

**DEEPHAVEN BOAT COMMITTEE
WEDNESDAY, NOVEMBER 13, 2013
MINUTES**

Call Meeting to Order

Vice-Chairman David Irwin called the meeting to order at 7:03 p.m.

Members Present

David Irwin, Warren Nelson, Roy Quaintance, Doug Ruble, David Matteson and City Administrator Dana Young

Members Absent

Tom Drummond, Susan Jerutis, Jim van Bergen, Michael Kelly

September 11, 2013 Minutes

The Committee approved the September 11, 2013 minutes on a motion by Warren Nelson, seconded by Roy Quaintance. Motion carried 5-0.

Matters from the Floor

There were no Matters from the Floor this evening.

Expiring Terms of Michael Kelly, Sue Jerutis & Roy Quaintance

Dana Young stated that the second term of office for Michael Kelly, Sue Jerutis and Roy Quaintance will expire on February 2014 and the Committee will need to appoint three new members.

Doug Ruble to Three Year Term

Dana Young stated that Doug Ruble will be completing an unexpired term of office on February 2014 and he will need to be reappointed to serve his first three year term of office.

Doug Ruble indicated that he would be willing to serve a three year term of office.

Motion by David Irwin to reappoint Doug Ruble to his first three-year term effective until February 2017. Seconded by Roy Quaintance. Motion carried 5-0.

Request to Lease Buoy Space – Lake Mtka Sailing School

Dana Young stated that he has been contacted by Sam Rogers with the Lake Minnetonka Sailing School requesting permission for the LMSS to lease a mooring buoy at St. Louis Bay. He stated that there are currently 17 buoy spaces that have not been leased as of yet, four of which are in St. Louis Bay. He stated that this would require special action since the LMSS is not technically considered a resident and is therefore not eligible to lease a mooring buoy.

David Irwin noted that although the LMSS is not technically a resident, a precedent has been set by the City leasing a shore space to the Minnetonka Yacht Club.

David Matteson also noted that the LMSS is an organization that is located and operates in Deephaven.

Motion by Warren Nelson to recommend that the City Council allow the Lake Minnetonka Sailing School to lease a buoy in St. Louis Bay for the 2014 Boating Season. Seconded by Roy Quaintance. Motion carried 5-0.

2014 Marina Fund Budget

Dana Young presented the 2014 Marina Fund Budget for Committee review.

The Commission discussed future rate increases and generally recommended smaller and more frequent rate increases rather than one large increase.

Motion by Warren Nelson to recommend that, as a general policy, any future mooring rates should be reflective of annual increases or decreases in actual expenditures. Seconded by Roy Quaintance. Motion carried 5-0.

Ten Year Rule / Waiting List

David Irwin presented an outline of his proposal that was introduced at the last meeting:

1. Rescind the "10 year rule", allowing all leaseholders to renew their leases indefinitely, thereby removing the current distinction between "grandfathered" and "non-grandfathered" leaseholders.
2. Maintain the current "wait list" system without any changes (ie. no lotteries, etc.)
3. Maintain the current "historic" lease rates (ie. in the range of \$750/year plus inflationary adjustments over time) for all leaseholders during the 1st 10 years of their lease (referred to as the "Base Rate".)
4. After 10 years of lease period, leaseholder would pay the "base rate" plus a graduated surcharge (referred to as the "10+ surcharge") based on the number of years they have held a lease. The "10+ surcharge" would plateau after some period of years (perhaps a total of 20 years) at a total rate somewhat below the commercial market rate.
5. A transition period (perhaps 5 years) would be used to adjust those holding leases for more than 10 years to the full "10+ surcharge" allowing those leaseholders to adapt to the higher rates they will be paying allowing them to decide whether to pay the 10+ surcharge rates or surrender their dock to someone on the waiting list.
6. This alternative makes no suggestion or presumption as to what would be done with any lease revenues greater than would be achieved at full occupancy at the Base Rate. (Naturally, some possibilities might include more rapidly replenishing the Capital Improvement portion of the Marina Fund, additional funding for Parks serving all residents, or whatever else the City Council might deem appropriate.)

Roy Quaintance stated that the Committee members were asked to come up with alternative proposals at the last meeting but acknowledged that he couldn't come up with any other proposals aside from the one proposed by David Irwin.

David Matteson stated that he has two issues with this proposal. First, it uses a negative incentive to induce residents to give up their dock slips. He stated that this just doesn't seem right to him. Second, this proposal moves away from the historical precedence of only charging rates based on actual costs. He stated that this proposal would generate revenues over and above what would be needed to operate the marina.

He stated that he is sympathetic with the issue facing the Council and has a better understanding why they came up with the 10 year rule. He stated that he also hears from residents who want to reward those residents who have lived in the City for a long time. He stated that he believes there should be some sort of hybrid solution.

Warren Nelson suggested opening up the Joint Lease requirement by allowing residents to rent out their slip on a monthly basis. He stated that this would provide more people with an opportunity to use the slips.

Roy Quaintance stated that, as an alternative to the argument that David Irwin's proposal is simply using increased rates to drive residents off of the docks, residents are being provided an excellent rate for 10 years and thereafter the rate has to go up to a more realistic price.

David Irwin asked if Councilmember Keith Kask could be invited to the next Boat Committee meeting to discuss the proposal in more detail.

Adjournment

Motion to adjourn by Doug Ruble, seconded by David Matteson. Motion carried 5-0. The meeting adjourned at 8:20 p.m. The next regularly scheduled meeting of the Boat Committee will be held on Wednesday, December 11, 2013.