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Port of Anchorage Commission Meeting
Date: October 18, 2017
Time: 12:02 – 1:28 pm
Location: Port Commission Chambers

Present	Port Commissioners:	Brad Kroon, Vice Chair; Moire Duggan; Stephanie Kesler; Simon Lisiecki; Andrew MacLeod; Bob Pawlowski
	Staff:	Steve Ribuffo, Port Director; Sharen Walsh, Deputy Port Director; Cheryl Beckham, Director of Finance; Todd Cowles, Port Engineer; Stuart Greydanus, Port Operations Director; Jim Jager, Director of External Affairs; Paul Rotkis, Port Safety Coordinator; Diane Bickford, Executive Assistant
	Guests:	Brad Robertson, North Star
Absent	Port Commissioners:	Aves Thompson
	Staff:	

I. The meeting was called to order at 12:02 pm

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

II. Safety Minute (Paul Rotkis)

October is Fire Prevention Month so vacuum out your dryers.

III. Approval of Agenda

- A. It was moved by Commissioner MacLeod to approve as submitted. Seconded by Commissioner Lisiecki.

Commissioner Pawlowski asked if the group wanted to elect a new Chair at the present time or function under the Vice Chair in the interim. Commissioner Lisiecki said to do it now and Commissioner Pawlowski moved that New Business item A. Election of Commission Chair be moved up in the Agenda.

- B. Election of Commission Chair and Vice Chair:

Commissioner Pawlowski nominated Commissioner Kroon to fill the position of Chairman. Commissioner Lisiecki seconded. Commissioner Lisiecki nominated Commissioner Pawlowski to fill the position of Vice Chairman, seconded by Commissioner MacLeod. Commissioner Kroon abstained during the vote for Chair and Commissioner Pawlowski abstained during the vote for Vice Chair. The positions were filled unanimously.

IV. Approval of Minutes

- A. Approval of the August 16, 2017 minutes: Ms. Walsh said she had a comment; on page two, during discussion of the FASTLANE, now INFRA Grants, it was noted it "...will be resubmitted by September 2nd .." which should be November 2nd.

Approval of the June 21, 2017 minutes: Ms. Walsh noted in the August minutes there was not a quorum to approve the June minutes. Commissioner Kroon asked if anyone had additional changes for the August 16th minutes. There were none so he called for a motion to approve with the change noted by Ms. Walsh.

Commissioner Pawlowski so moved; Commissioner Lisiecki seconded. The vote was unanimous to approve the minutes with the change.

V. Public Comments

Commissioner Kroon asked if Mr. Robertson had anything to report. Mr. Robertson said direct everything to him since Steve Black has relocated and Chris Vernon is going in for heart surgery. He said he thought Mr. Vernon was going to be in the hospital for about 10 days and off work for 6-8 weeks.

Commissioner Kroon said the group may want to have some discussion about Sue Linford's passing and putting her name on the plaque at the Security Center. He suggested putting that on the Agenda for the next meeting.

VI. Port Director's Comments

Mr. Ribuffo said at the October 24th Assembly meeting, in the Consent Agenda, the first Resolutions is to honor Sue Linford. The Assembly meetings start promptly at 5PM at the Loussac Library Assembly Chambers. He invited the Commissioners to attend the meeting.

Commissioner Kesler said she had received an email from the Concert Association; they're working on a spot in the next quarter's program to honor Ms. Linford.

Mr. Ribuffo said that on that same Assembly agenda, under New Public Hearings, is a Resolution to rename the Port of Anchorage the "Port of Alaska" which he thought the Assembly would approve. Commissioner Pawlowski asked what the Mayor and others thought of changing the name. Mr. Ribuffo said there is a strong undercurrent of support for doing it.

Mr. Ribuffo passed out copies of an ad recently put in the Alaska Business Magazine featuring the Port's latest spokesman "Rusty Wharfpile". He said the idea was maybe we need to get a little edgy getting the message out. We're hoping the Legislators see this, along with other business people, and get the point that there are consequences for not doing anything about this facility and some of those may be ones nobody ever thought of. Commissioner Lisiecki said he finds this style of ad very effective and has used them in the past.

Commissioner Lisiecki asked if there was concern from the Legislators. Mr. Jager said everybody thought it was perfectly OK and ironically the biggest chuckles he'd heard were from military personnel, they universally have liked it. It was designed to spark conversation about the Port and he felt it was working on that front. Commissioner Pawlowski said he had talked to Mr. Jager and he had the factual information to back up many of the spots, which he thought was the important thing.

VII. Informational Items

A. Deputy Director - Sharen Walsh

- Ship Creek Small Boat Launch: Ms. Walsh said the boat launch has been pretty-much rebuilt and it looks very good. She recommended taking the time to drive down and take a look at it.
- Camera Work: Ms. Walsh said new lights and cameras were installed at the Small Boat Launch. Mr. Ribuffo said that once some footage is collected it will be presented it at a Public Safety Committee meeting.

Commissioner Kroon asked if the cameras are pointing both off- and on-shore. Ms. Walsh said both ways. Ms. Walsh said the reason the Port first applied for the grant was due to concern about a water-side threat to the rest of the Port facilities. With the cameras we'll be able to get numbers for things like how many private boats, set netters or kayakers utilize it, how often the Fire Department uses it for rescues.

- Wharf Pile Enhancements: Ms. Walsh said the Port is wrapping up this project. We have 35 piles done; there are a couple more weeks on the contract and it looks like the contractor is on track to finish on time.
- Generators: Other jobs that will wrap up in December are the 1-megawatt stand-by generator for the cranes and a smaller 150kw generator for the petroleum facilities.
- Ports and Harbors Grant: there has been some good feedback on the application we submitted in August. The application made it through the initial review and was selected to go on the list for funding.
- INFRA Grants: Ms. Walsh said INFRA stands for "Infrastructure For Rebuilding America" and it's a big money grant. She is working on the grant and Mr. Cowles' group is working on getting the numbers together because we have to re-do everything from last year's application and it's due November second. We're planning to submit on October 27th and would like a Resolution or letter of support from the Commission. Commissioner Kroon asked for a motion. Commissioner Pawlowski moved that the Commission support a Resolution for the INFRA Grant application; Commissioner Lisiecki seconded. The motion passed unanimously.

Commissioner Pawlowski asked where the money for the harbor grant comes from. Ms. Walsh said a special fund, the Ports and Harbors fund, within the Department of Transportation budget.

- As-Needed Engineering Services Proposal: Ms. Walsh said the Port has a proposal on the street for an As-Needed Engineering Services contract. It's a one-year contract with two one-year extensions. The proposals are due November 6th to hire a firm, or team of firms, to help with our day-to-day engineering. Currently the contract is held by R&M and their team.
- B. Operations – Stuart Greydanus
- Matson has had some mechanical and other issues and are working to get caught up in getting here on time on Tuesdays and Sundays.
 - The last cement ship is due on the 28th of November and there is a tanker coming in around the 25th with 315,000 Bbls of fuel.
 - Our dredging contractor has removed 973,789 CY so far this year. Their plan is to keep working until November 10th and then they'll make one final sweep before they leave. Commissioner Lisiecki asked if the dredging, on an annual basis, is it about 1 million CY. Mr. Greydanus said yes, anywhere from 900,000 to 1.3 million cubic yards.
 - Last week we had a contractor working at the former Flint Hills, now Tesoro, facility and they hit a gas line. The Fire Department shut down all in- and out-bound traffic for 35 minutes until the gas leak was contained. We turned the exercise into one of the Security drills we're mandated to conduct.

Commissioner Pawlowski asked if the incident will be written up to include the fact that traffic was backed up on A Street as far as the Federal Building in 35 minutes.

Mr. Ribuffo said the Security group did an incident report so we'll make sure that's included in it.

- Pacific Pathways Exercise: There is a deployment coming called "Pacific Pathways," involving the 1/25th Stryker Battalion from Ft. Wainwright. They plan to land five Apache helicopters at the Port and load them on either a military or commercial vessel, though that plan may change.
- Arctic Edge 18: Exercise Arctic Edge 18 will occur next year. The scenario was again going to be a seismic event. We plan to hold a Port-wide evacuation for that exercise.

Commissioner Kroon asked how many cruise ships came to Anchorage this year and how many were anticipated next year. Mr. Jager said there were nine plus the *Maasdam* and *The World*. He said his understanding is Holland America Cruises is repeating the same schedule in 2018 with the *Zaandam*.

C. Finance Director - Cheryl Beckham

- The September financial report was included in the packet. We're ahead on revenues for the year, a lot of which is just related to timing. We anticipate that we'll end the year just about where we predicted. Under Expenses, the first half of the MESA has been paid and we have \$300,000 for the second half due in October. Overall the general financial report is relatively good.

Also included in the packet is the 2018 budget that will be submitted to the Assembly for approval. In Workforce Projections and Estimate of Revenues we projected no increase in the next year. Last year's budget was increased to be more in line with the Actuals so we feel that's a pretty fair estimate. Expenses are mainly the litigation; Bob Owens projected \$3.7 million for litigation.

On page 12 of the budget report is a reconciliation of 2017's approved budget to the 2018 request. A lot of the changes that you see are related to MESA, the Line of Credit Interest and the Litigation.

Commissioner Kroon said in the minutes of the last meeting she mentioned that she had decreased the MESA. Could you explain that. Ms. Beckham said on page 12 you'll see we reduced the MESA by \$548,034. In 2017 the calculation for the MESA did not include an exclusion for that portion of the North Extension built with other government contributed funds. During the audit and preparation of this year's payment, it was discovered that exclusion was missed in the original calculation. We took the exclusion this year which resulted in the MESA and Dividend payments budgeted at \$2.6 million with the actuals at \$1.7 million. The result is about \$500,000 less in MESA that we'll pay in 2018 and that's reflected in the 2018 budget.

D. Modernization Project Update - Todd Cowles

As to the South Backlands Stabilization (SBS), we've achieved the 65% design completion level. On the North Extension side we're in the 35% design phase, still grappling with some geotechnical issues but those are being worked through.

The procurement for the Construction Manager (CM) who would serve At Risk is still on-going so he was not able to disclose any of the details. It's anticipated that they will be in a position to award the contract in November and so are on schedule. The COWI design contract has been re-tooled to integrate all the team members into the Contract Manager at Risk (CM@Risk) delivery methodology and COWI is working on a pre-35% design package to kick off with the Contract Manager when they're on board. Then we will start going through the design process with all the

team members. In conjunction with the Contract Manager delivery model we're also procuring another independent cost estimator to help validate construction cost estimates and design, designer of record cost estimates during that design process, so that procurement is on the street right now with proposals due near the end of the month.

Commissioner Kroon asked if next year, as this progresses, you'll do the uplands project. Mr. Cowles said that was correct. The South Backlands definitely would be *low-hanging fruit* next summer, along with the transitional dredging for the Petroleum & Cement Terminal. We don't yet know whether the Corps of Engineers is going to do the dredging with our funding or whether we're going to do it through the Contract Manager with our funding. The advantage of the Corps doing it with our funding is they're already permitted so it would save permitting expense and potential additional costs that would come from the regulatory environment. We're working with the Corps Alaska District very closely to get them authorized to accept our funding and do that work next summer. That would set the stage for 2019 construction of the new marine terminal.

Commissioner Kroon said he remembered from some of the early conversations that there wasn't to be any evolution of the offshore until we had full funding for everything. Mr. Cowles said the nice thing about the CM-at-Risk delivery method is while you're working toward a guaranteed maximum price for the whole project you can spin off early work packages for severable components as funding allows. We don't know yet whether we have all the funding we need to execute the project in total, you work through that as part of the design process.

E. Director of External Affairs – Jim Jager

Mr. Jager said we've been doing quite few public presentations the last month and have had a few media outings. Mr. Jason Margolus from "The World" toured the Port earlier this year and his story aired about two weeks ago. We've gotten good coverage from that story; he said he's heard from people as far away as New Jersey are commenting they heard about the Port on the radio.

One thing we're starting to talk about regarding the Port Project is if we have a problem with the Port it's not going to be a mass destruction event. Rather it will be a mass disruption event. Probably the gas leak last week was a good demonstration that it doesn't have to be a big crises at the Port to start disrupting things. For instance, if we lose a few piles and close the dock, it's not a huge destructive event but the disruption that would be caused to State business will be extreme.

Mr. Jager said he took an Assembly person to Port MacKenzie the day before yesterday and while we there the light was just right so we noticed a new failure point that we hadn't seen before. Commissioner Kroon said Mr. VanDongen is gone so they don't really have a champion to raise funding. Commissioner Lisiecki asked if the railroad line to Port MacKenzie would be completed. Mr. Jager said that's a big point of discussion right now. Mr. Ribuffo said they have not hired anybody to be Port Director; Mr. VanDongen's Administrative Assistant, Theresa Dolan, is the only person working at Port MacKenzie as Port Manager and he thought she was strictly administration. Commissioner Duggan noted that in local news articles about the search Amazon is doing for a new headquarters, it appears they're not thinking about the logistics of moving 100,000 people here and the need for homes and infrastructure. She said she thought the Port might have an interesting argument to make about trying to seek all these companies and moving hundreds of employees. Mr. Jager said he talked with Jason Bockenstedt,

Deputy Chief of Staff for the Mayor, yesterday and he was told the City is not doing an application to Amazon but is sending a letter to basically say “we’re here”.

VIII Old Business

- Maritime history Project: Mr. Ribuffo said the group came to a consensus at the last meeting that we would put the Maritime History project aside until we could address it in a manner that would give us a solution. He said he would make time to look at the plaque and confirm there’s space to put Sue Linford’s name on it.
- Japanese Defense Force visit: Mr. Ribuffo said the Port enjoyed having the Japanese Defense Force visit. He said from a Port management standpoint, they were much more organized this trip than the first time they visited in 2012. They took responsibility for planning and organizing a lot of the events and did a really good job. He thought the current Consul General was more engaged and the staff stepped up. They were very grateful for what the Port and North Star brought to the table to help make their time here a success and he appreciated that.

IX. New Business

There was none.

X. Commissioners Around the Horn

Commissioner Duggan thanked the staff for the update on the cameras and the lights at Ship Creek. She noted that was one of the items at her first Commission meeting where the tugboat operator aired his grievances so it was nice to have that come full circle. She also thanked Mr. Jager and Mr. Greydanus for her Port tour and said she really enjoyed it.

Commissioner Lisiecki said he also thought the Japanese Defense Force visit was very successful and he enjoyed it.

Commissioner Kroon thanked the group for his election; he made the comment he had some big shoes to fill and said the group would miss Commissioner Linford.

Commissioner Kesler said she wanted to second everybody’s comments regarding the Japanese ship visit, it was terrific. She thought the media coverage of the event was great and it really showed off the Port and the people who work here and how lucky we are to have them.

XI. Next Meeting:

After discussion it was decided to schedule the next meeting for January 10, 2018

XII. Meeting Adjourned at 1:28 pm