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
- <u>Don't forget to buy your Cordova Port & Harbor sweat shirts</u>

Tier 1
Harbor Facility Matching Grant

HOW DO WE GET THERE?

Harbor and Harbor Commission

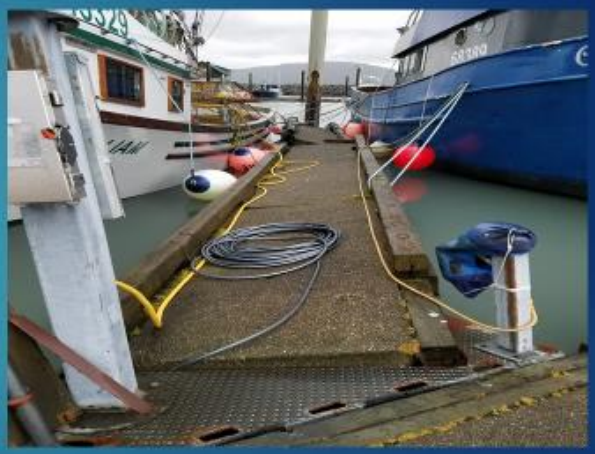
Goals

- 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 = $2400
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