

## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2018-13 on  
first and final reading.

Notes:

- At the June 26 Assembly the meeting a motion was approved to refer the Resolution to the Port and Harbors Commission for review.
- On September 5, the Commission reviewed the Resolution. A motion was made to approve to the Assembly a rate recommendation of 6% for the harbors for 2018. Approved 4-0.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Mayor Hunter and Assembly Members  
Keith Brady, Municipal Administrator

**From:** Jay Sweeney, Chief Finance and Administrative Officer, Melissa Haley,  
Controller, Stan Eliason, Harbormaster

**Date:** 20 June 2018

**Subject:** Approval of Resolution 2018-13 FY2019 Rate Increase for Moorage

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The harbor fund has more unrestricted working capital available than any other CBS enterprise fund (approximately 5.4 million), but it also has the highest need for capital investment over the next 5 years (approximately 22.7 million) and significant needs beyond that. At one time there was a high expectation that the state would bear a more significant part of the burden of repairing the harbors that were transferred from state to CBS ownership, however, while some funding is still coming through, it is limited and our forward looking fiscal models show a middle-of-the road forecast in which some grant funding is still made available in the future, but not what had been anticipated in the past.

The primary goals for the Harbor Fund during the next year are to:

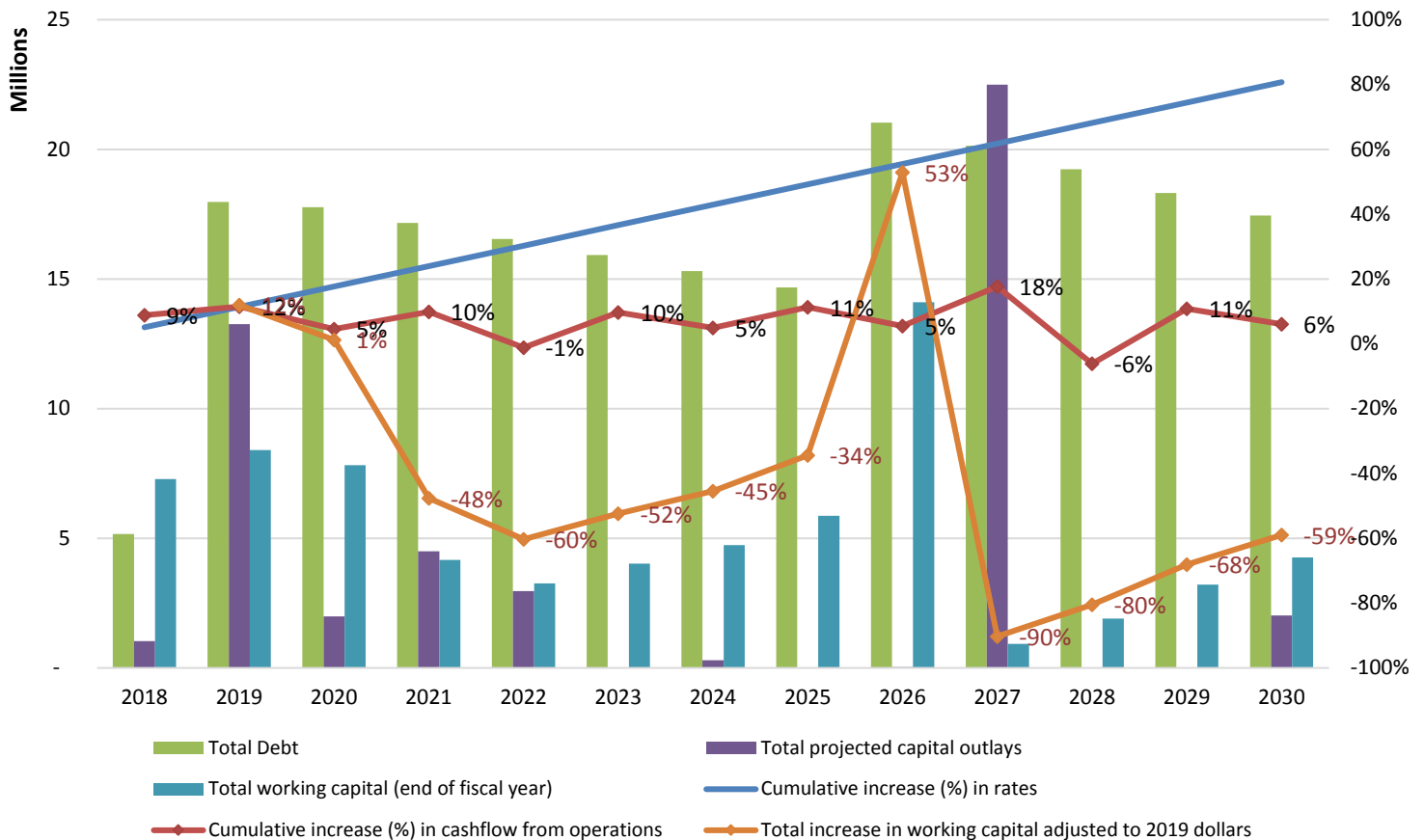
- Move forward with the Crescent Harbor rehabilitation project, for which some grant funding is available, but for which bonding will also be necessary. As we have a limited amount of time to spend the grant funds, we must bond this fall in order to provide the matching grant funds and to meet the timing restrictions of the grant or we will lose grant funding. The proposed rate increase is necessary to demonstrate that we have sufficient cash flow to pay for the debt services of the bond.
- Continue to plan for even more significant future infrastructure needs (especially the eventual replacement of Eliason Harbor).
- Continue to analyze options for revenue generation outside of basic moorage fees.

Below is an example demonstrating the total increased cost of various scenarios which could be applicable to harbor users in Sitka:

Example of typical service	Total additional cost (proposed rate increase)
Monthly moorage of a 20ft skiff	\$4.20
Monthly moorage of a 40ft vessel	\$8.40
Quarterly bill amount for 20ft skiff	\$12.60
Quarterly bill amount for 40ft vessel	\$25.20

Below is the graphical presentation of the fiscal model that staff used to determine the rates necessary today to ensure the future viability of the fund:

Harbor Fund fiscal model



As the chart above shows, future rate increases are necessary to maintain our current infrastructure, be able to contribute some of the fund's own resources to infrastructure needs, and also be able to pay for future debt that will be needed to keep the harbors viable.

The rate increase for most services is 6.3%, as has been planned. However, based from feedback from consultants, the rate per foot for the O'Connell Bridge dock will be doubled (once repairs have been made).

Category	Service Type	Monthly Price increase	Notes
Permanent	Vessels 20 feet and under if paid in advance	\$0.15	Per foot/month
Permanent	All vessels	\$0.21	Per foot/month
Transient	Vessels up to 80 feet	\$0.06	Per foot/day
Transient	Vessels 81-150 feet	\$0.11	Per foot/day
Transient	Vessels greater than 150 feet	\$0.17	Per foot/day
Transient	Monthly permit up to 150 feet	\$1.11	Per foot/month
Transient	Monthly permit over 150 feet	\$1.66	Per foot/month
Reserved	Eliason Harbor end ties	\$0.19	Per foot/day
Reserved	O'Connell Bridge tender dock	\$5.51	Per foot/day

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2018-13

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA INCREASING  
PERMANENT AND TEMPORARY MOORAGE RATES AND OTHER HARBOR FEES  
AND CHARGES**

**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 FY2019 City and Borough of Sitka Consolidated Operating Budget plans for a 6.3% increase in both permanent and temporary moorage rates in FY2019; and

**WHEREAS**, proposed increases in permanent and temporary moorage rate were discussed in public hearings on the FY2019 City and Borough of Sitka Consolidated Operating Budget; and

**WHEREAS**, expense inflation in the national and Alaskan economies has increased the cost of providing certain other harbor-related services and a corresponding adjustment in related user fees is appropriate.

**NOW, THEREFORE, BE IT RESOLVED** that the Assembly of the City and Borough of Sitka, Alaska, hereby approves the following permanent and temporary moorage charges, and other harbor-related charges, effective as stated:

Permanent Moorage (effective October 1, 2018) –

Vessels 20 feet in length and under \$2.62 per foot per month, if owners pay in advance for one year

All other Vessels \$3.51 per foot per month

Transient Moorage (effective October 1, 2018) –

Vessels up to eighty feet in length \$1.09 per foot per day

Vessels eighty-one feet to one hundred fifty feet in length \$1.86 per foot per day

Any vessel greater than one hundred fifty feet in length \$2.80 per foot per day

A 25% credit in daily transient moorage will be given to any commercial vessel actively loading or unloading fish and which produces a fish ticket or processor contract. The credit will be good for up to 10 days per fish ticket or contract.

Monthly Transient Permit Moorage (effective October 1, 2018) –

Vessels up to one hundred fifty feet in length \$18.69 per foot of overall length

52 Vessels over one hundred fifty feet in length \$28.02 per foot of overall length

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55 Eliason Harbor end ties (effective October 1, 2018) –

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57 All vessels \$3.22 per foot per day

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60 O'Connell Bridge Facility (effective October 1, 2018) –

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62 All vessels \$11.02 per foot per day, when available

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64 Vessel Wait List

65 Vessels on the wait list shall be charged \$3.51 per foot of the overall vessel  
66 length, per month, payable in advance, quarterly. The fee paid to get on the wait  
67 list is equal to a quarter's moorage and is non-refundable and does not get  
68 applied to moorage.

69 Other Fees (effective October 1, 2018):

70 Water From Port Facility -

71 • \$0.92 per 1,000 gal. - 0 to 33,300 (\$25.00 minimum)

72 • \$0.85 per 1,000 gal. - 33,301 to 90,000

73 • \$0.73 per 1,000 gal. - 90,001 to 270,000

74 • \$0.61 per 1,000 gal. - 270,001 to 410,000

75 • \$0.37 per 1,000 gal. - 410,001 to 800,000

76 Transient Electricity

77 • 30 amp - \$7.00/day

78 • 50 amp - \$15.00/day

79 Solid Waste Dumpster Service - \$224.13 (upon request or if one entity fills it  
80 completely)

81 Harbor Staff labor- \$56.00 per hour ½ hour minimum. Impound Fee - \$51.25

82 Pumping - \$51.25

83 Towing - \$102.50 plus labor

84 Launch Ramp Fees - \$6.00 in, \$6.00 out, or a yearly permit is \$77.00 (calendar  
85 year)

86 Emergency dewatering - \$51.25 (gas operated pump or sump pump plus labor)

87                    Dewatering pump rental (110 volt sump) \$100.00 deposit, \$6.00 per day, not to  
88                    exceed 3 days.

89                    Other charges:

- 90                    • Absorbent materials - Oil pads 1 bale \$66.50 or \$.70 each.
- 91                    • Sausage boom - 5"x10' bale \$118.00

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93                    **PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska  
94                    on this 11<sup>th</sup> day of September, 2018.

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Matthew Hunter, Mayor

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ATTEST:

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Sara Peterson, MMC  
Municipal Clerk

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108                    1<sup>st</sup> reading 6/26/18 – referred to Port and Harbors Commission  
109                    1<sup>st</sup> and final reading 9/11/18

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111                    Sponsor: Administrator