**Approved Minutes of 7/15/17 Docks Task Force (DTF) Meeting**

DTF Members: Mike Evangelist, Mike Greseth, Nino Nardecchia

Non-Task Force Member Attendees: Lynn Hanson, Dyanne Hanson, Mary Sue Simmons

1. Meeting began 7PM.
2. Announced Mike Evangelist’s resignation and the requirement for the Council to approve his replacement.
3. Discussed guidance received from the Council to evaluate the 3 options and then provide the evaluations to the Council without making any recommendations.
4. During ensuing discussion, it became clear that the Yes/No answer format is inappropriate because it requires a judgement by the DFT which could be misconstrued as a recommendation. In addition the DFT felt that the composition of the DFT is inadequate because the three members selected by the Council do not adequately reflect all the affected parties in the city. This resulted in a change of format for the presentation of the results of our evaluations. We will simply present a summarization of our discussions under each topic.
5. Discussion moved to evaluating Model 1 – The current Chapter 617 Model (Dock Association operates its private docks from the City’s Public Lake Tracts) .
6. Attachment 1 is the draft evaluation that was compiled from our discussions. It will be reviewed and revised as required at the next meeting.
7. Final order of business was to identify the City Owned Docks Model to evaluate at the next meeting from the 2010 City Docks Work Group Plan.
8. Attachment 2 presents that model. The costs information will be updated before the next meeting and the updated attachment sent to Tobin for distribution to DFT members.
9. Next meeting will be scheduled as soon as City Hall availability can be determined.
10. Meeting adjourned at 9M.

**Attachment 1**

**DFT Evaluation of Model 1.** The Chapter 617 shared dock administration model. Privately owned Dock Association Docks are allowed to operate from the City’s Public Lake Tracts.

**DISCLAIMER**. Due to the limited time provided to perform this evaluation and the lack of adequate representation on the Docks Task Force (DTF) of all affected parties, this evaluation should only be considered as summary of the discussions held between the DTF members. It should not be considered either a recommendation or disapproval of the model being evaluated.

1. Does model support the purpose of Chapter 617 as stated in Section 617.150?

“617.150 Purpose: The purpose of Chapter 617 is to maintain and improve the Public Lake Tracts in a manner that promotes the following:

1. Ensure availability of proper facilities to serve all residents. In development of its facilities, Birchwood shall strive to maintain a balance of suitable recreational activities for all persons within the municipality.

**Discussion.** Dock Association docks provide members boat mooring access, and increased fishing, swimming, sightseeing opportunities to resident members. However the City and the Dock Association need to do a better job identifying and addressing dock safety issues.

1. Strive to improve the Public Lake Tracts and their use and availability to all residents of Birchwood, and fair and equitable use of the docks installed thereon.

**Discussion.**

Establishment of the Dock Use Only membership category was instituted 7 years ago to for the first time provide non-boat owner resident the opportunity to use the Dock Association Docks by joining the Dock Association as Dock Use Only members. It was hoped that the Dock Use Only Membership category would eliminate the Us vs Them dynamic that had plagued the City for many years.

The Dock Association originally set the Dock Use Only membership fee at $35 to cover the a share of the Dock Associations cost of buying, installing, removing, maintaining, and insuring its 5 docks. 7 years later the cost of Dock Use Only Membership is still $35.

Currently, excluding the19 Boat Slip Permit holder member, only 58 of Birchwood’s 350 residences (14%) have paid the $35 Dock Use Only to take advantage of these opportunities.

The DTF members unanimously believe that the $35 fee is fair and reasonable for the opportunity to enjoy increased lake related recreational opportunities and decided to try to understand why the participation is so low. What follows is a short synopsis of one plausible explanation.

* 1. Some residents of Birchwood believe the City has already more than fairly accommodated the Dock Association by allowing the Dock Association to monopolize the use of 30-50 percent of the useable access to the lake from the City’s Public Lake Tracts but still have not been adequately compensated for that accommodation.
	2. Some residents of Birchwood look at the City’s success in providing dock access to the lake for all residents at Kay Beach, and ask why they can’t have free access to the other 4 docks the (Dock Association docks). They seem not to realize that they are paying for the dock access at Kay Beach through their taxes.

The DTF members addressed this issue and came up with what could be if implemented a win-win solution that should be acceptable to all affected parties and can be implemented within the framework of Chapter 617 as written. It would demonstrate to all the residents of Birchwood that the Dock Association is committed to being a good partner with the City in its efforts to provide fair and equitable access to recreational opportunities on its Public lake Tracts.

The following proposal will be presented to the Dock Association Membership at its upcoming Jul 23 meeting.

**Proposal.** The Birchwood Dock Association under the provisions of Chapter 617 would waive the $35 Dock Use Only membership fee for all Birchwood residents and make all Birchwood residents Dock Use Only Members.

**Results Implementation.**

1. This action would show the Dock Associations is committed to Chapter 617 goal to “… improve the Public Lake Tracts and their use and availability to all residents of Birchwood, and fair and equitable use of the docks installed thereon.”
2. All Birchwood residents would have free non-boating access to the 4 Dock Association docks.
3. The Dock Association Docks remain private which reduces liability exposure, and increases the safety and security of the City by discouraging non invited non-residents from utilizing these limited resources.

**Cost of Implementation.** The Boat Slip Permit Holders would absorb 100% of the costs of implementation.

1. Increased Insurance Costs. $350.
2. Loss of revenue. $35 x 75 = $2625

 Total Cost $2975

1. Upgrade the Public Lake Tracts, as necessary, to ensure the health, safety and general wellbeing of the residents with respect to the use and enjoyment of those facilities.

**Discussion.** The Dock Association has dock replacement and maintenance and upkeep funds budgeted and needs to execute its maintenance and dock replacement plans.

1. Provide for multiple uses in keeping with the character and physical layout of each Public lake Tract and the residential character of the neighborhood.”

**Discussion.** See 1. (1.) above.

2. Does model balance the interests of all affected parties?

**Discussion.** The Dock Association and City perform all Chapter 617 directed coordination to ensure such interest are met.

3. Does model provide sufficient management, oversight, and accountability to ensure compliance with Council directed policies and procedures?

**Discussion.** Moving forward the City and the Dock Association need to do a better job working together to ensure all affected parties fulfill their Chapter 617 responsibilities.

4. Does model use sound financial accounting and record keeping practices that allow audit of its activities to ensure compliance Council directed policies and procedures?

**Discussion.** Financial accounting and record keeping practices are adequate.

5. Does model protect the City from unnecessary liability exposure?

**Discussion.** The Dock Association maintains Chapter 617 specified liability insurance policy to cover any increased exposure resulting from their operation of their docks on the City’s Public Lake Tracts and is addressing identified safety concerns on some of its docks.

6. What are the model’s costs (financial and/or non-financial)?

**Discussion.** The following financial and non-financial costs were identified but specific dollar estimates could not be made due to time constraints and lack of necessary information.

* 1. Time and supplies for City Staff to fulfill City’s Chapter 617 responsibilities. City’s administrative costs seem to be adequately covered by Dock Permit Fee, Boat Slip Permit Fee, and Lift Storage Fee.
	2. Money, time and supplies for City to manage Kay Beach Dock.
	3. Residents opting out of joining Dock Association as Dock Use Only members forgo access to its 4 docks.
	4. Unless above the above proposal is implemented, the lack of consensus as to fairness and equity of current model will perpetuate the Us vs Them dynamic.

7. What are the model’s benefits (financial and/or non-financial)?

**Discussion.**

1. While the City’s uses taxes to support the Tennis Courts, Hockey Rink, Sports Fields, and Kay Beach. All residents are taxed the same amount for these venues regardless of whether or not they even use them, this model shifts all associated costs to only those residents of the city who want more lake access and opportunities than Kay Beach can provide keeping resident taxes lower.
2. By the City allowing a private entity (The Birchwood Dock Association) to operate its private docks on the Public Lake Tracts designated for boat mooring, the City has effectively restricted use of the docks to only residents of Birchwood who choose to join the association for that increased level of access. This reduces liability exposure, and increases the safety and security of the City by discouraging non invited non-residents from utilizing these limited resources.

Attachment 2

**Option2. (City to Buy and Operate Its Own Docks)**

1. **Startup Cost Estimates for City to Buy and Operate 4 Boat Mooring Docks**.
2. **Costs of 4 Docks.** Estimated at $35,000 to buy 4 new docks.
3. **Cost of Installing and Removing 4 Docks.** Estimated at $4,000 ($1,000 total for both installation and removal of each dock). Recommend the City contract for these services to be done.
4. **Cost of Installing and Removing 18 Lifts if Low Water and 24 Lifts if High Water.** Estimated cost of $300/lift for installation and removal. Cost for Low Water 18 lifts cost would be $5,400. Cost for High Water 24 lifts would be $7,200.
5. **Annual Maintenance Costs Estimated at $1000**. Depending on the nature of the repair, most of this maintenance could be done by City approved volunteers.
6. **Annual Capital Improvement Set Aside Amount.** The DTF recommends that the City’s sets aside at least $3000/year to accumulate funds to pay for future anticipated capital expenditures.
7. **Annual Liability Insurance Costs.** City should review the City’s current liability policy to insure its adequacy. The City’s policy and the individual Boat Slip Permit holder’s Chapter 617 general liability insurance requirement of $1,000,000 per occurrence and $300,000 per individual insuring boat owner against liability should be adequate.
8. **WBLCD Dock Permit Fees**. $600
9. **Funding Startup Costs.(See Table 1 for Summary).** Recommend the City self-fund the startup costs. By borrowing from the City’s Fund Balance in Excess of Required Reserves (FB) at 5% interest rate that provides a better return than currently available. Repaying the estimated $35,000 start-up cost at 5% interest over 5 years would require an annual payment of $7,700.
10. **Boat Slip Waiting List Fee.** Remains at $200.
11. **Boat Lift Storage Fee.** Remains the same at $100.
12. **Boat Slip Permit Fee.** Use a breakeven (excess revenue neutral) calculation to include
	1. 50% loan payback amount: $3,850
	2. 50% operating, maintenance costs: $500
	3. 50 % dock install/remove costs: $4,000
	4. 100% lift installation/removal: $2,700 Low Water/$3,600 High Water
	5. 50% capital replacement set aside $1,500
	6. 50% of WBLCD Fees: $300

**Boat Slip Permit Fee Low water (18 Boats) = $714**

**Boat Slip Permit Fee High water (24 Boats) = $573**

1. **City Increases Taxes to Pay Remaining Costs.** City increases taxes to cover the following costs which are the same Low or High water**:**
	1. 50% loan payback amount: $3,850
	2. 50% operating, maintenance costs: $500
	3. 50 % dock install/remove costs: $4,000
	4. 50% capital replacement set aside $1,500
	5. 50% of WBLCD Fees: $300

**Total $10,150**

**$29/ Households**

**($10,150/350 which is comparable to Hockey Rink charge.)**

Financing, Fees and Summary(Revenue Neutral)

|  |  |  |  |
| --- | --- | --- | --- |
| **Start-up Financing Option** | **Total Est. Start-Up Cost** | **Source of Funds** | **Annual Payment at 5% for 5 years** |
| Self-Finance | $35,000 | Loan from FB\* | $7,700 |
| Boat Slip Permit + List StorageLow Water (18 Boats) | **$814** |
| Boat Slip Permit+ Plus List Storage High Water (24 Boats) | **$673** |
| Tax increase per household. | **$29** |

\* FB - Fund Balance in Excess of Required Reserves.

1. **City Docks Management Model. (See Figure 1 for Schematic).** The City Council should establish a City Docks Committeecharged with the responsibility to assist the City Council in managing installation and operation of the City’s docks. The City Administrator and City Treasurer would provide the needed administrative and bookkeeping support.
2. **Docks Committee Composition and Responsibilities.**
3. The City Council would form a Docks Committee comprised of 4 Council appointed residents; one from each of the following interest groups:

* 1. Non-Lake Property and Non-Boat Owners
	2. Non-Lake Property Owners and Motorized Boat Owners
	3. Non-Lake Property and Non-Motorized Boat Owners
	4. Lake Property Owners not adjoining Public Lake Tracts.
	5. Lake Property Owners adjoining Public Lake Tracts.
1. Each member would serve a two year term.
2. Once all 5 members are appointed, they in turn would
	1. Select the Docks Committee chairman.
	2. Develop By Laws and submit them to the City Council for approval. The By Laws would include the plan for accomplishing all responsibilities delegated to the Docks Committee by Chapter 617. Which would include the following Docks Committee responsibilities:
		1. The Docks Committee in cooperation with all adjoining property owners would develop detailed plans for each Public Lake Tract to include but not be limited to recommending number and type of boats, dock and shore ramp type, length, and configuration, and placement; and a plan for use by the different interest groups.
		2. The Docks Committee would present its Public Lake Tract plans to the City Council and the City Council would allow public comment on them before adopting them.
		3. The Docks Committee would create specifications for all dock related purchases, all dock and dock related maintenance, upkeep, installation, and removal services and submit them to the City Council for approval.
		4. Upon Council approval, the Docks Committee would assist the City Clerk in developing the RFPs for the purchase of all required goods and services needed to implement the Council approved plans.
		5. The Docks Committee would evaluate received proposals and recommend vendor(s) to the City Council.
		6. The Docks Committee would use the plans approved by the Council as the basis for the completing a WBLCD dock license for each dock it wanted to install on the City’s Public Lake Tracts.
		7. The Docks Committee would coordinate each license with the applicable adjoining neighbors then present these WBLCD dock license requests to the Council each year for approval.
		8. For all WBLCD approved dock licenses, the Docks Committee would oversee the installation and removal of all the docks, shore ramps, and lifts to make sure all was done in accordance with contracts and with the approved WBLCD license.
3. **Dock Liaison**. The Docks Committee would designate an individual who has a boat installed at each dock to be the Dock Liaison for that dock. The Dock Liaison would bring dock associated safety, maintenance and use issues to the Docks Committee for action.
4. The Docks Committee would address all reported issues and request Council intervention when required.
5. The Docks Committee would develop an annual budget for the docks and make recommendations to the Council concerning capital improvements.
6. **City Staff Support**. The City staff would provide the administrative and financial management support specified in Chapter 617 to include the following:
	1. Post required Docks Committee Meeting Notices.
	2. Maintain and Administer the City’s Boat Slip Waiting List.
	3. Collect all fees required to be paid by Boat Slip Permit Holders.
	4. Report delinquent payments to City Council.
	5. Generate and solicit Requests for Proposals (RFPs) for all Council approved dock related projects.
	6. Log in all received proposals and provide them to the Docks Committee for review.
	7. Assist Docks Committee in generating Council recommendations on which proposal to accept.
	8. The City Clerk would forward all Council approved WBLCD dock license requests to the WBLCD for approval.

IX. **Cost Benefit Analysis of City Owned and Operated Docks**

1. **Costs to City.**
2. Initial planning time.
3. Start-up costs.
4. Insurance costs.
5. City administrative staff time.
6. Council oversight time.
7. Decreased safety and security; and increased liability exposure due to all docks being public meaning open to anyone to go on.
8. **Benefits to City.**
9. Dock ownership by all property owners.
10. Affordable dock access to the lake for all residents.
11. Financially self-sustaining.
12. Equal opportunity for residents to enjoy dock access to lake.
13. Balanced, unbiased and transparent management of our greatest resource.
14. Unifies versus polarizes.
15. Helps property values.
16. Better multiple use opportunities.
17. Less Council oversight time than Private docks.

XII. **Suggestions.** To give City owned and operated docks the best chance of succeeding in providing increased lake recreational opportunities for its residents while respecting the adjoining neighbors, maintaining property values and keeping the residential nature of the community, the work group provides the following suggestions the City should consider when making its decision on how to manage its docks:

1. Use shore ramps to provide opportunity for small boat owners to have a boat on the lake.
2. Use a graduated Boat Slip Permit Fee to encourage smaller and more environmentally friendly boats. As an example from lowest to highest Boat Slip Permit Fee:
* Canoe/Kayak storage racks
* Sailboat use of shore ramp
* Boat with less than 5HP motor use of shore ramp
* Sail Boat with Lift
* Motorized Boat with Lift

Figure 1

