
City of Bethel, Alaska

Port Commission Minutes

Date 02/22/2006

Regular Meeting

City Council Chambers

CALL TO ORDER

A regular meeting of the Port Commission was held on 02/22/2006 at 6:30p.m. in the City Manager's Office, Bethel, Alaska.

Brandon Leary called the meeting to order at 6:40p.m.

ROLL CALL

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

Brandon Leary
Allen DeSousa
Clair Grifka
Heath Martin
Alan Murphy
Thor Williams
Donna Chris

Also in attendance were the following:

None

Absent:

Anna Hoggard

PEOPLE TO BE HEARD

None

APPROVAL OF MINUTES of the January 16, 2006 regular meeting

MOVED BY:	Thor Williams	Approval of the January 16, 2006 minutes
SECONDED BY:	Donna Chris	

VOTE ON MOTION	Passed unanimously
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APPROVAL OF AGENDA

Allen: An item has been accidentally left off. I had requested that discussion of the Council Rep position be added to New Business.

Clair: We were also going to talk about Mr. Andrew's concerns that he shared with us at the last meeting.

Heath: I would suggest that we discuss that more at the March meeting.

Brandon: OK, is there anything else?

MOVED BY:	Allen De Sousa	To approve the regular agenda, as amended
SECONDED BY:	Alan Murphy	
VOTE ON MOTION	Passed unanimously	

PORT DIRECTOR’S REPORT

Heath: It’s a pretty short one this month. The Crow Property clean up is complete. Tony Avalos is cleaning up the other two buildings and should be done by June 1st. Peter and Galen have been working outside since the weather has been good. The new tariff was ratified by the City Council on February 13th. It is now posted on the City of Bethel and The Houston Port Bureau websites.

Donna: Were there any other changes made to the new tariff?

Heath: There were a few changes made to the wording but the rate structure stayed the same. I have again spelled out my need for a full-time Port Office Manager. I think you’ll be seeing me riding a Cat this summer more than you’ll be seeing me ride a desk.

Donna: So what do we need to do to push this forward?

Heath: It has been included in the budget. We have discussed it informally and I will be bringing it back to the Commission to get a recommendation. We’ll have to pick it apart some more but a recommendation from the commission will go a long way to getting it done.

Donna: Do we need to add this to the agenda for the March meeting?

Thor: The budget for the enterprise fund for the Port is to be reviewed by the committees in March.

Heath: We’ll probably have to call a special meeting because I’ll be out of town from March 10th thru the 27th. I have copies of the budget along with the maintenance schedule if anyone needs one.

The LCL freight issue is going to be moved to old business. My opinion is that the Port could make money at it, but not enough to justify the headache it would cause. Additionally, a window to submit requests for funding of projects came open and I will be sending a request for the Small Boat Harbor project to Washington by the end of the week. I have gotten a commitment from our delegation in Juneau to write letters of support for it, which should help. This is approximately a twelve million dollar project. The funding would come from Sen. Murkowski’s office since the majority of the Corps funds are going to be sent to the Gulf Coast. That’s all I have for now.

CHAIRMAN’S COMMENTS

Brandon: I’ve noticed in the slough near Hoffman’s office that the wooden retaining wall is starting to come up out of the ground and the timbers are starting to come loose. We need to take a closer look at it before breakup or we could have a major failure there.

Heath: It just so happens that we’re going to have an engineer out tomorrow and we’ll be going by there to take a look at it and get his opinion. It could be that we can just take a hammer to it and drive those timbers back in place.

Brandon: I would also like to commend everyone on the work on the new tariff. It was a lot less painful than I thought it would be, in part because Heath was so well prepared. So just wanted to say “Good job”. That’s all I have.

COUNCIL REP’S COMMENTS

Thor: Ordinance 511-C is in public hearings at the moment. It will be up for public testimony on the 28th.

Allen: What is 511-C?

Thor: That’s the budget modification that Heath put forth for the Port Enterprise Fund.

Heath: Just to jog everyone’s memory, it’s on the bottom of page 2 of the minutes.

Thor: So that's being pushed through. The budget is supposed to be introduced on March 1st. I have reminded the City Manager that the budget needs to go to the committees then it needs to come back to the Port Commission to be reviewed before it gets reviewed by the City Council. The ice highway is a dead issue. We tried to contact Bethel Search & Rescue to see if they would take it on, but they said no due to the liability issue.

Brandon: That's not what they said. They said they are not in the business of doing the ice road since they are not a contractor.

Thor: There was also a resolution for the Port Commission to review finding a land lease for Bethel Search & Rescue. I did let the other Council members know that the Port Commission has been trying to meet with Search & Rescue on this matter but that they have not responded.

Allen: To clarify that, Search & Rescue had responded by saying they weren't interested in anything we had to offer and to quit bothering them. I have the email I received from them if you'd like to see it.

COMMISSIONER'S COMMENTS

Allen: I think I've already made some of them.

Donna: No, I don't have anything to add.

Clair: I don't have anything.

Alan: I saw that some of the old oil barrels are being cleaned up at the dock.

Heath: Yes, KLT had a conex full of used oil. What happened was they left the conex with out any doors on it so other people came along and dumped their used oil there too. That's not our problem. Unfortunately, it is our problem that it was on our dock, so they are taking care of it. Hopefully, next year we will be able to take care of it for them for a fee of \$5 - \$6 a gallon. Pete's keeping a close eye on them to make sure they're doing it right.

OLD BUSINESS

A) LCL Freight Handling

Heath: It was certainly worth looking at and yes there is some money in it but I don't know if it's worth the headache. It just as easy to make twenty grand off a warehouse lease as it is to make twenty five grand off freight handling.

Brandon: Probably come out way ahead. Maybe on down the road sometime.

B) Bethel Search & Rescue Land Lease

Heath: I expected to see one of their reps here tonight but no one has showed up. Councilman Dymont is here, so feel free to jump in. It is my understanding that Search & Rescue wanted something like 10,000 square feet of space with easy access to fuel and the river. We could set them up with that size of lot somewhere on Beach 2. I think that would be a fine place for them.

Allen: Keep in mind that is the only place we have to expand, if we need space for Donlin Creek.

Heath: That's true. What would we consider as a long term lease, 5 year, 20 years?

Councilman Dymont: Well it hasn't really been discussed but I think what they were considering is the same as the agreement the City had with the boy's group home 25 years ago, sort of an indefinite lease as long as the property was being used for the purposes stated. The resolution that the Council passed direct the City Planner to come up with three possible suggestions for Search & Rescue. The Port got involved in this since they wanted space near the river. They will have to understand though that land is a precious commodity here. In fact the City doesn't have much compared to other cities of this size. If it turns out that Port property is too valuable the issue would be sent back to the City Planner to examine other possibilities. I know that the commission has made efforts to contact

Search & Rescue numerous times. The reason I was given as to why they did not respond is because they are looking a piece of property that's available for a long term lease. That they can feel comfortable putting in a permanent structure on instead of using a conex like they are now. They can't do that if they have a year to year lease. The contact person that I was directed to is Allen Joseph. Has the commission contacted him to discuss what their needs are?

Allen: Let me read the email I received from Allen Joseph, after I had contacted Jack Hobstead about someone attending one of our meetings. "The city has offered us a small parcel of land at or near the city dock. We responded that we didn't think it would meet our needs. I don't know if they are offering the same piece of land, but unless they have something else please pass on to the commission so that they don't continue to ask for our attendance." This was sent after the 3rd or 4th time that we had asked them to come to a meeting so this could be discussed. They don't know what we were going to offer because they never showed up.

Councilman Dymont: I can't address issue in the past; all I can say is that the Council is hoping that someplace can be found for them. Obviously, somewhere along the river would be best but if that's not possible then we would have to look at other options. That's why I asked Allen Joseph to contact Heath to see what could be worked out.

Brandon: I remember going through this with them a couple of years ago. We are more than willing to work with Search & Rescue but they have to come talk to us.

Heath: I'll pick three places on Port property and report to the commission at the next meeting. I think we can find a place for them. We'll try to give them something that is close to the river but away from Port activity.

Brandon: How much land do we have across from the Lions Club? Would that work for them? It has a maintained road, along with access to fuel and the river and it would be away from the Port.

Heath: That would be a good spot.

Thor: We need to remember that the previous Council had designated that area a potential spot for the new police station. If it comes about that the City builds a regional public safety center then Search & Rescue could have office space within that building. That way we kill two birds with one stone since they serve not only the city but the state troopers as well. It would be advantageous to have all of those services in one location.

NEW BUSINESS

A) City Dock Condition Survey

Heath: We're making progress, I have seen it. We are still batting it back and forth, getting all the language and figures to jive. I didn't think they put enough value into inflation for the amount of deferred maintenance that the state has done over the last 31 years. I thought the rate of inflation should have been figured a little higher and there's some other language we're working through but it's almost done. I think we're going to get what we want from this. Part of the reason for asking for a condition survey is that PND is going to go to bat for the City. They have negotiated a dozen of these type land transfers with the state. They have had a lot of success. That number is going to come back at between four and six million.

Allen: Has anyone talked to the City Manager about making this a line item if we get this kind of money so that we can keep track of where it's being spent?

Heath: The City Manager firmly believes that it should be a line item so we can all see it. He has nothing to hide and neither do I. So that will happen in the next budget cycle. The undesignated maintenance fund will be shown where it hasn't been in the past. If we take this over from the state the first thing we will not do is go by their rules. Most likely if we do take it we'll turn right around and spend it. Timber walls, broken tie backs, lighting, gravel the list goes on. I should have the official copy of this pretty soon. The City Manager says we don't have to bend on this. They give us what we want or not. We won't take it from them and they'll have to fix it anyway. I was excited to hear that Bill #233 has a line item in it for deferred maintenance for ports and harbors, until I found

out it was for \$500,000 statewide. There is legislation in both the house and senate right now to set up a matching maintenance fund for ports and harbors through out the state which could be beneficial to us.

B) Captain of the Port

Thor: Mr. Pete was Captain of the Port but he passed away about three months ago. It's up to the commission as to whether they want to continue the program and take nominations for a new captain.

Brandon: I think we should. It's well received by the public.

Allen: We should take out a newspaper ad and maybe something on the radio to let the public know that we are taking nominations and what the rules are. Then we'll vote on it.

Brandon: Maybe we could have the person making the nominations come to a meeting and tell us why they think the person they've nominated would be good choice.

Heath: Then we should place the advertisements within the next week or so once we get all the information together.

Allen: It's a lifetime appointment. We should also revise the title to "Honorary Captain of the Port" so to not come into conflict with the Coast Guard title.

Heath: Good point Allen. We'd hate for the guy who gives us all those exemptions to take exception to there being another Captain of the Port in his region.

C) Discussion of Warehouse Lease

Heath: I put this on here for clarification, and this is the last time we're using the term "warehouse", it's a "Freight Terminal". My understanding is that it serves the purpose of LCL freight handling. Rather than going out to bid it is offered on a first right of refusal basis by the amount of LCL freight handled.

Brandon: I can tell you how that originally got started. I was working for D&G at the time, and the warehouse wasn't being used. They were allowing people to store their boats in the warehouse during the winter and charging them for it. D&G decided to expand and asked the city to lease the warehouse to them. The city said they would have to put it out for bid. D&G was awarded the contract. The city deferred some of the lease because D&G did a lot of repairs to the building, putting in the floor and fixing the doors etc. It wasn't put out for bid after that. There was a renewal option in the 5 year lease upon the Port Directors approval.

Heath: I would rather do it on a right of first refusal, because if it goes out to be you have to deal with any wild cards. If a guy with one tug has the highest bid then we're out the space and its purpose is for LCL freight handling.

Brandon: I agree it should go to whoever has the most need for it.

Allen: Is there a legal way to do that?

Heath: I would have to ask the city attorney. It may be as simple as going to the Council and asking for an exemption. I will look into this further and put it on the agenda for the next meeting.

Allen: We need to be sure and clarify in the lease how much space around the outside of the building is to be included.

Heath: We have discussed putting a gravel pad along the length of the backside of the building.

Allen: We aren't going to allow any offices to be put near the building; that would have to go on Oscar Way.

Heath: I'll request that the city attorney draw up a lease agreement so we'll have it ready.

D) Small Boat Harbor Expansion Project

Heath: As I said earlier that will be going to Washington to see if we can get any more funding for it. Any time there's an opening to submit projects we'll do our best to fill that opening, almost twelve million dollars worth.

Allen: Has anyone discussed this with the people across from the small boat harbor entrance?

Heath: To date we haven't discussed it with anybody as it's just a concept at the moment. We will have to talk to those people at some point.

Allen: I've noticed that you have rearranged the floats. Have you considered running a float parallel to the beach and having fingers come off of that?

Heath: You mean like a typical harbor? Yes, we've thought about doing that. Keep in mind that we have to remove our floats every year and its pretty labor intensive.

Allen: I realize that but if we use plastic floats that can be broken down into manageable sections...

Heath: Remember that Pete, Allen just volunteered to help remove the floats.

Donna: Does this plan include shoring up the bank?

Heath: That's built into this project. I have money budgeted for sheet piling in those areas where there are floats. For the areas where there aren't any floats we'll put into revampment rock or mats. That will take care of the erosion problem.

Brandon: How wide is the entrance to the Small Boat Harbor?

Heath: It's shown at 363 feet. The turning basin is a little over 400 feet wide.

Donna: What is going to protect the beach near the opening of the harbor from the winds and the rains?

Heath: That's what the rock and revampment mats are for. I have enough rock budgeted to fill every void, plus the channel, around the turning basin and out towards the seawall heading down river.

E) M/V Snowball Project

Heath: Mr. Trantham brought this to the last council meeting, and he's here tonight. There are some interested parties that would like to restore Snowball because of its historic and sentimental value. Seeing as we are the Port and we are in the marine industry they wanted to know if we could come up with some ideas. I thought of something Clair has mentioned several times about having a nice sign out there that says "Welcome to the Port of Bethel". My thought was that if the Snowball was restored that the area next to the Lions Club would be a perfect place for it. We could put some sort of signage along with it.

Brandon: I moved that boat a few years ago and it's really rotten. I had a hard time getting it there in one piece.

Heath: We'll have to do a survey to see if it's even worth the attempt.

Allen: Maybe we could see if there's any grant money available for this type of restoration project.

Heath: It could be possible to have it placed on a national historical registry. We're going to try to get more information on it through the vessel registration but we haven't been able to find any numbers on it yet. I think it's something worthwhile if it can in fact be moved and restored.

F) Port Office Replacement

Heath: Well it took someone at this table about two seconds to make a comment about the "Lord of the Mansion" but I won't mention any names.

Thor: It was me, but it wasn't any thing personal.

Heath: I would like for the Commission to consider an office replacement in the near future.

Brandon: We've all felt that needed to be done but other things have taken priority.

Thor: It was part of the issue of needing a building for the first precinct.

Heath: Do you think the City would consider going in on half to get this built?

Thor: Well, I can honestly go to my Council and talk about those issues.

Pete: We definitely need more room down there.

Brandon: And if anyone goes down there to talk to Heath, there's no privacy.

Heath: I've been researching our options, adding onto junk isn't always a good idea.

Allen: One guy you might want to talk to is Tim Meyers; he always has some innovative ideas.

Brandon: I think we approached it backwards last time. We need to know how much we can afford and then have the design drawn up based on that.

Allen: Maybe build something that can be expanded at a later date.

Heath: That's certainly an option. I also think it should be financed on a 15 year note, instead of taking the money from Port fund.

Donna: What do we need to do to get this started again?

Heath: I can start checking around for some ideas. We can put this on the next agenda.

DISCUSSION

Allen: I asked Heath to add this to the agenda but he forgot. I had only heard the end of the last council meeting and it appeared to me that the Port's budget modification was being used to force the Finance Department to do what you wanted them to do. I didn't think this was fair because it was holding up what the Port needed to get done. With all the projects that have been started and others that have been planned. I don't want to see things get stalled. There have been instances lately where certain people are taking the credit for things that the Port is doing. The ice road is one. It was in the paper that it was someone else's idea. I guess what it comes down to is, I realize you are the Mayor but you are also the Council Rep for the Port. If there's going to be a conflict there then I think maybe someone else should be the Council Rep for the Port Commission. I know you have a lot of responsibility as mayor but we need to have our concerns expressed in the way that we have asked that it be done. Not be held hostage in order to get another department to do something.

Brandon: I have to agree with what Allen is saying, Thor. You are our Council Rep. You are supposed to follow the direction of the Port Commission. It seems sometimes you do what you feel is right or you express things in a way that you feel is right instead of doing exactly what our group wants in your representation of us as a group. You are our voice to the council, but it doesn't always seem to come out that way. We have made a lot of progress since Heath has taken over and we need your help. If you don't feel you can unbiased in this position then maybe we need to find someone else. Do you have anything you want to say?

Thor: I was appointed to the Port Commission in 2003 when I was elected to Council. What I've done is represented this body. It's been an honor for me to serve on this committee. In my opinion, I have done the will of this body. I have not tried to change it. If the newspapers call me up about the ice road and I represent the City on that issue, not the Port. I was in full agreement with the Port commission on the ice road until the issue of liability was brought up. I was trying to find a solution to that problem. I feel I have represented the Port to the best of my abilities. Last year when the budget came up, the Port budget was accepted before any other department. Were there any changes made to it? No. Everyone got what they wanted. When FY05.11C came out, I had brought up the issue the week before. The whole city has mid-year budget mods where they ask for more funding. Heath followed the guidelines and did what needed to be done. Was the Port held hostage? No. The City Council did not pass FY05.11C. They adjourned the meeting while Heath was at the podium. I have no control over that; I wanted to continue so that Heath could introduce the Port budget mods. My fiducial responsibility is to the City, not just the Port.

Brandon: You should have told us that at our meeting, you sat here and agreed with us.

Thor: I do agree with you, I didn't have any problems with any of the mods Heath had done. If Council had given it five more minutes FY05.11C would have passed. There were deals that had been made. The Council wasn't going to agree to two more meetings. As mayor I can't make motions, only suggestions. When the motion was made to adjourn the Council decided to go home and not discuss it further. That's not my fault. I can not stop them. What you're saying to me is that I haven't done my job.

Donna: I just want to say that over the last six to eight months I have seen the Port Commission become a better more unified group. We have accomplished a lot, and I think that Thor is an integral part of that. I have never heard of any situation where Heath has not been able to get the money he needs to get things done. I know that sometimes we have had issues of getting a quorum at our meetings because I've had to be away so much and you've been busy with other duties as Mayor but I think we have remedied that since Alan has come aboard. I personally want to tell you that I appreciate your work.

Thor: I give a lot of the credit for the progress of the Port to Heath. I try to be the tool of this committee. I knew this was going to come up, when I suggested holding up on FY05.11C and having two more meetings. We're talking the City's finances here. When you open up a window to the City's finances like that people can mess around with it. It's easy enough to do, I've done it myself. I can understand the issue with the quorum but I've been in contact with Heath about that too. There have been a lot of positions open within the City that required me to be involved in the interviews.

Brandon: All we want is for you to be honest with us. If there's something you don't agree with us on, please say so.

Allen: I want to be sure that when the Commission sends something to the Council that it is presented the way the Commissions intends for it to be presented. If you want to add your own opinion outside of the Commission that's entirely up to you. We've had this problem in the past and I just don't want to see it get out of hand again.

Thor: That's why I've said that if the Commission wants to make a recommendation to the Council that they should write it up and put it in the council packets. If it's in writing, in the Commissioner's own words, it has more impact with the Council than anything I might say. I stay in touch with the department heads on regular basis to get a feel of what's going on. The Port Commission is my baby, I've protected it and will continue to protect it. If you ever see me do something you feel is questionable, throw it out there, let's discuss it. I would prefer to discuss things with the body, that way we don't end up with numerous versions of what was said. I want to be open and honest.

Brandon: We do have a good group here. We need to keep the lines of communication open.

Thor: Last point I want to make is that Councilman Dyment would really like to be appointed to this Commission, but because of seniority Councilman Trantham has first dibs on the appointment. If that's what this Commission wants, I'll step aside.

Brandon: I don't want to see that happen. What we have now is working; we just need to strive to make it better.

Allen: I would like to say that I agree, Thor has done a lot of good for the Port Commission. I just want to keep it that way.

Thor: Trust me Allen, it's your voice I hear over my shoulder anytime I speak about the Port.

Donna: We as a body need to make sure that our instructions to our council rep are clear.

Clair: There is a recommendation form available in the City Clerks office that we can use to show that we are all in agreement on any issue we want presented to the Council.

Heath: I have a copy of that form right here. Usually when the body makes a recommendation I have it typed up and ready to submit the next day.

Alan: I would like to add that I've watched the Port Commission for a few years. At the time I had no incentive to join. Then it was suggested by my supervisor that I should get more involved with the community. I was a member of the Port Commission before when Buster was running it. I have had members of the community ask me what's going on at the Port and I can tell them that we have an exceptional Port Director now. No more of this buddy buddy stuff. He's doing the job and making it a business that's going to succeed.

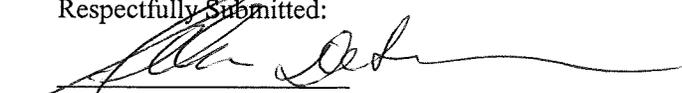
Heath: Thanks for the vote of confidence, Alan.

ADJORNMENT

Meeting adjourned at 8:30pm

NEXT MEETING: March 20, 2006

Respectfully Submitted:


Brandon Leary, Chairman

APPROVED THIS _____ day of _____ 2006.

ATTEST:
