



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator

From: Stan Eliason, Harbormaster

Date: January 9, 2023

Subject: Tender and security fee increases for 2023

Background

It's common for the cruise lines to inquire about fees for the upcoming season. The inquiry usually occurs during the wintertime, as they build their budgets. The Assembly approved resolution 2022-06 on March 8th, 2022, to increase daily tender fees by 6.8%. And, to increase the daily security fees by 8.3% through ordinance 2022-11, which was passed on May 24th, 2022.

Analysis

By setting the rates earlier in the year we will be able to capture those ships that arrive early. Otherwise, they would be charged the previous season's rate up until the new FY fees are imposed. This will also provide a firm number for their budgeting process and will also allow for an efficient billing process for office staff.

Fiscal Note

An increase of 8.3% in tender fees will generate an additional \$2,944.00 before the fiscal year ends. Total tender fees for the 2023 season at \$1,536.51 per day.
\$102,946.17

An increase of 8.3% in security fees will also generate an additional \$1,179.75 before the fiscal year ends. Total security fees for the 2023 season at \$615.77 per day.
\$41,256.59

Total projected revenue for the combined fees. \$144,202.76 (subject to change due to cancellations or additional ships)

Recommendation

Approve the proposed tender and security fee increase of 8.3% to be effective immediately.

Encl: Res 2023-01

Port and Harbor Commission draft minutes from 1-11-2023

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2023-01

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA
INCREASING CRUISE SHIP TENDER AND SECURITY FEES**

WHEREAS, Sitka General Code Section 13.06.010 Moorage charges and fees, subsection (A) states, Moorage fees and charges shall be established by resolution and approved by the Assembly; and

WHEREAS, the Port and Harbors Commission voted on January 11, 2023 to approve an increase in the tender fees for cruise ships to \$1,536.51 per ship, per day.

WHEREAS, the Port and Harbors Commission voted on January 11, 2023 to approve an increase in security fees to \$615.77 per ship, per day.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, hereby approves the following permanent moorage charges and fees, effective as stated:

Tender and Security Fees (effective immediately):

\$1,536.51 per ship, per day

\$615.77 per ship, per day

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of January, 2023.

Steven Eisenbeisz, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading: 1/24/2023

Sponsor: Administrator

Sitka Port and Harbors Commission Minutes

Wednesday January 11, 2023, 6:00PM
Harrigan Centennial Hall

Port and Harbors Commission Members:

Andrew Callistini, Dave Gordon, Jorgen Eliason, Shauna Thornton,
Tyler Green, Michael Nurco, Tamy Stevenson
Chris Ystad (Assembly Liaison)

I. CALL TO ORDER

Chairman Thornton called the meeting to order at approximately 6:00pm.

II. ROLL CALL

Commissioners Present: Andrew Callistini, Tyler Green, Shauna Thornton, Tamy Stevenson, Mike Nurco.

Assembly Liaison: Chris Ystad.

Staff: Harbormaster Stan Eliason, Harbor Office Manager Alicia Soto.

III. CORRESPONDENCE

None.

IV. AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. APPROVAL OF MINUTES

A. Approval of the December 14, 2022, meeting minutes.

M – Stevenson / S – Callistini motioned to approve the December 14, 2022, meeting minutes. Motion passed unanimously.

VII. REPORTS

Harbormaster – Harbormaster Eliason presented results of a comparison of harbor revenue sources between 2021 and 2022, and discussed how COVID may have impacted revenue totals. Eliason noted that RV lot and harbor shower revenues showed large increases, while the hoist revenue declined due to Sitka Salmon Shares no longer using the hoist to offload fish from vessels. Eliason was working on a plan with Cruise Line Agencies of Alaska (CLAA), to have CLAA provide security at the GPIP, to eliminate Harbor Staff from performing the duties.

City Staff – None.

Chair – None.

Assembly Liaison – Ystad reported that there would be a public GPIP meeting on 1/12/2023 which would include an opportunity for public comment regarding the vessel haul out project. An RFP for the vessel haul out project manager had been advertised. The Assembly recently passed a motion to support the Alaska Trollers Association in their lawsuit against the Wild Fish Conservancy regarding the southern resident killer whales, an ordinance would be presented to the Assembly for funding amount. A future resolution would be presented asking for City Support.

Other (s) – None.

VIII. UNFINISHED BUSINESS

B. None.

IX. NEW BUSINESS

C. Cruise ship tender/security fee increase.

Eliason explained to the commission that he was wanting to increase the cruise ship tender/security fees before the start of the cruise ship season in April 2023. By increasing the fees now, rather than July 1 when the new fiscal year begins, Eliason could present the rates to the cruise ships for budgeting purposes, as well as maximize revenue for the Harbor Fund. Eliason noted that he was proposing an 8.3 % rate increase to the cruise ship tender/security fees.

**M - Stevenson / S – Nurco Motioned for the Port and Harbor Commission to support the recommend 8.3% rate increase to the cruise ship tender/security fees.
Motion passed 5/0.**

X. SET NEXT MEETING DATE AND AGENDA ITEMS

1. The next regular scheduled meeting would take place on February 8, 2023, at 6:00pm.
2. Harbor Parking Fees.
3. Dog waste on floats.
4. Flat rate dockage fee for cruise ships utilizing the Port Facility/seawall.

XI. ADJOURNMENT

Chairman Thornton adjourned the meeting at approximately 6:30pm.

Attest :Jeremiah Johnson, Deputy Harbormaster