



Martin O'Malley, Governor
Anthony G. Brown, Lt. Governor
Joseph P. Gill, Secretary
Frank W. Dawson III, Deputy Secretary

October 24, 2013

The Honorable Thomas V. Mike Miller, Jr.
President, The Senate of Maryland
State House, H 107
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House, H 101
Annapolis, Maryland 21401-1991

Re: Submission of Report on The Somers Cove Marina Commission and the Operations of Somers Cove Marina

Agency: Maryland Department of Natural Resources and Somers Cove Marina Commission

Report Authority: § 5-908.1(l) of the Natural Resources Article

Dear President Miller and Speaker Busch:

In accordance with, § 5-908.1(l) of the Natural Resources Article, please accept the enclosed report of findings and recommendations regarding the Somers Cove Marina Commission and the operation of Somers Cove Marina.

In addition to the hardcopies filed with the Legislative Library, we will be happy to provide additional hardcopies upon request. Should you have any questions or comments regarding this report, please feel free to contact DNR's Legislative Director, Rich Norling, directly at 410-260-8112, or by email at rnorling@dnr.state.md.us.

Sincerely,

Joseph P. Gill
Secretary

cc: Dr. Michael Atkins, Chairman, Somers Cove Marina Commission
Sarah Albert, Department of Legislative Services Library w/5 copies

Report to the Maryland General Assembly

The Somers Cove Marina Commission and Operations of Somers Cove Marina

**Required by the Annotated Code of Maryland
Natural Resources Article §5-908.1**



**Submitted Jointly by the Department of Natural Resources and the
Somers Cove Marina Commission**

November 1, 2013

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PURPOSE

In February 2008 Delegates Conway, Elmore, and Mathias introduced House Bill 1463 to establish the Somers Cove Marina Commission, to establish an Executive Director of the Commission, and to transfer the operation of the State-owned Somers Cove Marina to the Commission. The bill was approved and enacted as Maryland Annotated Code, Natural Resources Article §5-908.1

The Statute requires the Department of Natural Resources (DNR) and the Somers Cove Marina Commission to evaluate the Commission's ability to:

Operate, maintain, develop, and improve Somers Cove Marina in an effective manner; and afford or assume the cost of operating, maintaining, developing and improving Somers Cove Marina, including the salaries of the Executive Director; and Employees of the State who remain working at Somers Cove Marina.

The findings of this evaluation are contained within this Report to the Maryland General Assembly.



BACKGROUND

Natural Resources Article §5-908.1 established the Somers Cove Marina Commission (Commission), required the Secretary of Natural Resources to appoint an Executive Director, and laid out the responsibilities of each.

The Commission is required by statute to: 1) adopt an operating and a capital budget to implement the master plan for the marina, 2) apply for and receive grants, 3) assess slip and other fees and charges at Somers Cove Marina, 4) set policy and provide general oversight of marina operations, and 5) adopt rules and regulations necessary for the conduct of its own affairs.

The seven member Somers Cove Marina Commission consists of two members selected by the City of Crisfield, two selected by Somerset County and three selected by the Secretary of Natural Resources, one of whom is a slip holder and one a State employee.

The Executive Director is required to: 1) administer the Somers Cove Marina Fund, 2) prepare operating and capital budgets for approval of the Commission, 3) supervise the marina manager, and 4) employ a staff to operate and maintain Somers Cove Marina and set their compensation. The marina manager is responsible for the day-to-day operations of the marina. The Executive Director position has been vacant since May 2013 with the marina manager performing most of the assigned functions.

The Department expects to advertise the vacancy by the end of 2013, and to have a new Executive Director in place by spring 2014.

EXECUTIVE SUMMARY

As required by statute, an evaluation of the Somers Cove Marina Commission’s ability to operate, maintain, develop, and improve Somers Cove Marina in an effective manner, and to afford or assume the cost of operating, maintaining, developing and improving Somers Cove Marina, including the salaries of the Executive Director and employees of the state who remain working at Somers Cove Marina, has been underway since November 2011.

The Commissioners bring a local perspective and business experience that is helpful to operating the marina and to maintaining good community relations. The Commission provides value to the Department and the marina manager as well as providing a conduit to the community and local governments. However, at times, lack of consensus and clear direction from the Commission creates uncertainty for the marina manager and Department staff.

The use of multiple State and federal grants for marina improvements comes with complex rules that frustrate the direct approach preferred by the Commission. The need for the Department to ensure the marina is operated in accordance with state regulations and policies is at time in conflict with the direction the Commission may prefer to take.

Having many “leaders” consumes valuable time and can cause confusion for marina staff. The successful future operation of Somers Cove Marina will remain a challenge requiring compromise, planning, and partnership.

At this time the Commission is able to afford the costs of the operating the marina and its staff but is not able to afford the salary of the Executive Director (who is paid by the Department as prescribed by statute). The costs of capital improvements, additional staff, or major marketing initiatives are not affordable for the Commission based on the current revenue streams. This is certainly subject to change with future trends in the national and state economies.

The Department and the Commission will continue to evaluate the effectiveness of the Commission at operating and maintaining the marina and its ability to afford the salaries of the Executive Director and State employees. The Department and the Commission will continue to work together to operate and improve the Somers Cove Marina for the enjoyment of Marylanders, Somerset County, and the City of Crisfield.

MARINA

Successes

Many accomplishments have been achieved in the past five years with the Maryland DNR Boating Services and the Somers Cove Marina Commission working together. Key highlights are listed below:

2009 - 2013

- Removed abandoned and sunken boats from piers and Jersey Island
- Removed sunken steel landing barges from Jersey Island
- Replaced chain link fencing with wrought iron style fencing
- Replaced inefficient water heaters in all bath houses
- Metered all annual power pedestals
- Replaced or upgraded many electrical transformers
- Upgraded lighting
- Cut marina electrical costs and began charging annual slip holders
- New landscaping throughout the marina
- New fuel pier and floating pier
- Renovated Main Office and Main Office Bath House
- Resurfaced boat launching ramps
- Added ships store for convenience of boaters
- Install fire suppressant system on six piers and the fuel pier
- Installed new shop doors
- New decking on one pier and three walkways
- New computers and computer system
- Refurbished the swimming pool
- New heating and air units for 'C' pier Bath House
- Concrete and sidewalk repairs

Challenges

There are significant challenges being faced by the marina. Some, such as remote location, decline in boating activity, and a depressed local economy, cannot be overcome by the Department or the Commission.

However, other issues should be addressed. First is the management structure. Presently the marina has the following hierarchy:

1. Secretary of Natural Resources
2. Boating Services staff
3. The Somers Cove Marina Commission—comprised of seven members including a DNR staff person
4. Executive Director (vacant since May 2013)
5. Marina Manager

Moving forward, more clarity and consensus from the Commission is necessary. Department staff will also maintain one point of contact to the marina manager as often as possible.

The second issue facing the marina, the Commission, and the Department is marina staffing and the vacancy in the position of Executive Director. Table 1 (below) shows the current staff at Somers Cove Marina and how they are funded.

TABLE 1

SOMERS COVE MARINA COMMISSION EMPLOYEES	STATE OF MD/DNR EMPLOYEES
Maintenance staff	Executive Director (Vacant since May 2013 paid by DNR)
Maintenance Staff	Marina Manager (Commission reimburses DNR for salary)
Office Staff	Maintenance Staff (Commission reimburses DNR for salary)
Office Staff (part time)	

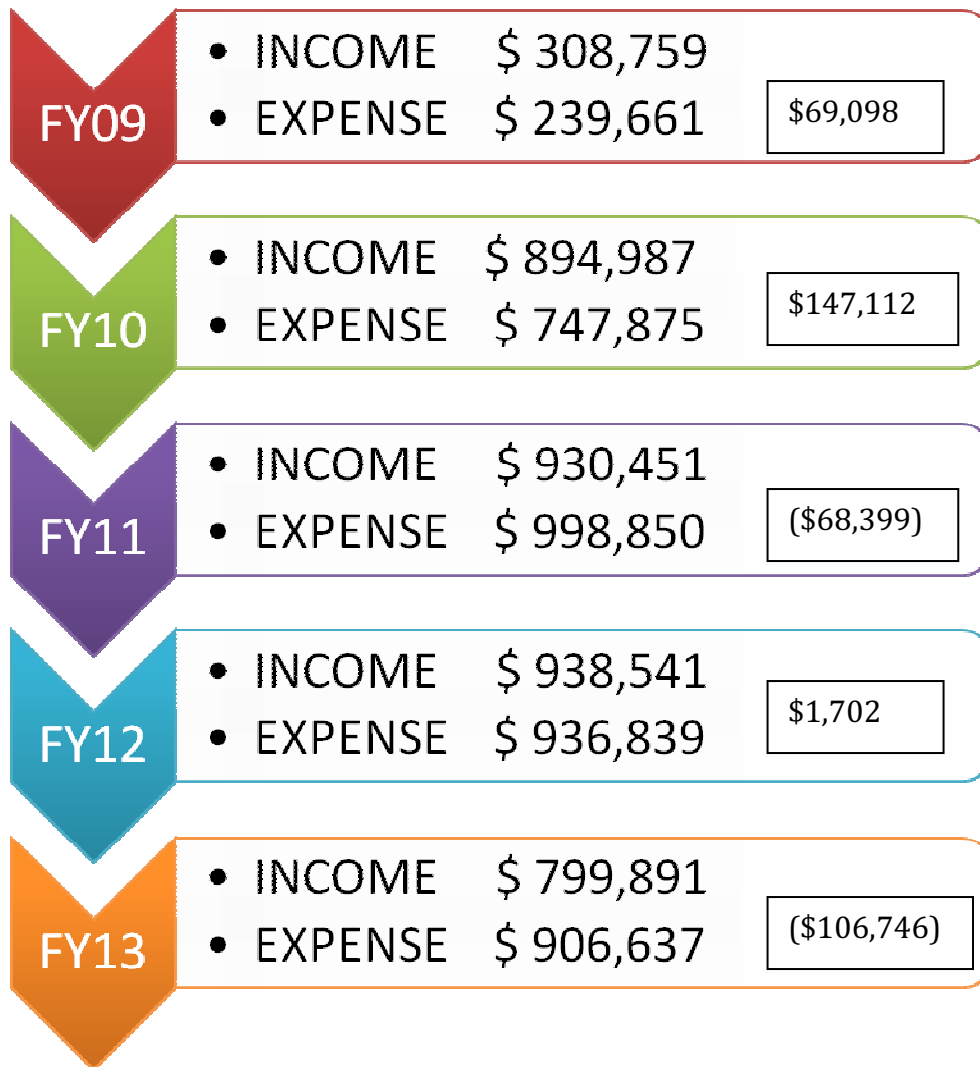
The Commission currently funds its own employees and reimburses the Department for the salary of two State employees. The Commission is able to afford these costs with current marina income. The Commission is not able to absorb the cost of the Executive Director at this time. The marina experienced a significant loss in FY 2013 and revenue is down for the first quarter of FY 2014.

Since the previous Executive Director retired in May 2013, the marina manager has successfully performed many of the Executive Director duties while continuing to run day to day marina operations and lead staff. Although the current marina manager is talented enough to handle many of the Executive Director's functions, a new Executive Director must be appointed to remove the burden of the marina manager filling both positions. The Department is in the process of locating a talented person who can bring renewed energy to the Somers Cove Marina.

The Commission and the Department will work together to examine and revise the Executive Director's position description (MS-22) to clarify the relationship between the Commission, Executive Director, and the marina manager.

Financial

As illustrated below, the Somers Cove Marina has made a profit for three of the past five years. The marina suffered its greatest loss (\$106,746) in FY 2013 due to reduced revenue. The specific reasons for the reduced revenue are under review, but certainly some of the losses can be attributed to the effects of Super Storm Sandy which heavily impacted Crisfield.



<u>Five Year Summary</u>	<u>\$42,767</u>
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Grants

Maryland Water Way Improvement Grants (WWI Grants) and federal Boating Infrastructure Grants (BIG Grants) have significantly helped improve Somers Cove Marina. The boaters of the lower Chesapeake Bay have benefited greatly from the grant money.

2009	<ul style="list-style-type: none"> •WWI \$5,000 •WWI \$5,000 •WWI \$5,000 •WWI \$15,000 •BIG \$50,000 	<ul style="list-style-type: none"> Electrical Transformer Balance Wrought Iron Style Fence Balance Replacement Windows for Office Building Portable Pump Out and Golf Cart Re-deck Three Piers, Pool Repairs
2010	<ul style="list-style-type: none"> •WWI \$14,000 •WWI \$5,000 •WWI \$5,000 •BIG 238,000 •BIG 133,335 	<ul style="list-style-type: none"> Sunken Barge Removal on Jersey Island Repair Boat Ramp Repairs to Marina - Pool Pump SCM Upgrades - Wrought Iron Style Fence, Concrete/Sidewalk Repairs and Electric Transformers Electrical Transformers and Power Pedestals
2011	<ul style="list-style-type: none"> •WWI \$5,000 •BIG \$133,335 	<ul style="list-style-type: none"> ADA Compliant Pool Lift Electrical Transformers and Power Pedestals
2012	<ul style="list-style-type: none"> •WWI \$5,000 	<ul style="list-style-type: none"> Garage Doors for Maintenance Shop
2013	<ul style="list-style-type: none"> •WWI \$100,000 	<ul style="list-style-type: none"> Fire Suppressant System on Four Piers and Fuel Pier
2014	<ul style="list-style-type: none"> •WWI \$100,000 •WWI \$100,000 	<ul style="list-style-type: none"> Fire Suppressant System for Main Office Pier Renovations to Infrastructure

Community

While Somers Cove Marina lies in a small part of Somerset County, it plays a big part of the infrastructure of the community. Local officials have provided their opinions of the marina and its impact for inclusion in this report.

The Board of County Commissioners for Somerset County supports Somers Cove Marina and the Marina Commission, established by House Bill 1463 in 2008. We are very fortunate to have this state owned and operated marina in our County and it has proven to be a valuable resource to our citizens, working watermen and recreational boaters. The facility has also provided our community with a pavilion that has been utilized for gatherings, social events, and programs to assist under privileged families.

We are happy to express our support to maintain the Marina and its Commission in Somerset County.

**Rex Simpkins, President
Somerset County Commissioners**

The Somers Cove Marina is one of the most important facilities in our community. The Marina provides the City of Crisfield a gateway for boaters coming to our city and provides a location for many of our annual events. The cooperation of the Marina Staff and the State of Maryland in assisting the City with events and economic opportunities has become increasingly important to the future of our community.

In addition to the fact that the Somers Cove Marina is one of the most important facilities in our community is the professional manner in which this marina is operated. The boating public throughout the entire Eastern United States will tell anyone who inquires that the Somers Cove Marina is one of the best facilities on the Chesapeake Bay and on the East Coast of the United States. The City of Crisfield is proud to have this facility in our community and we totally support its continuance and a part of our community.

**Percy J. Purnell Jr., Mayor
City of Crisfield**

The Somers Cove Marina located in Crisfield, Maryland (Somerset County) is a vital economic engine for the business / tourism community. The Marina is a huge asset to the County and is a perfect support facility for boating, sailing and fishing on the Chesapeake Bay and Tangier Sound. Access to the waterways brings many boaters and tourists to the county. This influx of transients allows us to showcase the many attributes and quality of life our residents have come to enjoy. The boating/fishing/seafood industries have and will continue to be a major part of our history and future growth.

The Somerset County Economic Development Commission (EDC) has partnered with the Somers Cove Marina on several endeavors and we look forward to maintaining that great working relationship. Encouraging economic development in a positive manner will assist in the success of our business community. Any support would be greatly appreciated.

Daniel Thompson
Director of Economic Development

Somers Cove Marina is of vital importance to the Crisfield community and the Chamber of Commerce. The facility accommodates many boaters traveling up and down the Chesapeake Bay. Whether for an evening or a couple of days, boaters can explore our area and have a great economic impact on our small town. While visiting, they enjoy our fine restaurants, shop in our grocery, seafood, liquor and gift shops, visit our museum and support our festivals.

The Marina grounds are large and very well maintained. Our annual J. Millard Tawes Crab & Clam Bake and the National Hard Crab Derby/Annual Boat Docking are held at the Marina. This benefits the Chamber of Commerce and area businesses by bringing tourism to Crisfield. It also benefits Somers Cove Marina by bringing in many boats to our event filled weekend.

The Somers Cove Marina and the Crisfield Chamber of Commerce work well together. It is very important that we continue this relationship for both parties to succeed both now and in the future. Concluding, I cannot express how important it is that we maintain our joint efforts to benefit not just the Somers Cove Marina and the Crisfield Chamber of Commerce, but the Local Community!!!

William J. Drewer, President
Crisfield Area Chamber Of Commerce

COMMISSION

As prescribed in Natural Resources Article §5-908.1 “There is a Somers Cove Marina Commission. The Commission is a body politic and a corporate and an instrumentality of the State.”

“THE COMMISSION CONSISTS OF THE FOLLOWING MEMBERS:

- (I) TWO MEMBERS FROM SOMERSET COUNTY, APPOINTED BY THE BOARD OF COUNTY COMMISSIONERS OF SOMERSET COUNTY, ONE OF WHOM SHALL BE A MEMBER OF THE SOMERSET COUNTY BUSINESS COMMUNITY;**
- (II) TWO MEMBERS FROM THE CITY OF CRISFIELD, APPOINTED BY THE MAYOR OF CRISFIELD, ONE OF WHOM SHALL BE A MEMBER OF THE SOMERSET COUNTY BUSINESS COMMUNITY; AND**
- (III) THREE MEMBERS APPOINTED BY THE SECRETARY, ONE OF WHOM SHALL BE A CURRENT SLIP HOLDER AT SOMERS COVE MARINA.”**

State	
• John Anderson	exp. 12/31/15
• Michael Grant	exp. 12/31/16
• Leslie Hardy (Vice Chairman)	exp. 12/31/14

County	
• Ladell Dorman	exp. 12/31/14
• Keith Ward	exp. 12/31/16

City	
• Dr. Michael Atkins (Chairman)	exp. 12/31/16
• Casey Todd	vacant October 2013

FINDINGS

The Somers Cove Marina Commission brings a local perspective and business experience that is valuable to operating the marina and to maintaining good community relations. The marina has made a profit in three of the last five years. However, the Commission is not able independently to operate, maintain, or further develop the marina without the knowledge of state procurement regulations and other state policies brought by the Department.

Nearly all recent improvements to the marina infrastructure (power, buildings, and grounds) have been funded through State and federal grants administered by the Department. Marina income alone could not have paid for these improvements. It is worth noting that other State-owned facilities like State Park marine facilities also receive State and federal grants.

Commissioners indicate that marina operations are more efficient since the formation of the Commission and that more decisions are now made at the local level. The most active commissioners would like more control over the marina directly and without oversight by the Department.

The use of multiple State and federal grants for marina improvements comes with complex rules that slow the direct approach preferred by the Commission. The need for the Department to ensure the marina is operated in accordance with state regulations and policies frustrates those Commissioners who would prefer unfettered, local control of operations.

The Commission has strived to improve the marina facilities while increasing revenue, balancing community relations and protecting the State's resource. The Commissioners' knowledge of marine activities, business practices and the local community has helped the marina in many ways and has contributed to the marina making a profit three of the last five years.

During the five years the Commission has been at work, Hurricane Sandy, rising fuel prices, and a national recession have hurt the marine industry across the country. The City of Crisfield has been especially hard hit.

The Department and the Commission will continue to evaluate the effectiveness of the Commission at operating and maintaining the marina and its ability to afford the salaries of the Executive Director and State employees. The Department and the Commission will continue to work together to operate and improve the Somers Cove Marina for the enjoyment of Marylanders, Somerset County, and the City of Crisfield.

APPENDIX I

HISTORICAL HIGHLIGHTS OF SOMERS COVE MARINA

June 16, 1962

The late Governor J. Millard Tawes established Somers Cove Marina under direction of the Crisfield Port Authority

January 15, 1963

Somers Cove Marina Employees became employees of the City of Crisfield

1980

DNR Boating Services acquired Somers Cove Marina from the City of Crisfield

January 2, 1995

DNR Boating Services turned over the control of Somers Cove Marina to DNR State Forest and Park Service

January 1, 2009

The Somers Cove Marina Commission was established by House Bill 1463

APPENDIX II

BOATER REVIEWS

Taken from a popular digital interactive cruising guide, ActiveCaptain.com, these current reviews reflect the boater's view of Somers Cove Marina.

Great Marina!!

Date: 2013-09-11

Captain: Capt. Richard Lewis, Onancock, VA

Thanks to the state of Maryland this is a well run and maintained marina. Staff are friendly and helpful. Best restaurant is Waterman's. Good amenities, fuel, pump out. nice stay. Richard aboard the AWOL III

Have the Place To Ourselves!

Date: 2013-09-05

Captain: Mike Blackburn+, Annapolis, MD Great staff and great facilities. We have the place almost to ourselves. They have a 75 cent per foot rate through October. What a bargain. We took advantage of the opportunity to take the boat over to Tangier Island, VA for the day and thoroughly enjoyed it!

Labor Day Destination!

Date: 2013-09-03

Captain: Captain Rick M+, Stafford, VA

[... the marina remains great and we go every year on Labor Day weekend for the "Hard Crab Derby," specifically to attend the watermen's boat docking contest. We would give the marina 5 stars...]

Good Marina

Date: 2013-08-21

Captain: Hank Evans, Jackson, TN

The marina remains well run, clean well maintained and with a friendly staff.

Yacht Club Trip to Somers Cove

Date: 2013-07-28

Captain: Phil Bolin+, Port Kinsale, Virginia

7 yacht club boats stopped at Somers Cove July 23, 24, 25. Great people who gave us good service. The third night they gave us the slip fee free, only paying for electric. Enjoyed the facilities including the new floating J dock. We'll be back.

Great Marina

Date: 2013-07-12

Captain: BJM, North Myrtle Beach (203)

We agree with Captain Lavita Cruising's review. We took advantage of the clean laundry facilities and restrooms. Very friendly and helpful staff.

Great Marina!

Date: 2013-07-01

Captain: Cocoa-Bella, Crisfield, MD

Wide fairways, clean bath houses, friendly staff, great pool, walkable to restaurants, stores, boat service, museums. One of the best on the bay.

Great Marina in a Declining Town

Date: 2013-06-24

Captain: LaVita Cruising, Houston TX

The new floating transient pier is a great dock. Well-built concrete docks with pilings between the slips allow 4 corner tie up. The bathrooms were always clean and well stocked. The laundry has new machines and is inexpensive at \$1.00 wash / \$1.00 dry. During the month of June they were having a special, \$0.50 / ft / day, plus electricity. The staff was very helpful both with our tie up and during our stay. There is a Food Lion about a mile away and the marina has loaner bikes you can use.

You Could Walk To Everything

Date: 2013-06-21

Captain: David Grill+, Jersey City, NJ

[...The marina is fine; clean facilities, very nice staff. The old fixed docks are bit raggedy, but the new floaters are great. Nice pool when the temp isn't 60 and blowing 25+. It is worth a stop, if only to take the ferry across to Tangier for the day.]

What a Marina Should Be

Date: 2013-06-07

Captain: Gerhard+, Callao, Virginia

Stayed here for several nights. Two people came out to show us where to dock and helped us with lines. They handed us a bunch of literature on the town. The new floating concrete docks are fantastic. The fuel and pump out dock is huge with very easy access. The restrooms and showers were always clean and stocked. We'll be back when we just need a nice, clean place to tie up for a day or two.