

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: July 16, 2009
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Director's Report**

COUNCIL ACTIONS

- Adopted a Resolution requesting a \$50,000 grant from California Department of Boating and Waterways for the development of a boating infrastructure facility at Marina 3 in the Santa Barbara Harbor and authorized the Waterfront Director to execute the grant agreement accepting the grant.
- Approved a ballot measure involving a proposed expansion of the Harbor Commission membership from 5 to 7 members, together with a non-city resident requirement for one member, be placed on the fall general municipal election.

FY 2010 CITY BUDGET

On Tuesday, June 9, 2009, the City Council continued their deliberations on the proposed Fiscal Year 2010 City Budget. As anticipated, the Council did focus on the Waterfront Department's budget, specifically the proposed program shift involving beach lifeguard funding, restrooms/dolphin fountain maintenance and 4th of July fireworks expense. As the Commission is aware, these programs were proposed to become the financial responsibility of the Waterfront Department as part of a cost cutting structural change between the Waterfront Department enterprise and the Park and Recreation General Fund Department.

On June 1, 2009, staff presented the Waterfront Department budget, including Harbor Commission recommendations, to the Council. Both Commissioners Watson and Cramer attended the June 1st Council meeting.

The Council basically concluded their budget deliberations on Tuesday, June 9th. The end result involving the Waterfront Department's budget is somewhat as proposed or expected. The program/funding shift will be implemented as outlined previously and will be effective July 1, 2009. One additional element includes the Waterfront Department's current \$1.1 million loan balance from the City's General Fund. This loan originated when funds were provided at no interest to Waterfront Department in 1980. The funds were used as seed money or refurbishment funds for renovations to Stearns Wharf. The

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Waterfront Department has only been making principle payments of \$100,000 annually on this loan since that time. Council directed that the balance of this \$1.1 million loan be subject to interest (6.5% same as Chandlery renovation loan). The Council also directed that the interest paid annually on the loan will reduce the Department's obligation to funding the beach lifeguard program (\$147,000). In other words, if the Department pays \$65,000 in interest on the loan, our obligation to fund the beach lifeguard program will be \$82,000.

Council adopted the FY 2010 Budget on June 30, 2010.

TENTATIVE AGENDA ITEMS FOR AUGUST

- Lease Agreement for Boat Launch Ramp Mini Mart
- Lease Agreement for Fuel Dock office/ Bob Meyer