

**DEEPHAVEN BOAT COMMITTEE
WEDNESDAY, SEPTEMBER 11, 2013
MINUTES**

Call Meeting to Order

Chairman Michael Kelly called the meeting to order at 7:05 p.m.

Members Present

Michael Kelly, David Irwin, Warren Nelson, Roy Quaintance, Doug Ruble, David Matteson, Jim van Bergen, and City Administrator Dana Young

Members Absent

Sue Jerutis and Tom Drummond

June 12, 2013 Minutes

The Committee approved the June 12, 2013 minutes on a motion by Jim van Bergen, seconded by David Matteson. Motion carried 7-0.

Matters from the Floor

Michael Kelly stated that there has been ongoing problems with gasoline leaks from a boat on Slide #60 in St. Louis Bay. He stated that the first time this occurred was last year, when the Fire Department was called out to put containment barriers around the spill. He stated that it appears that the problem is continuing this year. He stated that one incident is bad enough but a second incident is unacceptable.

David Irwin stated that the Department of Natural Resources or the Sheriff's Water Patrol might want to take enforcement on this issue.

Michael Kelly stated that the fix is relatively simple. The boat owner would simply have to disconnect the hose from the outboard motor.

David Matteson stated that he thought someone should have a conversation with the boat owner about the problem before calling in the Department of Natural Resources or the Sheriff's Water Patrol.

Dana Young stated that city staff could contact him about this issue prior to issuing his 2014 permit.

Dana Young provided an update on the improvements to the buoy attachments in St. Louis Bay and Carson's Bay. He stated that the buoy attachments have been upgraded to steel cable in both St. Louis Bay and Carson's Bay last June.

Dana Young provided an update on the dredging project in St. Louis Bay. He stated that the City has finally received a dredging permit from the Minnehaha Creek Watershed District to remove the excess sand surrounding the southernmost slide spaces in St. Louis Bay. He stated that the City will wait until spring to initiate the project.

Ten Year Rule / Waiting List

Jim van Bergen stated that it is his observation that the boats on the dock slips are rarely used. He stated that rates have to be used as a disincentive for people to simply let their boats sit on the docks. He stated that his main objection to the 10 Year Rule is that there is an inequity in letting those that have a boat slip prior to the adoption of the ordinance have it forever while those who were elevated from the waiting list to a dock slip after the adoption of the ordinance only have it for 10 years. He stated that he believes the 10 Year Rule should be universally applied.

David Irwin stated that of the 92 docks slips, 52 permit holders have been there for 20 or more years and have been grandfathered in. He stated that the commercial market rate for a slip is approximately \$180 per foot, which equates to \$4,800 per slip. He stated that under the current rate of \$750, why would anyone ever give it up? He added that demographics have changed dramatically over the years. When he first got a boat slip 20 years ago, it only took him 1 ½ years to get a slip and now it takes at least 21 years.

David Matteson stated that everyone past a certain date has a dock slip for a lifetime and everyone prior to that date has it for only 10 years. He stated that he is less enthused about a market rate solution. He stated that there are nuances to be considered in order to make it a fair system.

David Irwin stated that as an alternative to the 10 Year Rule, you could raise the rates for everyone who has had a dock slip for 10 years, which would cause some to still want to pay for a slip and others to consider giving up their slip. He stated that the surplus revenue could be used as a rebate for those who have had a slip for less than 10 years in order to make the Marina Fund revenue neutral.

David Matteson stated that he is not sure if this proposal adequately answers two separate questions - whether this change would be equitable and how to shorten the waiting list.

David Irwin stated that he thinks that they two questions are interwoven. He stated that the 10 Year Rule was created to address the waiting list.

Dana Young stated that he didn't agree with the concept of using the surplus funds generated from the higher rates on those with a dock slip in excess of 10 years as a rebate for those who have had a dock slip for less than 10 years. He stated he thought it would cause animosity between those who were paying higher rates and those who were being subsidized. He stated that he would prefer to use these surplus funds for other purposes, such as city parks.

David Irwin stated that he would prefer that as well but thought that the Marina Fund had to be revenue neutral.

Roy Quaintance stated that he liked the proposal of increasing rates past 10 years and would agree with the idea of using the additional revenue towards parks.

Michael Kelly stated that he thought the City was doing a commendable job of establishing rates to cover the actual costs of operating the marina and would be concerned about the impact this proposal would have on those on a fixed income.

David Matteson stated that this proposal uses a pricing structure to police the boat slips by driving out those who don't use their boats a sufficient number of times. He stated that this would be contrary to how Deephaven has traditionally acted. An increase to \$1,000 rates would be a big incentive for a

number of people to give up their slips. He stated that he would want to be careful in what was proposed and wouldn't want to use a big stick to make people give up their slips. He stated that a couple of hundred dollars could make a big difference to a lot of people. He noted that the system we had wasn't necessarily broken.

Roy Quaintance stated that other cities are getting turnover because their rates are higher. He stated that the 10 Year Rule was implemented to create turnover and this rate increase would do the same thing.

Jim van Bergen stated that he didn't think a fixed income argument was a particularly strong position due given the fact that anyone who owns a boat already recognizes how expensive it is to own and operate a boat.

David Irwin stated that he didn't think going to a rate as high as Excelsior's after 10 years would be onerous. He added that we could also explore other options as well. He stated that he would rather see the market drive the system rather than the 10 Year Rule.

Warren Nelson stated that our low rates are part of the benefit of being a Deephaven resident. He stated that he would have preferred if the Council had a policy of increasing rates at 3% per year. He added that a good life for a boat is 20 years not 10 years. He stated that he likes the fact that Deephaven charges lower rates.

Doug Ruble stated that he agrees with David Matteson and Warren Nelson on this issue. He stated that he is opposed to the 10 Year Rule and would prefer to go back to the old system. He stated that he is fine with waiting for his turn on the waiting list.

David Irwin stated that the consensus of the members seems to be to 1) scrap the 10 Year Rule 2) use market incentives.

David Matteson stated that he would prefer to have rates tied in with the CPI. He stated that we still don't know what impact the Shorespace Renovation project will have on rates.

Jim van Bergen exits at 8:07 p.m.

Doug Ruble suggested surveying those individuals with dock slips and those on the dock waiting list to see what system they would prefer.

Warren Nelson stated that he also believes rates should be raised every year. He stated this would certainly help to change people's boating habits.

Michael Kelly noted that people do tend to use their boat less and less each year you own a boat.

Warren Nelson suggested putting a notice in the City Newsletter requesting that people voluntarily give up their boating slips if they aren't using their boats regularly.

Michael Kelly asked if all the members were in agreement with recommending eliminating the 10 Year Rule.

David Irwin stated that we have to deal with the turnover issue before eliminating the 10 Year Rule. He stated that he believes the 10 Year Rule is dysfunctional but there has to be some alternative.

Michael Kelly stated that we all agree the 10 Year Rule should be modified with some other options presented such as annual rate increases or market rate increases after 10 years.

David Matteson stated that he would like to consider other possible options as well. He stated that it is important to get the mechanics down on any possible proposal. He stated that each member should give some thought as to potential options on accelerating turnover thereby eliminating the need for the 10 Year Rule.

It was the consensus of the Committee for each member to consider other potential options for discussion at the next meeting.

Adjournment

Motion to adjourn by David Matteson, seconded by Warren Nelson. Motion carried 6-0. The meeting adjourned at 8:35 p.m. The next regularly scheduled meeting of the Boat Committee will be held on Wednesday, October 9, 2013.