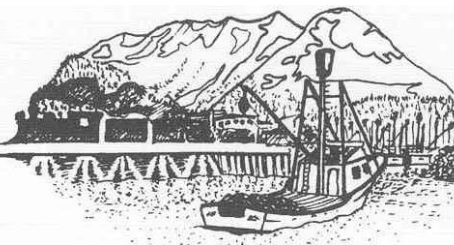


CITY OF CORDOVA



Chairman:
Jake Betts
Commissioners:
Andy Craig
Max Wiese
Ken Jones
Mike Babic
Harbormaster:
Tony Schinella
Admin Assistant:
Brandy Griffith

HARBOR COMMISSION REGULAR MEETING
OCT 10, 2018 @ 7:00 PM
CITY HALL ROOM CONFERENCE ROOM B

AGENDA

CALL TO ORDER

ROLL CALL

Jacob Betts, Andy Craig, Max Wiese, Ken Jones, Mike Babic

- 1. APPROVAL OF REGULAR AGENDA..... Page 1**
- 2. APPROVAL OF MINUTES**
 - A. At the November meeting
- 3. COMMUNICATIONS BY VISITORS**
 - A. Audience comments regarding agenda items (3 minutes per speaker)
- 4. Harbormasters report.....Page 2**
- 5. NEW BUSINESS**
 - A. State Matching Grant funding Power Point Presentation.....Pages 3-10
 - B.
- 6. OLD BUSINESS**
 - A. None
- 7. MISCELLANEOUS BUSINESS**
 - A. None
- 8. AUDIENCE PARTICIPATION**
- 9. COMMISSION COMMENTS**
- 10. ADJOURNMENT**

Harbormaster's Report

- Ordered new parking and engine swap signage for 3 stage hoist
- Phone conferenced with PND a couple times about Build Grant & State matching grant
- Repaired 15 electrical issues
- Had Travelift tech in town to conduct annual inspection
- Replaced plank on G float ramp
- Replaced rotted planks on old grid approach
- Completed 112 vessel lifts for 2018
- Replaced 7 pile hoops. Order 6 more pile hoops
- Rebuilt steps for used oil tank
- Painted and installed new stall name tags
- Installed 2 sections of North Ramp floating dock. Still waiting for new section
- Installed new hydraulic pumps on all hoists
- Installed 2nd rebuilt turning gear motors on hoists. 3rd turning gear has been rebuilt
- Shipped 10,000 gallons of used oil to NRC Anchorage for disposal
- Refurbished 48+ stalls on J & K float
- Started re-installing electrical pedestals on J float
- Electrician is re-wiring pedestals on J float
- Harbor personnel performed security during 5 Samson offloads
- Transferred 4000 gallons of used oil from sorting tank to holding tank
- Collected 9180 gallons of used oil
- Delivered 300 gallons of used oil to City shop
- 1200 gallons of bilge water to EVOS filtration room
- Impounded Three Sisters and Hana Cove
- Working with Arctic IT & FSM to get our tablet working to conduct dock checks
- Cleaned office
- Cleaned shop
- Sent out annual and monthly invoices
- Burned 13 loads of oil absorbents with the Smartash burner
- Dock rounds twice daily
- Cleaned oil sumps daily
- Cleaned restrooms daily
- Don't forget to buy your Cordova Port & Harbor sweat shirts

Tier 1 Harbor Facility Matching Grant



HOW DO WE GET THERE?

Harbor and Harbor Commission

Goals

- Submit State Tier 1 Harbor Facility Grant - July 2019
- Submit BUILD Grant - August 2019
- Resolution to City Council with Harbor Commission's preferred options for bonding and repayment

Objectives

- Determine Source of 5 million Match
- Determine Options for Repayment?

Tier 1 Harbor Facility Matching Grant



HOW DO WE GET THERE?

Required documentation for the Tier 1 Harbor Facility Grant application.

- Proof of the \$5 million match
- Source of Repayment
- Proof of sufficient revenues and fee structure to **operate** and **maintain** facilities in the future
- Show project will reduce maintenance cost or addresses preventive maintenance needs

How do we get 5 million dollars for a match?

- Bond at a rate 4%* - Requires a vote of the people
- Loan from Cordova's Permanent Fund - Council vote of 7 to approve
- A combination of Bonding and a Permanent Fund Loan
- BUILD Grant – will be submitted 2019
- Other Ideas?

* Rate may vary

Timeline

10/17/18 or 11/7/18 City Council Meeting

Harbor Commission resolution recommending to City Council amount to bond and repayment option

12/5/18 City Council meeting

City Council Resolution with Bond Amount and Ballot Language

12/6/18

Begin work on resolution, ordinances and other documentation

3/5/19 City Election

How Much Do We want to bond?

- All 5 million
- Borrow a portion from the permanent fund and bond a portion?

Payment Options Considerations

- All Revenue will Vary Annually
- Bond Rate could Change
- Repayment Amount is estimated
- Personal Property Tax and Local Fish Tax will be time intensive to implement

What would an annual bond payment be?

5 million for 20 years at 4% - \$367,908

4 million for 20 years at 4% - \$294,327

3 million for 20 years at 4% - \$220,745

2.5 million for 20 years at 4% - \$183,954

2.0 million for 20 years at 4% - \$165,432

Payments are estimated and may vary

Harbor infrastructure replacement fee

Breakdown by Vessel Length

<26'	20 X \$120 = \$2,400
26'-40'	473 X \$240 = \$113,520
41'-60'	100 X \$360 = \$36,000
61'-80'	26 X \$480 = \$12,480

\$164,400 of potential revenue

Implement a fuel oil Wharfage Rate

Add a per gallon Wharfage rate to the already established \$0.17 per barrel rate. An additional rate at \$0.02 per gallon = \$112,000 per year

Possible Payment Options?

1. New Harbor Infrastructure Fee, aka HIR
 2. Implement a fuel oil wharfage rate
 3. Increase Harbor Fees
 4. Local fish tax all proceeds
 5. Add mill to the current property tax rate
 6. Allocate a portion of the State raw fish tax
 7. Personal property tax on boats - all or portion allocated to harbor maintenance and upgrades
- Other Ideas?

Harbor Rate Increases

	Current	5%	10%	20%	30%
Wharfage	\$47,250	\$2362.50	\$4725	\$9450	\$14,175
Dockage	\$30,000	\$1,500	\$3,000	\$6,000	\$9,000
Dry land Storage	\$90,000	\$4,500	\$9,000	\$13,500	\$18,000
Sale of labor	\$700	\$35	\$70	\$105	\$140
Annual Slips	\$1,000,000	\$50,000	\$100,000	\$150,000	\$200,000
Monthly fees	\$20,000	\$1,000	\$2000	\$3,000	\$4,000
Daily fees	\$84,000	\$4,235	\$8,470	\$12,705	\$16,940
Grid use fees	\$6,600	\$330	\$660	\$990	\$1,320
Seaplane moorage	\$500	\$25	\$50	\$75	\$100
Utility sales	\$12,000	\$600	\$1,200	\$1,800	\$2,400
Sales of service	\$5,000	\$250	\$500	\$750	\$1,000
Other revenue	\$10,000	\$500	\$1,000	\$1,500	\$2,000
Penalty & Interest	\$2,500	\$125	\$250	\$375	\$500
Travelift fees	\$124,671	\$6,233.55	\$12,467.10	\$18,700.65	\$24,934.20
Launch ramp fees	\$2,500	\$125	\$250	\$375	\$500
Parking permits	\$1,000	\$50	\$100	\$150	\$200
Maintenance area fees	\$1,200	\$60	\$120	\$180	\$240
Revenue Generated		\$75,818.55	\$151,637.10	\$231,318.15	\$310,999.20
Total	\$1,439,121	\$1,514,939	\$1,734,670.10	\$1,886,307.10	\$2,037,944.20

	Current	5%	10%	20%	30%
Annual per ft	\$41.95	\$44.05	\$46.15	\$50.34	\$54.54
Monthly per ft	\$13.33	\$14.00	\$14.66	\$16.00	\$17.33
Daily paid per ft	\$0.99	\$1.04	\$1.09	\$1.19	\$1.29
Daily billed per ft	\$1.17	\$1.23	\$1.29	\$1.40	\$1.52
Travelift 0-40 ft	\$22.00	\$23.10	\$24.20	\$26.40	\$28.60
Travelift 41-58 ft	\$24.00	\$25.20	\$26.40	\$28.80	\$31.20
Travelift Over 58 ft	\$26.00	\$27.30	\$28.60	\$31.20	\$33.80
Grid 0-58 ft, per ft	\$0.58	\$0.61	\$0.64	\$0.70	\$0.75
Grid 59-70 ft	\$0.79	\$0.83	\$0.87	\$0.95	\$1.03
Grid Over 70 ft	\$1.50	\$1.58	\$1.65	\$1.80	\$1.95
Shipyard Elec	\$25	\$26.25	\$27.50	\$30.00	\$32.50
Monthly Storage per ft	\$2.50	\$2.63	\$2.75	\$3.00	\$3.25

State raw fish tax

Allocate a portion of the for harbor maintenance and upgrades = \$100,000
Decrease revenue to the general fund

Property tax

One mill increase = \$214,000

For every \$100,000 of assessed value property taxes goes up \$100.00 per year - For example a property valued at \$250,000 would go \$250 a year or \$20.85 a month

Local fish Tax

1% = 668,775.00 - .05% = \$334,387.50
Staff estimate average from 2006-2013 with 75% of Seine and Gill Net Fish being delivered to Cordova

Personal Property Tax on Boats

2017 Boat Personal Property value number from State \$41,968,200.00
11 mills would generate \$495,644 5 mills = \$495,644

Payment Options To Avoid & Why:

Depreciation Fund

Grant requires proof of future funding for **operations** and **maintenance of Harbor**

Maintenance and upgrades will still need to occur for **all** Harbor Facilities

Administrative Fee

Grant requires proof of future funding for **operations** and maintenance