
SITKA PORT AND HARBORS COMMISSION
Regular Commission Meeting Minutes
September 19, 2007
Harrigan Centennial Hall

I. CALL TO ORDER

The Chair called the meeting to order at 7:00 pm.

II. ROLL CALL

Members Present: Grant Miller Ken Creamer
 Chuck Woods Keith Nyitray
 Rich MacIntyre Marc Moats
 Mike Slifer

Others Present: Ray Majeski

Member of the public: David Tjomsland

APPROVAL OF MINUTES FROM THE MAY 16TH, 2007 MONTHLY MEETING

MOTION: **M/S Nyitray/Slifer** moved to approve the minutes from the May 16th, 2007 meeting.

DISCUSSION: Mr. Slifer pointed out that the fifth paragraph of page 3 in the minutes needs to be amended to read as:

“Mr. Majeski told the Commission that... He added that the HEAD [fish box] tax will not affect the harbors. The money can only be spent on infrastructure relating to the cruise industry such as the extension of the dock under the bridge or the construction at the port wall since cruise ships dock there.”

ACTION: Motion **PASSED unanimously, as amended** on a voice vote.

III. CHANGES TO AGENDA

The following items were added to the agenda:

1. Approval of a Denali grant application to fund (a) an engineering study of the seawall/port facility, and (b) concreting of the parking area in the Marine Services Center (recycling area) – requested by Mr. Majeski; to be taken up under Unfinished Business, item no. 1.
2. Moorage fees for commercial tenders/fish packers – requested by Mr. Moats; to be taken up under Unfinished Business, item no. 2(d).
3. Video showing of the Army Corps of Engineers Breakwater Presentation to the Assembly – requested by Mr. Creamer; to be taken up under Reports.

IV. CORRESPONDENCE - NONE

V. PERSONS TO BE HEARD - NONE

VI. REPORTS

1. Harbormaster

Mr. Majeski gave the following update:

- a. Tuesday, Sept. 25th is the last cruise ship day for the season. Reserved moorage revenues are estimated to reach \$81,000, a 50% increase from last year's \$54,000.
- b. The City will get a check in the amount of \$808,257 for 2006 raw fish tax, \$100,000 of which will go to the general fund and the remaining \$708,257 to the Harbors Department.
- c. Harbors Department Office Manager Kim Elliot is moving to Ketchikan and her last day with the City will be on Friday, Sept. 21st. He invited the members to stop by the Harbors Office to thank Ms. Elliot and say good bye to her.
- d. Money collected from the small cruise ships using the port facility amounted to around \$59,000.
- e. He will be attending the Pacific Coast Congress of Harbormasters and Port Managers Fall Conference on the first week of October and after that, a Homeland Security Meeting in Juneau.

2. Assembly Liaison - None

3. City Staff – None

4. Chair – None

5. Others – Video Showing of Army Corps of Engineers Breakwater Presentation

Mr. Majeski played the portion of the video recording of the Sept. 11, 2007 Assembly Meeting wherein representatives of the Corps presented results of the Breakwater Physical Model Study. Southwest and northwest wind waves were tested by plugging the various breaks in the breakwater to measure the energy that would come through gaps 1, 2 and 3. One conclusion was that the majority of energy is entering through the gap in the breakwater but they could not provide a structural solution to reduce the wave energy. There are a couple of different steps that can be taken: additional studies and instrumentation or to use the best engineering judgment for construction.

Mr. Creamer noted that no one from the Commission was invited to the presentation. He pointed out that the Commission should be involved.

Mr. Majeski confirmed that indeed there is a problem with the breakwater. They are already seeing major maintenance problems that one normally sees in a 20-year harbor. Eliason Harbor is only 10 years old. He stressed that the Commission should keep pushing the Assembly to get the breakwater fixed.

The members agreed to write a letter to the Assembly recommending that the City continue to push to get the breakwater fixed and to keep the Commission in the loop with regards to the progress of the breakwater dialogue.

VII. UNFINISHED BUSINESS

1. Grant Funds Available for Seawall at the Port Facility

Mr. Majeski explained that City Public Works Director Joe Castro is requesting the Commission's endorsement of a Denali Commission grant application to fund (a) a formal engineering study of the seawall at the port facility, and (b) concreting of the parking area in the Marine Services Center (recycling area). He said Mr. Castro is confident that the Denali would likely provide the funding for the two projects which address waterfront improvements and promote public safety. The grant application also requires Assembly endorsement.

Mr. Majeski further pointed out that the Public Works Director is asking the Commission's endorsement due to the fact that the port facility and the Marine Services Center are on harbors property. The engineering study will determine the full state of the seawall and how long it would last. He also described the open cell technology which might be used to rebuild the seawall. He said that the Public Works Department prefers paving the parking area with cement because it lasts longer than asphalt.

Mr. Slifer expressed concern that concreting of the parking area will end up for naught if it will be dug up or destroyed if the seawall is rebuilt. He wanted to make sure that that the engineering study will be completed first before concreting of the parking area takes place.

MOTION: **M/S Creamer/MacIntyre** moved to express support to the City's application for a Denali grant to fund an engineering study on the seawall at the port facility and to pave the recycling center.

ACTION: Motion **PASSED unanimously** on a voice vote.

2. Commercial User Fees

a. \$1,000 a year fee for vessels hired to carry 7 or more passengers

Mr. Majeski said that due to time constraints, he didn't call the businesses which will be affected by this fee, namely: Sea Life Discovery, Allen Marine Tours, and Alaska Travel Adventures (banana boat). He suggested that this agenda item be deferred to the next meeting to give these businesses the opportunity to comment on the proposed fee.

Mr. Nyitray urged the Commission to continue pursuing the original recommendation, stressing that they need to build up the funds for the ANB Harbor reconstruction.

The Chair directed the Harbormaster to contact the businesses and bring this item back to the agenda in the next meeting.

b. Work Float Fee

Mr. Majeski cautioned the Commission that all fees imposed in the harbor system require administrative work. Harbor staff is often stretched out and too many people slip through the cracks. He expressed reservation in passing an ordinance if it can't be enforced effectively. He also thought that revenues from the work float fee would be miniscule and may not even make a dent in the reserves.

The Chair stressed that they need to build up some reserves for future projects and should continue to pursue various fees such as the work float fee. He also pointed out that it is more of a matter of consistency and fairness than just needing more money for the harbors.

Mr. Moats said he would like to sit down with City Finance Director Dave Wolff and the Assembly to know how much exactly is needed to build up reserves. He didn't want to pursue something if the Harbor Fund doesn't really need it. He thought that they are still taxing one industry with this fee.

Mr. Majeski brought back to the table the motion passed by the Commission in April 2007. To wit:

MOTION: **M/S Creamer/Nyitray** moved to recommend to the Assembly to charge an annual commercial fee of \$400 or a one-time fee of \$50/permit for one-time users for use of the work float located at end of float 4 at Crescent Harbor; net shelter at Crescent Harbor/high load zone; work float across from the bridge, and Eliason Harbor.

DISCUSSION: Mr. Slifer offered a friendly amendment to change \$50/day. The mover and second accepted the amendment.

ACTION: Motion **PASSED 6-1**, as amended, on a voice vote with Moats opposed.

Mr. Majeski pointed out that he held off bringing the motion to the City Attorney to be drafted into ordinance form as he is waiting for the other proposals to be finalized. He wants the ordinance to encompass all the fees that the Commission is proposing to the Assembly. He also cautioned the Commission that anything they put forth before the Assembly will be highly scrutinized

Mr. Nyitray reiterated the need to build up the harbor fund for the ANB Harbor reconstruction and the importance of sharing the burden among all user groups. He argued against postponing the submission of the proposal to the Assembly and suggested that they schedule a work session with the Assembly and do the best presentation.

Mr. Creamer thought that the Assembly will not look at the Commission favorably if they raise the fees, explaining that the Assembly will once again revisit the launch ramp fee exemption in the near future which could negate the launch ramp fee initiated by the Commission.

Mr. Slifer stressed that for the Commission to be fair and equitable, what type of business shouldn't even be a consideration when discussing revenue generating proposals. He asked his colleagues to look at every user group with a "mathematical eye"; to stay equitable, and not be punitive. He preferred that they submit their proposal to the Assembly as one whole package encompassing all user groups.

The Chair directed the Harbormaster to notify the different user groups such as charter boat row users, grid users, and passenger boat operators about the current proposals and invite them to participate in the next meeting. He also said that the motion will be held in abeyance.

c. Charter Boat Row Fee

Mr. Slifer spoke about how charter boat operators conduct business in the harbors, including the number of clients they bring in and the taxes and fees they pay. He pointed out that not all operators use the charter boat row at Crescent Harbor. The big charter operators use their own slips at Crescent Harbor and Sealing Cove but they are able to manage the people and boat traffic in the harbors efficiently. He said that he is not opposed to paying the fee but it has to be equitable and that he should be able to get something out of it such as exclusive parking limit.

Mr. Majeski explained that the 4 floats in the charter boat row where built for \$50,000 to address public safety concerns and the amount of traffic at Crescent Harbor.

The Chair said that Mr. Slifer's comment brings forward the issue on how to make the fee equitable if it involves multiple locations.

Mr. MacIntyre agreed with the Chair, saying that he is leery about the charter boat fee since the fee itself is inequitable within the charter boat community.

The Chair ruled to bring this item back in the next meeting along with the other fee proposals.

d. Moorage Fees for Fish Packers

The Chair suggested creating a subcommittee to look into this fee and the other fees earlier discussed and to narrow down the options and parameters.

Mr. Creamer, Mr. Nyitray, and Mr. Majeski offered to work as a subcommittee with Mr. Creamer as the chair.

3. Grid Use/Grid Fee Policy

Mr. Majeski told the Commission that the Municipal Clerk looked it up in the municipal records and didn't find anything that would forbid the City to charge a grid fee. He also said that the Harbors Department will be putting up a ladder in the fall.

VIII. NEW BUSINESS

1. Set up Subcommittee to review Title 13

The Chair, Mr. Woods, and Mr. Majeski agreed to form as a subcommittee to review Title 13. The Chair also asked the members to review Title 13 and submit their comments to the subcommittee.

IX. GENERAL DISCUSSION

Correspondence

Mr. Nyitray asked if the members can get copies of the letters sent to the Assembly. Mr. Majeski said that he will include copies of the letters in the packets.

Sealing Cove haul out ordinance

Mr. Slifer asked about the possibility of proposing an ordinance that would give the Harbormaster enforcement authority to tow unattended vessels out of the Sealing Cove haul out; to put up signs and schedule of fees, and to impose progressive fines.

Mr. Majeski suggested adding this in next meeting's agenda.

Liveaboard at Crescent Harbor

On Mr. Creamer's query about the status of the Commission's recommendation to allow liveaboards at Crescent Harbor, Mr. Majeski said that City Administrator John Stein wants to have a viable pump out sewer system in place at Crescent Harbor before allowing liveaboards. The proposal is currently held in abeyance.

Engineering study for ANB Harbor

On Mr. Nyitray's question about the time frame to do the engineering study for ANB Harbor, he said that they would start looking into it in 2008. He assured the Commission that he will make sure that the ANB Harbor reconstruction is on schedule before he retires in 2010.

Financial Projections

On Mr. MacIntyre's query about the financial projections and inviting Mr. Wolff to the meeting, Mr. Majeski said that the financial projections will be in next month's packet but Mr. Wolff will be invited to the November meeting. It will give the members the chance to go over the numbers for another month.

Carts at Crescent Harbor

The Chair brought to the Harbormaster's attention the dearth of dock carts at Crescent Harbor.

X. CLOSING

A. AGENDA

Under reports:

1. Subcommittee to Review Title 13 to update the members on the progress

Under unfinished business:

1. Subcommittee Report on Commercial User Fees

Under new business:

1. Proposed ordinance for Sealing Cove haul out (Slifer proposal)
2. Mooring buoys for public use

B. NEXT MEETING DATE HARRIGAN CENTENNIAL BUILDING – October 10th, 2007

C. ADJOURNMENT

The meeting adjourned at 9:30 pm.

Prepared by: **MARIA FINKENBINDER**
Contract Secretary