



Date: May 14, 2013
To: Members of the Marine Advisory Commission
From: Mark A. Sandoval, Manager of Marinas and Beaches
Subject: MEETING MINUTES OF MAY 9, 2013
MARINE ADVISORY COMMISSION (MAC)

Commissioners Present

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

Marine Bureau Personnel

Mark Sandoval, Manager, Marinas & Beaches
Elvira Hallinan, Special Projects Officer
Vivian Crook, Secretary
Laurie Little, Supervisor, LBSM
Carol Gonzalez, Clerk Typist

City Staff

Steven Covarubias, Sgt. LBPD/Marine Patrol Unit
Jose Mata, MPO, LBPD/Marine Patrol Unit
Randy Foster, Chief, Marine Safety/LBFD
Hurley Owens, Supt./ Marine Maint.
John Amick, Supervisor, Marine Maintenance
Don Easterby, Interim.Supt.,Beach Maint.
Julie Maleki, 3rd Dist. Council

Commissioners Absent

Mike Schachter

Guests

Mark Lewis
Karl Weimer, LBMBOA
Ambrosia Brody

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

ROLL CALL

Mark Sandoval called the roll of commissioners.

CONSENT CALENDAR

- The April 11, 2013, MAC minutes were reviewed and approved with a change to show Commissioner Crawford as absent.

PUBLIC COMMENT

- None

OLD BUSINESS

- Mark Sandoval reported that customers were initially notified that there would be no power on ABM Docks 1 and 2 in Basin 1 until May 15, due to turnover in staff/inspectors at Southern California Edison. Installation and inspection has been scheduled for May 16. Headwalks and fingers are being installed for Docks 3, 4 and 5, and should be complete by the end of July. Mark stated that a letter has been submitted to City Council regarding moving forward with the Basin 5 rebuild phase using accumulated funds. Mark has informed Bellingham not to start demolishing Basin 5 until the beginning of October, and that Basin 5 needs to be finished by the end of April 2014. The first stage of Basins 2 and 3 will be to install in the electrical spine. He said the City is moving forward with hiring a consultant to assist with potential bond issues.
- Mark Sandoval reported that the LBSM Fuel Dock is still not up and running. Ninety percent of final inspection and testing is complete, however, it did not pass fire inspection. One element of the monitoring system is being fine-tuned. Public Works anticipates having the final grades of testing completed by the end of next week. The current cost of the LBSM Fuel Dock rebuild is over \$2 million. Funds for this fuel dock rebuild have already been set aside.
- Mark Sandoval reported on the Slip Fee Recommendation for 2014. He talked about his objectives for next year, which are: to have enough funds to build Basin 5 (Phase 3) in FY14; to ensure that the Marina Fund Balance remains over \$2 million; and, to ensure that the slip fee strategy supports a future bond issue or alternative debt instrument.

Mark Sandoval noted that the wood docks are ABM Basins 2, 3, 6 & 7, and the concrete docks are LBSM, RBH, ABM Basins 1, 4, 5 & 8.

Mark reviewed the options presented at last month's meeting and gave positives and negatives for each option. Option 1 - increase slip fees 2% for all slips; Option 2 – no slip fee increase for FY2014; Option 3 – increase slip fees 1.5% for all slips; Option 4 – No increase for old wood slips, increase slip fees 2% for new concrete slips; and, Option 5 – no increase for old slips, increase slip fees for new slips to meet objectives.

Mark Sandoval said he was recommending Option 5, which is to hold slip fees for the old wood docks at zero and increase slip fees for concrete docks to a level that would equate to 2% across the board, or to where \$380,000 in revenue would be generated. He said this would require a 2.9% increase for the concrete docks and would get us over the \$2 million set aside. He said this increase would be more than the CPI and would demonstrate to the potential bond market that we can sustain nominal increases annually. This is a departure from the slip pricing policy. He believes this would meet all the objectives that have been set. Mark explained that this is an annual evaluation and that he is still looking at our fee structure as being a cost recovery model. He said every year we will take a look at revenues, and expenses and in expenses include any current, existing and/or future debt or any capital set asides that are believed to be reasonable. These would be the costs that would have to be recovered. He said that he has not wavered from this, however, unfortunately, everything has been on the increase because we are still chasing a capital project, still spending money on an annual basis to upgrade docks. He said that he believes 2.9% is cost recovery.

Mark Sandoval noted that he mentioned he would be recommending a 2% slip fee increase in the monthly Marina Reader and that he received only one negative response.

Mark Lewis, LBSM boatowner, asked what things have been done to conserve costs. He recommended the palm trees be trimmed every other year instead of every year to save money. Mark Sandoval responded that the Marine Bureau has held costs flat. He explained that department staff is in a bargaining unit and that, except for mandated raises, costs have been held back. He said he is looking at every thing in an effort to reduce costs or shift them out of the Marina Fund

Bob Hubbard, Basin 2 boatowner, commented that Option 5 seemed most fair. He asked if there was a date for the start of the ABM Basins 2 and 3 rebuilds. Mark Sandoval responded that the plan is to first install an electrical system for Basins 2 and 3 and once the electrical spine is in place they will begin constructing at Oil Dock Road. He said if he had the money now he could finish the marina in three years.

In order to open discussion, it was moved by Commissioner Gidley and seconded by Commissioner Peterson that the MAC support Option 5.

Commissioner Peterson said that the boaters who have spoken with him are not in favor of any slip fee increase. He acknowledged that previous to Mark Sandoval as Manager, no capital funds for upgrades and replacements were set aside. He said the City had not set monies aside to take care of future upgrades and now all at once the cost for upgrades is coming to rest on the shoulders of the slip holders and that it was unfair and unreasonable to expect. Regarding the Fuel Dock, the City did not take care of the upgrades years ago when it should have been taken care of and now, at the cost of \$1.8 million with a \$200,000 overrun, the slip holders have been asked to pay for this as well as the marina rebuild. He asked why the City could not find funds to cover these items when the City just agreed to spend Tidelands money (\$60 million) for a pool that does not make any money, and another \$2.8 million for a Breakwater that does not make any money. He stated that the slip renters are the only revenue generating business. Commissioner Peterson said that he could not support a fee increase.

Mark Sandoval responded that the fuel dock issue was not driven by the City, this was not something that the City saw coming. He said that the City's policy is that the marina enterprise be self-sufficient.

Vice Chairman DuRee presented a 6th Option:

It was moved by Vice Chairman DuRee and seconded by Commissioner Gidley that the MAC support a slip fee increase on the new cement docks to the CPI (2.224%) and the old wood docks be a "0" increase for the coming year. Three were in favor, four were opposed. The motion failed.

Commissioner Gidley said the problem is that slips are empty. She said we should not keep paying for the future with slip fee increases. Even though we have the best rates around, we do not want to risk boaters leaving the wood docks and going somewhere else. She said Long Beach is ideally located and is a nice place to be for a lot of reasons; i.e., getting out to Catalina faster. She believes we can fill these slips, but we need to get the information out that there are slips available. She said the number one issue should be to reduce the deficit.

Mark Sandoval reviewed the percentages of slip fee increases over the last four years. In 2013 slip fees increased 2%; in 2012 slip fees increased 4.4%; in 2011 slip fees increased 0%; in 2010 slip fees increased 0%; and, in 2009 slip fees increased 2.5%. He said that the recent marina survey shows that people are getting out of boating, not moving to another marina. This is the effect of the economy.

It was moved by Commissioner Peterson and seconded by Commissioner Crawford that the MAC support Option 2, no slip fee increase. three were in favor, four were opposed. The motion failed.

Another motion was stated:

It was moved by Commissioner Schaidle and seconded by Commissioner Kuhn that the MAC support a 2.5% slip fee increase for cement docks and a 0% increase on wood docks with the City providing free WiFi to the boaters. Three were in favor, four were opposed. The motion failed.

Commissioner Gidley stated that the MAC had discussed the issue of free WiFi to boaters and decided that all available funds should go toward the rebuild and not be diverted to non-essential items.

It was moved by Commissioner Thornburg and seconded by Commissioner Gidley that the MAC support an across the board slip fee increase of 1.5% . Five were opposed, two in favor. The motion failed.

After discussion, another motion was stated:

Commissioner Kuhn said that boaters on wood docks have told him that they are not opposed to an increase, however they are opposed to paying the same as those on cement docks.

It was moved by Commissioner Schadile and seconded by Vice Chairman DuRee that the MAC support a slip fee increase of 2.224% (CPI) for all cement docks and a .5% increase for wood docks. Five were in favor with three opposed. The motion passed.

NEW BUSINESS

- Mark Sandoval reported that oil and Port monies have come to the City and that the City has identified and approved capital projects to use a significant amount of these funds. One of these projects is a study that Mark has been recommending for a number of years. The study will look at the bottom of the Bay; i.e., channels and private dock areas, for silting. He has been pressing for a study to at least develop a plan to find out where we have dredging needs and eelgrass issues. Anchor QEA has been hired to do the survey for this project. This has been expanded to cover LBSM and RBH, entrance channels, etc. At the end of the day what we will have is the development of a regional dredging permit so that we can hire companies, or do it ourselves, to dredge some of these hot spots and initiate a program using available funds to dredge in the bay and at private docks. At this time it is almost impossible for private residents to mitigate for eelgrass under their private dock. This will allow a system to assist residents with dredging.

BUREAU MANAGER'S REPORT

Marina Operations Report

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

- Mark Sandoval reported that 43 new permits were written and 30 vessels left the marina in April.
- There are still a lot of vacancies in the 35 – 40 foot slip size. Mark Sandoval said that business at the shipyard is skyrocketing, however there are still people getting out of boating, selling their vessels.
- Elvira Hallinan introduced Carol Gonzalez as her new clerical support.

Maintenance Operations Report

Don Easterby, Acting Superintendent, Beach Maintenance, gave the Marine Maintenance status report for the month of April.

LBFD/Marine Safety Report

Chief Randy Foster gave the Marine Safety status report for the month of April.

- Chief Foster reported that Monday night at approximately 10:30 p.m. residents called in about hearing cries for help at 65th Place on the oceanfront side of the Peninsula. The residents said that they thought they heard multiple voices, however the man rescued was too drunk to be of help. In the end only one man was found. Lifeguards staged an incredible deployment model (multiple divers).

Commissioner Schaidle lives on the oceanfront and commented that he heard these individuals earlier on (9:30 p.m.) as they moved down the beach and said he believes this incident could have been avoided if Marine Patrol were allowed to patrol the beaches.

- Chief Foster reported that Lifeguards just received a diver handheld sonar device with grant funding. This device will mark a target and drive the diver to the target like a GPS device.

LBPD/Marine Patrol Report

MP Sergeant Covarubias, LBPD/Marine Patrol Unit, gave the Marine Patrol report for April.

- During the Grand Prix a Marine Patrol Officer cited an individual for removing recycling from the City's containers and, as it turned out, there was a \$1 million warrant out for his arrest. No other incidents were reported.
- A Marine Patrol officer found a woman suffering from Alzheimer's and was able to get her safely back to her family.
- Liz Griffin is the new LPBD Commander.

Executive MAC

- All items covered.

Operations Committee

- Commissioner Gidley said that ideas for filling slips were reviewed. She asked how effective the Log Publication has been with regard to advertising available slips. The cost is \$1,000 per publication. Laurie Little responded that of those boaters she has dealt with, none of them came from advertisement in the Log. Other ideas were: distribute information on slip availability to yacht brokers from Dana Point to Santa Monica, since yacht brokers assist buyers with finding a slips (this could be done monthly by email); post slip availability in West Marine and Captains Locker, any place where boaters might frequent; put a summary of available slips in the Marina Reader so that boaters can share with their friends; advertise in yacht club newsletters; and advertise on the Internet.
- Commissioner Gidley reported that the California Coastal Commission is offering an opportunity for boaters to get rid of their derelict boats. All you do is turn in a pink slip and your keys and you are off the hook. Derelict boats do not present the marina in a positive light. She felt that this article should run in the Marina Reader again.

Facilities Committee

- Mark Sandoval reported that half a million dollars has been approved to pay for design engineering of a new dock at the Pine Avenue Pier.

Finance Committee

- All items covered.

COMMENTS FROM THE AUDIENCE

- A boatowner in the audience thanked the MAC for the work that they do, as they tackle a lot of tough issues. He felt it logical to give boaters on wood docks a bit of a break, and that the CPI makes sense. He said that WiFi is a good idea, it is pretty cheap and might help sell some slips. He said he pays \$35 a month for WiFi (multiplied times 4,000 slips).

COMMENTS FROM COMMISSIONERS

- None

ADJOURNMENT

Meeting adjourned at 4:15 p.m. The next meeting is set for June 13, 2013, at 2:30 p.m. at the **Long Beach Yacht Club**.

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