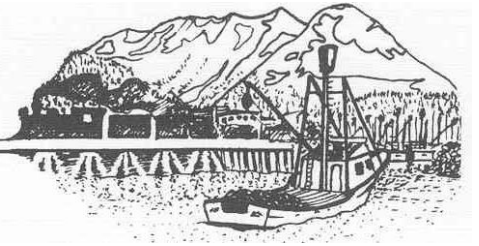


CITY OF CORDOVA



Chairman:
Robert Beedle
Commissioners:
Andy Craig
Max Wiese
Kenneth Jones
Jacob Betts
Harbormaster:
Tony Schinella
Admin Assistant:
Brandy Griffith

HARBOR COMMISSION REGULAR MEETING
Feb 08, 2017 @ 7:00 PM
CITY HALL CONFERENCE ROOM B

AGENDA

CALL TO ORDER

ROLL CALL

Robert Beedle, Andy Craig, Max Wiese, Ken Jones, Jacob Betts

- 1. APPROVAL OF REGULAR AGENDA..... Page 1**
- 2. APPROVAL OF MINUTES**
 - A. Jan 12, 2017 @ 6:00 PM Regular meeting.....Page 2
 - B. Jan 12, 2017 @ 7:00 PM Workshop meeting.....Page 3
- 3. COMMUNICATIONS BY VISITORS**
 - B. Audience comments regarding agenda items (3 minutes per speaker)
- 4. HARBORMASTERS REPORT.....Page 4**
- 5. NEW BUSINESS**
 - A. Harbor stall rates and comparisons. Other revenue generator ideas.....Page 5-7
 - B. Discussion on additional items and or changes for harbor rebuild project
- 6. OLD BUSINESS**
 - A.
- 7. MISCELLANEOUS BUSINESS**
- 8. AUDIENCE PARTICIPATION**
- 9. COMMISSION COMMENTS**
- 10. ADJOURNMENT**

**MINUTES
HARBOR COMMISSION MEETING
JANUARY 12, 2017 @ 6:00 PM
CORDOVA CENTER EDUCATION ROOM**

Call to order: This meeting was called to order by Robert Beedle @ 7:00 pm.

Roll Call: In Attendance: Jake Betts, Robert Beedle, Ken Jones, Max Wiese

Approval of Agenda: M/ Betts, 2nd/ Wiese, V/ Unanimous to approve

Approval of Minutes: M/ Betts, 2nd/ Wiese, V/ Unanimous to approve

Communications by Visitors: John Harvil discussed old business of charging wharfage to the small processors. Feels it would be an added burden for the companies to have to report their wharfage. Understands the need to generate revenue but thinks the harbor could do it a different way.

Tom Carpenter discussed the need for revenue to rebuild the harbor and that we need to charge adequate rates to the processors. Does not think that billing for wharfage is inconvenient. The harbor needs to follow the fee schedule.

Harbormaster's Report: The report was printed in the agenda packet. Additional information: New hire quit so the maintenance position is open again. 159 boat lifts in 2016. CEC fixed the leaning light pole on the old grid approach.

New Business: None

Old Business: Wharfage rates for fish processors using harbor facilities: Harbormaster explained that to be consistent the wharfage needs to be charged on all product coming across the dock on all companies. It is not a large amount of money. Robert Beedle added that there is complaints of congestion at the dock and that he does not want to compete with processors for dock space, he believes the daily rate should be raised to make the processors think of an alternative to using the dock. Jake Betts pointed out that a getting the wharfage amounts is not that hard to do and would not be inconvenient to the processor. Max Wiese agreed that the processors tie up the cranes, but that the worked with him and unloaded his net for him when he needed the crane.

Audience Participation: Kate McLaughlin- Pointed out that there may be money left over from the funds that NVE was using to promote the Shepherd Point oil spill response facility. The funds may be able to be used for the harbor improvements. Please contact Kate for more information.

Tom Carpenter: Thinks it is reasonable to charge everyone the same rate, and the congestion problem should not be that hard to solve.

Commission Comments: Jones: Agree with Tom, and we need a new crane on the City dock. Fee schedule should be the same for everyone. Beedle: Appreciate everyone coming.

Adjournment: M/Betts, 2nd/Jones, meeting adjourned at 6:45 pm

MINUTES
HARBOR COMMISSION WORK SESSION
JANUARY 12, 2017 @ 7:00 PM
CORDOVA CENTER EDUCATION ROOM

Call to order: This meeting was called to order by Robert Beedle @ 7:00 pm.

Roll Call: In Attendance: Jake Betts, Ken Jones, Max Wiese, Andy Craig, Robert Beedle (excused himself after meeting started due to scheduling conflict with another meeting)

Communications by Visitors: John Harvill handed out booklet. He has had customers looking to start a new processor in town. They are looking the property to build on and looking for interest from the public.

Clay Koplín: The city is going through Strategic planning as well right now, and it is good timing. City and Clay have been working on a package looking for infrastructure funding for the replacement of the South harbor.

Alan Lanning: We are putting a summary together with the objective to build in bullet points of what the funding would go to.

Guest Speaker: Alan Lanning: Discussed the way a strategic planning meeting could be organized. Gave an outline and explanations of how to tackle the process.

Work Session Topic: Cordova Port & Harbor Strategic Planning: Was postponed until a time when all commission members could attend

Commission Comments: Betts: Support the idea of this planning system, it would be good to see the commission show up with one goal in mind. Wiese: Good to have a point we are going to. Craig: Agree, it seems like a good process. Jones: Would like to do it sooner than later, and should continue as planned, lets meet before the end of the month.

Adjournment: M/Betts, 2nd/Wiese, meeting adjourned at 7:51 pm

Harbormaster's Report

- Attended Council strategic planning & regular meetings
- Attended Planning & Zoning meeting
- Hired new employee Quinten Eike, will start 06 Feb
- Sent out monthly billing
- Sent out stall cancelation notices
- Helped out with Federal funding request for South Harbor
- Pumped out used oil collection sumps
- Cleaned oil sumps
- Cleaned restrooms
- Ordered five 20'x 12"x 12" bull rails for Ocean dock repairs
- Snow removal in North and South Harbor.
- Snow plowed City Dock, Ocean Dock, Parking area's and Shipyard
- Sanded approaches and entrance ways
- Had Cordova Outboard make repairs to snowblower
- Built lumber rack and installed in conex
- Dock rounds
- Made preps for Ice Worm Festival
- Organized Conex storage
- Ordered new hydraulic hoses and filters for Bobcat
- Cleaned oil absorbent collection area
- Three runs with Smartash burner
- Removed molding around front windows and re-insulated
- Information gathering for EDA, CIP funding requests
- Picked up lumber to build 4th fire extinguisher shed

Harbor Rate Comparisons

Whittier: Annual \$53.17 per ft. per yr.
Monthly \$17.70 per ft. per month.
Daily \$0.90 per ft. per day

Seward: Annual \$54.82 per ft. per yr.
Monthly \$9.87 per ft. per month +\$5.00
Daily \$0.74 per ft. per day +\$5.00

Homer: Annual \$45.82 per ft. per yr. + \$93.49
Monthly \$7.65 per ft. per month + \$15.89
Daily \$1.34 per ft. per day

Valdez: Annual \$37.91 per ft. per yr.
Monthly \$9.63 per ft. per month
Daily \$0.77 per ft. per day in advance
\$1.16 billed

Cordova: Annual \$38.14 per ft. per yr.
Monthly \$13.33 per ft. per month
Daily \$0.99 per ft. per day in advance
\$1.17 billed

Kodiak Harbor stall fees with 18.2% increase

9.7.1	0 to 20 feet.....	35.46
9.7.2	21 to 30 feet	35.46
9.7.3	31 to 40 feet	35.46
9.7.4	41 to 60 feet	48.46
9.7.5	61 to 80 feet	72.10
9.7.6	81 to 100 feet	84.51
9.7.7	101 to 120 feet.....	96.92
9.7.8	121 to 150 feet.....	105.20
9.7.9	151 feet +	118.20

Average cost per foot \$60.88



Memorandum

Date: May 11, 2016
To: Lon White, Harbormaster, City of Kodiak
Kelly Mayes, Finance Director, City of Kodiak
From: Michelle Humphrey
Re: Kodiak Cash Flow Analysis

This memo provides moorage rate recommendations for the Kodiak Harbor system based on a life cycle cost model that takes into account all of the costs associated with operating, maintaining, and replacing the three harbor facilities in Kodiak. This memo also provides a preliminary debt plan that is based on the external financing needs identified in a second model that looks at Boat Harbor Enterprise Fund's cash flows and working capital balance over the 50-year study period. The following sections discuss our findings and recommendations as well as the analytical process, data, and assumptions used in the analysis.

Findings and Recommendations

Based on the results of the life cycle cost analysis, our model recommends increasing the average moorage rates to cover the net present value of the projected cash flows from operations, maintenance, and capital replacement. We recommend implementing this moorage increase through a single year flat rate increase of 18.16 percent across all vessel sizes at the beginning of fiscal year 2017, bringing average moorage rates from \$51.52 per foot in 2016 to \$60.88 per foot in 2017. The recommended adjustment in fiscal year 2017 includes the flat percentage increase as well as an adjustment for inflation. While this is a large increase, it is equivalent to annual increases of only 2.8 percent since the last rate increase in 2011.

We also suggest implementing annual inflation-based moorage rate adjustments following the flat rate increase in fiscal year 2017. The cash flow model uses the four-year compounded annual growth rate of the Producer Price Index (PPI) for port and waterfront terminal operations of 2.8 percent as a proxy for this annual adjustment, but in practice that adjustment can be based on the change in the PPI from the previous year (BLS 2016). The Anchorage Consumer Price Index is another index that could be used as the basis for the annual inflation adjustments, and with a ten-year compounded annual growth rate of 2.3 percent is similar to the PPI index used in this model (BLS 2016).

Preliminary debt plans based on the results of the cash flow model suggest that the implementation of the two moorage rate changes described above has the potential to reduce the harbor system's debt requirement by over \$255 million (in 2016 dollars) over the 50-year study period.

Life Cycle Cost Model

Our model estimates the annualized life cycle cost of Kodiak's harbor facilities to be \$2.02 million. This annualized cost was calculated by projecting cash flows for operations, maintenance, and capital replacement out 50 years to 2065, then discounting them to 2016 dollars to find the net present value.

880 F Street, Suite 210
Anchorage, AK 99501

1455 NW Leary Way, Suite 400
Seattle, WA 98107

E-mail: mell@northern.com
www.northerneconomics.com

Tel: 907 274-5600
Fax: 507 274-5601

HARBOR RATES

MOORAGE

Annual Vessel Moorage	\$ 38.14 ft/yr
Monthly Vessel Moorage	\$ 13.33 ft/mo
Daily Vessel Moorage	\$ 0.99 ft/day paid in advance
	\$ 1.17 ft/day if billed

All stalls will be reserved based on **over-all** length of vessels. Moorage rates on "L" floats will be calculated at 75% of the annual moorage rate (only for those slips between approach ramps).

Annual Seaplane Moorage	\$ 815.72 yr
Daily Seaplane Moorage	\$ 33.95 day
Eyak Lake Seaplane Moorage	
40' space	\$ 340.98 yr
60' space	\$ 538.52 yr

GRID USE (per low tide)

0'-50'	\$.58 ft/tide
51'-70'	\$.79 ft/tide
Over 70'	\$ 1.50 ft/tide

MISCELLANEOUS SERVICES

Launch Ramp Permit (Annual Jan-Dec)	
Stall holders	- no charge
Non-stall holders	\$ 78.75 yr
Launch Ramp Permit for two weeks	\$ 20.00
Waitlist	\$ 20.00 yr
Pump Rental	\$ 31.76 hr
Harbor Staff Labor	\$ 72.00 hr
Harbor Staff Labor Over Time	\$ 108.00 hr
Impound Fees	\$ 1,000.00
Impound / Storage of Nets	\$ 288.75
Storage of Impounds	\$ 2.50 ft/month
Electricity (for elec. rental slips)	\$ 15.00 day
-a deposit of \$100.00 required for all electrical pigtailed	
Bilge Water Collection / Oil rag disposal	\$ 95.29 hr
Showers	\$ 5.00
Dock Use Fee	\$ 1.81 linear ft/day

PORT RATES

WHARFAGE

Wharfage N.O.S. (not otherwise specified)	\$ 5.27 ton
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DOCKAGE

Charge	\$ 1.66 ft/day
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STORAGE

Boat storage (up to 12 months)	\$ 2.50 ft/month
Boat storage (over 12 months)	\$ 10.00 ft/month