MINUTES

For
The Municipal Facilities Committee Meeting
March 4, 2003

The Municipal Facilities Committee meeting was called to order at 3:35 pm by Chairperson Maggie Steenrod to discuss several Marina issues. The only agenda item was the continued discussion of the moorage rates at the Marina.

Attendance

Maggie Steenrod, Chairperson
Susan White, Committee Member
Don Wasson, Committee Member
Paula Henderson, Finance Director
Joe Dusenbury, Harbormaster
Tom Sitterley, President, Des Moines Marina Association

The Committee reviewed the minutes of the meeting of February 25.

Harbormaster Joe Dusenbury began the staff presentation with a review of the February 25th meeting. At that meeting the Committee asked the staff to prepared two more alternatives for review by the Committee. The alternatives were one that would reduce non-resident rates to the level of the resident rates and one that would adjust each of the resident and non-resident rates by a uniform amount to reach single rate structure.

Mr. Dusenbury and Ms. Henderson reviewed the two alternatives that the Committee requested. The staff told the Committee that it would not be possible to find a uniform increase in the resident rates and a corresponding uniform decrease in the non-resident rates that would result in a revenue neutral or near revenue neutral rate structure. The reason for this is that the differences between the resident rates and the non-resident rates vary and that the ratio of residents to non-residents in each class of moorage varies also. The staff prepared four rates structures that raised the resident rates by 3%, 3.5%, 4%, and 4.5%. Each of these alternatives achieved the goal of raising all of the resident rates by the same amount, but all of the alternatives resulted in a decrease in revenue.

The Committee asked the staff to redo the 3% resident rate increase alternative and include small, (less than 3%) rate increases for the 20 and 24 foot slips and the dry sheds because these slips had been left out of the original calculations for the 3% alternative. The Committee also asked the staff to determine the exact revenue generated by the 3% alternative and what could be done about the shortfall, which was estimated to be about $30,000.

Mr. Sitterley, speaking on behalf of the Marina Association, told the Committee that the Association was in favor of Alternative 3, which would reduce the non-resident rates to the level of the current resident rates. Mr. Sitterley spoke about moorage rates in general and how the Marina's rates compared with other marinas in the area.

Action Items

The staff will rework the 3% alternative and determine the exact amount of the revenue shortage. The staff will also prepare some recommendation on how to make up for the loss of revenue. The Committee scheduled another meeting for March 13, 2003, before the regular Council meeting to review the staff's work and prepare a recommendation for the Council.

Respectfully submitted by:

Joe Dusenbury, Harbormaster