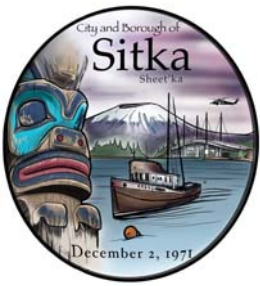


## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2022-06 on first and final reading increasing cruise ship tender fees.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*A Coast Guard City*

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator

**From:** Stan Eliason, Harbormaster

**Date:** February 15<sup>th</sup>, 2022

**Subject:** Tender Fee Increase of 6.8%

---

### **Background**

It's common for the cruise lines to inquire about tendering fees for the upcoming season. The inquiry usually occurs during the wintertime, as they build their budgets.

### **Analysis**

Current practices. We will advise the cruise lines of the current tender fees (the previous season's rate) and would update the cruise lines again, with any increases for the new fiscal year.

In order to ensure that cruise lines have the correct rate for the upcoming season, when I was asked about the 2022 fees this year I advised that they would be \$1,418.75, which is an increase of 6.8% from last year (and the inflation increase at that time). I propose, increasing the rates by this amount for the 2022 season and then, going forward, update the rates earlier in the year. By setting the rates earlier in the year, we will be able to ensure that correct information is shared with the cruise lines and will also allow for an efficient billing process for office staff. It will also capture the additional revenue from those ships that arrive early. Otherwise, they would be charged the previous season's rate up until the new FY fees are imposed.

### **Fiscal Note**

Sitka's historical tender fee increases. The fees are per ship, per day. I have also included Juneau and Ketchikan for a comparative.

2014 \$916.70

2019 \$1,145.87 25% increase.

2020 \$1,265.16 10%

2021 \$1,328.42 05%

2022 \$1,418.75 6.8%

Juneau- \$600.00. Ketchikan-\$390.00.

Both facilities have additional charges related to passengers i.e., passenger wharfage fees, marine passenger fees.

The projected tender fee revenue for the 2022 season is \$89,381.25

### **Recommendation**

Approve the proposed tender fee increase of 6.8% to be effective immediately.

All future increases to be based on the cumulative rate of inflation ending December 31<sup>st</sup> of each year.