



Snowmobile Advisory Council Grooming Rates Ad Hoc Minutes

Friday, May 6th, 2022

Bradley Town Hall, Tomahawk

Council Members Present: Dale Mayo, Bob Lang, Gary Hilgendorf, Joel Enking, Andy Malecki, Mike Holden, Sue Smedegard, Lee Van Zeeland

DNR staff attendance: Jillian Steffes

Public attendance: Individuals from Vilas County

1. Call to order at 9:00 AM

2. Agenda Repair

Add Council Member Matters at end.

3. Public Comments

None

4. Discussion: Increasing Groomer Rates & Impact to Annual Budget

- Council members collected operating expense figures from several machines in several clubs to see if the current groomer rates were sufficient. The results were variable. Grooming machines that run more frequently had a lower per-hour operating cost as the cost of the machine itself was spread out over more time.
- Numbers pulled out of SNARS for the last three complete years were utilized to see the cost to the program on increasing groomer rates by \$5/hour, 5% an hour, \$10/hour or 10% an hour. Financial impacts were roughly estimated as follows;
 - If Increased 5% per hour – Additional \$150,000 to \$230,000 cost to the program
 - If Increased \$5/hour – Additional \$225,000 to \$300,000 cost to the program
 - If Increased 10% per hour – Additional \$300,000 to \$450,000 cost to program
 - If Increased \$10/hour – Additional \$400,000 to \$580,000 cost to program
- Observation that inflation over the past 5 years has been 17%. Non-grooming rates are adjusted annually (informed by DOT equipment rate changes), but groomer rates haven't been changed in years.
- Also noted that we're bringing in \$5.3 million/year in revenue from registration and trail passes, but expenditures on maintenance were \$7.5 million (this does not include supplemental revenue or expenditures.) Eventually the surplus will run out, and we may need to reduce spending or increase fees to compensate.

Motion to recommend to the Infrastructure Committee to increase groomer rates by \$10/hour for each class for the 22-23 season by Andy, 2nd by Mike. MOTION PASSED

5. Discussion: Recommendations for Supplemental Cap

- Four counties in the north ("snow belt") regularly hit the current supplemental cap of \$900/mile. They have a longer season and a lot of visitors. They tend to CONTINUE grooming even when they know they have hit the cap and won't be reimbursed. Most counties in supplemental get reimbursed 100%, but these four get reimbursed at less than 100% due to the cap – sometimes getting a functional prorated of 70%.

- Discussion on the merits of raising or eliminating the cap. Some hesitation to eliminate the cap due to the optics of no cost control. Counterpoint is that the built in cost control of EVERYONE being prorated if the funds are insufficient to cover the expenses.
- The current supplemental cap is set in NR 50.09 (f). The process of making a change to code by the DNR is a 3 year process, minimum, especially since NR 50 references many other grant programs and opening it up to edits may result in a lot of other issues being tacked on. A change could be made via legislation, perhaps more directly.
- Is there a way to shift responsibility of setting the supplemental cap to the Council, rather than having it specified in code?

Motion by recommend to the Finance Committee bring to the Infrastructure Committee and Council a recommendation to increase the cap to 5 times the base maintenance rate, with the Council having the authority to consider approving exceedances to that cap on an individual basis upon review. Motion by Bob and 2nd by Gary. MOTION PASSED

6. Council Member Matters

- Consensus from some clubs is that they may be losing about 7% of their grooming hours due to the new GPS. However, much of that was time running to the gas station, going to a driver swap point, warming up time, time stopped on the trail, etc. Those items should not have been charged, we're only paying for grooming time.
- Desire to have an ad hoc review equipment rates, maybe after July 1 when DOT rates come out. Invite an ORV Council member to join.
- Having different classes for pullers and drags may encourage people to buy bigger equipment. But those that need it need to be compensated.
- Do we need a "funding 101" class for club members? AWSC is working on something, the magazine may be the best tool.

7. Adjourn

Motion to adjourn by Andy, 2nd by Lee. MOTION PASSED