

**PORT & HARBORS ADVISORY BOARD  
MEETING MINUTES  
DATE: 09/08/2020**

**CALL TO ORDER:**

The Port & Harbors Advisory Board regular meeting was called to order at 7:02 P.M., at The Ted Ferry Civic Center, 888 Venetia Ave, Ketchikan, Alaska.

**ROLL CALL:**

**MEMBERS PRESENT:**

<input checked="" type="checkbox"/>	Mr. Rod Bray	(Chairman)
<input checked="" type="checkbox"/>	Mr. Timothy Walker	(Vice-Chairman)
<input checked="" type="checkbox"/>	Mr. Mark Flora	(Council member)
<input checked="" type="checkbox"/>	Mr. Dan Christensen	
<input checked="" type="checkbox"/>	Mr. Andrew Mulder	
<input checked="" type="checkbox"/>	Mr. Rick Collins	
<input checked="" type="checkbox"/>	Mr. Eric Lunde	
<input checked="" type="checkbox"/>	Mr. Jim Castle	
<input type="checkbox"/>	Vacant	

**MEMBERS ABSENT:**

**Excused**

<input type="checkbox"/>	Mr. Rod Bray	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Timothy Walker	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Mark Flora	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Dan Christensen	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Andrew Mulder	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Rick Collins	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Eric Lunde	<input type="checkbox"/>
<input type="checkbox"/>	Mr. Jim Castle	<input type="checkbox"/>
<input type="checkbox"/>	Vacant	<input type="checkbox"/>

**Harbor Staff Present:**

<input checked="" type="checkbox"/>	Mr. Steve Corporon
<input checked="" type="checkbox"/>	Mr. Dan Berg
<input type="checkbox"/>	Ms. Angel Holbrook
<input checked="" type="checkbox"/>	Mr. Mark Hilson

**MINUTES:**

**MOTION** was made by Castle to accept the minutes of the regular meeting of the Port

and Harbors Advisory Board from July 14<sup>th</sup>, 2020, the special meeting of August 12<sup>th</sup>, 2020, and the special meeting of August 26<sup>th</sup>, 2020. **MOTION SECONDED** by Flora. **MOTION PASSED UNANIMOUSLY.**

### **COMMUNICATIONS:**

Letter from Mr. John Bronson requesting the Harbormaster Building restroom be re-modeled to add a second shower and a second toilet was discussed. Staff will review and see if it would be physically feasible. It was noted that public restroom remodels are patently expensive and there is currently no funding available.

Charlie Ball, Executive Vice President, Holland America Group, submitted a letter of support for Survey Point Holdings proposal in response to the Port RFP.

### **PERSONS TO BE HEARD:**

None

### **OLD BUSINESS:**

#### **1. CARES Act Moorage Assistance Program.**

Director Corporon provided an update. 171 applications had been approved totaling \$57,957. \$241,390 in funding remains available. The City Council recently approved extending the application deadline until Oct 31. Reserved moorage bills will be mailed Oct 1 and staff plans to include an informational flyer and suspects additional commercial fishermen will apply. Collins stated he has heard many commercial fishermen have had the worst season since 1976. Several members asked if the City could make additional payments to approved applicants, perhaps another 25%.

**MOTION** was made by Castle to recommend the City consider working up a formula to split any remaining funds among successful applicants. **MOTION SECONDED** by Lunde. **MOTION PASSED UNANIMOUSLY.**

### **NEW BUSINESS:**

#### **1. Review of presentations by proposers for the Redevelopment of the Port of Ketchikan Berths I, II, III & IV, Contract 19-36.**

Collins: PHAB has been kept in the dark. Poor situation to make a recommendation based on glossy presentations without financials. What is demand? Why can't we do it ourselves? 20 years is a long time to give up control. Need controlled growth. Heard SPH deal worth more over time. WC long term will try to keep everybody at their site. Cruise lines trying to control shore excursions starting with COVID control. Bottom line completely against port redevelopment proposals.

Mulder: Presentation done well. What was behind issuing the RFP?

Flora: Still not decided. Waiting for financial analysis between both proposals and status quo. Noted he heard no objections from the PHAB when Our Port urged cancelling the RFP. CLAA scheduling seems efficient. PHAB should make a recommendation to the City Council.

Christensen: Follow the money. Someone is going to make a ton of money. If proceeds can go into the general fund then that would be good. Need to pay down bonds and regain bonding capacity. Against hiring anybody.

Bray: Port bonds are revenue bonds, not tied to property taxes.

Flora: SPH proposes taking on port bond debt. KPS proposes taking on port bond debt and also making concession payments.

Castle: Still waiting on financial information for do nothing option.

Bray: Same concerns. Leaning towards status quo but not willing to make a recommendation at this time but if had to then status quo.

Lunde: Both proposals would have to increase revenues by raising rates or bringing more passengers or both. Cruise industry is one third of local economy. What about 4<sup>th</sup> option to create a marketing department? Tonnage clause fairly simple. Why can't we work with delegation to change the law for Alaska? Working for Global Ports could help college kids.

Bray: KPS \$200M much of it revenue we were going to collect anyway.

Walker: Are we in danger of exhausting the golden goose? Secrecy doesn't seem right. Status quo presentation would be nice to have. Neither SPH or KPS seemed worried about WC. Many of the ports previous major projects were funded by grants but neither proposal accounted for that. Harbors going to be underfunded if port cost sharing goes away. Will proposed push for upland development be done to benefit KPS shops? Are shore excursions going to be limited?

Bray: Have shared costs between port and harbors been addressed by the Council yet?

Flora: Will bring it up.

Christensen: 3 options, what about 4<sup>th</sup> option to hire own staff, create new port position with more experience.

Lunde: Does City retain authority for approving rate increases?

Collins: Will the KPS \$40M up front payment be subject to the tonnage clause?

Bray: Not enough information to make a recommendation at this time. Mayor said he will try to get financials from Karl to the PHAB.

Lunde: When will City Council make a decision?

Flora: City Council supposed to set a date during regular meeting of Sep 17.

After the discussion concluded, it was decided that no recommendation could be made by the PHAB until more financial information was available.

## **2. Review of Draft 2021 Port Budget.**

Director Corporon stated that the Port operating budget was prepared assuming the total number of passengers in 2021 would be approximately 50% of the total number of passengers in 2019. This is just a guess as there are many unknowns. The only new capital project recommended for 2021 is a replacement guard shack and security camera system for Berth I. Other potential projects will likely depend on the outcome of the port redevelopment proposals.

**MOTION** was made by Walker to recommend submitting the draft Port budgets to Finance as presented. **MOTION SECONDED** by Flora. **MOTION PASSED UNANIMOUSLY.**

## **3. Review of Draft 2021 Harbors Budget.**

Director Corporon stated that the Harbors operating budget was prepared under the directive from the City Manager that operating expenditures should not exceed 95% of 2020 appropriations, travel and training should not exceed 25% of 2020 appropriations and overtime should not exceed 75% of 2020 appropriations. There were no new capital projects recommended. Bray suggested that the project to demolish the former Bar Harbor Restaurant building and expand the adjacent parking lot be listed in one of the future budget years in order to keep the project on the radar. Director Corporon deferred to incoming interim Director Hilson since it will be a joint project between Harbors and Streets. Director Hilson introduced himself and stated he would review the previous estimate before making a recommendation.

**MOTION** was made by Walker to recommend submitting the draft Harbors budgets to Finance as presented with the addition of the project to demolish the former Bar Harbor Restaurant building and expand the adjacent parking lot listed in one of the future budget years. **MOTION SECONDED** by Castle. **MOTION PASSED UNANIMOUSLY.**

## **Director's Report:**

1. **September PHAB Meeting:** Arrangements have been made to conduct the September PHAB meeting in the Civic Center in case there are a significant number of citizens who desire to attend due to the agenda items for the review of the presentations that were provided at the special meetings regarding the Redevelopment of the Port of Ketchikan Berths I, II, III & IV, Contract 19-36 and the status of the CARES Act moorage assistance funding.
2. **Recruitment for Additional PHAB Members:** With the recent resignation of PHAB member Dan Christensen there are now two vacancies; therefore, in addition to recruitment notifications on the Port and Harbors webpage, the City's Facebook page and on Sitnews we have placed a few box ads in the Ketchikan Daily News. Mr. Christensen stated with some assistance from the Civic Center staff he was able to hear better so was withdrawing his resignation for now.
3. **Retirement of Port & Harbors Director:** I am making preparations to retire. This was a very difficult decision but Sarah and I have agreed we need to relocate back to the lower 48 to be nearer to family. We are in the process of selling our house and I have advised the City Manager that I am preparing to submit my paperwork to the State requesting a retirement date of November 1. I anticipate my last day in the office will be in early October. Since this is a bit less time than I had anticipated being able to provide I advised the City Manager that I am committed to assisting in the transition in any way possible both before and after I depart as necessary. The City Manager has decided to name Mark Hilson, currently the City's Public Works Director, as the Interim Port & Harbors Director. Assistant Public Works Director Kara Jurczak will be the Acting Public Works Director while Mr. Hilson is the Interim Port & Harbors Director. My 13 years with the City and the 20 years in this community will always be cherished and I hope others feel that I have followed one of my guiding principles to always leave something better than I found it.

Director Corporon has made preparations to retire. This was a very difficult decision but the Corporons have agreed they need to relocate back to the lower 48 to be nearer to family. Their home has sold, and Director Corporon has advised the City Manager that he is preparing to submit my paperwork to the State requesting a retirement date of November 1. Director Corporon's last day in the office will be Friday October 2<sup>nd</sup>. Since this is a bit less time than Director Corporon had anticipated being able to provide, Director Corporon has advised the City Manager that he is committed to assisting in the transition in any way possible both before and after he depart as necessary. The City Manager has decided to name Mark Hilson, currently the City's Public Works Director, as the Interim Port & Harbors Director. Assistant Public Works Director Kara Jurczak will be the Acting Public Works Director while Mr. Hilson is the Interim Port & Harbors Director. Director Corporon stated that his 13 years with the City and the 20 years in this community will always be cherished and he hope others feel that he has followed one of his guiding principles to always leave something better than I found it.

4. **Resignation of Port Operations Coordinator:** Port Operations Coordinator Dave Dixon submitted his resignation at the end of July and his last day was August 14, 2020. He is moving to Wisconsin to help care for his elderly parents. His brother, who passed away last summer, had been providing quite a bit of assistance but he didn't realize how much care they needed until after his brother passed. Dave was a tremendous asset to the City who not only supervised the port security and crossing guard personnel but helped choreograph the daily dance between cruise ship personnel, agents, longshoremen, tourists, tour vendors, bus drivers, charter operators and local residents. He worked almost daily during the season, in all types of weather, without complaint to ensure everyone was kept safe and treated fairly. He will be missed. We are currently advertising to fill the position with an expected start date of January 2021.
5. **Bar Harbor North Ramp 3:** All materials for the gangway have been delivered to the local subcontractor. Fabrication will begin soon and is expected to take about 6 weeks. Fabrication of the gangway landing float is almost complete and it will be shipped to Ketchikan soon. Work on site is still expected to begin the week of November 1. P&H staff are working on the temporary moorage plan for vessels being displaced during construction.
6. **Berth III Design of New Mooring Dolphins:** The 60% design is scheduled to be ready by mid-November and the 100% design by early January 2021. The Army Corps of Engineers (ACOE) permit and the National Marine Fisheries Service (NMFS) Incidental Harassment Authorization (IHA) are both tracking towards being approved by February or March 2021. The ACOE permit once approved should be valid for five years with the potential for extending if necessary, usually an additional year at a time. The NMFS IHA once approved will be valid for only one year with the potential for extending one additional year if necessary. It should be noted an approved IHA is a requirement for issuance of the ACOE permit so putting review of the IHA on hold would also put review of the ACOE permit on hold. That also means that if an approved IHA expires then an approved ACOE permit effectively expires as well.
7. **Rehabilitation of Thomas Basin Float 4:** No change from the July report. All of the lumber for the project has been received; however, work on the project has been postponed until protocols and concerns regarding COVID-19 have eased. The nature of the work puts our maintenance workers in extremely close proximity for extended periods. Also, if a section of the float is opened up and we find out one of our maintenance staff has contracted the virus they will all have to be quarantined for at least 14 days which would leave the work site in an unsafe condition. We are currently planning to resume work on this project in 2021.
8. **Installation of Safety Ladders:** The initial order of 240 safety ladders have all been installed in Thomas Basin, City Float, Hole In The Wall, Knudsen Cove and Bar Harbor South. There were also enough to begin installing them in Bar Harbor North. The remaining 80 safety ladders are on order and should be delivered in late fall. They will be installed on the remaining floats in Bar Harbor North with a few spares left for future replacements as necessary.
9. **COVID-19 and the Harbors:** The changes in August to State Health Mandate 10.1 for persons arriving from out of state, including aboard vessels, did not have much of an impact on Harbor users since we have seen very few vessels arriving from out of state this late in the season.

10. **COVID-19 and the Port:** The first confirmed cancellation for the 2021 cruise ship season was recently received from Cunard Lines. One of their vessels, the QUEEN ELIZABETH, had been scheduled for 5 calls in Ketchikan in 2021. Cunard stated they plan to return for the 2022 season.
11. **COVID-19 and P&H Staff:** The lobby is still restricted to a maximum of three customers at a time, one at the counter and two waiting six feet apart. There is also a hand sanitizer refill station set up on a small table in the corner of the lobby, disposable masks and a sign requesting persons to put their mask on before approaching the counter. There is also tape on the floor and additional signs to assist customers in maintaining proper social distancing. With the seiners leaving town and the low number of other transient vessels and yachts remaining, Port & Harbors seasonal staffing will be adjusted September 8 as follows: Temporary Harbormasters 2<sup>nd</sup> and 3<sup>rd</sup> shifts will be eliminated and the regular Harbormasters will return to winter hours of 0800-1700. Temporary Port Security at Berth 3 will be reduced from two people at a time from 0800-2000 to just one person at a time from 0900-1700. That will allow them to set up the COVID testing cones, signs and tables in time for the start of testing at 0930 and put them away after testing is complete at 1630. They will continue to keep an eye on the restrooms (which will be open from 0900-1700) and make an occasional round of the port checking for trash, dog feces, etc.
12. **2016 Pink Salmon Disaster Funding:** The approved grant agreement was recently received for the Pacific States Marine Fisheries Commission (PSMFC) grant funding under the 2016 Alaska Pink Salmon Disaster Relief program. A budget amendment was prepared for City Council meeting of September 3 which is necessary for the funds to be utilized, and was approved. The grant will be providing funding for the replacement of 13 deteriorated steel piles in Bar Harbor North, the replacement of the electrical system on Bar Harbor South float 8, 15 additional harbor carts and an additional set of nets racks for the net float.
13. **Derelict Vessels:** Director Corporon have been working with fellow members of the Board of Directors of the Alaska Association of Harbormasters and Port Administrators on developing the next recommended actions (resolutions, letters, changes to State and local statutes, etc.). The AAHPA hopes to have the information compiled and ready for review within the next couple of months.
14. **Replacement of Bar Harbor North Floating Breakwaters:** Attached are the slides from the recent kickoff meeting for the Army Corps of Engineers project to replace their floating breakwater that protects Bar Harbor North. A brief summary of the project is as follows:
- Tetra Tech is the consultant under contract to the Corps for design.
  - Both of the existing floating breakwaters will be replaced.
  - Three alternatives are being evaluated.
    - Concrete similar to existing "ladder" layout.
    - Concrete barge style.
    - Steel pontoon.
  - 100% design is scheduled for completion by April 2021.
  - Construction on site likely will be scheduled for summer 2022.

- Replacement will be section by section to protect the harbor during construction.
- This is a 100% Corps project including all funding.
- The estimated cost is \$12,000,000.

At the end of the meeting Director Corporon asked if the Corps would entertain preparing the bid documents in a manner that would result in the City being able to obtain the existing short section of floating breakwater at the southern entrance to Bar Harbor North at little to no cost with the intent of relocating it to the southern entrance to Bar Harbor South. The City received a permit 10 years ago to anchor several sections of the old Hanson Float in that location to better protect floats 3 and 4. The concept worked well but the old moorage floats were not designed for that purpose and deteriorated to the point they had to be removed after a few years. The City still has the anchors to secure the section of floating breakwater if it could be obtained. The Corps will review the request during design development. Mr. Christensen asked if one of the longer sections of the old breakwater would be suitable for better protection at Knudson Cove. Director Corporon will check with the Corps and with the new owner of Knudson Cove Marina who has been working on obtaining a Corps permit for a floating breakwater.

#### **FUTURE AGENDA ITEMS:**

1. Board member Lunde requested a discussion regarding the cruise lines restricting shore excursions to those sold on board their vessels due to COVID-19 concerns.
2. Board member Castle asked if the project to expand the parking lot near the former Bar Harbor Restaurant could include additional showers/restrooms? Chairperson Bray requested staff respond to Mr. Bronson's letter regarding expanding the Harbormaster showers/restrooms.

#### **BOARD MEMBER COMMENTS:**

Mr. Timothy Walker: Good luck to Director Corporon.

Mr. Eric Lunde: Thanks to Director Corporon.

Mr. Rod Bray: Thanks to Director Corporon, good job, tough to see you go.

Mr. Jim Castle: Thanks to Director Corporon for leadership and sense of humor.

Mr. Dan Christensen: Thanks for Hole InThe Wall.

Mr. Mark Flora: Congratulations to Director Corporon and safe travels.

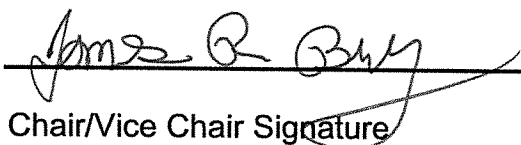

Mr. Andrew Mulder: I agree, Thank you Director Corporon and staff, for all your organization, knowledge and expertise.



Mr. Rick Collins: Thank you Director Corporon and staff, for all your organization, knowledge and expertise.

**ADJOURNMENT:**

**MOTION TO ADJOURN** was made by Christensen at 9:48 p.m. **MOTION SECONDED** by Collins. **MOTION PASSED UNANIMOUSLY.**

	
Chair/Vice Chair Signature	Date