

Harbor Commission

Regular Meeting Minutes

Tuesday, February 21, 2012
5:30 p.m., City Hall Council Chambers



City of South Haven

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

Present: Arnold, Pyle, Strong, Sullivan, Stephens
Absent: Silverman, Jeffers

Also present: VandenBosch, Staff; Abshire, Marina Manager

2. Approval of Agenda

Motion by Sullivan, second by Arnold to approve the agenda as submitted. All in favor. Motion carried.

3. Approval of Minutes: January 17, 2012 Regular Meeting

Motion by Arnold, second by Strong to approve the January 17, 2012 minutes as written. All in favor. Motion carried.

4. Election of Officers

Motion by Strong, second by Sullivan to nominate Jeff Arnold for chair.

Motion by Sullivan to nominate Stephens for chair. Stephens respectfully declined due to other commitments.

Motion by Sullivan to nominate Stephens for co-chair.

Stephens called for a vote to elect Arnold as chair. All in favor. Motion carried.

Arnold was seated as chair.

Arnold called for a vote to elect Stephens as co-chair. All in favor. Motion carried.

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

There were none.

6. Financial Report

VandenBosch gave an overview with highlights of the Financial Report.

Page 9. Marina Fund Revenue. VandenBosch noted that Seasonal Marina Revenue is down 10 to 11 percent and Transient Marina Revenue is down approximately 4 percent.

Stephens asked what marketing is being done to reverse the downward spiral in revenue. VandenBosch noted that this board has helped to implement several marketing strategies such as welcome bags for seasonal boaters, website, and postcards to thank people who pay their deposit. Abshire noted the customer service surveys which were done. Stephens asked whether the boat shows panned out. VandenBosch commented that it is difficult to know whether it is the economy or demographics that are driving loss of revenue.

Stephens asked if anyone has any suggestions for marketing. Pyle noted that Pyle's Porthole has been marketing towards the eastern side of the state. Pyle pointed out that the cost of travel and staying in hotels may scare off some fisherman. Pyle feels that advertising in fishing magazines such as *Outdoor News* has brought their business success. Pyle noticed that fishing is what started the interest in South Haven years ago, but fishing is not pushed in marketing the City as much as sailboats and motoring. Pyle pointed out that more fishing piers are being built along the river, but is not sure how that can be marketed.

Stephens asked if the City advertises anywhere. VandenBosch noted that occasionally articles are written about South Haven and press releases for special events are sent out by Deb Davidson, Downtown Development Director. Stephens said there could be a press release about the new reservation system. VandenBosch concurred that anything that brings attention to South Haven is positive. Pyle noted the Kal-Haven Trail should be marketed to boaters; many of them bring their bicycles as a way to get around the City; it will be open all the way to Kalamazoo this year.

VandenBosch thanked the Commissioners for the suggestions and resumed reviewing the Financial Reports.

Page 10. Marina Fund – Fund 594. VandenBosch pointed out the Cash & Investments Balance which is the source of funding for the North Side Marina to match the State grant amount.

Page 11. Marina Fund Revenue. VandenBosch pointed out the Expense Category column and noted that in answer to a question at the last Harbor meeting there is a breakdown of Other Services and Charges, which he explained is a way of keeping track of such things as postage, travel for training, printing and publishing, building authority lease, subscriptions and memberships and boater referral bonuses. Stephens thanked VandenBosch for the breakdown information.

Stephens asked about “Seasonal Dock Rental – Charge for Services” which Sullivan noted is not an expense but is revenue.

Page 12. Black River Park Revenues. VandenBosch stated that Black River Park 2012 revenue is roughly the same as 2011 short a few hundred dollars. Seasonal Dock Revenue was down quite a bit. Strong said it looks like people are just paying for weekends instead of paying for the season. Abshire commented that seasonals are down overall; the lowest she has ever seen.

Page 13. Black River Park Fund – Fund 545. VandenBosch noted that this is the Financial Statement for Black River Park and pointed out the Cash & Investments Balance.

Page 14. Black River Park, Breakdown of Revenue Expense Categories.

Sullivan asked whether the Cash and Investment category rolls over at the end of the year. VandenBosch said that does stay with the Marina and is for maintenance and repair and capital expenses. Pyle asked if the gate is coming out of that fund to which VandenBosch said yes.

7. Marina Discounts

Page 16. 2012 Marina Discounts. VandenBosch noted there is an error in the chart; update Item 1 to stay 4 nights, get 3 nights free. Abshire noted that discount is mostly used for the Steelheaders early in the season.

Item 2. VandenBosch noted that there is a change from the stated policy when boaters use the State Reservation System. Boats from 31’ to 35’ can only go into a 40’ slip. The State Reservation System charges by the boat length rather than the slip length. Stephens asked if the State Reservation System will only be used on the South Side Marina. VandenBosch said that is correct. Stephens asked if there will be two different standards on applying the discount in Item 2. Stephens asked how that would work. VandenBosch gave an example to explain the difference in the State Reservation System versus the method currently in use. VandenBosch noted that 75% of South Side slips are in the State Reservation System; the rest will be available for transients or our own reservation system.

VandenBosch pointed out that every transaction will go through the computer system; this is a big change and the Commission should get fairly detailed reports. VandenBosch noted that the Queen’s Cup, the Trip Cup and Rendezvous that are already planning to come have already been blocked out on the calendar.

VandenBosch noted that the final discount should be called Remainder of Season Discount instead of Seasonal Discounts. This is a new way of calculating the remainder of season (after August 15) discount. VandenBosch explained that with our grant agreements we are required to follow the Waterways rates (rates have to be within a range determined by the State Waterways Commission).

Abshire said that a date for a partial seasonal effective date needs to be decided or the marinas will lose revenue. Abshire said that using the proposed formula will make us lose boaters. Using the Transient rate will not convince people to stay.

VandenBosch distributed a handout with a calculation using a 40' boat as an example to show what the difference is between using the historic formula or the proposed Remainder of Season formula. Using 183 days in the boating season and a date of August 15 for a request of a Remainder of Season rate, the 2011 Remainder of Season Formula breaks down to a cost of \$21.58 daily. The same scenario using the Proposed 2012 Remainder of Season Formula calculates out to \$26 per day. For the time period calculated, there is a \$270 difference in the rate that would be charged. VandenBosch said he wants to have the rates and discounts clearly defined as the State does do audits; Traverse City was audited and when VandenBosch tried to find out why it seemed that the audit was complaint based.

Page 17. 2012 Transient Rate Schedule for Michigan State Waterways Sponsored Facilities. VandenBosch said there is a big jump between column three and four and he feels three is too low and four is too high for the City to charge. The State did allow us to use a rate between three and four. Stephens said State Waterways has a lot of control over our revenue since they set our rates. Stephens asked if VandenBosch will be going to the meeting on Friday. VandenBosch said he looked at the agenda and there's nothing on it so he does not plan to go. VandenBosch also noted that he normally plans to attend until he gets a better feel for the way the board operates.

VandenBosch will clean up the documents and submit it to City Council. Abshire asked whether the boaters who book a reservation through the State Reservation System will be able to use that Pre-Memorial Day and Post Labor Day Special. Strong asked whether the State has anything in their system for pre-season and post-season. VandenBosch clarified that our season, from April 15 to October 15 is the City's season. VandenBosch noted that once Council approves the discounts, it will be sent to Waterways for review. Abshire said we need to either get that discount in the State program or eliminate it; rates have to be consistent. The Board and Abshire discussed the various discounts and whether to keep the proposed discounts. Strong said the Steelheaders send out a yearly letter and could easily add a line saying if you plan to come, reserve through the City to get the better rate. Abshire said she is most concerned about the Steelheaders so if that line can be added into the annual letters it should take care of that problem.

Jeffers asked whether a motion is needed for City Council. VandenBosch said a recommendation would probably be appreciated by Council.

Motion by Stephens, second by Strong to recommend the 2012 Marina Discounts to City Council. All in favor. Motion carried.

8. Strategic Plan

VandenBosch noted that he has included some suggestions for doing a Strategic Plan. VandenBosch asked how much time the board wants to spend and what kind of process does the board want to use. VandenBosch suggested the board could use staff recommendations or

could go through last year's Strategic Plan and cross off what has been completed. Maybe some new goals could be added.

Stephens said she would like to see the Board at least go through the Staff Recommendations on page twenty because these things need some progress. Pyle asked if Strategic Planning could be a workshop. VandenBosch said next month the budget will be on the agenda and it usually goes fairly quickly. VandenBosch pointed out that the two items can be done at one meeting or at separate meetings. Sullivan noted that this time we have something to start with, where last time we did not have a document in front of us.

VandenBosch suggested going through the Goals and Objectives tonight.

A. Safety and Navigation

1. Dredging Needs Keep all.

2. Electrical Utilities Pyle asked if a stronger word than "encourage" can be used. VandenBosch stated that the board does not have that kind of authority. Strong explained that marinas are private, just like your home. VandenBosch noted that the City did its own testing and will continue to do so.

3. Fueling of Marine Vessels VandenBosch stated that education never ends; both education components will be kept. String said the remaining three action steps have been pretty much taken care of and VandenBosch agreed.

4. Emergency Services VandenBosch noted that the middle goal, procuring and maintaining and oil absorbent boom has been completed. The annual meeting with the Sheriff Marine Patrol, Coast Guard, Coast Guard Auxiliary, South Haven Police Department and South Haven Emergency Services is a part of the Board's procedures. There has been no action on replacing the fire boat.

5. Erosion and Contaminants VandenBosch noted that the Van Buren Conservation District and Black River group have been contacted. E-coli testing is underway and the City is working on identifying sources

6. Harbor Traffic Flow and Safety VandenBosch noted that not much other than pulling out logs was accomplished. VandenBosch remarked that the group looked at Black River Park with the idea of moving the boat launch but there was not a lot of interest in the design. Sullivan asked if we would keep these in the Strategic Plan. VandenBosch said "new location for the existing boat launch" could be scratched because neither plan contemplated seemed feasible.

7. Public Access Keep all.

8. Signage VandenBosch stated that signs definitely need to be evaluated at and upgraded; will need to add dollars in the budget for signage.

B. Municipal Marina Facilities

1. Municipal Marina Facilities Promote quality facilities Keep all.

VandenBosch noted that there is a grant in the works to clean out and trim Celery Pond Creek. The City is moving forward with the Northside Marina.

C. Infrastructure

1. Develop a Capital Improvement Plan Review the plan, identify projects, and prepare a budget and timeline for such improvements each year. Review

2. Dinghy Docks and Paddle Craft Facilities Some have been installed, but VandenBosch noted that more could be done. Clean out and trim Celery Pond creek – there is a grant in the works to do some of this work. A dinghy dock could be added at the Museum. VandenBosch noted that we do have a launch now, but is not sure it would use the dinghy docks.

3. HarborWalk

VandenBosch said most of the items are still valid goals and objectives. The Williams Street portion of the HarborWalk has been reconstructed.

4. Green Space/Views Keep

5. Former Street Garage A grant application has been submitted and denied but will be resubmitted to add a sea wall extension and dinghy dock, encouraging natural sea walls.

D. Planning

1. Future Development and Impact on Safe Navigation VandenBosch noted that the expense for a detailed Harbor study is prohibitive. Stephens suggested using interns which VandenBosch pointed out would need supervision.

VandenBosch noted that a comprehensive professional study should be delayed due to unusual economic conditions and pointed out that with those conditions, more slips and services are not needed.

2. Development Approval Role VandenBosch said the City has been in discussion with property owners and conservancy to create a habitat preserve in the wetland.

3. Natural Environment Preservation Keep. VandenBosch pointed out that condominium marinas may have a harder time achieving Clean Marina Status.

4. Effects of Development and Loss of Marine Services Annual discussion item.

E, Funding

1. Ongoing Dredging Project Funding VandenBosch noted the need for additional funding for dredging and identified some sources. Keep.
2. Capital Improvement Plan Review annually.
3. Harbor Budget Policies Keep

F. Marketing and Communication

1. Emergency Communication Annual meeting.
2. Marina Management More communication with transient and seasonal boaters. Work on getting more signage. More staff training. Develop a written marketing plan. Annual meetings at marinas and with seasonal boaters can be scheduled to gather feedback on concerns, needs and wants, if Commission desires.
3. River Stakeholders Not clear what should be communicated but lines of communication are good.
4. Survey and Feedback Procedures Keep annual surveys. Develop list of boaters.

VandenBosch asked if the board can come back on March 20th at an earlier time and what time works for the board. It was decided to schedule a workshop at 4:30 p.m. on March 20, 2012 and the regular meeting will follow. VandenBosch noted that staff definitely wants the Commission's comments.

Member and Staff Comments

VandenBosch: Northside Marina project is currently being reviewed by the State and in two to three weeks, mid to late March, the City hopes to have the project out for bid. We are on track to start in October 2012.

Pyle: Asked when boat ramps are going in. After discussion Strong asked if just one would be put in and could be removed more easily in case of ice. VandenBosch will ask Public Works what their expectations are regarding ice damage.

Stephens asked when the new gate will arrive. VandenBosch said it is to be put in as soon as the City receives it, but the suppliers were told the gate must be installed by April 15. VandenBosch believes the gate may be installed around the end of March.

Strong: Noted that we spoke of opening earlier once we have the new gate.

Adjourn

Motion by Stephens, second by Pyle to adjourn at 6:51 p.m. All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary