

MINUTES

For The Municipal Facilities Committee Meeting February 25, 2003

The Municipal Facilities Committee meeting was called to order at 3:35 pm by Chairperson Maggie Steenrod to discuss several Marina issues. The agenda included a discussion of moorage rates, and updates on the Power Distribution project and the Seawall and Expanded Guest Moorage project.

In Attendance

Maggie Steenrod, Chairperson
Susan White, Committee Member
Tony Piasecki, City Manager
Linda Marousek, City Attorney
Paula Henderson, Finance Director
Joe Dusenbury, Harbormaster
Tom Sitterley, President, Des Moines Marina Association (invited to participate)

Absent

Don Wasson, Committee Member

Harbormaster Joe Dusenbury began the staff presentation with an update on the Power Project and the Expanded Guest Moorage Project. He reported that the first phase of the power project, which is a study of the current condition of the power distribution equipment in the Marina and a determination of what the future power needs are likely to be, is underway. He also reported that the staff is preparing to start the first phase of the Seawall/Expanded Guest Moorage project. This phase will include the design and engineering for the seawall and the expanded guest moorage area and the permits required for the projects.

Chairperson Maggie Steenrod began the discussion on moorage rates by asking the staff several questions about the development of the two alternatives for eliminating the dual rate structure that are in the draft rate ordinance. The first alternative would eliminate the dual rates without increasing revenues, (staff recommendation), and the second alternative would eliminate the dual rates but moorage revenue would increase by about \$33,000 per year.

The Committee members also asked the staff several questions about the proposed plan to evaluate the moorage rate structure. The staff outlined a plan to reexamine the rates based on the square footage of the slips with the goal of creating a formula that generated an equitable and consistent rate structure and reporting back to the Council before the end of the year. Chairperson Steenrod asked Mr. Sitterley if he had any comments about the proposed rate ordinance and the plan to study the moorage rate. Regarding the proposed rate ordinance, Mr. Sitterley commented that the proposed ordinance was inconsistent with Ordinance 1250 because it did not include an alternative to reduce the non-resident rates to the level of the resident rates. He also commented that some of the rate increases

for the resident tenants in the proposed ordinance were about 7%, which he thought was excessive, considering that the rates were just raised about 2%. Mr. Sitterley had several comments on the plan to study the rates. He told the Committee that the Des Moines Marina Association had done a rate comparison with other local marinas and their conclusion was that, in general, Des Moines rates are higher than the other marinas. Mr. Sitterley also told the Committee that other marinas had determined that the cost of operating the smaller moorages was greater than operating the larger docks, so a higher per square foot charge for smaller moorages was justified. The Committee, staff and Mr. Sitterley discussed some general ideas about rate studies. The idea of having a consultant come in and do the analysis was discussed, along with the idea of having the staff work with a Council-appointed ad hoc committee of boaters and citizens to develop a rate plan.

The Committee directed the staff to prepare at least two more alternatives for the proposed rate ordinance, one reducing non-resident rates to the level of resident rates and one raising each of the resident rates by a consistent amount. The Committee members told staff and Mr. Sitterley that they would take back to Council for direction the idea of having an appointed committee work with staff to study the marina rates and propose a formula by which rates would be determined in future.

Action Items

The staff will work on the two rate alternatives for the proposed ordinance and schedule another Committee meeting for Tuesday, March 4, 2003 to discuss the results.

Respectfully submitted by:

Joe Dusenbury, Harbormaster