



THE CITY OF KEY WEST

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TO: Patti McLauchlin, City Manager

FROM: Steve McAlearney, Director Port and Marine Services

CC: Todd Stoughton, Asst. City Manager
Christina Bervaldi, Finance Director
Debra Gartenmayer, Port Operations Coordinator

DATE: September 21, 2022

SUBJECT: Future Cruise Ship Fee Increases

ACTION STATEMENT

Resolution approving Future Cruise Ship Fee Increases based on the U.S. Department of Commerce Consumer Price Index (CPI) and authorize City Manager to notice appropriate Stakeholders.

PURPOSE & JUSTIFICATION

In July 2018, the City adjusted cruise ship fees, including passenger disembarkation and docking, to adequately cover the direct and indirect cost of providing security, safety, and transportation for cruise passengers and for maintaining the City of Key West cruise ship facilities and infrastructure as approved through Resolution #18-291. The previous increase had occurred in 2004.

In 2019 the City informed the Stakeholders that CPI rates will begin to accumulate but not be collected until the industry has time to adjust their pricing beyond tickets already purchased. The CPI rates for FY19/20 @ 1.7%, FY20/21 @ 1.3%, and FY21/22 @ 5.3%.

In order to continue covering those costs, the City will implement the annual increase beginning November 1, 2022 including the accumulative rates. The increases will be based on the average change in the U.S. Department of Commerce Consumer Price Index (CPI) for U.S. City Average, all Urban Consumers as reported by the Bureau of Labor Statistics for the 12 months prior to August 1 of each year.

RECOMMENDATION

Staff recommends approving Future Cruise Ship Fee Increases based on the U.S. Department of Commerce Consumer Price Index (CPI).

Key to the Caribbean – Average yearly temperature 77°