

**Minutes of the
Michigan State Waterways Commission
August 24, 2012**
Approved October 26, 2012

The regular meeting of the Michigan State Waterways Commission (Commission) was called to order by Chairperson Gary Marowske at 9:00 a.m. on Friday, August 24, 2012, at the Comfort Inn/Boardwalk Room, 617 East Lakeside Drive, Manistique, Michigan 49854. The following Commissioners were present:

Commissioner Gary Marowske, Chairperson
Commissioner Van Snider, Vice-Chairperson
Commissioner Al Declercq, Secretary
Commissioner Janet Mansfield
Commissioner James Hansen

The Department of Natural Resources (DNR), Parks and Recreation Division (PRD), Liaison's were present.

I. PUBLIC APPEARANCE

A. Written Correspondence

Chair Marowske referenced Dave Camp's letter of support for the grant application submitted by Charter Township of Elmwood (Township) and asked for a status update. Mr. Paul Petersen responded that the Township's grant, for a preliminary engineering project, has been approved and he is in the process of writing the grant. Chair Marowske asked Mr. Petersen to respond to Mr. Camp on his behalf.

B. Appearances (Non-agenda items)

Ms. Brenda Kurian, Facilitator of the Presque Isle Concerned Citizens Group (PICC), addressed the Commission. Ms. Kurian gave a brief history of the five phase plan for the renovation of Presque Isle Marina, approved by the City Commission and the Waterways Commission, and the ensuing delays. Phase I (dredging) was to begin in 2010 but by the time the engineering study was complete and Phase I was to begin, the area had deteriorated so much that they have been unable to proceed. The bin walls have entirely rusted out and the material inside the bin walls has fallen. Ms. Kurian believes that the deltas are actually helping support the piers. For that reason, dredging cannot be Phase I of this project because it could potentially cause the collapse of the piers. The PICC has been working to rephrase the project and are very concerned that if they do not get this project on the fast track, this marina may have to shut down waiting for construction.

Ms. Kurian stated that she was not sure if there is anything the Commission can do to help but wanted to make them aware of the situation. It could possibly be an emergency shut down due to safety concerns. The City of Marquette (City) has already shut down a large portion of the south pier; about ten slips left. Chair Marowske asked Mr. Petersen to comment.

Mr. Petersen stated that everything Ms. Kurian said was correct. The DNR has a request from the City to modify the scope of their grant for the dredging to include removing at least the south pier (bin wall). Since it is lump sum funding, Mr. Petersen believes there is some flexibility to allow the modification. The DNR is working toward that goal and will respond to the City. The current project timelines are for dredging to begin spring 2013, construction of the launch ramp fall 2013, and rebuilding of the south pier fall 2014.

Chair Marowske thanked Ms. Kurian for her comments and concerns.

II. ACTION ITEMS

A. Approval of the April 20, 2012 Meeting Minutes

There was one correction pointed out by Commissioner Mansfield; Commissioner Hansen was in attendance but was not listed as such.

MOTION: Chair Mansfield moved to approve the April 20 Minutes of the Michigan State Waterways Commission as amended. The motion was seconded by Commissioner Hansen and it carried unanimously.

B. Approval of the Variance Rate to Sea Scouts Program on Seasonal Slip at Waterway's Sponsored Facilities; Resolution No. 06-2012-02;

MOTION: Commissioner Hansen moved to approve Resolution No. 06-2012-02 as presented. The motion was seconded by Commissioner Mansfield and it carried unanimously.

C. Approval of Support for Fiscal Year (FY) 13 and FY 14 State Waterways Capital Outlay Fund; Resolution No. 08-2012-01

Chair Marowske asked Chief Olson if he would like to present the resolution. Chief Olson briefly explained that the DNR is required to plan ahead for the state and referred to Ms. Vicki Anthes. Ms. Anthes explained that this information was taken to the facilities committee for discussion and the proposed list of projects was then forwarded to the rest of the Commission. She requested that if there were any comments or concerns to please contact staff; no contact was reported.

Ms. Anthes reviewed the *Waterways Capital Outlay Funding Strategy - State Program* (noting that FY14 is a projection and will be revisited), *Capital Outlay Project Locations* map, and *Michigan State Waterways Program FY13 and FY174 Project Profiles (August 2012)*. The projects were based on recommendations coming from the eight DNR district supervisors and your team, to look at the proprieties within each district within each of the categories, and then the section chiefs looked at statewide priority approach.

Commissioner Declercq responded that the level of spending seems to be appropriate based on our current financial condition; we can afford to do what is recommended. Commissioner Hansen commented that he was happy to see fund equity starting to build up; have a little bit of a cushion in case we run into some issues. Commissioner Snider remarked that the map gave a good feel about the spread and how we are addressing the regions.

Ms. Anthes asked if the information sheets were helpful in understanding the projects. A positive response was received from the Commissioners. Chief Olson followed up by saying that this is how we will proceed in the future.

MOTION: Commissioner Hansen moved to approve Resolution No. 08-2012-0. The motion was seconded by Commissioner Snider and it carried unanimously.

III. **OLD BUSINESS** (Information Items)

A. Committee Reports

Verbal reports were shared by members of the Finance, Marketing, Facilities, and Revenue Enhancement Committees.

B. Operations Update

Mr. Fleming reported on the use numbers as of August 14; overall for the system the DNR was 9.9% above this point last year. From a boating standpoint, we had 34,354 nights, an increase of 10% above this point last year. This is a substantial increase in use, and we still have the rest of August and September to take into account.

A request was made for information relating to fuel purchases. Mr. Fleming responded that he did not have that information right now but will provide information regarding overall fuel revenue/gallons via e-mail. Mr. Fleming would also like to discuss fuel in general, and other related issues, at the next meeting.

Mr. Fleming gave an update regarding Mr. James Sarna, of Brighton, a slip holder in the Traverse City area. At the April 20 Commission meeting, Commissioner Declercq suggested that Mr. Sarna address the local City Council regarding his concerns. Since that time Mr. Sarna has been in contact with Mr. Robert Cole, Director of Public Service, City of Traverse City. Mr. Fleming received an e-mail from Mr. Sarna saying that he was encouraged by his conversation with Mr. Cole.

Mr. Fleming reported that four very busy active boating access sites (BAS) will be temporarily closed for reconstruction fairly soon, if not already. The referenced BAS are Bolles Harbor, Monroe County, closed until approximately Monday, November 5; Orchard Lake, Oakland County, will close September 4 and remain closed until mid-October; and White Lake and Cass Lake, both located in Oakland County.

While the sites will be closed during construction, every attempt will be made to keep them open on the weekends when feasible. Signs notifying boaters of the specific dates of the closures will be posted at the BAS prior to the shut-down date.

C. Financial Update

Ms. Blodgett provided a financial update for waterways including the current budget summary, a list of requested capital outlay lapse, the state and grant-in-aid line item, and lump sum project lists. The budget summary included a three year budget perspective.

In working with Jordan Byelich and Paul Petersen of the Planning Section, Ms. Blodgett

added descriptions in the comments section of the *State Waterways - Line Items* report to help address a question from the previous meeting.

The accounting system has been discussed internally with staff regarding actual costs, and is to be discussed with the Commission in the future. Commissioner Declercq asked about the federal grants. Ms. Blodgett responded that the federal grants occur at the end of the year and should be posted September 30.

Chair Marowske thanked Ms. Blodgett for the information.

D. Project Status Update

Mr. Petersen presented a brief overview of the following locations:

DeTour State Harbor

Full renovation, dredging, and upgrade anticipated to start after Labor Day.

LeLand Township Marina

Phase II renovations to marina substantially complete.

Northport Marina

Harbormaster building construction substantially complete.

White Lake Marina

Dredging substantially complete.

John Gurney Park BAS

Ramp and pier replacement, and retaining wall construction substantially complete.

Port Austin BAS

Harbor upgrades and improvements anticipate a mid-October completion.

Caseville Marina

Dredging substantially complete.

Selfridge BAS

Repair/replace seawall sections, railings, and sidewalk approximately 70 percent complete. This is a phased project with the next project grant comprising barrier free and parking lot improvements.

Bolles Harbor BAS

Redevelop parking lot to meet current standards and replace toilets. Fall completion anticipated.

Orchard Lake BAS

Redevelop parking lot to meet current standards. Coast Guard grant funding, mid-November completion anticipated.

St. Clair Boat Harbor

North wall riprap and floating docks substantially complete.

E. Legislative Update

Mr. Jason Fleming, on behalf of Harold Herta, did not have any legislative updates. He took the opportunity to introduce DNR Parks and Recreation (PRD) staff members Mr. Tom Paquin, Manager, Western Upper Peninsula, and Mr. Lee Vaughn, Manager, Indian Lake State Park.

Chief Olson referenced the additional programs and responsibilities added to the PRD due to the January 2012 transfer of the trails and state forest campground programs from Forest Resources Division.

IV. EMERGING ISSUES

A. State Comprehensive Outdoor Recreation Plan (SCORP), Planning Goals and Planning Process.

- Presentation by Public Sector Consultants – Shanna Draheim
- Planning Goals and Planning Process
- Q & A

Ms. Draheim, Senior Consultant, joined the meeting via conference call and apologized that she was not able to be present. She explained that the SCORP is a five-year plan for outdoor recreation providers/decision makers; it identifies outdoor recreation trends, needs, and issues; lays out goals and priority strategies for achieving outdoor recreation goals and making investment decisions, and is required by the National Park Service to access Land and Water Conservation Funding.

Ms. Draheim explained that a key part of updating the SCORP is getting input from the public. Numerous steps have been completed over the last three months to obtain public/stakeholder input including various meetings, surveys, focus groups, and webinars.

Ms. Draheim proceeded to review the handout which included Key Findings: Participation, Recreation Activities, Quantity and Quality, and Community Needs; SCORP Objectives: Public Opinion Responses; Revised Goal, and the Revised Objectives. Public review of the draft SCORP will take place late September/early October and will be completed in December. Ms. Draheim paused for questions/comments. The group responded that they did not have any questions, as they felt the information was self explanatory. Chair Marowske thanked Ms. Draheim.

V. NEW BUSINESS (Information Items)

A. New Vendor for Harbor Reservations

Mr. Fleming reported that the DNR has a new vendor for the central reservation system, Camis INC USA. The contract with the current vendor, Active Network, ends next fall (2013). The switch is scheduled to occur in early May and the public will be able to register six months in advance.

Camis is giving the DNR a lot of attention to the details staff would like to see. As you recall, the DNR currently receives many calls and complaints regarding the reservation system as it relates to the harbors. The current system began as a parks system and was amended to adjust to the harbor way of handling reservations.

Chief Olson commented that any adjustments would need to be discussed soon. Chair Marowske asked if a group should be assembled to work with Mr. Fleming. Chief Olson agreed and Chair Marowske will work with Mr. Fleming to proceed. Commissioner Declercq asked if the group recommendations/comments needed to be complete by October. Chief Olson responded no, it would be addressed at the

February 2013 Commission meeting.

Commissioner Declercq added that he felt mobile applications are a must in order to move forward and stay abreast.

B. Harbor Video Conference Update

Mr. Paul Petersen reported that a Harbor Video Conference is scheduled for September 5. The video conference will provide marketing, event planning, and idea sharing information. Ms. Maia Stephens suggested using the following intermediate school district (ISD) locations; Marquette, Sault Ste. Marie, Traverse City, Muskegon, Bay City, and Wayne.

A three-minute video trailer of the featured harbors, South Haven, Elk Rapids and St. Clair, is available at <http://www.youtube.com/playlist?list=PLC346A05EB8268758>.

At the conclusion of the conferences, Ms. Stephens will be sending a Survey Monkey to all participants.

C. New Recreation Programmer Kristen Stempky, Student Assistant to the Straits District and Waterways

Ms. Stephens reported that it took several different interviews to find the right candidate, Ms. Kristen Stempky. Ms. Stempky is a sophomore at Lake Superior State. She has worked at Straits State Harbor, Mackinaw Island, and Aloha State Park. Ms. Stempky enjoys boating in her spare time and is very interested in kayaking and paddle boarding. She has been an event planner since her junior year in high school. Ms. Stephens feels that Ms. Stempky will be an amazing employee moving forward.

Ms. Stempky is working on an ongoing e-newsletter for people who've ever registered in state harbors. She is also compiling information on water trails; places to put in/take out and places that are really great on the intercoastal waterways.

Ms. Stephens is putting together an inventory of rendezvous capabilities for all of the harbors on the lakes; starting with Lake Michigan due to a recent request. The state will be able to answer questions and direct people to both state operated grant-in-aid and municipal harbors as needed.

D. 2013 Transient and Seasonal Boating Rates

Mr. Fleming reported that this is the beginning of discussions regarding what the DNR is looking at for 2013 with regards to rates. He presented an overview of past rates and how they were established. It was determined that there were many discrepancies/problems with the various transient rate plans, especially with discrepancies in per foot fees. Another component related to fees is the idea of discounts; primarily for those visitors who have Michigan registered boats.

Commissioner Hansen stated that the overriding concern continues to be the variance between what Michigan boaters pay when they go across Lake Michigan to Wisconsin. He feels that by and large, Michigan facilities are much better than Wisconsin's; better access and amenities. Commissioner Hansen stated that at some point we need to look at a different schedule for those boaters. Mr. Fleming responded we need take into account that those boaters are spending dollars and what kind of impact raising rates may have. Many communities receive a significant amount of revenue from non-resident transient boats. Although they do not participate in registration fees, those boaters are purchasing fuel and paying for overnight dockage which significantly helps support the program.

Chair Marowske added that larger boats need larger electrical consumption, while sailboats the same size use less; may want consider offering different electrical (AMP) options. Mr. Fleming stated that the DNR needs to be careful about what we are doing about applying extra fees. We want to make sure that the cost expectations are clear to the consumer. A suggestion was made to check with Harbor Springs, as they charge according to actual power use.

Mr. Fleming proceeded with presenting an overview of the seasonal rates. There are similar discrepancies with regards to the per foot rate, similar to the transient rates. To adjust to meeting the local needs, the DNR has ten different rate areas to choose from. For a local community, it is important to have the seasonal dollars because they are the up front costs for getting their operations.

Mr. Fleming continued his discussion, referring to how the DNR accounts for Michigan nonregistered boats. In the state of Michigan, if a boat is in the waters for over 60 days, a Michigan registration is required. The problem is that many communities may not follow through on making sure boats are registered. Mr. Fleming said the DNR may need to send out a communication making them aware of the law.

Mr. Fleming also stated that the communities, as the state is as well, are required to sustain/operate these facilities. The communities have restricted funds that they are required to put a balance in and most communities do not generate revenue to put back into their facility. In some places, they are using general fund dollars to help subsidize the marina. The Commission made a commitment in the early years to say yes, we provide dollars for development but it is up to the community to sustain it. We are seeing further and further that a gap is being generated.

Commissioner Hansen asked if there are communities that are looking to the state to take over their facility because of those issues. Mr. Fleming responded yes, we have already experienced it with Detroit. Commissioner Snider asked if the commercial marinas located in an area where there is a harbor, when we went from the previous system to the new system, has there been an increase or decrease in calls. Mr. Fleming responded that yes, the two that come to mind are Lexington and Port Sanilac. It has been suggested that they look for options to help expand efficiencies in these areas, possibly through contract.

Commissioner Hansen said he agreed that the communities need general funds. Additional information/discussion will follow with the committees. Need to establish in October.

Commissioner Declercq asked what percentage of communities ask/need assistance (are not able to sustain alone). Mr. Fleming responded about 50%. Commissioner Declercq asked if it was due to how they are run or is it economics. Mr. Fleming responded that he felt it was a combination of the two.

E. Proposed Rate Variance Lexington Harbor

Discussion followed regarding Lexington. Mr. Fleming proposes the idea of a lower transient rate for the first two months and a second rate for the remainder part of the year. The rate would be based on the size of the slip, not the vessel.

Commissioner Snider asked if there would be any impacts to the neighboring private marina. Mr. Fleming stated there could be, but we were interested in seeing how this pilot project would work out. Side note: Lexington State Dock does not offer seasonal slips; whereas Oldford's Lexington Marina is primarily seasonal.

F. Boating Study

Commissioner Declercq discussed the ferryway at Mackinac Island, really rough – water levels are low – posts cause significant damage. He would like to encourage all operators/boaters to slow down.

MOTION: Commissioner Declercq moved to have Chair Marowske write the operators a letter asking them to, as a favor to the boating community, reduce their speeds as they enter the harbor. The motion was seconded by Commissioner Snider and it carried unanimously.

Chair Marowske presented Resolution 08-2012-02 honoring Commissioner Mansfield for her years of service and active participation to improve boating opportunities in the State of Michigan. Chair Marowske commented that Commissioner Mansfield had only missed one meeting during her nine years of service. She was also presented with a framed certificate of recognition on behalf of the DNR and Waterways Commission. Commissioner Mansfield commented that it has been one of the most gratifying experiences she has ever had and that she truly loved doing it; one of the best experiences in her life. She expressed her thanks to everyone involved.

Chair Marowske thanked the representatives from Manistique, asking them to stand in recognition. He commented that he felt that their enthusiasm was infectious and that when the project is complete, it will be awesome. Ms. Shelia Aldrich, City Manager, introduced Mayor David C. Peterson. Mayor Peterson thanked the Commission for choosing Manistique for the meeting location and for all that they do.

The meeting was adjourned at 10:46 am.

The next Waterways Commission meeting is scheduled for Friday, October 26, 2012 in the St. Joseph area.