



**Date:** April 19, 2013  
**To:** Members of the Marine Advisory Commission  
**From:** Mark A. Sandoval, Manager of Marinas and Beaches  
**Subject:** MEETING MINUTES OF APRIL 11, 2013  
MARINE ADVISORY COMMISSION (MAC)

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Commissioners Present

Peter Hogenson, Chair  
Rick DuRee, Vice Chair  
Eric Peterson  
Scott Schaidle  
Darlene Gidley  
Mike Schachter  
Randy Crawford  
David Thornburg  
Ted Kuhn

Marine Bureau Personnel

Mark Sandoval, Manager, Marinas & Beaches  
Elvira Hallinan, Special Projects Officer  
Vivian Crook, Secretary  
Laurie Little, Supervisor, LBSM  
Pam Cunningham, Acting Supervisor, ABM

City Staff

Covarubias, Sgt. LBPD/Marine Patrol Unit  
Jose Mata, MPO, LBPD/Marine Patrol Unit  
Alan Powder, Captain, Marine Safety/LBFD  
Hurley Owens, Supt./ Marine Maint.  
Don Easterby, Interim.Supt., Beach Maint.  
Julie Maleki, 3<sup>rd</sup> Dist. Council

Commissioners Absent

Guests

Kevin Hendra, LBMBOA  
Karl Weimer, LBMBOA

Chairman Hogenson convened the meeting at 2:30 p.m., at the Shoreline Yacht Club.

**ROLL CALL**

Mark Sandoval called the roll of commissioners.

**CONSENT CALENDAR**

- The March 14, 2013, MAC minutes were reviewed and approved as submitted.

## **PUBLIC COMMENT**

- Mark Sandoval thanked the Shoreline Yacht Club for hosting this month's MAC meeting.

## **OLD BUSINESS**

- Mark Sandoval reported that the ABM Rebuild is on schedule. Basin 1, Docks 1 and 2 have been installed. The docks are being dressed and should be done by the end of April. He said that customers are being informed that they may return to their assigned slip the first week in May, however, there may not be power on the docks for the first two weeks. Customers do not have to come back to the marina until the power is on. Docks 3, 4, and 5 should be completed by mid-July. Basin 5 is the next phase. A City Council letter will be drafted by the end of next week and should be on the City Council calendar by mid-May.
- Mark Sandoval reported on the Fuel Dock construction in LBSM. He said that it almost passed the first inspection last Thursday. Another inspection was to be done today. He said that it could possibly be open for Grand Prix weekend.

## **NEW BUSINESS**

- Mark Sandoval reported on the FY 2014 Slip Fee Recommendation. He explained the process of recommending slip fees for the coming fiscal year. He said that slip fee recommendations ultimately become part of the budget recommendation that goes from the City Manager to the Mayor and City Council in early July. Hopefully by the middle of September it passes the budget for the upcoming fiscal year. He said that, normally, he would not be bringing a recommendation before the MAC this early in the year, however, he felt he wanted to give more notice and get his recommendation out and provide an opportunity to take his recommendation to the next step, per the MAC's direction. He referred to the Marina Slip Pricing Policy (MSPP), which was developed and adopted by the MAC back in 2006. He explained that the MSPP is a cost based approach (all costs divided by the square feet of the marina), whereby a standard slip fee for every size slip be charged the same in every marina. This policy was implemented in FY 2008 and the LBSM slip fees were brought in line with the ABM slip fees. In FY 2009, the square foot price system was implemented. In FY 2010 – 11 slip fee rates were not raised. In FY 2012 slip rates were increased 4.4%. A 2% increase was recommended for FY 2013. Mark explained that at that time his intention was that he wanted to maintain a \$2 million fund balance in the Marina Fund. He felt the need to show that the marina operation is strong enough to sustain a nominal level of fee increase, so that when we get to the point that we hope to borrow funds, we will show that we were raising rates, at least nominally. The MAC did not agree with this recommendation and voted not to increase slip fees, however, the 2% stayed in the budget and was passed by the City Council. This year Mark said he is again recommending a 2% increase and he still believes that there should be a minimum \$2 million in the fund balance. He said the Department is looking to fund Basin 5, which is just under \$4 million, and by increasing by 2% and generating \$400,000 in new annual revenue, this will ensure that we will have \$2 million at the end of next fiscal year and we will have the \$4 million needed to complete Basin 5. He said the recommended rate would be by slip size. He said that the regional three county CPI increase from last year to this year is 2.224%. He said that he understands that slip fees increases are never popular and that the economy is still very problematic, but he believes that as we try to continue to build, looking at what we need to do in the future; i.e., Basins 2 & 3, we need to show that we can sustain at least a 2% fee increase, which will generate approximately \$400,000, and we will have about \$2 million by the end of next fiscal year.

Commissioner Schaidle said that, looking at future debt issues, if we do not increase the rate we will not be able to afford any kind of bond issue or any kind of debt instrument. He said that the Finance Committee does not have a final recommendation at this time. The Committee provided four options to Mark Sandoval and asked him to do a Pro-forma on each. Option 1 is no increase at all, Option 2 is a 1.5% increase, Option 3 is 2% increase, and Option 4 is to only increase the rates for concrete docks (vs. wood) to obtain the same revenue as a 2% overall increase

Mark Sandoval stated that this recommendation is only a 1-year increase, for FY 2014.

Regarding the issue of how to raise funds, Kevin Hendra talked about a vacancy decrease instead of a slip fee increase. He agreed with not raising rates for wood docks, but he feels the real issue is to drive up the existing revenue base.

Mark Sandoval remarked that he knows of no marina that is full, except in certain sizes, and that even the Long Beach Marinas are full in certain sizes. Mark said that the Bureau is advertising available slips.

Kevin Hendra remarked that Maintenance fees were over budget and that there should be a decrease in the 2014 budget. He believes the Maintenance fees have been overstated for years.

Vice Chairman DuRee said that he agreed with the idea of not increasing fees for wooden docks. He proposed a fifth option, which was a 2% increase on only the concrete docks with no increase on the wooden docks until they are rebuilt.

Chairman Hogenson asked that Mark Sandoval review the four options provided by the Finance Committee and come back next month with an analysis in terms of surplus/revenue.

Vice Chairman DuRee remarked on the City's budgetary process. He said that Mark cannot go to the City Manager and project that he will have an increase in revenue, it has to be pretty much guaranteed. Whatever expense is passed along to the customer, it is the personnel costs that are what really drive the costs up and they have to be absorbed in the operating costs.

**It was moved by Commissioner Schaidle and seconded by Commissioner Gidley that the Marine Bureau Manager review the five options discussed and see what the financial impact is going forward on the marina rebuild: Option 1 no slip fee increase, Option 2 a 1.5% increase on all slips, Option 3 a 2% increase on all slips, Option 4 no increase on wood docks but only on concrete docks to equal the money earned on the 2% increase on all docks, and Option 5 a 2% increase only on the concrete docks to include the wooden docks when rebuilt. The motion passed unanimously.**

Commissioner Peterson said that he was concerned with the slip fee increase, considering the current circumstances. He said he is also concerned with raising slip fees on concrete docks only, what with concrete docks mainly in LBSM. He noted that LBSM is impacted with many and various special events and that for many LBSM boaters these events are viewed as a negative. He asked how much of the revenue from these events goes into the Marina Fund. Mark Sandoval responded that the offset is not as large as one would hope. These events are under long-term contracts and have a cap that the City can charge.

Commissioner Gidley agreed that filling slips is important. She said that we need to be pro-active in renting slips; i.e., advertising in areas that have waiting lists.

Mark Sandoval said that he is willing to sit down with Kevin Hendra/BOA and work on the numbers to make sure that their Pro-formas look the same. He said he will come back to the MAC with the financial implications of all five of the options. He said that the City is going forward with looking to hire some experts and bring consultants on board to solve these issues.

Commissioner Gidley said that the Operations Committee could look into coming up with advertising ideas by next month's meeting.

## **BUREAU MANAGER'S REPORT**

### Marina Operations Report

Mark Sandoval reported on the slip status report for the month of March.

- Mark Sandoval reported that 41 new permits were written and 26 vessels left the marina in March.
- The Slip Status Report shows 172 slips available. Marine Bureau staff is working diligently to fill these slips.

### Maintenance Operations Report

Hurley Owens, Superintendent, Marine Maintenance, gave the Marine Maintenance status report for the month of March.

- Mark Sandoval reported that the Department is in the process of replacing Dock 10, by Shoreline Village, with concrete docks. The pumpouts are still active and assessable by water. \$2 million in funding has been approved. The Bureau will need to get a permit. Mark Sandoval said he was told by Public Works that the job would be complete by December. Mark believes it should definitely be open by next summer.

### LBFD/Marine Safety Report

Captain Allen Powder gave the Marine Safety status report for the month of March.

- Captain Powder reported on a drowning that occurred yesterday in LBSM. The victim was fully clothed and there was no evidence of trauma.
- Marine Safety was involved in the recovery of a body of an employee at the Haines Power Plant last month.
- Lifeguards are having issues with sick seals on the beach, boats, and docks. Captain Powder reported that half the seal pups born last summer have died. The rescue centers are full and unable to take them all.

### LBPB/Marine Patrol Report

MP Sergeant Covarubias, LBPB/Marine Patrol Unit, gave the Marine Patrol report for March.

- Detectives are still investigating the case regarding the drowning victim in LBSM.
- Marine Patrol has also seen an increase in sick seal pups. Marine Patrol is asking the public to stay away from them. They are wild animals and will defend themselves if they feel threatened.
- The Marine Patrol Division is still working with LBPB detectives regarding stolen outboards in the area. Bike patrols and dock walks have been increased. Regarding grants for locks, Marine Patrol is still waiting for the State to respond.

### Executive MAC

- All items covered.

### Operations Committee

- All items covered.

### Facilities Committee

- Quarterly meetings.

### Finance Committee

- All items covered.

### **COMMENTS FROM THE AUDIENCE**

- None.

### **COMMENTS FROM COMMISSIONERS**

- Mark Sandoval stated that he lost his WEB master when Harbormaster Dave Kinley retired. He said that staff is working on updating the Marine Bureau's WEB page.
- He informed the MAC that there will be a Commission photo taken at next month's meeting.

### **ADJOURNMENT**

Meeting adjourned at 4:05 p.m. The next meeting is set for May 9, 2013, at 2:30 p.m. at the **Long Beach Yacht Club**.

cc: George Chapjian, Director of Parks, Recreation and Marine  
City Clerk