

KODIAK CITY COUNCIL

WORK SESSION AGENDA

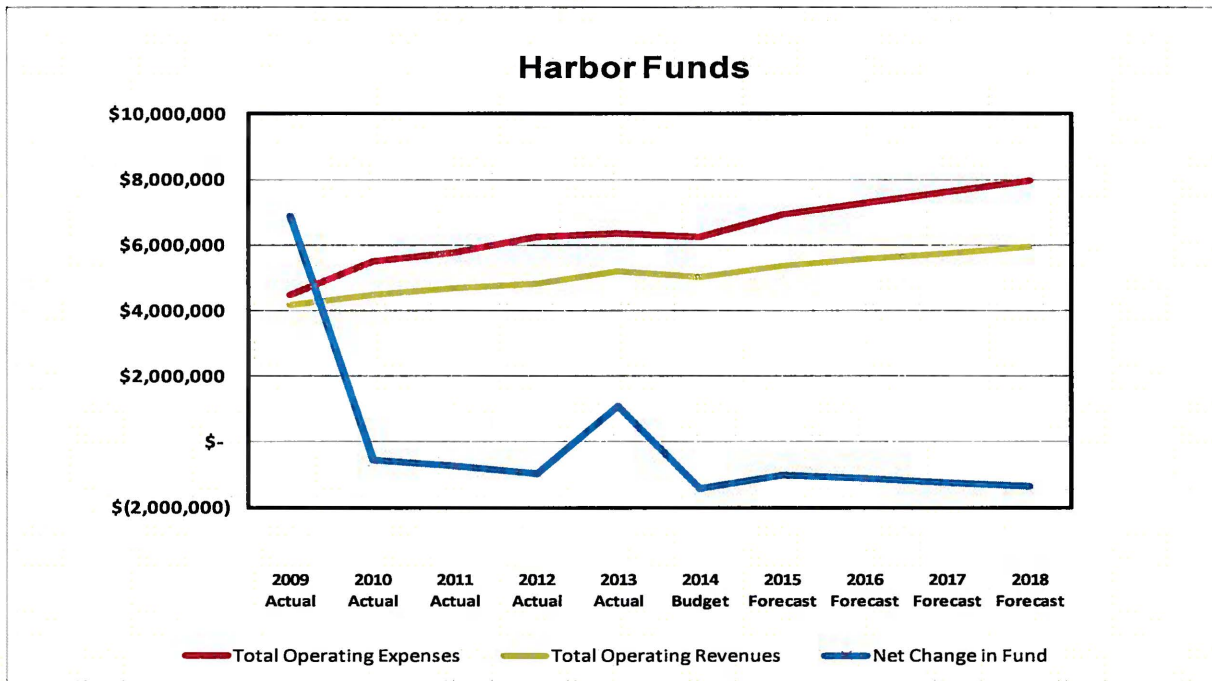
Tuesday, April 8, 2014
Kodiak Island Borough Conference Room
7:30 p.m.

Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.

Discussion Items

1. Public Comments (limited to 3 minutes)
2. Review Proposed Shipyard Rates1
3. April 10, 2014, Agenda Packet Review

Figure 16: Harbor Funds Forecast - Actual 2009-2013, Budgeted 2014, Forecast 2015-2018



As a result of a recommendation from the Harbor Advisory Board, a rate increase was implemented for Harbor moorage rates in fiscal year 2004 for four years and the rates were again adjusted in fiscal year 2011. The chart below shows the increase in moorage rates. Moorage rates are the largest category of fees in the Harbor Funds. Fiscal Year 2010 was the first full year that the Ship Yard was in operation. The Ship Yard rates were increased in fiscal year 2011 and then again in fiscal year 2013. Lift, Block and Launch fees make up 44% of Ship Yard revenues and Lay Days make up 31%. In the future, continued operating losses may necessitate additional transfers from the General Fund or additional rate increases in the Ship Yard Fund.

Harbor & Ship Yard Rates

| Fiscal Year | HARBOR MOORAGE RATES | | | |
|-------------|-------------------------|--------|------------|------|
| | Annual Moorage Per Foot | | % Increase | |
| | Low | High | Low | High |
| 2004 | 23.00 | 37.00 | | |
| 2005 | 25.00 | 60.00 | 9% | 62% |
| 2006 | 27.00 | 73.00 | 8% | 22% |
| 2007 | 28.00 | 88.00 | 4% | 21% |
| 2008 | 29.00 | 98.00 | 4% | 11% |
| 2009 | 29.00 | 98.00 | 0% | 0% |
| 2010 | 29.00 | 98.00 | 0% | 0% |
| 2011 | 30.00 | 100.00 | 3% | 2% |
| 2012 | 30.00 | 100.00 | 0% | 0% |

Low Range = 0 to 20 feet
 High Range = 151 feet and higher

| Fiscal Year | SHIP YARD RATES | | | |
|-------------|-------------------------|-------|------------|------|
| | Lift, Block, and Launch | | % Increase | |
| | Low | High | Low | High |
| 2010 | 40.00 | 70.00 | | |
| 2011 | 44.00 | 77.00 | 10% | 10% |
| 2013 | 53.00 | 92.00 | 20% | 19% |

Low Range = Vessels up to 80 feet
 High Range = 151 feet and higher

| Fiscal Year | SHIP YARD RATES | | | |
|-------------|-----------------|------|------------|------|
| | Lay Days | | % Increase | |
| | Low | High | Low | High |
| 2010 | 1.75 | 2.75 | | |
| 2011 | 2.20 | 2.20 | 26% | -20% |
| 2013 | 2.65 | 2.65 | 20% | 100% |

Low Range = November 1 - March 31
 High Range = April 1 - October 31



Port and Harbor Advisory Board News

To: Mayor Branson and Kodiak City Councilmembers
From: Nick Szabo, Chairman, Port and Harbor Advisory Board
Date: January 13, 2014
Re: Port and Harbor Advisory Board Recommendations

A handwritten signature in blue ink, appearing to read "Nick Szabo".

The Port and Harbor Advisory Board met January 3, 2014. Below is a synopsis of the discussion and motions. Official minutes will follow in due course.

| | | |
|------------------|---------------|------------|
| Elections | Nick Szabo | Chairman |
| | Oliver Holm | Vice-chair |
| | Stormy Stutes | Secretary |

Shipyard

- In accordance with the City Council's budget guidance to eliminate the shipyard's budget deficit within the first five years of operation, the PHAB reviewed FY13 financial data and makes the following recommendations:
 - 1) Increase the fee for lift/block/launch 30%
 - 2) Encourage long-term work by offering reduced lay-day fees
 - 3) Increase lay-day fees by 10% for the first 14 days only
- Recommend that the shipyard depreciation expense, and its impact on the boat harbor enterprise fund, be discussed and explained at a City Council meeting

Interfund Transfers

- Recommend that the City review the rationale for determining inter-fund transfer amounts

**CITY OF KODIAK
RESOLUTION NUMBER 2013-09**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING SECTION 9.16, SHIPYARD, OF THE SCHEDULE OF FEES AND CHARGES

WHEREAS, at its March 26, 2013, work session the Council received a presentation from the Port and Harbors Advisory Board (PHAB) requesting a three-year rate increase for shipyard fees; and

WHEREAS, the City Council voiced a consensus for a one-year increase for certain shipyard fees.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Section 9.16 of the City Schedule of Fees and Charges is hereby amended as follows:

9.16 Shipyard

- *Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch.*
- *Lifts taking more than four hours will be assessed extra labor and/or machine time.*
- *Dry dockage is assessed the entire time the vessel remains in the yard.*

| 9.16.1 | Lift, Block, and Launch | Current Fee | Amended Fee |
|------------|--|---------------------------|----------------|
| 9.16.1.1 | Vessels up to 80' | | 53.00 |
| 9.16.1.2 | 81' to 100' | | 60.00 |
| 9.16.1.3 | 101' to 120' | | 72.00 |
| 9.16.1.4 | 121' to 150' | | 85.00 |
| 9.16.1.5 | 151' and up | | 92.00 |
| 9.16.2 | After hours surcharge..... | + 20% / ft | |
| 9.16.2.1 | Nonstandard Lift (operator and lift)..... | 1,500.00/hr | |
| 9.16.2.2 | Travel strap set up | | T,M&E + 15% |
| 9.16.2.3 | Inspection Lift, includes 1 hour hang time free | 75% of lift per launch | |
| 9.16.2.4 | Hang Time (other than wash pad)..... | 275.00 ea. addl. hour | |
| 9.16.2.4.1 | Hang Time, on wash pad | | 200.00/hr |
| 9.16.2.4.2 | Hang Time, on heated wash pad | | 300.00/hr |
| 9.16.5 | Delay of Lift | 250.00/half hour | |
| 9.16.6 | Pressure Wash (and scrape if necessary) | T, M, & E* | |
| 9.16.7 | Reposition..... | 50% of lift / launch | |
| 9.16.8 | Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show)..... | 750.00 | |
| 9.16.9 | Dry Dockage Space (lay day)..... | | 2.65/ft/day |
| 9.16.10 | On-site Storage | | |
| 9.16.10.1 | Daily (first three days or portion thereof no charge)... | 0.05/ft/day | |
| 9.16.10.2 | Minimum charge..... | 15.00 | |
| 9.16.11 | Vendor (must be preapproved and have \$1 million liability coverage) | | |
| 9.16.11.1 | Annual vendor fee..... | | 500.00/yr |
| 9.16.11.2 | Per vessel vendor fee (one-time use) | | 250.00 |
| 9.16.12 | Utilities (includes water) | | |

| | | | |
|-----------|--|---------------|------------|
| 9.16.12.1 | 120v single-phase 30 amp or actual kWh cost, whichever is greater | | 20.00/day |
| 9.16.12.2 | 208v single-phase 50 amp or actual kWh cost, whichever is greater | | 40.00/day |
| 9.16.12.3 | 208v three-phase 100 amp or actual kWh cost, whichever is greater | | 50.00/day |
| 9.16.12.4 | 480v three-phase 100 amp or actual kWh cost, whichever is greater | | 70.00/day |
| 9.16.13 | Equipment Rental | | |
| 9.16.13.1 | Fork lift | 75.00/half hr | |
| 9.16.13.2 | Man lift | 75.00/half hr | |
| 9.16.13.3 | Pressure Washer | | 250.00/day |
| 9.16.13.4 | Other | T, M & E* | |
| 9.16.14 | Environmental Tarp (ground tarp required for all bottom work) | Cost + 15% | |
| 9.16.15 | Waste Disposal | | |
| 9.16.15.1 | Used oil | 1.00/gallon | |
| 9.16.15.2 | Dumpster (5.5 yard) | | 110.00/tip |
| 9.16.15.3 | Non-Hazardous liquids, including oil bilge water | 2.25/gallon | |
| 9.16.15.4 | Hazardous | Cost + 15% | |
| 9.16.15.5 | Other, e.g., metals and wood | Cost + 15% | |
| 9.16.16 | Labor | | |
| 9.16.16.1 | City Employee, straight time | 65.00/hr | |
| 9.16.16.2 | City Employee, overtime | 95.00/hr | |
| 9.16.16.3 | Contract service provider (e.g., diver, lift operator, etc) | Cost + 15% | |
| 9.16.17 | Environmental Surcharge | 2.5% of gross | |
| 9.16.18 | Other Fees and Services | Cost + 15% | |

*T, M, & E: Time (i.e., labor hours), materials, and equipment hours

BE IT FURTHER RESOLVED that this resolution shall supersede previous resolutions amending Section 9.16 of the Schedule of Fees and Charges.

BE IT FURTHER RESOLVED that the year-one changes to Section 9.16 of the Schedule of Fees and Charges herein shall be effected upon the adoption of this resolution.

BE IT FURTHER RESOLVED that the City Clerk is authorized to make the required changes to the Schedule of Fees and Charges.



CITY OF KODIAK

Pat O'Neil

 MAYOR

ATTEST:

Debra Mankin

 CITY CLERK

Adopted: April 11, 2013

Proposed Three-Year Shipyard Rate Structure
(20% increase each year for three years for lift and lay days)

| 9.16 Boat Shipyard | Current Fee | Increase | | |
|-------------------------------|---|------------------------|----------------|-------------|
| | | Year 1 | Year 2 | Year 3 |
| 9.16.1 | Lift, Block, and Launch | | | |
| 9.16.1.1 | Vessels up to 80' | 44.00/## | 53.00 | 76.00 |
| 9.16.1.2 | 81' to 100' | 50.00/## | 60.00 | 86.00 |
| 9.16.1.3 | 101' to 120' | 60.00/## | 72.00 | 104.00 |
| 9.16.1.4 | 121' to 150' | 71.00/## | 85.00 | 122.00 |
| 9.16.1.5 | 151' and up | 77.00/## | 92.00 | 133.00 |
| 9.16.1.6 | After hours surcharge | + 20% / ft | | |
| 9.16.2.1 | Nonstandard Lift (operator and lift) | 1,500.00/hr | | |
| 9.16.2.2 | <u>Travel strap set up</u> | | T, M & E + 15% | No change |
| 9.16.2.3 | Inspection Lift, includes 1 hour hang time free | 75% of lift per launch | | |
| 9.16.2.4 | Hang Time (<u>other than wash pad</u>) | 275.00 ea. addl. hour | | |
| 9.16.2.4.1 | <u>Hang Time, on wash pad</u> | | 200.00/hr | No change |
| 9.16.2.4.2 | <u>Hang Time, on heated wash pad</u> | | 300.00/hr | No change |
| 9.16.5 | Delay of Lift | 250.00/half hour | | |
| 9.16.6 | Pressure Wash (and scrape if necessary) | T, M, & E* | | |
| 9.16.7 | Reposition | 50% of lift / launch | | |
| 9.16.8 | Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show) | 750.00 | | |
| 9.16.9 | Dry Dockage Space (<u>lay day</u>) | 2-20/##/day | 2.65/ft/day | 3.82/ft/day |
| 9.16.10 | On-site Storage | | | |
| 9.16.10.1 | Daily (first three days or portion thereof no charge) .. | 0.05/ft/day | | |

- Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch.
- Lifts taking more than four hours will be assessed extra labor and/or machine time.
- Dry dockage is assessed the entire time the vessel remains in the yard.

Clerk's Note: These fees were proposed by the PHAB last year and discussed at the March 26, 2013, work session.

| Ship Yard Proposed Rate Structure | Current Fee | Increase Year 1 | Increase Year 2 | Increase Year 3 |
|---|----------------------|-----------------|-----------------|-----------------|
| 9.16. 11 10.2 Minimum charge | 15.00 | | | |
| 9.16. 12 11 Vendor (must be preapproved and have \$1 million liability coverage) | | | | |
| 9.16. 12 11.1 Registration -Annual vendor fee(paid by vendor) | 300.00/yr | 500.00/yr | No change | No change |
| 9.16.11.2 Per vessel vendor fee (one-time use) | | 250.00 | No change | No change |
| 9.16. 13 12 Utilities (includes water) | | | | |
| 9.16. 13 12.1 120v single-phase 30 amp or actual kWh cost, whichever is greater..... | 15.00/day | 20.00/day | No change | No change |
| 9.16. 13 12.2 208v single-phase 50 amp or actual kWh cost, whichever is greater..... | 35.00/day | 40.00/day | No change | No change |
| 9.16. 13 12.3 208v three-phase 100 amp or actual kWh cost, whichever is greater..... | 40.00/day | 50.00/day | No change | No change |
| 9.16. 13 12.4 480v three-phase 100 amp or actual kWh cost, whichever is greater..... | 50.00/day | 70.00/day | No change | No change |
| 9.16. 14 13 Equipment Rental | | | | |
| 9.16. 13 14.1 Fork lift..... | 75.00/half hr | | | |
| 9.16. 14 13.2 Man lift..... | 75.00/half hr | | | |
| 9.16. 14 13.3 Pressure Washer, 3-hour minimum \$125.00-day maximum | 25.00/hr | 250.00/day | No change | No change |
| 9.16. 14 13.4 Other..... | T, M & E* | | | |
| 9.16. 15 14 Environmental Tarp (ground tarp required for all bottom work)..... | Cost + 15% | | | |
| 9.16. 16 15 Waste Disposal | | | | |
| 9.16. 16 15.1 Used oil | 1.00/gallon | | | |
| 9.16. 16 15.2 Dumpster (5.5 yard) | 100.00/tp | 110.00/tp | No change | No change |
| 9.16. 16 15.3 Non-Hazardous liquids, including oil bilge water | 2.25/gallon | | | |
| 9.16. 16 15.4 Hazardous..... | Cost + 15% | | | |
| 9.16. 16 15.5 Other, e.g., metals and wood | Cost + 15% | | | |
| 9.16. 17 16 Labor | | | | |
| 9.16. 17 16.1 City Employee, straight time | 65.00/hr | | | |
| 9.16. 17 16.2 City Employee, overtime..... | 95.00/hr | | | |
| 9.16. 17 16.3 Contract service provider (e.g., diver, lift operator, etc)..... | Cost + 15% | | | |
| 9.16. 18 17 Environmental Surcharge..... | 2.5% of gross | | | |
| 9.16. 19 18 Other Fees and Services | Cost + 15% | | | |

*T, M, & E: Time (i.e., labor hours), materials, and equipment hours