

Minutes
MICHIGAN STATE WATERWAYS COMMISSION
October 21, 2011

The regular meeting of the Michigan State Waterways Commission (Commission) was called to order by Chairperson Mike Bryanton at 9:00 a.m. on Friday, October 21, 2011, at the Tuscarora Township Hall in Indian River, Michigan. The following Commissioners were present:

Commissioner Mike Bryanton, Chairperson
Commissioner Alex Declercq
Commissioner James Hansen
Commissioner Janet Mansfield
Commissioner Gary Marowske
Commissioner Van Snider

Commissioner Curtis Hertel reported he would not be able to attend the meeting; Chair Bryanton authorized his absence from this meeting.

Department of Natural Resources (DNR), Parks and Recreation Division (PRD) Chief Ronald A. Olson, and other PRD staff were present.

INTRODUCTIONS

Chairperson Michael Bryanton introduced the **newly appointed Waterways Commissioner, Alex Declercq, from Grosse Pointe Park**, and gave a brief overview of his background. Commissioner Declercq stated he is honored and thrilled to be a member of the Commission. Chair Bryanton also congratulated Commissioner Gary Marowske on his reappointment to the Commission.

Chair Bryanton introduced **Mike Ridley, Tuscarora Township Supervisor**. Mr. Ridley commented that Tuscarora Township has had a great relationship with the Waterways Commission over the years. He reminded the Commission that they toured Marina Park. With a grant from the waterways fund, the township was able to pave the parking ramp and created an overflow parking area. He commented that the park has become very popular since opening, and there is a line to use the park and the ramp every weekend.

I. PUBLIC APPEARANCES

A. Written Correspondence

There was no written correspondence.

B. Appearances (*Non-agenda items*)

Donald Gilmet, Alpena Municipal Harbor Building Official and Harbormaster, asked to address the Commission regarding the Sea Scouts program and comments made at the August meeting in Elk Rapids. Mr. Gilmet wanted to clarify that at no time did the City of Alpena or the Harbor recommend the Sea Scouts address this Commission regarding the Sea Scouts program or the establishment of a unit in the Alpena area. He further explained that Alpena was approached by the Sea Scouts regarding their desire to introduce the program in the Alpena area. They have had preliminary discussions with the Sea Scouts; however, they were asked to provide more information/detail about their

program and their desire to introduce a unit to the Alpena area. Once provided, they will meet and discuss their proposal in more detail.

Mr. Gilmet also thanked the Commission for allowing them to establish special monthly and bi-monthly rates. It has helped the marina to stay flat this season, which is a good. He commented that seasonal boaters dropped a bit; however, the difference was made up for those that stayed for longer periods of time.

Mr. James Sarna, of Brighton, representing slip holders in the Traverse City area, addressed the Commission regarding slip fees/rates, more specifically, in the Traverse City area. He asked why the rates keep going up, and asked the Commission to consider keeping the rates steady, or lowering the rates, comparing the difference in rates between Traverse City and Elk Rapids. Commissioner Marowske reminded Mr. Sarna that the Commission has repeatedly explained to him that the rates are based on supply and demand, and that the rates will always go up to accommodate higher insurance and utility rates, as well as other increased expenses. Mr. Sarna further asked the Commission if they have, or would, consider senior discount rates. Chair Bryanton asked that this discussion be tabled until later in the meeting, when the 2012 Seasonal and Transient Rates are addressed on the agenda.

Mr. Sarna further addressed the Commission regarding the misuse of parking at boating access sites and, more specifically, during the Traverse City Cherry Festival. Jason Fleming, PRD Parks and Recreation, responded that he has approached the City regarding this matter, he has put them on notice regarding appropriate versus non-appropriate uses by the community, and they are working on a solution to the parking situation during the Cherry Festival.

II. ACTION ITEMS

A. MINUTES

Commissioner Hansen motioned to approve the August Minutes of the Michigan State Waterways Commission as presented; Commissioner Marowske seconded the motion; all were in favor; and the August 19, 2011 Minutes of the Michigan State Waterways Commission were unanimously approved.

B. RESOLUTION RECOGNIZING FORMER COMMISSIONER ROBERT BROWN

Chair Bryanton gave the Commission the opportunity to read/review the Resolution, and then asked if anyone had any additions or changes to the Resolution. No additions or changes were offered. ***Commissioner Hansen motioned to approve the Resolution; Commissioner Mansfield seconded the motion; all were in favor; and the Resolution Recognizing Former Michigan State Waterways Commissioner Robert Brown was unanimously approved.***

Chair Bryanton asked that DNR Parks and Recreation staff make arrangements to get the Resolution framed and delivered to former Commissioner Robert Brown.

III. OLD BUSINESS

A. RECREATION PASSPORT YEAR END STATUS

Ron Olson, DNR Parks and Recreation Chief, reported that, through the end of September, which would complete the first year of the Recreation Passport, the participation rate was 24.7%, which exceeded the goal of 24.3%.

B. BOATING SLIP RESERVATIONS YEAR-END STATUS

Harold Herta, DNR Parks and Recreation, also gave an overview of the year-end performance measures for the Recreation Passport and boating slip nights, which were slightly up over last year's use by .5%.

Commissioner Marowske asked how boating use compares geographically around the state, wondering which areas had a greater increase in usage versus a decline in usage. Herta stated he will provide a usage comparison report by harbor to the Commission.

Further discussions ensued regarding the Recreation Passport, how the revenues are appropriated under the legislation, and how much the waterways fund will receive from the sale of Recreation Passports this fiscal year. Herta explained that \$1.03 million will come off the top from the sale of Recreation Passports and that revenues generated from fees collected directly at boating access sites goes directly into the waterways fund.

C. TRAVERSE CITY HARBOR AUDIT UPDATE

Olson reported that the results of the Traverse City Audit were provided to the City; however, the City still has the opportunity to review and respond to the findings before a final report can be issued. He did mention, however, that one finding was regarding parking meters in their parking lot. They need to provide assurances that revenues collected from the parking meters goes back into the restricted fund and not to other municipal parking funds. Olson stated that he hopes to have a final report for the next meeting.

Chair Bryanton recalled being approached by four to five people who had slips at the Traverse City Harbor and alleged that surcharges were not being applied to marina upgrades and maintenance but, rather, were being deposited into the City's general fund. Ron stated enterprise funds are part of the audit process and, based on the audit, there was no evidence that this statement was accurate.

Questions were raised about the tragic death of a young man at the Duncan L. Clinch Marina in Traverse City; however, since this matter is in the middle of a lawsuit, no comments can be made at this time. However, Olson commented that, based on the agreement with the marina, discussions with DNR legal staff and the Attorney General's Office, it is believed the state would be held harmless from any litigation and the City is doing some assessments for improvements and emergency repairs at the marina. Olson stated they would keep the Commission apprised of any further developments.

IV. NEW BUSINESS [INFORMATION ONLY]

A. WORKSHOP RETREAT AND UPDATE

Commissioners Snider and Marowske presented a memo, dated October 17, 2011, addressed to Ron Olson and the Waterways Commission, recommending the Waterways Commission hold a half-day workshop/retreat prior to the December meeting to gain a better understanding of the Commission's roles, responsibilities, goals and objectives related to the waterways and boating programs, receive a full financial picture of the Waterways Fund and the appropriate uses of the fund, identify issues twelve months out that the Commission would like to address in 2012, and other items identified in the memo.

Commissioner Marowske further commented that the purpose of a workshop/retreat is to make sure they are not just a 'rubber stamp' committee. They want to make sure they are planning appropriately, assisting with marketing, operations and, basically, looking at the waterways and boating programs through a different set of eyes. He further commented that all members of this Commission are business oriented and there may be more that this Commission can do to assist and enhance Michigan's boating programs, as well as local and state economies.

Olson commented that what they have identified are all good recommendations, although it would be a challenge to find a meeting date and time where all members could be present.

Chair Bryanton recommended holding the workshop/retreat the day before the December meeting, in lieu of a tour, and stated it is important that all Commissioners attend and participate. By a show of hands, the Commission agreed to hold the workshop/retreat on December 15 in Lansing, the day before the regularly scheduled meeting, and all committed to attending.

Chair Bryanton asked Chief Olson to have staff organize a meeting location and the logistics of the workshop/retreat in conjunction with the regular meeting scheduled in December.

B. PROJECT STATUS REPORTS

Jordan Byelich, DNR Parks and Recreation, gave an overview of various boating access site (BAS), harbor or marina projects around the state, the cost for each project, and the estimated date of completion. Projects highlighted included Lac La Belle State Harbor (Keweenaw County), Crystal Lake BAS (Benzie County), Lake George BAS (Ogemaw County), Bay Port BAS (Huron County), Fayette Historic State Park – Snail Shell State Harbor of Refuge (Big Bay De Noc), and Lake Angeline BAS (Marquette County).

Paul Petersen, DNR Parks and Recreation, gave an overview of various Grant-In-Aid projects, including Saw Wa Quato BAS in Portage Township (Mackinaw County), Watt Stamper Park BAS in Portage Township (Mackinaw County), Tuscarora Township's very own Indian River BAS (Cheboygan County), Forest Home Township BAS (Antrim

County), Helena Township BAS (Antrim County), and the Lake Michigan Road BAS (Benzie County).

Commissioner Declercq requested that, since he was just appointed to the Commission and is new to all of this, he would like a list of all waterways projects over the next two years, to include projects that are in progress, planned projects, etc.

Olson stated he will have DNR Parks and Recreation staff prepare a chart that identifies all waterways capital outlay projects over a 3-year window for the next meeting. Olson also commented that they will schedule an orientation for Commissioner Declercq to bring him up to speed prior to the next meeting.

C. STRAITS DISTRICT BOATING ISSUES AND PROJECTS

Olson reminded the Commission that, as part of the regular meetings held at other geographical areas around the state, outside of Lansing, he has asked the District Supervisor and the Regional Planner for that area to attend meetings and give a presentation on waterways/boating projects and issues in their district/geographical area.

Richard Hill, DNR Parks and Recreation Straits District Supervisor, and Keith Cheli, the Regional Planner, gave the Commission an overview of the 13 state parks and 82 boating facilities they administer in the Straits District, as well as projects in various planning and development stages. They gave a brief overview of the sites the Commission toured, namely, the Alanson Lock, Melrose Township BAS, Jones Landing Park BAS, Maple Bay State Forest Campground BAS, and the Indian River BAS, as well as the Cheboygan Lock and Dam, Presque Isle Harbor, Presque Isle Marina, Hammond Bay, Straits State Harbor, and the recently acquired Lime Island. They also gave an overview/list of some of the major development projects, parking lot/road maintenance projects, dredging projects, and upcoming boating projects for 2012.

Discussions ensued about Lime Island, now the 99th Michigan state park and recreation area, and Rich Hill briefed the Commission on what the island has to offer, which includes cabins, campsites, a harbor, day trips, transient boating, and a trail network. The island was originally a fuel station for freighters. Some of the structures still remain and they plan to renovate/upgrade them and possibly turn them into historical sites or museums. He stated the island and the structures still need a lot of work; however, it is going to be a great, unique and diverse addition to the parks inventory.

Keith Cheli gave an overview on DeTour State Harbor, where an underwater analysis revealed the bottom structures were significantly deteriorating. The urgency for reconstructing this facility was apparent, and became a high priority due to safety and the fact that the state could lose the entire system if there were significant winter freezes or other conditions of mother nature that could further impair the site. It was also discovered that the electrical, water and fuel lines were not in compliance with existing codes. The project will include, among other improvements, a major floating pier and mooring renovations, utility service upgrades, service pier changes, and an expanded comfort station. The mooring area upgrades include removal and installation of a new floating mooring system, increasing the size of the slips to accommodate larger boats, thus reducing the number of mooring spaces from 79 to 62, of which 48 will be for transient boaters. This part of the project will be funded primarily through the Sport Fish

Restoration Program. Fourteen seasonal mooring spaces will be located at a distinct dock and will be funded by the state's waterways program. New fuel pumps will also be installed, which will increase the gallons that can be pumped by 30%. Construction will begin September 2012 and completed in phases, with substantial completion planned for June 2013.

Rich Hill closed the presentation by giving an overview of the major maintenance capabilities of the DNR Parks and Recreation construction crews and what they have and are capable of accomplishing. He finally stated that the waterways fund has helped with over \$26 million dollars in projects that were presented today, as well as future projects. Rich thanked the Commission and commented that the PRD Straits District appreciates the funding for these projects, as do the local communities.

D. BOATING MARKETING PLAN FOR 2012

Maia Stephens, DNR Parks and Recreation Recreational Programmer, gave a presentation to the Commission regarding step one in a three year plan to improve the marketing of Michigan's boating program and opportunities, focusing on the boating industry as the greatest opportunity. Michigan ranks 4th in the nation in boater registrations (compared to Florida, California and Minnesota), and contributes \$2 billion annually to local economies, from the sale of yachts to local restaurants, hotels and mom-and-pop shops. However, Michigan has seen a decline in boater registrations since 2004, due to the economy, declining employment, population and the increase in gas by \$2 per gallon since 2004. Also, ninety-six percent of boater registrations are for boats 26 feet or less.

The marketing plan for 2012 will focus on updating the Harbor Guide, to include quick response codes, and take advantage of technical opportunities like I-pods, GPS coordinates, internet/web access and a downloadable boating application. The plan will also include promoting slip and site discounts, waterways guide ads to target transient boaters and increase harbor nights, partnering with BoatUS, and hiring an event programmer to promote events at harbors/marinas, events taking place at nearby Michigan state parks and recreation areas, or local events, to draw more boaters to the areas.

Chair Bryanton asked if we were partnering with Pure Michigan. Maia responded that staff is in the preliminary stages of discussions with Pure Michigan; however, they need to develop and present a coordinated and strategic marketing plan. Pure Michigan has offered their assistance when the boating program is at the advertising portion of their marketing plan.

Commissioner Hansen commented that it is a smart move to tie in with Pure Michigan as harbors/marinas are not just for boaters. They can often be the focal point for festivals, boat races, and other community activities.

Commissioner Marowske agrees, stating boaters often walk to town to local restaurants, stores, or town events, and local citizens or visitors to a local community often walk the docks, the piers, or just simply admire the boats at a harbor or marina. There is a lot of advantage to marketing the harbors, marinas and boating opportunities in this state. He recommends, however, pushing the Harbor Guide print date to early spring (instead of August 2012), so as not to miss the 2012 boating season.

NEW BUSINESS [ACTION ITEMS]

A. RESOLUTION: 2012 SEASONAL/TRANSIENT RATES FOR GRANT-IN-AID AND STATE BOATING FACILITIES

Jason Fleming, DNR Parks and Recreation, gave a quick overview of the 2012 Seasonal Rates and the 2012 Transient Rate Schedule for Michigan State Waterways sponsored facilities, and how these rates were established for the 2012 boating season. Historically, the DNR has set the rates for the communities. By setting the fees and requiring marinas to adhere to the rates of one area, it has been found that the community loses some flexibility to set their rates based on their market area. The variance system also just adds another step to the process if communities choose to request a change in the rates provided to them.

Based on the economy and requests from communities, last season communities were allowed to adjust their rates to a set of fees based on their amenities and their markets, instead of basing it on past models. Several communities took advantage of this and adjusted their rates to fit their boating market. The overall feeling from the communities is that this was a more productive measure for applying rates, rather than having to submit a variance request to make the adjustments.

Another change to last season was to allow communities to adjust rates depending on the time of year to maximize profits during periods of high demand. However, many communities did not utilize this function because their inventories had already been submitted to the reservation system for the year. However, it is felt that this is another option communities can utilize to generate additional revenue, and there is significant interest from the communities to proceed with this option.

For the 2012 season, the state is establishing a pilot program to allow communities to charge up to twice the amount to non-Michigan registered watercraft who seasonally moor at their facilities. There has been local support from some of the communities to charge non-residents a separate rate at the marinas for seasonal slips. The Department does not approve of charging separate rates based on residency because, regardless of which Michigan county a watercraft is registered, those monies are pooled together to support the waterways and boating programs as a whole. Non-Michigan registrations do not support the waterways fund; however, allowing a community to charge a non-resident fee is something worth considering and would empower a community to make that choice if it is a necessary component to maintaining their facilities. Therefore, the Department will run this option as a pilot program in 2012.

There have been other recommendations to offer incentives to boaters who register their boats in the State of Michigan, such as offering boater discounts and allowing them to make reservations one month prior to non-resident boaters; however, the current vendor's contract does not expire until January 1, 2014.

Jason reiterated staff's recommended changes to the fee structure for 2012, as well as the recommendation for a pilot program allowing grant-in-aid communities to charge up to twice the amount on seasonal slip rates for non-Michigan registered boaters.

Many questions were raised regarding staff's recommendations and in-depth discussions occurred regarding the rates for 2012 and the pilot program.

Chair Bryanton finally recommended that the Commission allow the pilot program in 2012. If it fails or certain communities complain about price gouging, then the program can always be discontinued, and staff and the Commission can go back and readjust.

Commissioner Declercq agreed that giving discounts or incentives to Michigan boaters is a good idea. Michigan registered boaters contribute to the economy and the waterways fund, so they should be given the opportunity to reserve slips one month ahead of non-resident boaters.

Chief Olson reminded the Commission that this option would only apply to seasonal slips, not transient slips.

Chair Bryanton stated it appears the consensus is to:

- 1) Approve the 2012 seasonal and transient rates;
- 2) Allow communities to charge non-residents up to 50% more than Michigan registered boaters as a pilot program, with an evaluation being conducted in one year to determine if the program is feasible, being applied fairly and should be continued, or discontinued; and
- 3) Allow Michigan-registered boaters the opportunity to reserve seasonal slips one month in advance of non-Michigan registered boaters.

Chair Bryanton asked the Commission and staff if there were any objections to these three recommendations; no objections were offered. Chair Bryanton then asked for a motion to approve the 2012 Seasonal and Transient Rates. **Commissioner Marowske motioned to approve; Commissioner Mansfield seconded the motion; all were in favor; and the 2012 Seasonal and Transient Rates were unanimously approved.**

Chair Bryanton then asked the Commission for a recommendation to approve staff recommendations to allow communities to charge 50% more for non-Michigan registered seasonal boaters and allow Michigan-registered boaters the opportunity to reserve one month in advance of non-Michigan registered boaters. **Commissioner Hansen motioned to approve staff recommendations; Commissioner Marowske seconded the motion; all were in favor; the motion unanimously carried; and the Resolution to approve staff recommendations for rate changes and the mechanisms to determine rates as detailed in the memo to the Commission passed.**

V. OTHER BUSINESS

A. RENAMING THE PARKS AND RECREATION DIVISION

Commissioner Snider stated he recently contacted Chair Bryanton to discuss renaming the Parks and Recreation Division to incorporate the waterways/boating program. With all the time, effort and expertise offered by the DNR Parks and Recreation staff on waterways-related issues, he felt their efforts should be recognized in the title, and stated he has a draft resolution that can be presented to the Director.

Chief Olson reminded the Commission that this discussion has come up over the past few years, not only in this forum, but internally within the Department and other park-related committees.

Discussions ensued regarding this proposal, and after considering the history behind the naming of the division and previous discussions, yet taking into consideration Commissioner Snider's proposal, Chair Bryanton asked Chief Olson and staff to discuss this internally with Commissioner Snider and DNR Director Stokes, and place it on the December agenda for further consideration.

B. LEGISLATIVE UPDATE

Chief Olson brought to the Commission's attention five house bills that have been introduced, and are working their way through committee, that have to do with waterways and law enforcement, and gave a brief overview of all five bills. In general, these bills 1) allow 12 year olds to obtain a certificate to operate a boat; 2) allow enforcement authority for people that have improper marine safety equipment; 3) require proper lighting on barges; 4) give police greater 'peace officer' power; and 5) require people being towed behind a boat to have proper floatation devices.

Chief Olson stated hearings are taking place and the bills are moving quickly; however, he will keep the Commission apprised on the status of these bills and encourages the Commission to attend hearings if they are in the area.

C. CLOSING COMMENTS

Commission Snider announced that Michigan is now the #3 state for registered boaters; California dropped to #4.

Chair Bryanton offered the audience their last opportunity to address the Commission. No comments were made.

Chair Bryanton then asked for a motion to adjourn. ***Chair Declercq motioned to adjourn; Commissioner Snider seconded the motion; and the meeting of the Michigan State Waterways Commission adjourned at 12:00 p.m.***

The next meeting of the Michigan State Waterways Commission is scheduled for Friday, December 16, 2011 in the Lansing area.