

# Harbor Commission

## Regular Meeting Minutes

Tuesday, October 18, 2016  
5:30 p.m., Council Chambers



City of South Haven

### 1. Call to Order by Stegeman at 5:30 p.m.

### 2. Roll Call

Present: Ashley Deming, Nick Fazio, Tim Reinick, Steve Schlack, Greg Sullivan, Tim Stegeman

Absent: Cathy Pyle

Also present: John Marple, Marina Manager

### 3. Approval of Agenda (add nomination of officers)

Motion by Schlack, second by Fazio to approve the October 18, 2016 Regular Meeting Agenda with the addition of Item # 8a - Nomination of Officers.

All in favor. Motion carried.

### 4. Approval of Minutes

- *April 19, 2016 Regular Minutes*
- *June 21, 2016 Workshop Meeting Minutes*

Motion by Fazio, second by Schlack to approve the April 19, 2016 Regular Meeting Minutes and June 21, 2016 Workshop Minutes as written.

All in favor. Motion carried.

### 5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

### 6. Financial Reports

Hosier reviewed the Financial Reports.

## NEW BUSINESS

### **7. Commission will be asked to set Marina Rates for 2016 – 2017.**

Hosier updated the board with information regarding the requested increases. Spoke about her recommendation of a 22% increase this year and next year on a dock in North Side Marina that doesn't fit the schematic. Noted that the rate in the Museum Marina for the headwall is kind of skewed being that there is more dockage there than is being used. Black River Park could be raised 2% but Hosier would rather raise rates for everyone in one year. Noted that docks 61 & 62 no longer exist in Black River Park since reconfiguration was done. An update would reflect the actual 20 24-foot docks and 40 30-foot docks.

Schlack said when he had Broadside Moorings he used length of boat plus five feet as his base rate which gave 10 feet between boats to allow for maneuvering and boat movement. Hosier believes length plus the space needed is a good safe practice.

Hosier, in regards to Transient Rate policy, pointed out that Friday and Saturday nights are pretty easy to get booked up so are really good days to put a 20% rate increase of the overnight fee to better leverage the availability. This fee change would help cover the Monday and Tuesday nights when nobody is there. Hosier noted that the South Haven Municipal Marina typically follows the State Waterways Commission's recommendations but proposes to follow the set rates as determined by the length of boat for slip-in docks rather than by the length of the boat. Hosier pointed out that the State has changed the way they have charged twice in the last couple of years.

Stegeman commented that he does not know how many boats come in 26 feet long and under that are transient to which Hosier responded that some smaller boats come in and there are some docks that size in Black River Park.

In response to a request for his opinion, Marina Manager John Marple said the trend is toward larger boats, and regarding transient occupancy rates, on the south side the larger slips fill up and then the thirty-foot slips. Marple noted that sometimes folks travel in groups, and there might be a forty-five foot and a thirty-five foot boat and they want to dock together so by the length of the dock is a whole lot easier for staff to administrate. "And some boaters lie about the length of their boat. Auditors don't understand a 45' dock with a 35' boat and a different charge. Regarding concerns about the smaller boats, Marple said we fit the small ones in a whole lot easier than our fifty to sixty footers.

Hosier added that sometimes we slip two boats under 30' into a sixty-foot slip.

Reineck asked if we are striving to keep our rates comparable up and down the lake to which Hosier responded that most municipal marinas have to follow the State Waterways Commission. Hosier pointed out that according to the listing Marple included; we are below the Waterways Commission in many cases.

Reineck asked what those columns mean and Hosier admitted she doesn't know so would have to look into it. "The members of the Waterways Commission have determined the rates and I really don't know how we compare transient rate wise."

Stegeman asked Reineck, "You want a rate comparison?" Reineck commented that he has heard people complaining about the rates being terrible and fuel being higher in South Haven. Hosier pointed out that she cannot speak to the gas rates; the city does not sell gas. That is All Seasons Marine and the Yacht Club.

Stegeman said we have a more limited number of slips and are closest to the downtown compared to most municipal marinas. Schlack noted "You have to look at what all you have to offer and you have to charge what you need to stay in business." Stegeman pointed out that Holland is cheaper but to get downtown you have to rent a taxi.

Reineck asked if Marple has a feel for how we stand. Marple said what he tried to do was to find a comparable marina. As far as seasonal rates are concerned it is location, location, location. Right now I have full marinas, last year we raised the rates 2% for the first time in a decade. We heard no objections; we filled right up. Marple pointed out that the economy has recovered and our rates are affordable given our excellent location. "On the Black River, at Black River Park, there was a guy who wanted to rent a slip but said he could get it cheaper across the river. Some folks head on up river to get a cheaper price. Doesn't think we need to compete with the cheaper docks. We have extremely attractive marina facilities, both north and south side. We're full except for the headwall area, which we are trying to set the rates for tonight. My recommendation is go with the market, if you're full and near capacity, and you have the opportunity to raise the rates, raise the rates. There are other opportunities for cheaper docks in the town for those who want to stay there." Marple concluded that he recommended a hike this year that Hosier has made a recommendation and the decision is up to the board.

Reineck asked if Marple thinks transient rates should be raised, to which Marple responded, "Yes, I do," noting that this year is the first time since he has been back managing the marinas that there are boats in our harbor coming in and staying the week. "We were a lot busier this year on the transient side than we've been for a long time. This is a totally different market than the seasonal slips. We have within walking distance restaurants, bars, t-shirt shops, and other stores. We offer a very good product. We should maximize the return on investment as long as we can. The market dictates; we need to be cognizant of the market."

In response to a question from Stegeman about the expected revenue to be made from raising this rate, Hosier calculated that with seasonal and transient rates increase in rates, two percent of half a million, which could go toward dredging.

Reineck asked if the increase in transient traffic seems to be more big boats to which Marple responded, "No, the trend is 40 feet and up. We fill up our headwall quite often; the South Side Marina was built for the split in the transient traffic back in the '90s and it's just people are either buying bigger boats or they're on their kayak. There's not a lot in between. The millennials are doing a lot of the non-motorized travel on our rivers and lake. 25 years ago, when I ran the marina, boaters were generally my age and now the median age of boaters is about my age – it's an aging market as far as power boats go."

Motion by Schlack to set marina rates as recommended in the Resolution with a recommendation to city council that the increase in revenue be put into the river maintenance fund. Second by Deming.

Sullivan asked if 3% of our revenues are going into dredging.

All in favor. Motion carried.

**8. Commission will be asked to consider approval of the renewal of the Black River Park Kayak License Agreement.**

Hosier explained this was the trial year to have a stand down there at Black River Park. There were a few little hiccups at first with another kayaker coming in and parking right in front of his rack. To clarify, Hosier said, "You can use our kayak launch, but you can't do a hand-to-hand transaction at the launch. They have no liability coverage where the city is a named insured and we could be sued. Mr. Campbell is required to have liability insurance. He is asking for a five-year extension; that's pretty standard. He has a five-year contract at the South Beach. He did ask if he could have the next parking space over from his; I don't see any problem with that."

Schlack asked if having the kayak stand there has affected Marple in any way as to management. Marple responded that other than the parking area over there being full at times and noted that the bathrooms are used a little bit more. Marple feels it is a nice use for down there but he wishes it hadn't been put into the main geese and duck habitat area because staff cleanup has increased. Marple did note that the kayak people are helping with the cleanup so he views it all as a positive.

Deming asked clarification about the additional parking space. Hosier responded noting that in his other contract Campbell is paying 15 percent. "This year he's done five percent; it would not be untoward to ask him for another five percent since we would be granting him more parking space."

Schlack wondered about raising the rate charged incrementally over time to which Hosier responded that is something we can look into. Discussion ensued regarding the percentage being charged; whether to require the licensee to participate in cleanup as a part of the agreement; termination standards in the license agreement; various ways to determine the contribution of the licensee; and the value to the city beyond the financial aspect.

In response to a question, Hosier stated that the city supplies whatever cleaning supplies the licensee and his employees need, they just have to keep it clean. Schlack asked Marple's opinion regarding the cleaning and Marple responded that overall he prefers his people to take care of the area because he is the one that is going to get called to fix it. "Black River Park is a big joint and we try to run it as economically as possible. Both Hosier and Marple believe there should be a person (city employee) at Black River Park pretty much all the time, available to answer boaters' questions.

Marple pointed out that the biggest issue he sees is parking; parking places are a premium. "We had paid parking for the hotel this year, in the little lot on Quaker and it generated \$6,000 income. That was just for the privilege to park in the downtown area."

Marple noted that the licensee is pretty good but he does not know if there is assignability, or who the licensee going to hire from year to year, so recommended being careful in that

particular area. "You can get a totally different result from year to year, based on who is on the site," according to Marple.

Motion by Schlack to renew the license agreement with SoHa Surf Shop, owned by Chris Campbell for one year at 10 percent, with the additional space requested. Second by Fazio.

All in favor. Motion carried.

#### **8a. Election of officers.**

Motion by Schlack nominating Stegeman for Chair. Second by Sullivan.

By motion, Sullivan was nominated as Co-chair.

Stegeman asked for a vote on both nominations.

All in favor. Motion carried.

#### **9. Staff and member comments**

Hosier. Thanked the commission for coming tonight and for their comments and thoughtful discussion tonight.

Reinick. No comment.

Schlack. Thanked staff and Mr. Marple.

Deming. Happy to be here.

Sullivan. Any progress on a spoils site?

Hosier. No, but we're still looking. We have a possible site but not sure if it's still up for sale.

Deming. Asked the status of All Seasons Marine.

Hosier. There have been people looking at it; one offer was made and rejected. It's still for sale with an unlisted price.

Fazio. Thanks for your hard work and not having us here in the summer.

#### **10. Adjourn**

Motion by Schlack, second by Deming to adjourn at 6:21 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,  
Marsha Ransom  
Recording Secretary