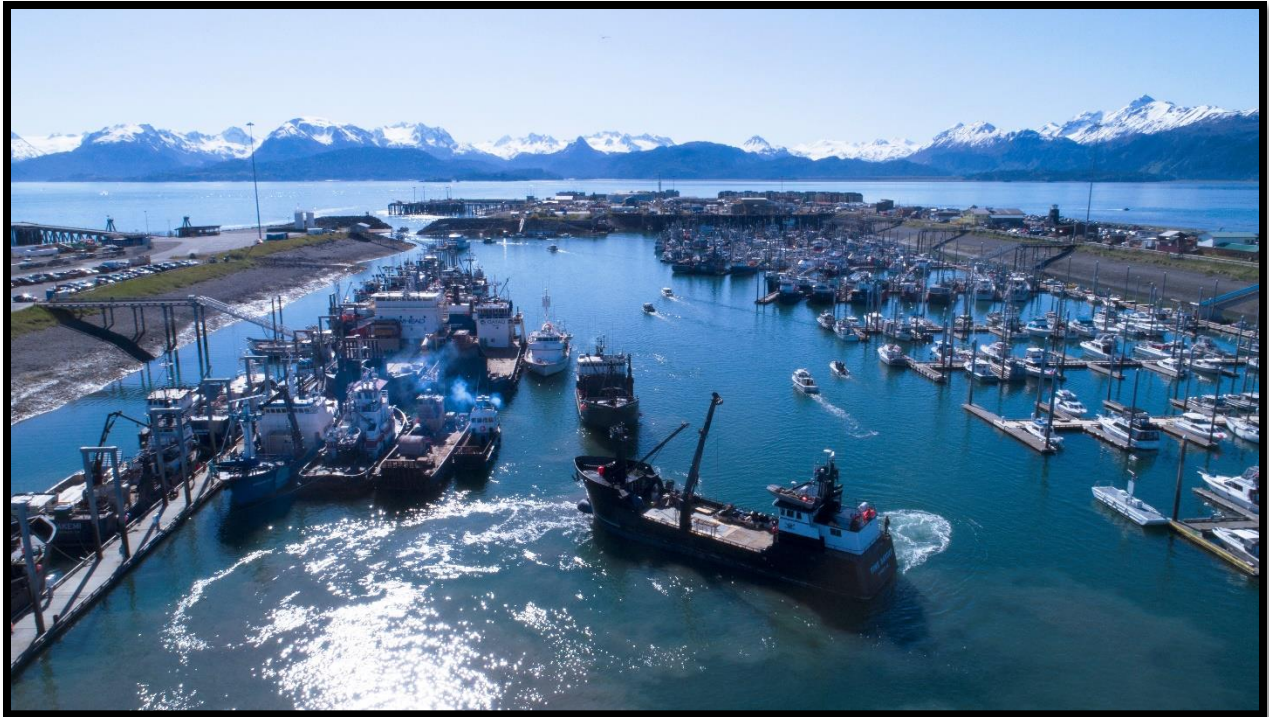


PORT AND HARBOR ADVISORY COMMISSION

Regular Meeting

Wednesday,
June 27, 2018



6:00 P.M.
City Hall Cowles Council Chambers
491 E. Pioneer Ave.
Homer, AK 99603

**NOTICE OF MEETING
REGULAR MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA**
- 3. PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA** *(Time Limit of 3 minutes for Items on the Agenda not scheduled for Public Hearing)*
- 4. RECONSIDERATION**
- 5. APPROVAL OF MINUTES**
 - A. May 23, 2018 Regular Meeting Minutes **Page 5**
- 6. VISITORS/PRESENTATIONS**
 - A. Info Presentation Re: Port Area for Pebble Mine – Loretta Brown, Salmon State
- 7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS**
 - A. Port and Harbor Director's Report for June 2018 **Page 15**
 1. Memorandum and Resolution from City Council Re: Award of RFP of Fish Dock Waterline Replacement project to Peninsula Plumbing and Heating, Inc. **Page 19**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
- 10. NEW BUSINESS**
- 11. INFORMATIONAL ITEMS**
 - A. Port & Harbor Monthly Statistical Report for May 2018 **Page 23**
 - B. Water/Sewer Bills Report for May 2018 **Page 25**
 - C. Crane and Ice Report **Page 27**
 - D. Deep Water Dock Report **Page 29**
 - E. Pioneer Dock Report **Page 31**
 - F. Dock Water Report **Page 33**
 - G. Memorandum from Deputy City Clerk re: Ordinance 18-16(S), Repealing and Re-enacting HCC Chapter 18-08 **Page 35**
 - H. Commissioner Attendance at City Council Meetings 2018 **Page 41**
- 12. COMMENTS OF THE AUDIENCE**
- 13. COMMENTS OF THE CITY STAFF**
- 14. COMMENTS OF THE COUNCIL MEMBER** *(If Present)*
- 15. COMMENTS OF THE COMMISSION**
- 16. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, JULY 25, 2018 at 6:00 p.m.** in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska

Session 18-05, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Cathy Ulmer at 6:05 p.m. on May 23, 2018 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS ZIMMERMAN, CARROLL, DONICH, ZEISET, STOCKBURGER, HARTLEY, ULMER

STAFF: PORT DIRECTOR/HARBORMASTER HAWKINS
DEPUTY CITY CLERK KRAUSE

APPROVAL OF THE AGENDA

Chair Ulmer requested a motion to approve the agenda.

STOCKBURGER/HARTLEY MOVED TO APPROVE THE AGENDA

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

RECONSIDERATION

APPROVAL OF MINUTES

A. April 25, 2018 Regular Meeting Minutes

CARROLL/STOCKBURGER - MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE. NON OBJECTION. UNANIMOUS CONSENT

Motion carried.

VISITORS/PRESENTATIONS (10 minute time limit)

A. ADA Compliance Report – Tess Daly and Donna Aderhold, ADA Compliance Committee

Donna Aderhold provided an outline of the review of the Harbor facilities and the performance done by the North West ADA Center

Tess Daly, ADA Committee member, commented on being a longtime user of the Port and Harbor facilities but since she has obtained her wheelchair she has experienced some difficulties.

Ms. Daley then reviewed the presentation showing the issues of accessibility they found at the Harbor.

Ms. Aderhold finalized the presentation commenting on the issues being prioritized and working with the commission, Public Works and Harbor personnel. She acknowledged that this is not to be completed over night and will take time adding that the ADA Committee is open to suggestions on improving the facilities.

Chair Ulmer thanked Ms. Aderhold and Ms. Daley for the presentation.

Commissioner Donich requested information on funding the transitions.

Ms. Aderhold responded that currently they are not addressing funding mechanisms but will be addressing accessibility when renovations or new buildings are being done. She provided an example on the new Ramp 2 Restroom project which will be ADA compliant, stating that they did not even address the current facilities when they performed the review.

A brief discussion on making sure the design is ADA compliant prior to construction.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

A. Port & Harbor Director's Report for May 2018

Harbormaster Hawkins reviewed the staff report and commented on the following topics:

- Real Time Water Level Monitoring testing site
- Funding Repairs to the Fishing Lagoon access
- Dredging
- Port Expansion
- Tour of Facilities
- New Marine software package
- Bird deterrents
- Water leak was a flange not the line
- New Mooring System for the Hickory
- Navigation work group will be meeting to review the proposed transportation plan for the Pebble Project

PUBLIC HEARING

PENDING BUSINESS

A. Memorandum from Deputy City Clerk re: Ordinance 18-16(S), Repealing and Re-enacting Homer City Code Chapter 18.08

Chair Ulmer read the title into the record. She requested clarification on the role of the Commission with regard to review of leases.

Harbormaster Hawkins responded that this will actually keep the review process by the Commission but define the processes and provide City Council with more approval responsibility.

Commissioner Zimmerman requested clarification on page 23, Line 182, Section 18.08.040 (a) requested clarification on the difference between requiring approval via ordinance or resolution.

Harbormaster Hawkins responded that ordinance requires two public meetings by Council and resolutions require only one.

Chair Ulmer noted ordinance is for leases over 5 years and resolutions were for leases 5 years and under.

Harbormaster Hawkins provided a lay down on the amendments to Ordinance 18-16 from the April meeting and made the following recommendations:

Amend title of the ordinance to delete “removing the requirement that all leases may be increased to reflect inflation as determined in the consumer price index”

Commissioner Zimmerman inquired if there were any different CPI and Harbormaster Hawkins reported that there is currently only one in the state, Anchorage and in fact there are only 26 total in the United States.

Harbormaster Hawkins continued to review the following amendments proposed at the April meeting:

Page 27, Line 371, Section 18.08.075 – Amend Ordinance 18-16 by Adding (f) Lease amount to be adjusted annually based on the Anchorage Consumer Price Index.

Harbormaster Hawkins additionally proposed the following amendments to Ordinance 18-16:

Page 29, Line 424, Section 18.08.100 (a) Insert “new” before the word “lease”

Insert the phrase, “or the transfer of a lease” after the word “lease”

Delete “one year” and insert “two years” after the word “within”

Page 29, Line 425, Section 18.08.100 (a) – Insert the phrase “the renewal of a lease” after the words “prior to” and delete the word “renewal”

Page 29, Line 430, Section 18.08.100 (c) – Amend the word “Leased” to “Leases”

Line 431 Insert after the word “lease.” The city may choose to have the property appraised sooner than the first five year anniversary of a new lease in order to clump properties together for group rate savings on appraisal costs.

Harbormaster Hawkins explained that he added a few additional words, and he wanted to provide an option to not do an appraisal if one has been conducted within the space of two years and he wants to be able to group appraisals together to take advantage of discounts that are offered since the city covers all those costs.

Commissioner Zimmerman questioned if that would affect the leases in raised rates earlier than 5 years.

Harbormaster Hawkins stated that it could raise the rates at that time but provided an example using the transfer of lease that was within the two years of having an appraisal done and did not get their rates increased.

Commissioner Zimmerman expressed concerns with the process of raising a lease rate prior to the 5 year stated period since this does not provide the certainty for the lessee that the lease may increase in 5 years but could increase in 3 years. He agreed with the management aspect to get all leases on the same appraisal time period, and he acknowledged the savings would be beneficial but questioned the fairness to the lessees in implementing that process if it does not offer fairness to lessees.

Commissioner Donich inquired if someone new is wanting to lease do the banks require an appraisal and cited an example within his own experience.

Harbormaster Hawkins responded that the Banks probably do and it would also be required if it was a property that has not been offered for lease before.

Commissioner Stockburger requested adding terminology at the end of that paragraph that an appraisal will happen every five years for renewals.

Commissioner Zeiset questioned how the application of appraisals every five years, if an appraisal is perform before the 5 years has expired such as 3 or 4 years, from what point will the new appraisal term start at the original 5 year mark or at the 3 year mark.

Commissioner Stockburger added that it may cause issues with the lending institutions.

Commissioner Zimmerman acknowledged Heath Smith in the audience and invited him to come forward and comment on the discussion.

Mr. Smith suggested stretching the time to accommodate instead of truncating the appraisal period. He also stated that the lessee pays the property taxes and an increase in the property value will increase those costs for lessee. They need to honor the contracts and consider the implications to them.

Harbormaster Hawkins acknowledged that they will then have the task of explaining to the leaseholder.

Commissioner Zimmerman suggested having a declaration that appraisals will be conducted every five years and let the lessee know that the first appraisal will be conducted during this time and then every five years to keep it simple.

Commissioner Stockburger asked how much of a savings did this present to the city on average grouping the appraisals.

Harbormaster Hawkins reported that it is approximately a \$200-\$300 savings per appraisal.

Commissioner Stockburger then commented that it could then add that same amount to the lease and did not believe it would be worth the trouble.

Harbormaster Hawkins reviewed the last proposed amendment to Section 18.08.160 (e) Page 34, Line 637, Section 18.08.160 (e) – Insert the phrase, “Only within the terms of the lease” after the word “purchase” this was made Commissioner Hartley last month.

Commissioner Zimmerman requested the commission to review page 29, Section 18.08.110 Line 454, he questioned the less than 25%.

There was a brief discussion on how the statement reads.

Commissioner Zimmerman requested they amend line 454 to delete the words “for less than” and insert “not to exceed” before 25%.

Commissioner Zimmerman then brought to the commission’s attention Page 30, Line 484, item c, he questioned what happens if the city doesn’t want the improvements.

Harbormaster Hawkins noted that typically the lease contains a clause that the lessee must remove all improvements. This clause would be applied if there was an improvement that would benefit or provide added value to the property.

Deputy City Clerk Krause read motion on the floor from the April 25, 2018 meeting:

HARTLEY/DONICH - MOVED TO APPROVE ORDINANCE 18-16 WITH THE NECESSARY AMENDMENTS.

Mr. Smith requested to speak to the Commission again.

Deputy City Clerk Krause stated that the Commission would need to request a motion to suspend the rules to allow comment from the public at this time.

Deputy City Clerk Krause provided clarification to Chair Ulmer on the process of approving the amendments was completed at the April meeting and this was the main motion that was on the floor when a motion to postpone was made.

ZIMMERMAN/HARTLEY MOVED TO SUSPEND THE RULES TO ALLOW PUBLIC COMMENT AT THIS TIME.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mr. Smith stated that the entire intent was to improve the process and add a layer of review by City Council for when things get sticky there are a few more heads to figure things out. Mr. Smith continue by stating the he has been educated and in his research found that it is a standard to use the CPI but also found that there is in use a graduated rent system that is set at an agreed percentage increase per year which allows the parties involved to know the amount of increase on an annual basis. He added that if the CPI was reviewed the increase has been on average 2% per year over the last several years, noting anecdotally that in the late 1990's an increase was 6 percent. Mr. Smith reported that one of the benefits on a percentage increase is that it is dependable and forecastable. It alleviates the juggling needed to adjust for spikes in the CPI. He also believes a graduated approach it will make the lease process more business friendly.

Commissioner Donich requested clarification on a previous action by the Commission on Stall rates based on a percentage increase.

Harbormaster Hawkins reviewed the past action of the commission that inflation proofed the budget in that way that Commissioner Donich referred to and stated that what Mr. Smith was referring to was an escalation percentage built into the lease which accounts for inflation.

Commissioner Stockburger commented that the CPI reflects the economy however some years it can hurt worse than others and there is a difference between Homer and up the road. He believed that if the number was low it probably would not be too harmful.

Mr. Smith commented that he preferred 2% increase over a couple of years than a jump of 4% in one year. He added that it would always be a moving target compared to a known increase.

Commissioner Hartley commented on his recollection of double digit inflation rates in the 1980's and they have to be prepared for such an occurrence.

Harbormaster Hawkins pointed out that a contract is binding and that if there is no CPI adjustment allowance in the existing contract they will not be bringing back all lessees to the table to adjust their contract. This would be applied to all new contracts.

Commissioner Zeiset commented that as a leaseholder he preferred a known increase than the unknown but he acknowledges lack of knowledge on application and use of the CPI.

The commission discussed at length on applying the CPI over a set period such as reviewing the CPI as an average over a set span of time and then apply that amount as a percentage for a set period time; further amendments would have to be done by ordinance; clarification on how the CPI is used to value a lease; the appraisal reflecting the increase in the economic value; not including a percentage since they do use the appraisal approach; city being the landowner and the land changing ownership rarely which is the value of using the CPI on an annual basis they would see very little change in the market value per square foot; they draw comparison from other cities which may make appraisals very difficult; applying the CPI annually could mean a lesser impact when an appraisal is conducted; how the appraiser conducts the appraisal may result in a higher impact to the lessee such as double increases, which have not been seen to date since the appraisers have access to all the records that the city has and have recommended leaving the CPI.

Chair Ulmer asked if the commission was ready to on the ordinance.

STOCKBURGER/HARTLEY MOVED TO APPROVE THE AMENDMENTS AS PROPOSED TO SECTION 18.08.100 AND SECTION 18.08.110

There was a brief clarification on leaving in the CPI.

VOTE. YES. STOCKBURGER, ZEISET, HARTLEY, YES, DONICH, CARROLL, ULMER
Motion carried.

STOCKBURGER/HARTLEY MOVED TO APPROVE ORDINANCE 18-16 AS AMENDED.

There was no further discussion.

VOTE. YES. ULMER, CARROLL, DONICH, ZIMMERMAN, HARTLEY, ZEISET, STOCKBURGER

Motion carried.

B. Travel Lifts

Chair Ulmer reviewed the title for the record.

Commissioner Carroll noted a laydown that he provided the commission.

Commissioner Carroll provided some information on a company, ASCOM, that manufactures an amphibious travel lift up to 450 tons and thinks that they would be interested in the largest that they could get. Additional information discussed as follows:

- the lift could travel on a ramp if is up to 13 degrees in angle which means it would work on the commercial load and launch ramp
- Cost is estimated at \$1.8 million
- Pay back would take 4-5 years unless they charged \$7000 per Haul Out
- The intrinsic value is Homer would become known for repairs and maintenance of large vessels
- Increase in the businesses related to the services
- Increase in economic diversity for the Homer area
- Question if study had ever been done on the value
- Could approach the Economic Development Commission to research
- Costs to haul out in Seward is estimated at \$60,000
- Costs could be lowered as vessel crew could perform the work
- Not difficult in providing the required infrastructure to use travel lifts
- Winter operations on a sloped area
- Have a committee work on this feasibility issue
- Many issue to consider such as the draft of the vessels for travel lift sizing
- Speak with Tim Dillon with KPEDD
- CIP Submittal project
- Public Private Partnership opportunity

NEW BUSINESS

A. ADA Compliance Report Review and Discussion

The Commission did not take and action or discuss this item.

B. Response to the Economic Development Commission

1. Memorandum from Economic Development Advisory Commission re: Support for Business Development

Chair Ulmer read the title and memorandum into the record and agreed that a response thanking the EDC for their offer should be done and asked if that was something that Harbormaster Hawkins would do.

Staff suggested they ask for assistance from the EDC on performing a survey on the feasibility of the Travel Lifts

Commissioner Stockburger recommended having a joint meeting between the commissions and offered to be part of that to get the ball rolling.

Commissioner Hartley agreed that working with the EDC and accessing their expertise noting that they are the money people.

Commissioner Carroll noted the value in getting some more information and details such as how the Travel Lift will work at 13% and will see if he would be willing to come to a meeting and present.

Commissioner Stockburger suggested the Marine Expo in Seattle.

INFORMATIONAL ITEMS

- A. Port & Harbor Monthly Statistical Report for March 2018
- B. Water/Sewer Bills Report for March 2018
- C. Crane and Ice Report
- D. Deep Water Dock Report
- E. Pioneer Dock Report
- F. Dock Water Report
- G. Commissioner Attendance at City Council Meetings 2018

Commissioner Stockburger asked a few questions regarding water.

COMMENTS OF THE AUDIENCE

COMMENTS OF CITY STAFF

Harbormaster Hawkins asked if the Commission wanted to invite the EDC to attend the June meeting to speak about the Large Vessel Haul out Facility.

The commission thought that would be appropriate.

Commissioner Stockburger commented on a preference for a trailer over a sling lift or travel lift.

Harbormaster Hawkins commented about getting pictures for the use of the Expo and how busy the Harbor has been. He also note the last boat should be going in from where it was hauled out.

Deputy City Clerk Krause complimented the commissioners for volunteering to attend the council meetings for the year.

COMMENTS OF THE CHAIR

Chair Ulmer had no comments.

COMMENTS OF THE COMMISSION

Commissioner Stockburger commented on how nice it was to have Councilmember Smith attending the last several meetings.

Commissioner Zeiset and Hartley had no comments.

Commissioner Zimmerman thanked Commissioner Carroll for keeping this conversation going and really appreciated his efforts.

Commissioner Donich echoed those sentiments and appreciated that they needed to address the diversity in their economy as they have all realized a down turn in the fisheries and its important to keep the money here instead of going south.

Commissioner Carroll commented that he believed it was really important and they had a large salt water fleet and there was room for Ian and they needed to get him up on the pad and ge4t a building over them so they could paint too. He then related an incident with a young lady enthusiastically stating that Council would be interested in hearing about this.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:27 p.m. The next regular meeting is scheduled for Wednesday, May 23, 2018 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK

Approved:_____



JUNE 2018 PORT & HARBOR STAFF REPORT

1. Administration

Staff met with:

- AOOS/NOAA (Anchorage)- Stakeholder & Partner Engagement Half Day Workshop, real time water level monitoring- Tsunami early warning
- Larry Burton, Senator Sullivan's Chief of Staff- Harbor Expansion Project
- Mr. and Mrs. Helm- Informational, new to the area boaters
- Finance staff and City Manager- 2017 Budget to Actual meeting
- Peninsula Plumbing and Heating Inc. (teleconference) –Fish Dock Waterline replacement RFP

June 1, 2018 -Implementation of the new Total Marina Package Software program began on June 1, 2018 and work continues, with the help of staff, I.T. and the software developer, to hone in on an effective streamlined record management process.

June 20, 2018 – The increase to fees set forth in Resolution 18-041(s) regarding the addition of a \$7 parking impact levy to the \$13 daily load and launch pass and a \$70 parking impact fee added to the \$130 seasonal load and launch pass has been implemented.

2. Operations

The months of May and June brought about one of the busiest, most intense spring mobilization periods ever experienced at the port and harbor. Transient mooring areas accommodating the commercial fleet experienced heavy congestion and maximum occupancy. On June 3rd, 850 vessels were recorded present in the nightly moorage report.

The marine repair facility, beach landing, wood and steel grids were booked at capacity with vessels preparing for summer commercial fisheries and contracts. The deep water dock was utilized as an alternate loading dock for commercial fishing equipment when the fish dock was at capacity. Seasonal businesses re-opened in the uplands with parking lots and campgrounds in high demand.

Pioneer dock and deep water dock landings included the following vessels: Nunaniq, Zaandam, Kennicott, Tustumena, Pacific Wolf & DBL55, Hickory, Silver Shadow, Fast Scout, Tempo Sea, Camai, and Iclander.

The following vessels utilized the marine repair facility: Ramblin' Rose, Kona Kai, Tug Redoubt, Helenka B, Ursus, Kustatan, and Heather Jane.

Operations staff continued to work closely with administration, I/T staff, and the Total Marina Package software developer during the implementation of our software program.

Cruise ship season has commenced. Holland America's M/V Zaandam will conduct landings at the Deep Water Dock every other Tuesday through September.

Daily fee pay parking in harbor access ramps 1-4 commenced Memorial Day weekend. All four parking lots are supported by solar powered electronic pay kiosks that accept credit card and cash payments. The use of iron rangers has been discontinued in the field. Parking enforcement officers issued warnings for non-compliance for two weeks before moving to written citations during this period of seasonal transition. 13 boat trailers were impounded for exceeding the 7-day parking policy.

Harbor officers conducted numerous boat tows and assists involving disabled vessels, alleviating vessel-stall assignment conflicts, assisted large vessels operating in areas of restricted maneuverability, and worked consolidating areas of transient moorage for efficient use of mooring space.

The following notable events occurred during the month:

- 5/14 & 5/15 harbor officers used the harbor tug and patrol skiff to assist three 150' landing crafts in exchanging berths at system 5.
- 5/19, harbor officers responded in the patrol skiff to a location three miles from the harbor entrance to a sinking vessel with three passengers on board. Officers installed an emergency dewatering pump, assisted in transferring the passengers to a Good Sam vessel, and towed the vessel back to the harbor for removal.
- 5/20, a harbor officer installed an emergency dewatering pump and successfully prevented flooding aboard a vessel.
- 5/20, harbor officers responded to 63 year old male exhibiting symptoms of a heart attack.
- 5/21, harbor officers used the harbor tug's hydraulic capstan since to raise and salvage a sunken 20' recreational vessel.
- 5/26, harbor officers responded to a 70' commercial fishing tender with a loss of steering at the harbor entrance.
- 5/26, a vessel owner reported the theft of a 20 gallon gas tank. The tank was later recovered at a local boat yard.
- 5/28, a harbor officer responded to a small fire on one of the spit boardwalks. The fire was extinguished using a fire extinguisher.
- 6/4, harbor officers installed an emergency dewatering pump aboard a 30' recreational vessel in order to prevent further flooding.
- 6/8, operations staff assisted a 70' disabled landing craft relocate berths.
- 6/10, harbor officers recovered a 50 gallon drum of oily water that floated ashore in the vicinity of the Sea Farer's Memorial.
- 6/12, the US Naval supply-salvage contractors conducted oil spill response training for three days.
- 6/14, a harbor officer recovered a 17' skiff adrift inside the small boat harbor.

3. Ice Plant

Salmon season is now upon us and the mood on the dock is best described as “nervous anticipation.” In addition to normal operations we have:

- Replaced leaking S – 4 valve on Low Pressure Receiver
- Collaborated with IT on diagnosing computerized controls on crane 6
- Collaborated with Maintenance on crane 7 repair
- Prepared for and passed our annual OSHA crane inspection
- Replaced water pump on Wiggins forklift
- Replaced bearings on main ventilation fan
- Replaced broken defrost timer on evaporator 4
- Received one responsive bid on the latest waterline RFP
- Engaged in multiple outdoor painting projects

4. Port Maintenance

From mid-May to mid-June, Port Maintenance has been busy with the following:

- Finished and installed the new tote dumper in the fish grind shed. Thanks Walt!
- Swept the Deep Water Dock for cruise ship landings
- Pumped out about 11,000 gallons of used oil for disposal with NRC
- Fire Cart annual operational testing
- Annual fire hose testing with Homer Volunteer Fire Dept.
- Telephonically attended the Pacific Coast Congress of Harbormasters board and Training & Education committee meetings
- Installed more bird deterrents at Deep Water Dock
- Electrical pedestal troubleshooting and repair
- Worked with contractor to pave around Fishing Lagoon fish cleaning tables



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

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Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Memorandum 18-077

TO: Homer City Council through Katie Koester, City Manager

FROM: Bryan Hawkins, Port Director

DATE: June 19, 2018

SUBJECT: RFP for the Fish Dock Waterline Replacement

Re: Results of the city of Homer's request for proposals for the Fish Dock waterline replacement advertisement.

The waterline under the fish dock is a potable water source original to the structure and has been requiring increasing amounts of maintenance to keep the aging galvanized pipe and heat trace elements from failure.

In November of 2017 the City issued a request for proposals as a qualifications based bid request with cost being secondary, seeking solutions to address the replacement of the aging waterline on the City's Fish Dock with the advertisement. None of the proposals were within the project estimate approved by the City council of \$30,000. State requirements that all those who work on the project be Journeymen and the required Davis/Bacon wage scale for all projects over \$25,000 effected estimated costs significantly, as well as higher than expected traditional material costs. Because the review committee did not find a complete proposal that was within the estimate listed by Ordinance 17-34(A) it was recommended that all proposed bids be rejected. Staff revised the scope of the project incorporating the information learned from the contractor's proposals with the intention of putting it back out to RFP with the new scope.

The RFP was re-advertised on May 3rd 2018 with this revised scope of work. The City received one complete proposal and one incomplete proposal. The complete proposal was submitted by Peninsula Plumbing and Heating, Inc. for a total of \$92,290.00

It is staff's recommendation that Peninsula Plumbing & Heating, Inc. be awarded the bid for this RFP.

The time line for this project's work phase will begin in August 15 of 2018 and be completed by December 31, 2018 in order not to interfere with early spring fisheries startup on the fish dock.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk/
Port Director

RESOLUTION 18-057

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AWARDING THE CONTRACT FOR THE FISH DOCK WATERLINE AND
HEAT TRACE REPLACEMENT PROJECT TO PENINSULA PLUMBING
AND HEATING, INC, OF SOLDOTNA, ALASKA IN THE AMOUNT OF
\$92,290, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Request for Proposals was
advertised in the Homer News on May 3 and 10, 2018, sent to two in-state plans rooms, and
posted on the City of Homer website; and

WHEREAS, Proposals were due Thursday, June 7, 2018 and two proposals were
received; and

WHEREAS, The Peninsula Plumbing and Heating, Inc. of Soldotna was found to be
responsive; and

WHEREAS, This award is not final until written notification is received by the firm from
the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, awards the
contract for the the Fish Dock Waterline and Heat Trace Replacement Project to Peninsula
Plumbing and Heating, Inc. of Soldotna, Alaska, in the amount of \$92,290, and authorizes the
City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 25th day of June, 2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Port and Harbor Depreciation Reserves – \$92,290

Port & Harbor Monthly Statistical & Performance Report

For the Month of: **May 2018**

Moorage Sales

	<u>2018</u>	<u>2017</u>
Daily Transient	300	302
Monthly Transient	186	183
Semi-Annual Transient	19	14
Annual Transient	14	11
Annual Reserved	9	1

Grid Usage

1 Unit = 1 Grid Tide Use	<u>2018</u>	<u>2017</u>
Wood Grid	32	41
Steel Grid	21	15

Services & Incidents

	<u>2018</u>	<u>2017</u>
Vessels Towed	0	2
Vessels Moved	14	12
Vessels Pumped	5	4
Vessels Sunk	1	0
Vessel Accidents	0	2
Vessel Impounds	0	0
Equipment Impounds	5	7
Vehicle Impounds	0	0
Property Damage	0	4
Pollution Incident	2	3
Fires Reported/Assists	1	1
EMT Assists	2	6
Police Assists	0	7
Public Assists	26	28
Thefts Reported	1	1

Parking Passes

	<u>2018</u>	<u>2017</u>
Long-term Pass	53	38
Monthly Long-term Pass	5	6
Seasonal Pass	4	5

Crane Hours

<u>2018</u>	<u>2017</u>
159.9	165.2

Stall Wait List

No. on list at Month's End	<u>2018</u>	<u>2017</u>
20' Stall	4	2
24' Stall	46	44
32' Stall	83	62
40' Stall	34	30
50' Stall	24	24
60' Stall	5	5
75' Stall	2	5
Total:	198	172

Docking & Beach/Barge Use

1 Unit = 1 or 1/2 Day Use	<u>2018</u>	<u>2017</u>
Deep Water Dock	28	34
Pioneer Dock	27	20
Beach Landings	20	8
Barge Ramp	17	28

Marine Repair Facility

	<u>2018</u>	<u>2017</u>
Vessels Hauled-Out	1	0
Year to Date Total	5	0

Wharfage (in short tons)

In Tons, Converted from Lb./Gal.	<u>2018</u>	<u>2017</u>
Seafood	63.33	164
Cargo/Other	858	476
Fuel	57,475	47,471

Ice Sales

	<u>2018</u>	<u>2017</u>
For the Month of May	158	191
Year to Date Total	368	457

Difference between

2017 YTD and 2018 YTD:

179 tons less

Port & Harbor Water/Sewer Bills

Service Period: May, 2018

Meter Reading Period:4/17-5/10

Meter Address - Location	Acct. #	Meter ID	Service/ Customer Charge	Water Charges	Sewer Charges	Total Charges	Previous Reading	Current Reading	Total Usage (gal)
810 FISH DOCK ROAD - Fish Grinder	1.0277.01	84810129	\$9.50	\$0.00	\$0.00	\$9.50	675	675	-
4244 HOMER SPIT RD - SBH & Ramp 2	1.0290.01	84872363	\$19.00	\$515.57	\$0.00	\$534.57	12,978,100	13,025,400	47,300
4166X HOMER SPIT RD - SBH & Ramp 4	1.0345.01	70291488	\$19.00	\$202.74	\$0.00	\$221.74	23,957,000	23,975,600	18,600
4166 HOMER SPIT RD- SBH Restrooms	1.0346.01		\$19.00	\$94.83	\$201.84	\$315.67	186,000	194,700	8,700
4171 FREIGHT DOCK RD - SBH & Ramp 6	1.0361.01	71145966	\$19.00	\$77.39	\$0.00	\$96.39	1,832,200	1,839,300	7,100
4690C HOMER SPIT RD - Pioneer Dock	1.0262.01	70315360	\$19.00	\$163.50	\$0.00	\$182.50	3,351,300	3,366,300	15,000
4690A HOMER SPIT RD - Pioneer Dock	1.0261.01	70315362	\$19.00	\$222.36	\$0.00	\$241.36	515,700	536,100	20,400
4666 FREIGHT DOCK RD - Deep Water Dock	1.0357.01	70564043	\$19.00	\$135.16	\$0.00	\$154.16	9,233,800	9,246,200	12,400
4448 HOMER SPIT RD - Steel Grid	1.0230.01	80394966	\$9.50	\$0.00	\$0.00	\$9.50	-	-	-
795 FISH DOCK ROAD - Fish Dock/Ice Plant	1.0180.01	70291512	\$19.00	\$1,122.70	\$18.56	\$1,160.26	868,214,400	868,317,400	103,000
4147 FREIGHT DOCK RD - SBH & Ramp 6 Restroom	1.4550.01	70315668	\$19.00	\$43.60	\$92.80	\$151.51	113,800	117,800	4,000
4147X FREIGHT DOCK RD - Ramp 6 Fish Cleaning	1.0457.01	80856895	\$9.50	\$15.26	\$0.00	\$24.76	184,000	185,400	1,400
4001 FREIGHT DOCK RD - L&L Ramp Restrooms	10.4550.01	70364713	\$19.00	\$43.60	\$92.80	\$155.40	110,400	114,400	4,000
4667 HOMER SPIT RD L - Port Maintenance	1.0109.01	70257255	\$19.00	\$54.50	\$116.00	\$189.50	18,700	23,700	5,000
4667 HOMER SPIT RD - Bldg Near Water Tank	1.0100.02	70315820	\$9.50	\$0.00	\$0.00	\$9.50	320,400	320,400	-
4667 FREIGHT DOCK RD - DWD Restroom	1.0495.01	84920900	\$19.00	\$19.62	\$41.76	\$80.38	28,200	30,000	1,800
4311 FREIGHT DOCK RD - Port & Harbor Office	5.1020.01	83912984	\$19.00	\$20.71	\$29.83	\$69.54	81,000	82,900	1,900
4000 HOMER SPIT RD - Ramp 5 Restroom	5.1250.01	86083228	\$19.00	\$41.42	\$59.66	CR	237,800	241,600	3,800
4425 FREIGHT DOCK RD - Sys 5 & Ramp 8	5.1050.01	86094861	\$19.00	\$642.01	\$0.00	\$661.01	742,600	801,500	58,900

Overall Charges: \$4,267.25

Overall Water Usage: 313,300

Water/Sewer Monthly Comparison CY 2014 to Current										
	2014		2015		2016		2017		2018	
January	\$3,545.49	288,500	\$2,526.35	183,700	\$1,216.22	68,800	\$2,142.85	122,300	\$1,458.89	83,400
February	\$4,042.38	322,400	\$2,015.14	140,800	\$1,891.14	122,500	\$1,287.76	59,600	\$2,500.97	144,800
March	\$3,968.26	320,400	\$3,339.49	253,700	\$2,341.13	162,300	\$4,076.62	292,100	\$2,271.05	138,300
April	\$5,792.92	452,200	\$4,997.38	467,700	\$3,532.78	256,700	\$1,726.84	113,100	\$2,766.11	272,300
May	\$12,019.73	973,600	\$6,982.27	541,900	\$9,770.89	709,300	\$7,807.49	413,000	\$4,267.25	313,300
June	\$13,396.30	1,106,200	\$14,116.19	1,134,100	\$21,628.74	1,800,700	\$14,594.69	1,282,900		
July	\$16,516.50	1,348,000	\$12,038.01	919,900	\$19,490.97	1,583,400	\$15,450.93	1,152,500		
August	\$15,883.21	1,279,500	\$15,033.97	1,197,000	\$22,468.25	2,189,100	\$12,947.70	1,060,600		
September	\$13,105.89	1,073,100	\$15,661.07	1,307,300	\$19,710.24	1,651,300	\$11,419.68	968,000		
October	\$3,874.68	266,000	\$5,445.90	406,300	\$8,887.32	708,200	\$8,631.96	591,490		
November	\$3,658.86	283,400	\$1,917.85	106,100	\$2,582.53	167,600	\$1,852.34	176,000		
December	\$1,748.09	111,900	\$1,284.30	30,100	\$1,154.76	44,900	\$1,053.70	68,600		
YTD Total	\$97,552.31	7,825,200	\$85,357.92	6,688,600	\$114,674.87	9,464,800	\$82,992.56	6,300,190	\$13,264.27	952,100

2018 Ice & Crane Report						
Date To	Crane Weekly	Crane Month	YTD Crane	Ice Weekly	Ice Month	YTD Ice
1/7/2018	17			shut down for maintenance		
1/14/2018	14.3			shut down for maintenance		
1/21/2018	18.2			shut down for maintenance		
1/28/2018	8.5			shut down for maintenance		
Jan Total		58	58		0	0
2/4/2018	17.8			shut down for maintenance		
2/11/2018	21.7			shut down for maintenance		
2/18/2018	42.6			shut down for maintenance		
2/25/2018	6.8			shut down for maintenance		
Feb Total		88.9	146.9		0	0
3/4/2018	18.7			shut down for maintenance		
3/11/2018	19.9			shut down for maintenance		
3/18/2018	11.2			0	0	
3/25/2018	12.7			30		
4/1/2018	25.6			22		
Mar Total		88.1	235		52	52
4/8/2018	18.5			10		
4/15/2018	26.3			23		
4/22/2018	24.1			59		
4/29/2018	29.9			66		
Apr Total		98.8	333.8		158	210
5/6/2018	40.9			46		
5/13/2018	40.1			16		
5/20/2018	29.7			33		
5/27/2018	49.2			63		
May Total		159.9	493.7		158	368
6/3/2018	56.5			35		
6/10/2018	51.8			38		
6/17/2018	49			23		
6/24/2018						
7/1/2018						
Jun Total		157.3	651		96	464
7/8/2018						
7/15/2018						
7/22/2018						
7/29/2018						
Jul Total		0	651		0	464
8/5/2018						
8/12/2018						
8/19/2018						
8/26/2018						
Aug Total		0	651		0	464
9/2/2018						
9/9/2018						
9/16/2018						
9/23/2018						
9/30/2018						
Sep Total		0	651		0	464
10/7/2018						
10/14/2018						
10/21/2018						
10/28/2018						
Oct Total		0	651		0	464
11/4/2018						
11/11/2018						
11/18/2018				shut down for maintenance		
11/25/2018				shut down for maintenance		
12/2/2018				shut down for maintenance		
Nov Total		0	651		0	464
12/9/2018				shut down for maintenance		
12/16/2018				shut down for maintenance		
12/23/2018				shut down for maintenance		
12/31/2018				shut down for maintenance		
Dec Total		0	651			

Deep Water Dock 2018

Date	Vessel	LOA	Times	Billed	\$ Dock	Srv Chg
1/9	Perseverance	207	0930/1245	Cispri	788.00	52.00
1/12	Edward Itta barge	430	1700/	Olympic	1,490.00	52.00
1/12	Todd E Prophet, tugINSI	116	1710/	Olympic	506.00	52.00
1/13	Edward Itta barge	430		Olympic	1,490.00	
1/13	Todd E Prophet, tugINSI	116		Olympic	506.00	
1/14	Edward Itta barge	430		Olympic	1,490.00	
1/14	Todd E Prophet, tugINSI	116	/1950	Olympic	506.00	
1/14	Todd E Prophet, tugINSI	116	1950/	Olympic	chrg above	
1/15	Todd&Edward integrat	535	/0815	Olympic	2,154.00	
1/18	Pacific Wolf & DBL 55	395	800?/1700	Kirby Offshore	1,206.00	52.00
1/25	Perseverance	207	0745/1145	Cispri	788.00	52.00
1/26	Perseverance	207	0930/1200	Cispri	788.00	52.00
1/31	Perseverance	207	0000/	Cispri	788.00	52.00
2/1	Perseverance	207	/1700	Cispri	788.00	
2/13	Stimson	156	0945/1030	StAk Public Safety	506.00	52.00
2/17	Stimson	156	0945/1230	StAk Public Safety	506.00	52.00
2/22	Perseverance	207	1145/1600	Cispri	788.00	52.00
3/22	Ramblin Rose	96	1645/1700	Diamond Back	338.00	52.00
4/9	Endurance	207	0600/1820	Alyeska Pipe	788.00	52.00
4/12	Endurance	207	1600/2100	Alyeska Pipe	788.00	52.00
4/14	Endurance	207	1700/2230	Alyeska Pipe	788.00	52.00
4/17	Endurance	207	0815/2000	Alyeska Pipe	788.00	52.00
4/30	Arctic Seal	130	0815/0930	Bering Marine	506.00	52.00
4/30	Unalaq TM>5/24/18	148	day 6	Bowhead Tran	1,099.64	
5/6	Pacific Wolf & DBL 55	395	1745/1900	Kirby Offshore	1,206.00	52.00
5/11	Augustine & Cottonwood	40	1100/1230	Cook Inlet	338.00	
5/15	Zaandam	778	0830/1900	Holland Am	7,459.00	481.53
5/17	Sam M Taalak	147	0800/1530	Qayaq Marine	506.00	52.00
5/10	Augustine & Cottonwood	40	1620/1740	Cook Inlet	338.00	
5/21	Pacific Wolf & DBL 55	395	1200/	Kirby Offshore	1,206.00	52
5/21	Tempo Sea	134	0800/2115	Tempo Sea LLC	506.00	52.00
5/22	Pacific Wolf & DBL 55	395	/1215	Kirby Offshore	1,206.00	
5/23	Silver Shadow	610	0730/1745	Alaska Marit	2,957.00	481.53
5/25	Pacific Wolf & DBL 55	395	0815/	Kirby Offshore	1,206.00	52.00
5/26	Pacific Wolf & DBL 55	395	/1505	Kirby Offshore	1,206.00	
5/29	Zaandam	778	0900/1900	Holland Am	7,459.00	481.53
06/20/18				Year to Date Totals:	\$45,776.64	\$2,536.59

Pioneer Dock 2018

Date	Vessel	LOA	Times	Billed	\$ Dock	Srv Chg
1/18	Perseverance	207	1200/1530	Cispri	788.00	52.00
1/19	Bob Franco	120	1310/1830	Olympic	506.00	52.00
1/24	Pacific Wolf & DBL 55	395	0015/1400	Kirby Offshore	1,206.00	52.00
2/23	Crystal Amaranto	416	0900/1500	AK Maritime	1,337.00	52.00
2/23	Pacific Wolf & DBL 55	395	1530/	Kirby Offshore	1,206.00	52.00
3/20	Perseverance	207	1045/1525	Cispri	788.00	52.00
3/21	Bob Franco	120	1000/1415	Olympic	506.00	52.00
3/23	Pacific Wolf	121	0845/1615	Kirby Offshore	506.00	52.00
3/28	Pacific Wolf & DBL 55	395	1000/1400	Kirby Offshore	1,206.00	52.00
4/9	Endeavor&barge 141	300	0745/	Cispri	788.00	52.00
4/10	Endeavor&barge 141	300		Cispri	788.00	
4/11	Endeavor&barge 141	300	/1330	Cispri	788.00	
4/13	Endeavor	181	0800/1900	Cispri	506.00	52.00
4/13	Pacific Wolf & DBL 55	395	1930/	Kirby Offshore	1,206.00	52.00
4/14	Pacific Wolf & DBL 55	395	/1100	Kirby Offshore	1,206.00	
4/23	Pacific Wolf	121	1145/1930	Kirby Offshore	506.00	52.00
5/7	Pacific Wolf & DBL 45	395		Kirby Offshore	1,206.00	52.00
5/8	Pacific Wolf & DBL 45	395		Kirby Offshore	1,206.00	
5/8	AriCruz&KR 205	205	1000/1530	Cruz Marine	788.00	52.00
5/9	Pacific Wolf & DBL55	395		Kirby Offshore	1,206.00	
5/9	AriCruz&KR 205	205		Cruz Marine	788.00	
5/10	Pacific Wolf & DBL 55	395	/1120	Kirby Offshore	1,206.00	
5/12	Pacific Wolf & DBL55	395	2230/	Kirby Offshore	1,206.00	52.00
5/15	Nunaniq	155	0145/1330	Northland Hol	506.00	52.00
5/24	Pacific Wolf & DBL55	395	2130/	Kirby Offshore	1,206.00	\$52.00
5/25	Pacific Wolf & DBL55	395	/0745	Kirby Offshore	1,206.00	
06/20/18				Year to Date Totals:	\$24,361.00	\$936.00

Ferry Landings 2018

	Pioneer Dock	Deep Water Dock
January	20	0
February	23	0
March	0	0
April	5	0
May	16	0
June		0
July		0
August		0
September		
October		
November		
December		

Pioneer Dock - 2018 Water Usage							Deep Water Dock - 2018 Water Usage						
Date	Vessel	Beg. Read	End Read	Gal.	Charged	Conx Fee	Date	Vessel	Beg. Read	End Read	Gal.	Charged	Conx Fee
1/23	Tustumena	3,309,450	3,318,600	9,150	\$ 355.11	\$ 102.00	1/18	Pacific Wolf	9,180,000	9,183,180	3,180	\$ 194.05	\$ 102.00
1/27	Tustumena	3,318,625	3,332,868	14,243	\$ 552.77	\$ 102.00	1/18	Bob Franco	9,183,180	9,188,420	5,240	\$ 203.36	\$ 102.00
2/27	Tustumena	3332810	3337200	4,390	\$ 194.05	\$ 102.00	1/30	Bob Franco	9,188,400	9,215,000	26,600	\$ 1,032.35	\$ 102.00
3/23	Pacific Wolf	3337280	3339469	2,189	\$ 194.05	\$ 102.00	2/9	Bob Franco	9,215,930	9,218,020	2,090	\$ 194.05	\$ 102.00
4/13	Endeavor	3339840	3349850	10,010	\$ 388.49	\$ 102.00	2/24	Bob Franco	9,218,000	9,221,400	3,400	\$ 194.05	\$ 102.00
4/23	Pacific Wolf	3357250	3359400	2,150	\$ 194.05	\$ 102.00	3/2	Polar Bear	9,221,390	9,224,320	2,930	\$ 194.05	\$ 102.00
5/13	Pacific Wolf	538790	540750	1,960	\$ 194.05	\$ 102.00	3/20	Bob Franco	9,224,300	9,228,550	4,250	\$ 194.05	\$ 102.00
5/21	Tustumena	3375800	3402166	26,366	\$ 1,023.26	\$ 102.00	4/3	Bob Franco	9,228,600	9,231,100	2,500	\$ 194.05	\$ 102.00
5/29	Tustumena	3406500	3414196	7,696	\$ 298.68	\$ 102.00	4/13	Bob Franco	9,231,111	9,234,810	3,699	\$ 194.05	\$ 102.00
				-			4/26	Unalaq	9,235,470	9,241,990	6,520	\$ 253.04	\$ 102.00
				-			5/3	Bob Franco	9,241,000	9,244,450	3,450	\$ 194.05	\$ 102.00
				-			5/8	Bob Franco	9,244,000	9,246,000	2,000	\$ 194.05	\$ 102.00
				-			5/15	wash down	9,246,000	9,251,000	5,000		
				-			5/15	Zaandam	9,251,000	9,299,260	48,260	\$ 1,872.97	\$ 102.00
				-			5/23	wash down	9,299,000	9,303,000	4,000		
				-			5/23	Silver Shadow	9,303,000	9,360,780	57,780	\$ 2,242.44	\$ 102.00
							5/29	Zaandam	9,365,000	9,446,000	81,000	\$ 3,143.61	\$ 102.00
							5/30	Millennium Star	9,446,000	9,451,700	5,700	\$ 221.22	\$ 102.00
											-		
Year to Date Totals:				78,154	\$ 3,394.51	\$ 918.00	Year to Date Totals:				230,489	\$ 9,091.63	\$ 1,224.00
Notes:							Notes:						
Washing down dock results in missing begin/end reads							Washing down dock results in missing begin/end reads						
\$194.05 Min Charge							\$194.05 Min Charge						
\$102.00 CONX							\$102.00 CONX						



City of Homer

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Memorandum

TO: MAYOR ZAK AND HOMER CITY COUNCIL
FROM: PORT & HARBOR ADVISORY COMMISSION
THROUGH: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
DATE: JUNE 5, 2018
SUBJECT: AMENDMENTS TO ORDINANCE 18-16

The Commission reviewed the draft Ordinance 18-16 and 18-16(S) at the regular meetings on April 25, 2018 and May 23, 2018 they proposed several amendments that were included in Memorandum 18-062 at the April meeting and approved additional amendments at their May meeting as follows:

Line 424, Section 18.08.100 (a) Insert “new” before the word “lease”
Insert the phrase, “or the transfer of a lease” after the word “lease”
Delete “one year” and insert “two years” after the word “within”

Line 425, Section 18.08.100 (a) – Insert the phrase “the renewal of a lease” after the words “prior to” and delete the word “renewal”

Line 430, Section 18.08.100 (c) – Amend the word “Leased” to “Leases”
Line 431 Insert after the word “lease.” The city may choose to have the property appraised sooner than the first five year anniversary of a new lease in order to clump properties together for group rate savings on appraisal costs.

Line 454, Section 18.08.110 (a) delete the words “for less than” and insert “not to exceed” before 25%.

Following is the excerpt of the minutes of the May 23, 2018 regular meeting regarding the Commissions proposed amendments to Ordinance 18-16(S).

Recommendations

Approve the amendments proposed by the Port and Harbor Advisory Commission

MAY 23, 2018 REGULAR MEETING

UNAPPROVED MINUTES

PENDING BUSINESS

A. Memorandum from Deputy City Clerk re: Ordinance 18-16(S), Repealing and Re-enacting Homer City Code Chapter 18.08

Chair Ulmer read the title into the record. She requested clarification on the role of the Commission with regard to review of leases.

Harbormaster Hawkins responded that this will actually keep the review process by the Commission but define the processes and provide City Council with more approval responsibility.

Commissioner Zimmerman requested clarification on page 23, Line 182, Section 18.08.040 (a) requested clarification on the difference between requiring approval via ordinance or resolution.

Harbormaster Hawkins responded that ordinance requires two public meetings by Council and resolutions require only one.

Chair Ulmer noted ordinance is for leases over 5 years and resolutions were for leases 5 years and under.

Harbormaster Hawkins provided a lay down on the amendments to Ordinance 18-16 from the April meeting and made the following recommendations:

Amend title of the ordinance to delete “removing the requirement that all leases may be increased to reflect inflation as determined in the consumer price index”

Commissioner Zimmerman inquired if there were any different CPI and Harbormaster Hawkins reported that there is currently only one in the state, Anchorage and in fact there are only 26 total in the United States.

Harbormaster Hawkins continued to review the following amendments proposed at the April meeting:

Page 27, Line 371, Section 18.08.075 – Amend Ordinance 18-16 by Adding (f) Lease amount to be adjusted annually based on the Anchorage Consumer Price Index.

Harbormaster Hawkins additionally proposed the following amendments to Ordinance 18-16:

Page 29, Line 424, Section 18.08.100 (a) Insert “new” before the word “lease”

Insert the phrase, “or the transfer of a lease” after the word “lease”

Delete “one year” and insert “two years” after the word “within”

Page 29, Line 425, Section 18.08.100 (a) – Insert the phrase “the renewal of a lease” after the words “prior to” and delete the word “renewal”

Page 29, Line 430, Section 18.08.100 (c) – Amend the word “Leased” to “Leases”

Line 431 Insert after the word “lease.” The city may choose to have the property appraised sooner than the first five year anniversary of a new lease in order to clump properties together for group rate savings on appraisal costs.

Harbormaster Hawkins explained that he added a few additional words, and he wanted to provide an option to not do an appraisal if one has been conducted within the space of two years and he wants to be able to group appraisals together to take advantage of discounts that are offered since the city covers all those costs.

Commissioner Zimmerman questioned if that would affect the leases in raised rates earlier than 5 years.

Harbormaster Hawkins stated that it could raise the rates at that time but provided an example using the transfer of lease that was within the two years of having an appraisal done and did not get their rates increased.

Commissioner Zimmerman expressed concerns with the process of raising a lease rate prior to the 5 year stated period since this does not provide the certainty for the lessee that the lease may increase in 5 years but could increase in 3 years. He agreed with the management aspect to get all leases on the same appraisal time period, and he acknowledged the savings would be beneficial but questioned the fairness to the lessees in implementing that process if it does not offer fairness to lessees.

Commissioner Donich inquired if someone new is wanting to lease do the banks require an appraisal and cited an example within his own experience.

Harbormaster Hawkins responded that the banks probably do and it would also be required if it was a property that has not been offered for lease before.

Commissioner Stockburger requested adding terminology at the end of that paragraph that an appraisal will happen every five years for renewals.

Commissioner Zeiset questioned how the application of appraisals every five years, if an appraisal is perform before the 5 years has expired such as 3 or 4 years, from what point will the new appraisal term start at the original 5 year mark or at the 3 year mark.

Commissioner Stockburger added that it may cause issues with the lending institutions.

Commissioner Zimmerman acknowledged Heath Smith in the audience and invited him to come forward and comment on the discussion.

Mr. Smith suggested stretching the time to accommodate instead of truncating the appraisal period. He also stated that the lessee pays the property taxes and an increase in the property value will increase those costs for lessee. They need to honor the contracts and consider the implications to them.

Harbormaster Hawkins acknowledged that they will then have the task of explaining to the leaseholder.

Commissioner Zimmerman suggested having a declaration that appraisals will be conducted every five years and let the lessee know that the first appraisal will be conducted during this time and then every five years to keep it simple.

Commissioner Stockburger asked how much of a savings did this present to the city on average grouping the appraisals.

Harbormaster Hawkins reported that it is approximately a \$200-\$300 savings per appraisal.

Commissioner Stockburger then commented that it could then add that same amount to the lease and did not believe it would be worth the trouble.

Harbormaster Hawkins reviewed the last proposed amendment to Section 18.08.160 (e) Page 34, Line 637, Section 18.08.160 (e) – Insert the phrase, “Only within the terms of the lease” after the word “purchase” this was made Commissioner Hartley last month.

Commissioner Zimmerman requested the commission to review page 29, Section 18.08.110 Line 454, he questioned the less than 25%.

There was a brief discussion on how the statement reads.

Commissioner Zimmerman requested they amend line 454 to delete the words “for less than” and insert “not to exceed” before 25%.

Commissioner Zimmerman then brought to the commission’s attention Page 30, Line 484, item c, he questioned what happens if the city doesn’t want the improvements.

Harbormaster Hawkins noted that typically the lease contains a clause that the lessee must remove all improvements. This clause would be applied if there was an improvement that would benefit or provide added value to the property.

Deputy City Clerk Krause read motion on the floor from the April 25, 2018 meeting:

HARTLEY/DONICH - MOVED TO APPROVE ORDINANCE 18-16 WITH THE NECESSARY AMENDMENTS.

Mr. Smith requested to speak to the Commission again.

Deputy City Clerk Krause stated that the Commission would need to request a motion to suspend the rules to allow comment from the public at this time.

Deputy City Clerk Krause provided clarification to Chair Ulmer on the process of approving the amendments was completed at the April meeting and this was the main motion that was on the floor when a motion to postpone was made.

ZIMMERMAN/HARTLEY MOVED TO SUSPEND THE RULES TO ALLOW PUBLIC COMMENT AT THIS TIME.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mr. Smith stated that the entire intent was to improve the process and add a layer of review by City Council for when things get sticky there are a few more heads to figure things out. Mr. Smith continued by stating that he has been educated and in his research found that it is a standard to use the CPI but also found that there is in use a graduated rent system that is set at an agreed percentage increase per year which allows the parties involved to know the amount of increase on an annual basis. He added that if the CPI was reviewed the increase has been on average 2% per year over the last several years, noting anecdotally that in the late 1990's an increase was 6 percent. Mr. Smith reported that one of the benefits on a percentage increase is that it is dependable and forecastable. It alleviates the juggling needed to adjust for spikes in the CPI. He also believes a graduated approach it will make the lease process more business friendly.

Commissioner Donich requested clarification on a previous action by the Commission on Stall rates based on a percentage increase.

Harbormaster Hawkins reviewed the past action of the commission that inflation proofed the budget in that way that Commissioner Donich referred to and stated that what Mr. Smith was referring to was an escalation percentage built into the lease which accounts for inflation.

Commissioner Stockburger commented that the CPI reflects the economy however some years it can hurt worse than others and there is a difference between Homer and up the road. He believed that if the number was low it probably would not be too harmful.

Mr. Smith commented that he preferred 2% increase over a couple of years than a jump of 4% in one year. He added that it would always be a moving target compared to a known increase.

Commissioner Hartley commented on his recollection of double digit inflation rates in the 1980's and they have to be prepared for such an occurrence.

Harbormaster Hawkins pointed out that a contract is binding and that if there is no CPI adjustment allowance in the existing contract they will not be bringing back all lessees to the table to adjust their contract. This would be applied to all new contracts.

Commissioner Zeiset commented that as a leaseholder he preferred a known increase than the unknown but he acknowledges lack of knowledge on application and use of the CPI.

The commission discussed at length on applying the CPI over a set period such as reviewing the CPI as an average over a set span of time and then apply that amount as a percentage for a set period time; further amendments would have to be done by ordinance; clarification on how the CPI is used to value a lease; the appraisal reflecting the increase in the economic value; not including a percentage since they do use the

appraisal approach; city being the landowner and the land changing ownership rarely which is the value of using the CPI on an annual basis they would see very little change in the market value per square foot; they draw comparison from other cities which may make appraisals very difficult; applying the CPI annually could mean a lesser impact when an appraisal is conducted; how the appraiser conducts the appraisal may result in a higher impact to the lessee such as double increases, which have not been seen to date since the appraisers have access to all the records that the city has and have recommended leaving the CPI.

Chair Ulmer asked if the commission was ready to on the ordinance.

STOCKBURGER/HARTLEY MOVED TO APPROVE THE AMENDMENTS AS PROPOSED TO SECTION 18.08.100 AND SECTION 18.08.110

There was a brief clarification on leaving in the CPI.

VOTE. YES. STOCKBURGER, ZEISET, HARTLEY, YES, DONICH, CARROLL, ULMER
Motion carried.

STOCKBURGER/HARTLEY MOVED TO APPROVE ORDINANCE 18-16 AS AMENDED.

There was no further discussion.

VOTE. YES. ULMER, CARROLL, DONICH, ZIMMERMAN, HARTLEY, ZEISET, STOCKBURGER

Motion carried.

2018 HOMER CITY COUNCIL MEETINGS
ADVISORY COMMISSIONS/ BOARD ATTENDANCE

Commissions are invited to report to the City Council at the Council's regular meetings under Item 8. Announcements/Presentations/Borough Report/Commission Reports. This is the Commission's opportunity to give Council a brief update on their work. Generally the Commissioner who will be reporting will attend one of the two meetings for the month they are scheduled to attend.

The following Meeting Dates for City Council for 2018 is as follows:

January 8, 22	_____
February 12, 26	_____ Ulmer, Donich _____
March 12, 27	_____ Zimmerman _____
April 9, 23	_____ Hartley _____
May 14, 29	_____ Carroll _____
June 11, 25	_____ Ulmer _____
July 23	_____ Carroll _____
August 13, 27	_____ Zeiset _____
September 10, 24	_____ Zeiset, Donich _____
October 8, 22	_____
November 26	_____ Hartley _____
December 10	_____ Zimmerman _____