
City of Bethel, Alaska

Port Commission Minutes

Date 02/20/07

Regular Meeting

City Council Chambers

CALL TO ORDER

A regular meeting of the Port Commission was held on 02/20/07 at 7:00 p.m. in the City Council Chambers, Bethel, Alaska.

Brandon Leary called the meeting to order at 7:08 p.m.

ROLL CALL

Commission did have a quorum, the following members were present:

Brandon Leary
Allen DeSousa
Clair Grifka
Alan Murphy
Mary Kenick
Greg Roczicka
Harry Faulkner
Heath Martin

Also in attendance were the following:
Kim Shelden

Absent: none

PEOPLE TO BE HEARD

None

APPROVAL OF MINUTES of the January 16, 2007 regular meeting

MOVED BY:	Greg Roczicka	Approval of the January 16, 2007 minutes
SECONDED BY:	Mary Kenick	
VOTE ON MOTION	Passed unanimously	

APPROVAL OF AGENDA

Heath added the swearing in of Brandon Leary to the agenda and also requested to move old business to the bottom of the agenda.

MOVED BY:	Clair Grifka	To approve the agenda, as amended
SECONDED BY:	Mary Kenick	
VOTE ON MOTION	Passed unanimously	

Brandon Leary was sworn in by Heath Martin.

PORT DIRECTOR'S REPORT

Heath started by saying that he was leaving. He said he really enjoyed the last two years that it has been quite an experience and it has also been great working with everyone. He said the Port has six open projects and that he will continue to work on them until they find a replacement.

Heath said he was in Anchorage Friday and finalized the plan set for this summer's projects; they are now at 100%. He said he also had a meeting today with the Corps of Engineers about the Brown Slough Project. He said it looks like they will be able to get the rock part of it done without having to come up with too much more money to match. He said now they are at the point of having to decide what to do with the tie back system. There is federal money available to do that, but we would have to match. \$1.3 million total is what they estimated, so it would be a \$325,000 match to the city. Heath said he would like to take a harder look at that before they make any decisions. He said he will be working on that for the next week or so.

Harry asked where they would get the match money. Heath said it comes from the designated maintenance account. Heath said we have already matched \$770,000 cash to this project, plus real estate acquisitions around another quarter of a million dollars. Heath said we had a \$1.1 million dollar total match originally, but that was six years ago before inflation.

Heath: We paid \$770,000 out and I went to the Denali Commission and got \$570,000 of that back as a reimbursement to us. Plus we have about \$250,000 in real estate which counts toward that match as well. So if we have to pay another \$50,000-\$60,000 to get this project done, that's really nothing. The tie backs are going to require a little more thought.

Harry asked Heath if the figure is revolving until they get the signed documents on the fifth.

He said "No", that this was it. He said he would like to take another look at the tie backs, look at their design. He said we may be able to get closer to that doing it in house because we're going to have more tie back work on the city dock as well. Heath said he would have more on it in a couple of weeks.

Harry addressed concerns about needing someone in the city level watching the project. Heath said it's a Corps projects and the Corps will have a QAR on site 24/7.

CHAIRMAN'S COMMENTS

Brandon said he didn't have much; just that it was a shocker hearing that Heath was leaving. He said they all knew that it was coming sooner or later, but didn't think it was sooner.

COUNCIL REP'S COMMENTS

Mary said she didn't have any comments.

COMMISSIONER'S COMMENTS

Greg said he didn't have much; he has been out on the road three weeks out of the last four.

Clair said he didn't have anything at this time.

Harry said he wanted to have the port commission members involved in the hiring of the new port director, be a part of the selection process. He also mentioned they need to look at possibly getting a construction management firm (he said he thinks they charge 10% or 11% percent). He said if we have these projects coming up and the port director we hire is good in all skills but contracting and watching contractors, etc., then we need to find that money in the budget to pay for an engineering company that can come out and watch the projects on our behalf.

Allen DeSousa did not have any comments.

Alan Murphy said Harry brought up some very good points.

NEW BUSINESS

A) Public Hearing on Tariff Increases

Brandon called the public hearing on tariff increases to order. Nobody was there to speak. Brandon closed the public hearing on tariff increases.

B) Mid Year Budget Modification

Heath said last year during the budget cycle they put in \$81,450 for a hazardous material containment area; propane was their biggest concern. Since then the largest supplier of propane, which is now Crowley, has taken all the propane down to their place.

Brandon said that they are going to put in a storage pumping facility next summer.

Heath: It's made our need nil. We don't move enough material now, there's not enough hazardous material that stays on the dock to have to worry about it. What is there is minimal, not a lot. The Coast Guard allows us to designate a portion of the dock now for this particular cargo whether it's in-transit or its there for awhile. So unfortunately we have a bunch of fence and stuff we'll reprogram to another project, but that leaves us with \$81,000 to do something with.

Harry: What if "Brand X" decides that they're going to come and bring propane in? You'd still have to accommodate them.

Heath: We do. And right now we have "Brand X" bringing propane in but they don't move enough bulk that it's an issue.

Harry: So you don't think you should go ahead with it, just in case?

Heath: No, I really don't. We do have the materials purchased already so we could....

Harry: Can you afford the space?

Heath: That's the thing. Right now this summer we can't.

Harry suggested it should be postponed not canceled. Brandon agreed saying they have to think long term, its something they might need eventually.

Heath: Well, another thing is where we were planning to build it now may be the site for the placement cargo dock.

Harry asked if the placement cargo dock was to be temporary. Heath said "No", explaining that at some point they will have to replace the one they have. Heath said that since they have the material and they have the money, what he would like to do is start to reprogram some of the money into the "wish list" for the next fiscal year. He said the first thing he would like to do is take \$25,000 of that and move it over to get one of the replacement Toyota pickup trucks because the Port is short a small truck for the port attendants. Heath said he would also like to take \$20,000 of that and move it into planning and engineering fees. Harry asked if that has already been spent, Heath said "No".

Heath said he made a little mistake this year on their Bathymetric survey based upon the year before, he had the last invoice which was \$15,000, that was the last invoice, not both, so that's about \$30,000, so he missed the mark there.

There was also more discussion about the Toyota. Heath said the key was getting it this fiscal year and not waiting until July 1 to purchase and not getting them until August. Everyone said they didn't think they need to fly the truck out. Barging it was more cost efficient.

Heath said those were the only two items he wanted to move and just leave the rest of the line item in place. He said he didn't believe that we had to spend every last dime before June 30, if there is money left we get it right back.

MOVED BY:	Greg Roczicka	To approve the recommendation to redesignate \$30,000 to line item 52-50-691 Vehicles and \$20,000 to 52-50-643 Planning Fees and Engineering from line item 52-50-779 Haz Mat Storage Area.
SECONDED BY:	Harry Faulkner	
VOTE ON MOTION	Passed unanimously	

OLD BUSINESS

A) FY 2008 Budget Modification

Harry asked what the difference was between capital projects and capital expenditures. Heath explained that capital expenditures were equipment and capital projects are summer improvement projects. Heath explained the port fund was a little more complicated than

some of the other enterprise funds. We have agreements with the federal government on the seawall maintenance and we also have an agreement with the state of Alaska on the city dock. Heath explained how everything was broken out. Administration consists of the port director and office manager salaries. On each one of the pages expenditures are shown on the left and revenues on the right and notes underneath showing where operating expenses are. Last meeting everyone had a copy of two budgets. One is assuming 6 cent fuel thru put and one is assuming the current 4 cent. He said it was all spelled out in here. The first page has the fund summary which shows the total revenue projected for the year, operating expenses, non operating and depreciation. We have not been close to funding depreciation. There's been a bit of a fight about the city trying to fund depreciation on water and sewer projects because it's 100% grant funded. The seawall is not. We need to fund our depreciation. The 6 cent thru put plus a fairly good sized improvement project, we are pretty close, within \$63,000 of totally funding it.

It was decided to have a work session tomorrow at noon in the council chambers for further budget discussion.

Providing funding for plowing the ice road was discussed. Heath said there was money available in the budget for it. Brandon suggested waiting to see if it needs to be done before we give out the \$30,000. Brandon asked if it was something we had to go to council with or if the port could just hand it over if the need arises. Heath said it did not have to go before council. Harry suggested the port commission should agree now if it is fair to just go down river or not. Mary and Harry said they didn't think it was fair and Harry said he didn't think it was fair to the public here either. Heath said the way the procurement policy is established we do have a role as a big brother of sorts in this region, so if you have a situation where you had a village that was completely out of fuel, city council could make an emergency procurement and that's what this would fall under, so we could make these funds available to help somebody plow that particular village. That may be the best way to go. Once you entered into emergency procurement you do have some leeway in there to expand services. Allen DeSousa suggested the port commission ok it on as as-needed basis that way if it comes to council some village is asking for it Mary can jump in and say the port has the money for that.

Make funds available for ice road emergency procurement

MOVED BY:	Greg Roczicka	To make the funds available for emergency procurement needed to do the ice road
SECONDED BY:	Harry Faulkner	
VOTE ON MOTION	Passed unanimously	

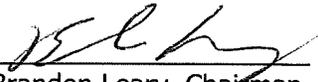
DISCUSSION

ADJOURNMENT

Meeting adjourned at 8: 24 p.m.

NEXT MEETING:

Respectfully Submitted:



Brandon Leary, Chairman

APPROVED THIS 28 day of December 2007.

ATTEST: _____