the collections process and auction process that helps recover those fees. She also stated changes to laundry and shower facilities are to make tokens interchangeable.

Chair Swanson asked if there were any questions or comments from Commissioners.

Chair Swanson asked about the 24 hour notice allowing adequate time of slip clearance. Ms. Von Bargaen stated there are times slip holders will not know if a transient is assigned to their slip and will put their boat in the water, into the slip, and it causes issues.

Chair Swanson asked about the semiannual moorage rate at the tour dock. He was confused on the wording for the semi payment. Ms. Von Bargaen clarified there is more administrative time involved and the final rate total is higher.

Commission Member Hirsch asked if there is anything Ms. Von Bargaen would like to do or add. Ms. Von Bargaen stated changes don't have to be made, rates and fees could be on hold for a time. Mr. Talbott said it's probably good to hold on rate and fee changes due to H-K construction and displacing vessels.

Chair Swanson asked if there was any rush for the Harbor to get competitive. He said our Harbor doesn't charge per square foot for larger vessels. Commission Member Steed asked if there are Harbors that are doing that. Chair Swanson said yes, but he was just throwing that out, if City Council is looking for the Harbor to turn a profit.

Commission Member Stephens confirmed changes for what is being presented only and what is here is going to Council for approval. Ms. Von Bargaen stated any changes for 2021 needs to be presented in July or August of 2022 at the latest.

All Commissioners are ready for this to come back as an action item.

V. COMMISSION BUSINESS FROM THE FLOOR

Chair Swanson opened the floor for business from Commissioners.

All Commissioners stated no business.

Chair Swanson asked if Staff had any reports.

Mr. Talbott introduced Nathan Duval. Mr. Duval is his direct manager, a new Assistant City Manager and will remain as the Capital Facilities Director.

Mr. Talbott also mentioned the Cruise Ship luncheon. Chair Swanson asked if business owners showed up. Mr. Talbott said some business owners are happy and some are not. He asked Commissioners to be active at the meetings, the group needs help, Economic Development has helped and VCVB doesn't have current leadership.

Chair Swanson said Port and Harbor is pulling business to Valdez and business owners are looking to Port and Harbor as a Better Business Bureau or Chamber of Commerce and it's not Port and Harbor duty. Mr. Talbott said Port and Harbor is working to get Cruises here and build a reputation but the business groups need to come together. He said Economic Development needs to help them get organized.

Chair Swanson asked if there is anything ATIA does that might help. Commission Member Stephens said there are a lot of resources out there to help businesses but there needs to be someone to work on the coordination to facilitate it all, it needs to be the right person at the right time. She said it really needs to be Economic Development and VCVB but with leadership absent it makes it difficult. Commission Member Stephens stated herself, Mr. Talbott and Ms. Ables know they need to step back and let the right group lead it.

Commission Member Stephens said again, ATIA has resources but it takes someone with boots on the ground to facilitate making it happen.

Commission Member Cotter asked about next year's numbers. Mr. Talbott said there are 22 Port of Calls scheduled for the summer of 2020.

Ms. Von Barga stated there are occasional boat lifts at the Harbor and currently Port and Harbor is planning the spring PCC conference.

Chair Swanson asked about water on W dock in the new Harbor. He confirmed there are live-aboards on W dock and that doesn't seem right. Ms. Von Barga said there is water but it is the same situation as North Harbor, certain floats will have to drop waterlines or turn off water in the winter so they doesn't freeze. Chair Swanson asked for confirmation the lines are not in the water, but above it. Ms. Von Barga said she could not confirm the set up but this was a topic of discussion. Chair Swanson said water was ran to the drive down float and it doesn't seem right to not have water to the floats that have live-aboards. Mr. Talbott said vessels could move if need be but Live-aboards do have access to water. Chair Swanson said it's disappointing to spend millions of dollars on this Harbor and not have water year round. He said he had a live-aboard approach him and he wasn't aware of the situation. Ms. Von Barga said if the live aboard wants to come talk to her, she can move him.

Commission Member Hirsch said he recalled the discussion about seasonal water being desirable for cost savings then someone changed something taking it to all season water, but it changed again along the way to save cost.

VI. ADJOURNMENT

There being no further business, Chair Swanson adjourned the meeting at 7:49 p.m.

DRAFT