

Michigan State Waterways Commission
Regular Meeting

Minutes of the Meeting of
February 11, 2005

Detroit/Wayne County Port Authority
Conference Room
Detroit, Michigan

A regular meeting of the Michigan State Waterways Commission was called to order by Chairman Winn at 9:05 a.m. on Friday, February 11, 2005, at the Detroit/Wayne County Port Authority, Detroit, Michigan. The following Commissioners were present:

John Winn, Chairman
Curtis Hertel, Sr.
Janet Mansfield
Carol B. Oakley

Commissioners Giffin and Opolka were excused.

Resource Management Deputy Mindy Koch and Department of Natural Resources (Department) Lansing staff were present.

Chairman Winn thanked Commissioner Hertel for hosting the meeting. He then introduced the new Chief of the Parks and Recreation Division, Ron Olson and welcomed him.

Public Appearances

The individuals present to speak to the Commission decided to wait until their topics of concern came up on the agenda.

Minutes:

December 3, 2004

MOTION: Commissioner Mansfield moved to approve the minutes of the December 3, 2004 Michigan State Waterways Commission meeting. The motion was seconded by Commissioner Oakley and the minutes were unanimously approved.

Chairman Winn asked a question in regard to the utilization of restricted funds for payment in lieu of taxes (PILT) payments. Resource Management Deputy Mindy Koch explained the process for payment, which has changed from these being paid by the general fund. These payments amount to approximately \$15,000,000 annually and the Department of Natural Resources (Department) is the only State department required to

make these payments. This process is draining funding from Department programs. Chairman Winn urged members of the public to contact their legislators with regard to this process. Commissioner Oakley asked if the Department could be released from their payment requirement, but this is not possible without a change in legislation.

Old Business

Project Status Report

Paul Petersen provided this update due to Bill Boik's absence.

The Charlevoix Marina is working on addressing Department of Environmental Quality (DEQ) and Army Corps of Engineer permits. These are with the appropriate agencies for review.

The Cross Village Boating Access Site project is currently working with the required permitting agencies.

Cedar River in Cedarville Township (Menominee County) has four remaining contracts to finish that project: ice suppression, paving, lagoon, and force main. This should be complete by mid-May.

There are seven State harbor dredging projects: DeTour is 30% complete; Eagle Harbor is in process and may be done this spring; East Tawas should be complete in September; Fayette is substantially complete; Lac LaBelle will begin in the spring; Little Lake and White Fish Point are complete.

Commissioner Oakley asked about the process to become a grant-in-aid facility. Staff first reviews the facilities and the list is then presented for approval to the Waterways Commission. Commissioner Oakley would like to review the documents detailing the process.

Staff and Commissioners Winn and Oakley attended the Michigan Boating Industry Association sponsored Harbormaster Conference in Traverse City in December. A meeting in January at the Ralph A. MacMullen Conference Center, which provided additional information for the harbormasters, followed the Conference.

Naubinway Marina in Garfield Township has undergone roof and exterior building improvements, launch ramp improvements, pier removal and replacement, dredging, and upgrade of the ice suppression system.

Beaver Island Marina in St. James Township, Charlevoix County, received pier utility upgrades, improvements to the ice suppression system, pier removal and replacement, dredging, site improvements, along with harbormaster and back building improvements.

The boating access site project at Long Lake in Presque Isle County included ramp replacement, dredging, expansion of the parking area, vault toilet replacement, and site restoration.

Duck Lake's (Calhoun County) boating access site received improvements including parking lot and drive repaving, vault toilet replacement, and site restoration.

New Business

Land Consolidation Strategy

Resource Management Deputy Mindy Koch provided an update on the Department's land review. The process has been used to determine which lands the Department owns that contribute to the Department's mission, those that are not contributing, and to identify lands not owned by the Department, to determine if they should be acquired. The review has included evaluation of the boundaries of the 4.5 million acres of land managed by the Department. These lands consist of state forests; State game and State Park and Recreation areas; and water access sites and harbors.

As a result of the process, some lands may remain protected and/or accessible to the public but owned and administered by an alternative conservation agency, for example a conservancy. Based on the evaluation, property may be disposed of, but will first be offered to local units of government. Some property may be auctioned through a closed bid process. Many items must be considered, such as title and deed restrictions, evaluation of minerals (revenues from mineral development go to the Natural Resources Trust Fund), recreational trails, and whether an area is regulated by DEQ (e.g. high-risk erosion or designated sand dunes).

Public comment has been sought through the entire review. In addition, the Department's Land Exchange Review Committee is actively involved.

The review relates to the Waterways Commission due to in-holdings, which may become a higher priority for purchase based on this process.

Old Business (continued)

Operations Status Report

The Central Reservation System is in the bid process for a new contract with the hope that it will be in place this summer. Marinalife.com was contacted as discussed at a previous meeting.

As an enhancement to the system, printing speed for receipts and reservation confirmations has improved with an average twenty-second reduction in time. The length of time varies according to transaction type.

The harbor masters requested some administrative policy changes. The first prohibits same day reservations through the call center. The cutoff time is now 8:00 p.m. through

the week and 5:00 p.m. on weekends. The default payment type is now set at credit card instead of cash.

Rogers City initially requested a minimum boat size enhancement. This allows the harbor to set a minimum size boat they will accept for a particular size slip and allows the harbormasters more control. Boaters do not reserve a specific slip, but rather a specific size slip. Chairman Winn reiterated that specific slips could no longer be reserved. The harbormaster now has the option to deny a smaller boat a larger slip, or to accept the reservation. The question on the harbor maps to pick a specific slip is no longer applicable and should be removed.

As compared to the same period last year, reservation transaction levels have more than doubled over the Internet this year. Chairman Winn requested that Mr. Herta make certain that boaters utilizing the CRS are instructed to contact the specific harbormaster if they cannot reserve a slip due to boat size, rather than contacting CRS. Harbormasters could then give boaters an option regarding paying more for a larger (higher priced) slip.

Field staff are being trained in the use of the Michigan Recreational Boating Information System (MRBIS). This will ensure that staff are up to date regarding the boating access sites for which they are responsible.

Draft evaluation criteria was provided to the Commission regarding a proposed ranking system for facilities, with the goal of utilizing this process for all facilities. Mr. Herta suggested this be discussed further in Committee at another meeting. Chairman Winn agreed with the plan to table this for further discussion.

New Business (continued)

Muskegon Variance Request

The City of Muskegon previously requested approval to add twenty seasonal slips to Hartshore Marina, and this was not approved. Muskegon has revised the request to reflect ten additional seasonal slips. Staff from the City of Muskegon spoke to the Commission regarding the revised request. Muskegon distributed a petition to other marinas in the area seeking support for their request. Terrance Point did not sign the petition, but all the other major marinas did.

MOTION: Commissioner Mansfield moved to approve ten additional seasonal slips for three years and requests that the Marina return next year with an update on their financial situation. Commissioner Hertel seconded the motion and it carried unanimously.

Mackinaw City Variance Request

Mackinaw City has requested a rate variance to charge the premium rate for seasonal and transient slips for a period of five years. A report must be provided to the Commission at the end of the period.

MOTION: Commissioner Oakley moved to allow for the requested transient rate increase with the seasonal rates raised proportionately. The motion was seconded by Commissioner Mansfield and approved unanimously.

St. Clair Variance Request

The City of St. Clair requested approval for an extension of their mid-week special. Transient boaters arriving at the marina on a weekday receive their third night free. The City provided information regarding additional boats in the marina due to this program. Department staff supports the variance.

MOTION: Commissioner Oakley moved to extend the mid-week special offered by the City of St. Clair. The motion was seconded by Commissioner Hertel and unanimously approved.

City of Alpena

The City of Alpena requested permission to continue allowing broadside dockage for two glass-bottom excursion boats for a period of five years. The Department has received no complaints and supports approval of this request for five years with the condition that the excursion boats be charged the commercial rate. The City of Alpena provided excellent documentation with their request.

MOTION: Commissioner Mansfield moved to approve this request as recommended by Department staff. The motion was seconded by Commissioner Oakley and approved unanimously.

Metro Beach

Metro Beach is seeking approval to extend their fall boat show from five days to nine days. Staff recommends allowing a nine-day fall boat show at Metro Beach with forty slips locked out for transient use. Metro Beach is to provide the Department with copies of proposed contracts with commercial entities participating in the boat show and follow up with a financial report.

MOTION: Commissioner Hertel moved to approve this request from Metro Beach. The motion was seconded by Commissioner Oakley and carried unanimously.

Cheboygan Variance Request

The Cheboygan request is from the Department and seeks an increase in the fee for the Port Huron-Chicago-Mackinac yacht race. The increase requested is 2.7% and the Department would like permanent approval to calculate the fee every year.

MOTION: Commissioner Mansfield moved to approve this request. The motion was seconded by Commissioner Oakley and approved unanimously.

Detroit Recreation Department Variance Request

Detroit's request is related to the Erma Henderson Marina. The Recreation Department is seeking a 20% rate reduction for seasonal slips. The State spent a great deal of money to upgrade the facility. Staff recommends the reduction only if complete information is provided as requested last year. Mr. Charles Beckham, Director of the Recreation Department, assured the Commission that the requested information would be provided. Detroit will not ask for a rate reduction next year if 200 slips are rented this year.

MOTION: Commissioner Hertel moved to approve this request from the Detroit Recreation Department with Mr. Beckham's assurance that the requested information will be provided prior to the start of the boating season. The motion was seconded by Commissioner Mansfield and unanimously approved.

Bay City Variance Request

This request is comprised of a package of fees related to Liberty Harbor Marina. The variance also seeks to charge seasonal boaters a different rate based on slip size. No one was present from Bay City. Department staff recommends a \$10 (instead of \$5) short-term mooring fee, and approval of the balance of the request.

MOTION: Commissioner Oakley moved to approve this variance as recommended by Department staff. The motion was seconded by Commissioner Mansfield and approved unanimously.

Traverse City Variance Request

Traverse City's variance request would allow them to charge 15% above the premium rate for seasonal slips for the 2005 season. Commissioner Oakley reiterated that it is the Commission and Department's duty to protect transient slips. She does not see a problem with allowing them the ability to charge up to 30% above the premium rate for seasonal slips.

MOTION: Commissioner Mansfield moved to approve the staff recommendation. The motion was seconded by Commissioner Hertel and carried unanimously.

Sample Variance Form

Mr. Herta provided a sample standardized variance form for the Commission's review. This document was prepared as a step toward attempting to receive complete and standardized documentation from communities.

Public Appearances (continued)

Mr. John Lechner spoke to the Commission regarding his displeasure with the manner in which his payment has been handled. Mr. Petersen stated that the check has been cut to the community involved. Chairman Winn apologized for Mr. Lechner's inconvenience. Resource Management Deputy Mindy Koch explained the review process to allow for payment and that Waterways contracts are established with the

community rather than subcontractors. Resource Management Deputy Koch indicated that these allegations were taken very seriously.

New Business (continued)

Subcommittee Appointments

Chairman Winn announced the following appointments to the Subcommittees of the Michigan State Waterways Commission:

<u>Subcommittee</u>	<u>Commissioners</u>	<u>Staff</u>
Facilities	Giffin, Hertel, Winn	Boik
Operations/Policy	Mansfield, Oakley	Herta
Boating Access	Mansfield, Oakley, Winn	Boik
Public/Governmental Relations	Hertel, Oakley, Winn,	Koch/Anthes
Finance	Giffin, Mansfield, Winn	Herek/Olson

This meeting of the Michigan State Waterways Commission adjourned at 11:17 a.m.