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**Port of Anchorage Commission Meeting**

**Date: March 14, 2019**

**Time: 12:00 – 1:06 pm**

**Location: Port Commission Chambers**

Present	Port Commissioners:	Brad Kroon, Chair; Bob Pawlowski, Vice Chair (teleconf); Moire Duggan; Stephanie Kesler; Andrew MacLeod; Aves Thompson; Cpt. Ron Ward (teleconf); Garret Wong
	Staff:	Sharen Walsh, Deputy Port Director; Cheryl Beckham, Director of Finance; Stuart Greydanus, Port Operations Director; Jim Jager, Director of External Affairs; Diane Bickford, Executive Assistant; Paul Rotkis, Port Safety Coordinator
	Guests:	Tom Reuter, Alaska Maritime; Jeff Bool, CH2M; Chris Vernon, North Star; Brad Robertson, North Star; Marion Davis, Matson; Mike O’Shea, CITB; Mark John, PetroStar; Lev Yampolsky, PetroStar; Bart Buessler, NOAA; Luke Hasenbank, ALMAR; Tony Davenport, Matson; Ryon Zins, ABI; Bert Mattingly, AFSC; Scott DeWandel, ABI; Lorie Galloway, Matson; Eugene Haberman; Mike Thrasher, TOTE (teleconference); Jason Bockenstadt, MOA (teleconference); Bill Falsey, MOA (teleconference)
Absent	Port Commissioners:	Simon Lisiecki
	Staff:	Steve Ribuffo

**I. The meeting was called to order at 12:00 pm**

- A. Roll Call of Port Commissioners
- B. Self-introduction by those present

**II. Safety Minute (Paul Rotkis)**

Mr. Rotkis discussed ladder safety. He said in 2017 there were 500,000 incidents in the United States resulting in 400 fatalities. Some of the reasons for those injuries were: not maintaining three points of contact; overreaching; missing the last rung; using the wrong size ladder and a ladder that was not on firm ground.

**III. Approval of Agenda**

- A. It was moved to approve the Agenda as submitted by Commissioner Kesler and seconded by Commissioner MacLeod.
- B. The Agenda was approved unanimously as presented.

**IV. Approval of Meeting Minutes**

- A. None to approve at this time.

**V. Public Comments**

Mr. Bert Mattingly said that 70% of the fuel coming into Alaska goes to the Airport and in 2018 49% of that amount came through the Port of Alaska. He said a 2% tax per gallon equals \$8 million of revenue from outside the state. A 10% yearly decline in demand will grow to 20% in 2023. He said 40% of the volume is for the top four airlines with flights coming from Asia to Alaska then on to New York, Dubai and to Asia. There are options to refuel other than Alaska on the return flights. He had reached out to the airlines and they told him they “will respond accordingly” to any fuel price

increase. He felt that if they do leave Anchorage, they won't come back. Ninety percent of the fuel demand is for international cargo with planes just stopping for fuel in Anchorage. He also noted there is a new International Terminal that's not being used.

Mr. Bart Buesseler, NOAA, said he had an update on the survey done after the November 30<sup>th</sup> earthquake. He said there were no major changes in the seafloor and that several minor items had already been added to their charts.

Mr. Eugene Haberman said he had called and requested an agenda but had not received it. He said he thought it would be better to move the meeting location for easier access by the public and that a meeting that starts at noon is not convenient. He asked how can the public respond to information sent out if access is restricted.

## **VI. Port Director's Comments**

Ms. Walsh noted that Mr. Ribuffo was out of state.

## **VII. Informational Items**

### **A. Deputy Director - Sharen Walsh**

- Ms. Walsh said ML&P will be installing an alternate power supply to the Port this summer.
- The first project of the 2018 Port Security grants is underway, upgrading technology at the Security Office
- POA Valve Yard: All Motor Operated Valves have been replaced.
- Security gates at Check Point No.1 –The new gates have been installed and are operational.
- Lights and Cameras at the North end – The project has been completed.
- 2019 Wharf Pile jackets – The contract is out for bid.
- 2019 Fender Piling Enhancements – This bid will be opened today.
- Infrastructure assessment will be done this year. She said the Port will be looking at all facilities, including above and under the docks. The project will start in April with special emphasis on possible earthquake damage. She said we know there are some issues with the controls on the POL, a result of a conduit being pulled apart.

### **B. Operations – Stuart Greydanus**

- He said the Port has received berthing applications for 20 tankers already this year.
- The first cruise ship for 2019 will be docking this summer on April 18.
- Manson Construction will start work on April 1, working on the infilling at the berths. The Maintenance crew will move the floating dock for Manson's use.
- He said the Port Security contracts are out for review and noted that July 31 is the expiration date of the current contract
- There were 12 Chinook helicopters landed at the Port that were loaded onto the "Cape Orlando". They were able to load four per day.
- There was an H64 helicopter brought in from Korea; it was disassembled at yard for transport.
- Dredging at Ship Creek will start on April 15. The Maintenance crew will dredge and install the floating dock.

C. Finance Director - Cheryl Beckham

- Ms. Beckham recapped Port expenses. She is preparing for an audit that will start April 1<sup>st</sup> to be completed in May. She said the numbers are fairly solid and that the Port did well in comparison to the budgeted numbers.
- Commissioner Kroon asked, in reference to the budget sheet, what was included in bulk liquid; was the crane included. Ms. Beckham said that was rentals, cruise ships, and the dredger.
- Commissioner Kesler asked about the Reimbursable Cost. Ms. Beckham said it was expenses paid and rebilled, miscellaneous things like the water truck and ancillary services provided by PoA like selling sand.
- Ms. Beckham said the Property Sales was for sale of the used sheet pile from the North End. The remainder of the piling will be inventoried and sold as final.

D. Modernization Project Update – Sharen Walsh

- Work currently under construction includes the South Backlands and the Transition Dredging. We are getting delivery of rock now and the transition dredging will start on May 1<sup>st</sup>.
- Petroleum Cement Terminal – The Preconstruction Notice will go out in three weeks. The work for 2020 – advance notice of advertisement for bid – will be out in 10 days
- Assembly Enterprise Committee: There will be a work session tomorrow, held in Room 155, City Hall, and next Tuesday, March 19<sup>th</sup> to hear from the stakeholders. Commissioner Kroon asked how many users will attend? Ms. Walsh said the Assembly sent out the invitations so she didn't know who was included. She noted the meeting is open to the public but it is not a public hearing.

E. Director of External Affairs – Jim Jager

- Efforts are ongoing to get funding from the State and Federal governments. Mr. Jager said he and Mr. Ribuffo were invited to speak in Juneau next week to the Senate Finance Committee and would meeting with various Legislators. Commissioner Thompson said he had gotten a copy of the letter to the Legislators Ms. Walsh said the Modernization Project is estimated to cost \$101 Million. The Port has applied for an INFRA Grant; those grants have some funds set aside for ports and she feels the Port made a good effort. She said she has sent a sample letter with details of the grant number, etc. if anyone wanted to assist. Commissioner Kroon asked if this was for the Petroleum Cement Terminal. Ms. Walsh said it is a program for projects ready to go. Commissioner Kesler asked what the timeline was; Ms. Walsh said the first of November. Commissioner Wong asked Mr. Jager what will the Port be doing differently in Juneau. Mr. Jager said they will be correcting disinformation and explaining exactly what work will be done. Commissioner Duggan asked if he would be meeting with the Governor; Mr. Jager said no. Commissioner Pawlowski said when he was in Juneau in February he felt there was good support on the reasons to keep the Port going.

**VIII. Old Business**

- A. Tariff Discussions: Ms. Walsh noted that the Enterprise meeting is not a work session. Commissioner Kesler said the Commission has had two work sessions and everybody attended at least one of those meetings. It was clear to her that the

Tariff as proposed was of concern. The Assembly Municipal Enterprise Committee has been active and holding work sessions. She said it didn't make sense to move forward with the Tariff now so basically the Tariff, as proposed, is on hold.

Commissioner Kroon asked if it was being tabled indefinitely. Ms. Walsh said the current Tariff expires at the end of this year and the Port is working on the new Tariff.

Ms. Beckham said the proposal went in to Purchasing that day and the Port should receive something in the Sept/Oct timeframe so we are going forward with the 2020 Tariff renewal.

Commissioner Thompson asked when the current Tariff expires and was told September, 2019.

Ms. Beckham said the Port's Enterprise Fund covers our costs and our revenue is enough to provide infrastructure repairs/replacements. The current Tariff's combined rate increases was 4% each year for the last five years.

Commissioner Kesler asked how much was in the Enterprise Fund. Commissioner Kroon said over \$20Million.

Ms. Beckham said the Port has hired a consulting firm, Parish Blessing. The Commission will be involved in reaching the goal; there will be meetings to keep on track.

Ms. Beckham said with regard to the Revenue Bond, there is not enough information on the commercial side. It's a ripple effect due to unknown changes in volumes, etc.

Commissioner Pawlowski said he had nothing to add. He noted the group took the time to really hear the attendees at the prior meeting.

Ms. Walsh said the previous Tariff presentation at the February meeting was to make a recommendation to forward to the Assembly. Commissioner Kesler said there wasn't a motion made and was told it wasn't needed. Commissioner Duggan asked if the Port is waiting for the outcome of the Enterprise Committee.

Marion Davis asked if there was an invitation to bid out. Ms. Walsh said it was for the 2020 work on the Petroleum Cement Terminal. It's 100% designed and construction will be done in two phases; 2020 will be the trestle and 2021 the platform.

Commissioner Pawlowski noted that the proposal regarding the Tarrif was held, not tabled, and we can continue to hold. Commissioner Duggan asked if there was a timeline. Commissioner Kroon said it was ongoing. Commissioner Kesler said she had not heard a timeline and there was no sense of urgency. Ms. Beckham said there was a PACE item for a consultant on the Assembly agenda for the next Tuesday meeting.

Commissioner Kroon asked if a motion was needed to continue to hold the item. Commissioner Kesler said no as we're waiting for information from the consultants. Commissioner Kroon asked who could attend the Enterprise Committee meeting. Mr. Jager said user participation is encouraged.

Ms. Walsh said she wanted to clarify that in the 100% design compared to design criteria, the cost estimate is for the entire project. The question is are the design criteria something we can afford and are they appropriate/affordable for rest of project.

Mike Thrasher asked what the dates were for the of discussion of the proposed Tariff. Ms. Beckham said the Scope of Work set three meetings for discussion. She said the Port provides the cost of service and Parrish Blessing breaks that down into components.

Mike Thrasher asked if it was a public meeting and was told yes.

Mr. Jager in previous meetings it was discussed how the Tariff will impact business.

Ms. Walsh said she had been asked which engineering consultant was under term contract with the Port. She said it has been R&M since 1989; Duane Anderson has been working at the Port all those years, choosing which pilings need jackets.

Commissioner Kroon asked if they will do 50 or 100 piling this year. Ms. Walsh said the Port will do what we can afford. We have spent \$3 million per year since 2004 and now we have the fenders and piles to do with the same \$3 million. What we can do per year is diminishing because of the steel tariff. Mr. Jager noted the jackets are rated for 15 years counting from 2004. Ms. Walsh said some of the jackets are now at the end of their life.

**IX. New Business**

- A. Commissioner Duggan said she would be happy to sign a letter to send. She thought if the Commission members would jointly sign it would have more impact.

Commissioner Kesler thanked the stakeholders who participated.

Commissioner Pawlowski said he was glad to see support letters from the Commission as well as letters from users of the Port. It's good for the delegation to have as many tools as possible. Mr. Jager said if the users wrote letters they would be more impactful than ones from the Port.

Commissioner Kroon thanked the group for their support. He said it helps the Commission to understand the businesses here at the Port.

Ms. Walsh said she would set copies of a draft letter from the Commissioners on the table for anyone to pick up.

Commissioner Ward said he echoed all the sentiments expressed here today.

**X. Commissioners Around the Horn**

**XI. Next Meeting:**

After some discussion the next meeting was scheduled for April 17<sup>th</sup>.

Commissioner Pawlowski said he was not available that day; Commissioner Ward was also not available.

**XII. Meeting Adjourned at 1:06 pm**