

FILE COPY

Port Commission Meeting
December 16, 1991
Minutes
7:30 PM

- I. **Call To Order:** By Chairman Allen DeSousa
- II. **Roll Call By Secretary:** By John Hawkins
- III. **Present Were:** Allen DeSousa, John Hawkins Bruce Nerby, Manny Konig, Allen Wintersteen. Grant Fairbanks came in late during the Marine Fish Raw discussion.
- Absent Were:** Buster Richardson

IV. **Approval Of Agenda:**

Manny Konig made a motion to approve the agenda as amended, seconded by John Hawkins. All in favor say aye, opposed, none. Motion carried.

V. **Port Director Report:** Stuart gave out a written report. Question by John Hawkins about the 275 horse power motor, and Stuart stated that they'll go out with R.F.P. in January and advertise it in Anchorage, Fairbanks and Seattle. Stuart wanted to trade it in, but nobody didn't wanted anything to do with it.

VI. **Council Representative Report:** Allen Wintersteen stated that he didn't have a whole lot to report. At the Council meeting, boat issue came up a couple of times that Stuart talked about and discussion over the light situation that regards to vandalism at the dock. Stuart stated that he made an appointment and met with Bethel Utilities, and Public Works has four lights and they needed the long arms. He wanted to put four lights depending on how much they would cost. John questioned if the City is liable for damage done or anything **stolen since it was under the care of the Port Commission.** Stuart replied that there is a storage agreement that was signed, and that the Port Commission isn't liable for damages. Question, if the lights will be done by January. Stuart stated that it'll be done by the end of January.

VII. **People To Be Heard:** None

VIII. **Old Business:**

A. **Raw Fish Tax:** Stuart stated that Bruce had brought up that he wanted to see the literature whereby his money is suppose to go back into an upgrade level. Stuart told him that he went to the Legislature Information and read the laws there and the Municipality do not have to give to the Ports. How the raw fish tax work is that the fish processors pay three percent of the total value of fish to the Department of Revenue. He called the Fish & Game and was told that the total value of fish this last season was 4,773,621.00, and the three percent of that would be 143,208.00 and split it with City, the City would get 71,604.00. Stuart wanted support from the Commission, if he would ask the City Council if they could split the raw fish tax with the dock fifty/fifty, that would give the Commission

35,802.00 to put electricity along the seawall for the fish processors or lighting down there. The Commission has 50,000.00 planning grant to enhance the fisheries and with this extra money, the Commission need to start building up the fishery, put in more cleats along there, and there's a lot of things that the Commission needs to do. Next year he could budget 36,000.00 as an expense and show the raw fish tax on his revenue source, and that would still get 17.75% as an administrative overhead. The City Council don't have to give it to the Commission, if they don't want to. What Sitka does with their fish tax is that they use half of it to their operating budget and the half to their dock fund. This money could also be used for dredging the small boat harbor if the City felt that it's necessary to utilize that money for it, because the commercial fishermen that utilize the boat harbor. Stuart makes the budget and the City Council approves it or disapproves it. John Hawkins made a motion to let Stuart make his presentation to the Council in regards to the apportioning of the fish tax, including the documentation on the intend of the law with regard to the subsistence to the fish process. The motion was seconded by Manny Konig, all in favor say aye, opposed, none. Motion carried.

B. Marine Fuel Tax: Stuart stated that the State currently charges 5 cents a gallon for all the fuel that crosses the docks and the facilities, and that money goes into the State General Fund. That money is supposed to be used for maintaining the ports and harbors, but currently it's not. Stuart had proposed that him and George had set up a meeting with Lyman Hoffman, and hopefully get him to sponsor a bill whereby the Legislature would appropriate all the monies that is generated from the marine fuel tax. That money to go back to where it was generated from for upgrading the facilities. Currently the 12 million gallons that come across the fuel dock every year at 600,000.00 that's going to the State general fund that might be used for roads. Stuart would like from the Commission is for them to make a motion for them to support that they can present this to Lyman Hoffman and hopefully he would be in support of this. Stuart has been trying to schedule a meeting with him this week, but haven't been able to get a hold of him, and had left messages for him. Bruce Nerby would like to see something on paper that he can read, something that shows about the marine fish tax, everything that Stuart had said, should be written on paper. It would be interesting to know what happened to the money, who took over for signing that money or whether it was used by everybody or whether the D.A. is got to know. If they are taking the Commissions money, and D.A. is using it, and where they are using it, the Commission has to know where the money goes. Maybe some research can be done, what percent of that the Commission is getting back. Grant Fairbanks made a motion to support Stuart's wishes to re-allocate the marine fuel tax back to the communities, seconded by John Hawkins, all in favor say aye, opposed, none. Motion carried.

C. Taking Over Dock From The State: Stuart stated that he had a contact with Merf O'Brien, the Chief Liaison Officer for the State. He's handling all the harbor transfers over the different Municipality. His recommendation is, if the Port Commission is serious about taking over the dock from the State, the Commission has to make a resolution saying that the Port Commission set their condition for repairs, what they want from the State, what needs to be improved. This item is just for discussion and if the Commission would like to act on it tonight, Stuart personally feels that if they take over the dock, it would be a good asset. They have 800,000.00 in general fund for Port improvements, and they could get some of that money to improve the Port bringing up the degree and turn over. Merf had said that if the Commission took over the dock facilities, it would not cut out the entirety of any future financial support or technical assistance, but basically wanted to get rid of them, because of

planning oil revenues, and they wanted to be more sufficient. Bruce wanted to see a report about pros and cons, a proposed budget for the next 3 years operation on the dock income, a balance sheet, what liabilities of the City would be. What kind of budget the Port needs to have. The pros is worth alot of money this Port, and it's a big asset. The Commission would have a good control of the dock. The cons are that the Port Commission would have to maintain it themselves. Before the Port Commission take over the dock they would have to have all the ducks in a row protecting the fund from the City, because the Port had a hard time in the past savings and money in the bank account to protect the dock, if the Port Commission has an emergency. Couple years ago the City had hardly any money, and if the Port Commission needs money right away, the City would say they don't have money to pay for that project. Allen DeSousa stated that the Port Commission for the past year has been talking about building up an emergency funds for the Port, and something that Council has predicted from the general fund, set aside emergencies and at the same time being able to make the improvements. They also discussed the insurance for the seawall. Something to look into and find out if it can be insured and what it can be insured against, from earth quake, flood damage and from something else. This stuff the Port Commission need to know, and how much it'll cost them before making any decisions on it. This is something to pursue and more research on it. John Hawkins made a motion for the Chairman Allen DeSousa name or appoint the committee, which may include himself, and at least one other person to work with the Port Director Stuart and nay other appropriate person in or outside this group to study, evaluate and develop a report on the pros and cons of the City assuming the ownership of the dock, and the airport. The motion was seconded by Grant Fairbanks, all in favor say aye, opposed, none. Motion carried. Allen DeSousa asked the members if they are interested to be on the committee. No comments.

IX. New Business:

A. Fuel Sales Proposals: These proposals were given to the City Council, but they gave them back to the Port Commission.

1. Land Leases: Stuart stated that on the 14C Claim, there's three of them that have claimed part of the land, Bethel Fuel Sales, BNC and the City of Bethel. The two City Council meetings ago, they chose to exchange land with BNC for this 14C Claim, because they didn't wanted the litigation and probably will take years and thousands of dollars, and need to get that, because if the Commission doesn't get that title to the land, than they would be holding up the stabilization of the project. This land would cost close to half a million dollars. John Hawkins made a motion to table this issue until Warren is present at the meeting, no seconds, the motion dies. Bruce Nerby made a motion that the Port present to the Council with the endorsement that Warren be granted with the five year extension, however, the exclusive rights the Port be kept with preferential use of facilities, under the conditions that there is no change of ownership, the motion was seconded by John Hawkins, all in favor say aye, opposed, none. Grant Fairbanks abstained.

2. Land Lease For Housing: Propose of this would be to provide housing for the employees for Bethel Fuel Sales, housing would consist of mobile homes, or duplex types of structures. He would propose ten year lease with first right to refusal of land if they the City decides to sell it. It would be used for housing for its employees, and not for commercial use. The Port Commission agreed that the fact the dates would go along with the dates on the preferential use of the Port to that the zoning ordinance has to be changed in

order for this to take place. It would have to be as stated the owner or its employees use the facilities. Leases expiring at the same time. John Hawkins made a motion to accept this, seconded by Manny Konig, all in favor say aye, opposed, none. Grant Fairbanks abstained.

3. Ownership Of Land At The Dock: Bruce Nerby motions to accept item C as written, seconded by Manny Konig, all in favor say aye, opposed, none.

B. Marine Operations Along The Waterfront: Stuart stated since they have a land with BNC, need to have to deal with Bethel Contractors Operation down at the hospital road. This has been discussed before about this road. Since the Port is going to be the ownership of that land, Mr. Bivens indicated that it's up to the Port to do what they are going to do with it. Will the Port have the same rules with him, and if the Port is going to charge more. Stuart to make a map of where the housing lease areas would be, how big the pile of gravel is going to be, how many tons. Bruce Nerby made a motion to table this item of agenda for next meeting for discussion, until further information, seconded by John Hawkins, all in favor say aye, opposed, none. Motion carried.

X. Adjournment.