

**Meeting Minutes of the
MICHIGAN STATE WATERWAYS COMMISSION
February 18, 2011**

The regular meeting of the Michigan State Waterways Commission was called to order by Chairperson Mike Bryanton at 9:30 a.m. on Friday, February 18, 2011, at the Country Inn and Suites in Lansing. The following Commissioners were present:

Commissioner Mike Bryanton, Chairperson
Commissioner Curtis Hertel
Commissioner Janet Mansfield
Commissioner Robert Brown

Commissioner Gary Marowske was excused.

The Department of Natural Resources (DNR), Parks and Recreation Division Chief, Ron Olson, and other DNR staff were present.

On behalf of the Michigan State Waterways Commission and the Department of Natural Resources staff, Commissioner Bryanton began the meeting by thanking Commissioner Janet Mansfield for serving as the Chair of the Waterways Commission for the past year.

I. Public Appearance

A. Written Correspondence

There was no written correspondence.

B. Appearances (Non-agenda items)

Mr. Stephen Hume asked about his proposal to operate the currently closed Grayhaven Marina located in Detroit. Mr. Hume stated that he has customers ready to fill spots, and would like to save the marina from further decay. He expects to give money back to the state. Mr. Hume said he would like to be able to offer a no frills service to the citizens of Detroit. His offer still stands and he hopes for some action this season.

Mr. Gregg Mans, a business man in Detroit, also spoke in support of Mr. Hume's proposal related to Grayhaven Marina operation. Mr. Mans stated that young people are looking for things to do, including members of the Detroit Sail Club who are organizing youth sailing opportunities and could utilize this marina.

Commissioner Bryanton thanked Mr. Hume for being there, and stated that he would like to see the marina go on-line sooner than later. Commissioner Bryanton also understands that we have to work within the confines of the government process.

II. **Minutes**

- A. MOTION: Commissioner Hertel moved to approve the minutes of the December 10, 2010 Michigan State Waterways Commission meeting. The motion was seconded by Commissioner Brown, and it carried unanimously.

III. **Old Business**

Information Items:

A. Project Status Report

Harbors:

Mr. Paul Petersen provided Harbor updates as follows:

- Lac La Belle State Harbor on Lake Superior is located in Keewenaw County. The project involves replacing the existing t-dock, and installing a fixed pier with finger piers. Big P federal funds are being used, and being matched with waterways funding. Extruded fiberglass pilings are being used due to the bacteria-eating steel found in the water. The completion date is anticipated before the use season.
- Manistee Municipal Marina, located in Manistee County, has an anticipated completion date of May 2011. The harbormaster building project is back on track, the drywall is up, and they are working on the utility systems.
- Petoskey Municipal Marina is located in Emmet County. The project consists of a new pier with utilities that is 93% complete, installation of overlook deck and railings, and additional showers in the marina building, which is approximately 90% complete. The project is anticipated to be complete before this year's use season.

Boating Access Sites (BAS):

Mr. Jordan Byelich provided Boating Access Site (BAS) updates as follows:

- Crystal Lake BAS in Benzie County is a \$1.3 million project that began last September. The project is approximately 30 percent complete, and this includes the road realignment portion. The anticipated completion date for this project is June 2011. This is a state facility that the DNR will be managing.
- Bear Creek Township (Walloon Lake) is located in Emmet County. This is a grant-in-aid project that began last fall. It is a new boating access site to Walloon Lake that is replacing a road ending, and will include a new restroom building. A spring completion date is anticipated.

- Maxton Bay BAS is a multi-phase boating access improvement project on Drummond Island. This is located in a state forest campground. The dredging portion was finished in early December. The next step is for the Newberry crew to replace the launch, redevelop the parking lot, and construct a vault toilet. Anticipated completion is this spring.

Other Updates:

Mr. Bill Boik has been working with the International Joint Commission in determining Great Lakes Ramp Elevations. A diagram was shown of the historical Great Lakes lake levels. The launch ramps on the Great Lakes are all engineered in the same manner; therefore, it can be determined what condition those ramps will be in when lake levels decline. A chart of Coping Zones A through C was shown. Coping Zones are identified water levels where boating facilities operate. Coping Zone A is the ideal water level elevation zone, Coping Zone B is useable but somewhat difficult to use, and Coping Zone C is when the facility is unusable. Mr. Boik mentioned that despite low water levels in recent years, no ramp has been classified in Coping Zone C. Lake Michigan and Lake Huron have the same level fluctuations. Currently, lake levels are down but are expected to rise again soon. More information about this and other trends will be coming out later this year and will be shared with the Commission.

B. Operations Status Report

Harbor Slip Nights:

Mr. Harold Herta reported that from November 1, 2010 thru February 16, 2011, individual reservations are up 15% for this coming season, and slip nights are up 22%.

Waterways Facility Rates:

Mr. Jason Fleming stated that he will be facilitating a group of people who are being invited to review the Waterways rates. These folks will offer different perspectives, and include: Commissioner Gary Marowske, a representative from a private marina, a harbormaster from a grant-in-aid community, a city manager from a grant-in-aid community, a DNR representative, a seasonal boater, a boater who does a significant amount of transient boating, and a commercial boater. The goal is to have a plan in place by the August meeting to determine how we can go forward in determining our fees, and how we deal with transient fees, seasonal fees, and commercial fees. Commissioner Bryanton asked Mr. Fleming to present an update at the April Waterways Commission Meeting.

Grayhaven Marina:

Mr. Herta talked about the proposed implementation plans for Grayhaven Marina and the importance of providing transparency. The DNR has generated an advertisement to post this opportunity in newspapers as well as sending a solicitation letter to interested parties. There will be a mandatory walk through of the facility to be scheduled in mid-

March, and interested parties are required to attend. A Request for Information will be due in mid-April. Based on those results, the DNR will develop a Request for Proposal to go out in early May, and will be due back in early June with an award in mid-June.

Commissioner Bryanton asked the staff if Mr. Hume could legally operate the marina as a temporary custodian while the plans for Grayhaven Marina are pending? The short answer is "yes," it would be legal to operate with the issuance of a Use Permit; however, Mr. Ron Olson has suggested that as an alternative, we work to shorten the process as much as we can. Mr. Olson stated that our staff will begin preparations to maintain the marina. The desired outcome is to have the Grayhaven Marina returned to productive use once again.

C. Standing Committee Reports

There were no standing committee reports.

D. City of Traverse City Grant in Aid Harbor Audit Status Report:

In January 2011, an audit of Traverse City's financial statements was conducted by DNR accountant and auditor, Mr. Tom Reichard. Mr. Reichard has met with the staff at Traverse City, and is in the process of requesting and reviewing their financial records and supporting documents. A draft report is tentatively scheduled to be prepared within two months. Mr. Reichard stated that the marina at Traverse City looks great. Any issues of consequence that are noted from the audit will be discussed with the DNR Waterways staff and the Traverse City staff. The audit's goal is to determine compliance with laws, regulations, policies, and grant agreements, and for the proper accounting of the revenues and expenses. Mr. Olson said our future goal is to have all of our grant-in-aids audited.

Public Comments:

Mr. Sarna stated that the 30% surcharge was being used elsewhere by the city and not to pay off the marina debt. Mr. Sarna says that the marinas should open by May 1 and not the 15th, and stay open until October 20th. Mr. Fleming stated that boaters can come into the marinas before they are officially open, and it is not the position of the Department to dictate opening and closing dates to communities. Mr. Olson said the schedule for the marina is governed by the City, and any comments should be directed to the city government.

E. Community Harbor Fee Rates Update:

Mr. Fleming stated that we are allowing the communities to have more flexibility on how they operate their facilities, such as rates and hours of operation, because they are the ones financially responsible for it. The rates were adopted at the December 2010 Waterways Commission. On the seasonal side, a few communities had a 30 percent increase over the premium rate. With rate one, many of the boaters are going to be paying considerably less than they were paying in the previous year.

The communities of Petoskey, Manistee, and Frankfort have increased the rates from previous years, and approximately half of the communities have decided to stay the same. This flexibility was a pleasant surprise for many of the communities, and it appears that it was well received. On the transient side, there has been a request to establish peak fees (when demands are higher) to generate more revenue. Commissioner Bryanton inquired as to why we do not charge out of state boaters a higher rate. Mr. Fleming replied that a review is underway for the rates that will include a review of the option of a non-resident rate structure, and the study will be presented to the Waterways Commission at the August meeting.

IV. New Business

A. 2011 Waterways Commission Meeting Dates and Locations:

Friday, April 22, 2011	Lansing area
Thursday, June 16 & Friday, June 17	Upper Peninsula and area
Thursday, August 18 & Friday, August 19	Elk Rapids and area
Thursday, Oct. 20 & Friday, Oct. 21	Indian River and area
Friday, December 16	Lansing

Commissioner Hertel moved to approve the above proposed Waterways Commission meeting dates and locations for 2011. The motion was seconded by Commissioner Brown and it was approved unanimously. These dates and locations will be posted to the Department of Natural Resources/Waterways Commission web site.

B. Ludington Seasonal Slip Increase Variance Request:

Commissioner Mansfield moved to approve Resolution 02-2011-01 – “Ludington Seasonal Slip Increase Variance Request.” Commissioner Hertel seconded the motion and it carried unanimously.

C. 2012 and 2013 Capital Outlay Projects:

Commissioner Brown moved to approve Resolution 02-2011-02 – “Approve 2012 & 2013 Capital Outlay Projects.” Commissioner Mansfield seconded the motion and it carried unanimously.

Information Items:

A. Update on Recreation Passport:

Mr. Ron Olson distributed a chart that shows Recreation Passport participation from October 2010 through January 2011. In January, we received 21% participation and are ahead of the game. This year we are hoping for approximately 25% participation for FY2011.

B. Harbor Survey:

Mr. Olson talked about a survey that has been drafted to go out to the grant in aid harbors in order to gain a better understanding of their needs and to gain information on the latest trends. Mr. Olson stated that he would like to send the survey out in early March, and share the results with the Commissioners at a future meeting.

General Comments:

Commissioner Mansfield inquired whether the auto dealers that do an in-house new car transaction have access to the recreation passport process. Mr. Olson stated that we are trying to work with the Michigan Auto Dealers to get some consistency on this. Mr. Fleming stated that the Secretary of State (SOS) will allow a dealer to go to the SOS and do a transaction there, and once the SOS receives a software update, that should significantly increase Recreation Passport sales.

Commissioner Hertel moved to adjourn this meeting of the Michigan State Waterways Commission. The motion was seconded by Commissioner Mansfield. The meeting was adjourned at 11:45 a.m.

The next Waterways Commission Meeting will be held in Lansing on April 22, 2011.

RESOLUTION NO. 02-2011-01

RESOLUTION TO APPROVE REQUEST FOR
ADDITIONAL SEASONAL SLIPS AT
LUDINGTON MUNICIPAL MARINA

Whereas, the City of Ludington is in the process of establishing a construction agreement with the State of Michigan for purposes of constructing new dock facilities at Ludington Municipal Marina, and;

Whereas, the upgrades of the facility will increase the number of total slips from 150 to approximately 172, and;

Whereas, the City has requested to increase the number of seasonal slips at the re-constructed facility to equal their current 50% allotment, and;

Whereas, the Department has received information from the City reporting an average occupancy for transient use in 2010 as 29%, and;

Whereas, the City maintains a waiting list for seasonal slips, and;

Whereas, the City has demonstrated a 50% ratio of seasonal and transient slips without impacting transient boat opportunities, and;

Whereas, staff believe that increasing the number of seasonal slips by nine (9), will not have a significant impact on transient or other seasonal boating opportunities, and;

THEREFORE BE IT RESOLVED, that the Michigan State Waterways Commission approves the request by the City to add additional seasonal slips to the Ludington Municipal Marina in 2011.

Submitted by: Ron Olson, Chief, Recreation Division

Date: Friday, February 18, 2011

Motion by: _____
Motion seconded by: _____

Voting Record:
Yea: _____
Nay: _____

RESOLUTION NO. 02-2011-02

RESOLUTION TO APPROVE THE CAPITAL OUTLAY
RECOMMENDATIONS FOR 2012 AND 2013

Whereas, the Michigan State Waterways Commission provides advice to the Department on financial and technical issues;

Whereas, the Department provides recommendations to the legislature for the appropriation of funds to the Department;

Whereas, the Capital Outlay Funding provides funds for the acquisition, maintenance and development of boating facilities;

THEREFORE BE IT RESOLVED, that the Michigan State Waterways Commission approves the Capital Outlay Waterways Funding recommendations for 2012 and 2013.

Submitted by: Ron Olson, Chief, Recreation Division

Date: Friday, February 18, 2011

Voting Record:

Motion by: _____ **Yea:** _____
Motion seconded by: _____ **Nay:** _____