
SITKA PORT AND HARBORS COMMISSION

Regular Commission Meeting Minutes
September 20, 2006
Harrigan Centennial Hall

I. CALL TO ORDER

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

II. ROLL CALL

Members Present: Mr. Ken Creamer Mr. Keith Nyitray
 Mr. Mike Slifer Mr. Marc Moats
 Mr. Rich MacIntyre

Absent and excused: Mr. Grant Miller Mr. Dennis Cook

Others Present: Mr. Ray Majeski

Members from the Public: Mr. Chuck Woods Mr. Jay Stelzenmuller
 Mr. Dennis Ruschmann

APPROVAL OF MINUTES FROM THE MAY 10th, 2006 MONTHLY MEETING

MOTION: M/S Nyitray/Slifer moved to approve the minutes from the May 20th, 2006 meeting.

ACTION: Motion **PASSED 5-0** on a voice vote.

III. CHANGES TO AGENDA - None

IV. CORRESPONDENCE - None

V. PERSONS TO BE HEARD - None

VI. REPORTS

1. *Harbormaster*

Mr. Majeski gave the following update:

- Mr. Eliason's proposal to assign end ties, float 9 stall 11 and float 10 stall 9 for reserved moorage for yachts or large pleasure boats from May 1st to September 1st brought in \$63,500, exceeding the expected maximum revenue potential of \$50,000. He stressed that the Harbor Department did not put in advertisements. Clients came in just by word of mouth.

Mr. Majeski said that he wrote a memo to the Administrator recommending Mr. Eliason for the monetary award given to employees who have submitted ideas that may save money or increase efficiency of City and Borough operations.

Mr. Nyitray estimated that Mr. Eliason's proposal brought in revenues to the harbor equivalent to a moorage rate increase of 12 cents/foot.

- According to Finance Director Dave Wolff, the Fish Tax check for this year amounted to \$681,000, \$500,000 of which will go to the Harbor Fund.
- Reconstruction of Thomsen Harbor started a little late but the contractor estimates that Phase I will be completed prior to Thanksgiving and the major completion by February 2007, in time for the opening of the sac roe herring fishery.
- The cruise ships are ending the tour season on Sept. 26th. The Harbor Department received an additional \$30,000 from them. Next year, Sitka will see a drop of 40,000 in the number of cruise ship passengers.

On Mr. Creamer's question if PND Engineers will be on hand to supervise the Thomsen Harbor construction, Mr. Majeski replied in the affirmative, adding that City Project Engineer John Flory will handle the punch list.

On Mr. Nyitray's query on a report on transient vessels, Mr. Majeski said he does not have the numbers yet but he pointed out that indeed, this summer was the busiest for the Harbor Department at least for the past 8 ½ years.

On Mr. Nyitray's query on the parking permits, Mr. Majeski said that it is now in effect and the Police Department is administering the issuance of permits. He will talk to Police Chief Sheldon Schmitt about having the new regulation advertised on the Sentinel as suggested by Mr. Nyitray.

2. Assembly Liaison - None

3. City Staff - None

4. Chair - None

5. Subcommittee Report

Mr. Nyitray informed the members that the subcommittee never met in summer and as such, does not any report. He and Mr. Slifer expressed the subcommittee's interest to continue the discussions on alternate ideas to fund the harbors.

VII. UNFINISHED BUSINESS

1. User fees break for seniors

Mr. Creamer said that this proposal entails amending the ordinance that was just recently passed by the Assembly increasing and adding additional fees for use of the Sitka harbor system. He also pointed out the difficulty in administering and enforcing it.

After briefly discussing the proposed break along with the implementation of the launch ramp fees, the members, by unanimous consent, agreed to dispose this agenda item without action.

2. Launch coupon

The members briefly reviewed the idea. By unanimous consent, they agreed to dispose this agenda item without action.

3. Fish Waste

Mr. Creamer stressed that the fish waste issue needs to be looked at closely.

Mr. Nyitray noted that based on his personal observation, he saw less floating carcasses this year than last year.

Mr. Slifer indicated that the charter industry made a conscious effort to get the fish waste out of the harbors. He requested that the commercial fishing industry also do the same, stressing that self-regulation is the key to keeping the harbors safe and free of fish waste.

Mr. Ruschmann of Alaska Protein Recovery came forward to inform the Commission about his company's plan to set up a land-based plant either at Sawmill Cove or downtown near Sitka Sound Seafoods. He said he is trying to work with Stikine Holdings and Sitka Sound Seafoods to supply his plant with fish waste. He briefly described the operations of their plant, saying that it doesn't generate odor. He said that their end goal is to process 300,000 lbs. of fish waste a day. He expressed concern that Sitka will soon reach the maximum limit allowed by DEC for dumping fish waste in the water.

The members expressed interest in learning more about the plant. Mr. Majeski said he would like to meet with Mr. Ruschmann and discuss about possibilities.

4. Waitlist Administrative Fee

The members reviewed the discussion from the previous meeting regarding this proposal. Among the questions raised were: (1) How many are currently in the waitlist? (2) How much do other communities charge?

Mr. Majeski requested that this agenda item be tabled till the next meeting to give him the opportunity to ask Harbor Staff if they can handle it and to get information from other communities.

VIII. NEW BUSINESS

1. Election of Chairman and Vice-Chairman

Vice Chairman

MOTION: M/S Moats/Keith moved to re-elect Mr. Creamer as vice-chairman.

DISCUSSION: When asked if he will accept the nomination, Mr. Creamer replied in the affirmative.

ACTION: Motion **PASSED 4-0-1** with Mr. Creamer abstained.

Chairman

MOTION: M/S Moats/Slifer moved to re-elect Mr. Miller as chairman.

ACTION: Motion **PASSED 4-0-1** with Mr. Nyitray abstained.

2. The cost of replacing Thomsen Harbor and financing that venture

Mr. Majeski presented two financial schedules prepared by City Finance Director Dave Wolff: Schedule of Harbor Takeover Phase 2 and Schedule of Revenue and Expenditure Budgets for the Harbor Fund (FY 2006 -2012). He pointed out the following funding sources for the rebuilt of Thomsen Harbor:

State of Alaska	\$	1,459,000
Low Interest Loan		403,000
Denali Commission		1,300,000
Harbor Fund		1,060,000
Outside Loan		2,647,000

Total	\$	6,869,000

The annual loan payments are broken down as follows:

Low Interest Loan	64,148
Outside Loan	212,403

Total debt payment	276,551

Mr. Majeski said that Mr. Wolff used conservative assumptions in his projections for the status of the Harbor Fund for FY 2007-2012. The assumptions are:

- (a) Moorage rate at \$1.75 per ft., increased to \$1.90 on October 1, 2006
- (b) Raw Fish Tax Revenue constant at \$600,000 every year until 2002

For FY 2006, the Harbor Fund had a shortfall of \$702,276. He expressed concern that beginning 2009, the Harbor Fund will be in the red. He stressed that they have to do something for the future.

Mr. Nyitray commented that the numbers presented for 2006-2012 are different from the numbers the Commission was previously presented with for 2004-2012. He requested a historical spreadsheet showing a 10-year spread of actual figures.

Mr. Creamer pointed out that the projections are not cast in stone. It is always subject to change. He said that the actual figures usually come out better than what was projected.

Mr. Moats noted that the numbers are pretty conservative. He said the Commission needs to get good figures to make long term judgments.

By unanimous consent, the members agreed to table this agenda item till the next meeting and directed the Harbormaster to bring back the items requested and to invite Mr. Wolff to the meeting.

3. Possible cap on number of liveaboards in the harbor system

Mr. Majeski explained that harbor staff feels that more and more people are using the harbor system as their residence given the lack of affordable housing in Sitka. It has created problems in the harbor such as garbage control. He pointed out that several harbors down south put caps on the number of people allowed to live in their boats. He expressed concern about certain areas in the harbor turning into "trailer parks" on the water.

According to Mr. Stelzenmuller, speaking as a member of the public and a harbor user, harbor residents pay \$38 per month for trash. The overfilling of trash can come from transient vessels and tourists. He said that liveaboards make the harbors safer. There is less vandalism and more firewatch. He stressed that the harbors in Sitka are more for commercial boats than recreational boats. He also requested to see the number of liveaboards in the harbor system, the trend over the past few years, and the spread of liveaboards within each harbor.

Mr. Woods remarked that if the Commission decides to put a cap on liveaboards, the Harbor Department will have to start policing the boats in the harbors to enforce the regulation.

Mr. Nyitray said that this issue has been brought up before the Commission a few years ago. He recalled that at that time, about 7% of harbor users were liveaboards. He pointed out the need to enforce Title 13 and to set definitions for liveaboards. He felt that the problem can be resolved by Title 13.

The members briefly exchanged views on the problems of sanitation and sewage in the harbors.

By unanimous consent, the members agreed to table this agenda item till the next meeting and requested the Harbormaster to bring the information requested.

IX. GENERAL DISCUSSION

Commendation for Mr. Eliason

MOTION: M/S Nyitray/Slifer moved to commend Mr. Eliason for his work on reserved moorage for yachts or large pleasure boats from May 1st to September 1st which brought in \$63,500 for the City. Further, it has been moved that the Commission write a letter of support to the Harbormaster's recommendation that Mr. Eliason be given a monetary award by the City.

ACTION: Motion **PASSED 5-0** on a voice vote.

State Fuel Tax Money

Mr. Nyitray said that they should keep in mind that the fuel tax sharing bill has been approved by the State legislature and it will be another potential revenue source for the harbors.

Mr. Majeski pointed out that there is no money yet. The State is still building up the base.

Crescent Harbor boat traffic

Mr. Slifer remarked that the boat traffic at the entrance of Crescent Harbor is getting worse every year. He expressed what he perceived to be negative feeling of the general public regarding enforcement by the Coast Guard and the Harbor Department.

Mr. Majeski said that on the contrary, there have been fewer problems this summer than in the previous years. He stressed that the Coast Guard, not the Harbor Department, issues the tickets to vessels. He invited Mr. Slifer and anyone else to come by his office when there is a problem.

Derelict vessels

Mr. Stelzenmuller asked if there's someone from the private sector that could provide services to crush derelict vessels instead of the City doing it and paying for the costs of shipping it out. Mr. Majeski said that somebody did but they created more problems for the City.

Draft Ordinances

Mr. Nyitray followed up on the draft ordinances that the Commission requested from the City Attorney.

Mr. Majeski explained that the City Attorney hasn't had a legal assistant in the past few months and with the recent loss of her husband, she might not have been able to draft the ordinances yet. He said he will follow up on it.

Mr. Creamer suggested adding these ordinances in next meeting's agenda.

X. CLOSING

A. AGENDA

Under unfinished business:

1. Waitlist administrative fee
2. Cost of Replacing Thomsen Harbor and financing the venture
3. Possible cap on number of liveaboards in the harbor system
4. Draft ordinances from the City Attoreny

B. NEXT MEETING DATE HARRIGAN CENTENNIAL BUILDING – October 11th, 2006

Mr. Slifer informed the members of his absence from future meetings. He said he will try to participate by teleconference.

C. ADJOURNMENT

MOTION: **M/S Nyitray/Moats** moved to adjourn the meeting.

The meeting adjourned at 8:45 pm.

Prepared by: **MARIA FINKENBINDER**
Contract Secretary