

Waterfront Department Capital Improvement Plan

MAR 15 2012
#6

<u>Project</u>	<u>FY 2013 Budget</u>	<u>FY 2013 Recommended</u>	<u>Variance</u>
Marina One Replacement (Loan)	1,915,328	1,915,328	0
Marina Renovation Program	225,000	225,000	0
Parking Lot Maintenance Program	75,000	75,000	0
Stearns Wharf Heavy Timber & Pile Replacement	300,000	300,000	0
Harbor ADA Restroom Remodel	40,000	90,000	50,000
Seawall ADA Handrail & Sidewalk Replacement	50,000	20,000	-30,000
Upgrade Accom Dock		75,000	75,000
Parking Self-Pay System	40,000	165,000	125,000
Launch Ramp Concrete (Grant)		350,000	350,000
Breakwater Lights	360,000		-360,000
Breakwater Cap		400,000	400,000
Marina 4-B Endtie Expansion		75,000	75,000
Replace /Upgrade Video System		25,000	25,000
Subtotal	3,005,328	3,715,328	710,000
DBW Loan	-1,915,328	-1,915,328	
DBW Grant		-350,000	
Total	1,090,000	1,450,000	360,000

WATERFRONT DEPARTMENT
Cash Flow Analysis
Fiscal Years 2006 - 2018

DRAFT 03/06/2012

\$7,140,966 loan from DBW at 4.5%/ \$25 per foot slip transfer fee increase every year

Operating Revenue	Actual 2009	Actual 2010	Actual 2011	Expected 2012	Projected			2018
					2013	2014	2015	
Leases					2.0%	2.0%	2.0%	2.0%
Commercial	\$ 1,309,763	1,225,109	1,197,508	1,183,500	1,274,000	1,299,480	1,325,470	1,351,979
Food Service	2,083,859	2,018,413	2,151,111	2,156,010	2,223,000	2,267,460	2,312,809	2,406,247
Waterfront Center	456,115	453,687	400,810	395,192	607,000	225,000	225,000	225,000
Leases- Other	140,280	136,005	181,961	150,000	178,000	186,100	196,236	203,887
Ice Machine	6,824	13,585	26,368	35,000	35,000	35,000	35,700	37,142
Misc. Revenue	59,851	138,877	126,970	119,000	250,000	255,000	260,100	270,608
CAM Reimbursements	80,388	96,041	100,788	101,594	108,952	111,131	113,354	117,933
Total Leases	4,137,080	4,081,716	4,185,516	4,140,296	4,675,952	4,379,171	4,468,668	4,639,836
Service Charges								
Slip Fees	3,521,717	3,664,389	3,861,692	3,998,521	4,041,464	4,122,292	4,204,738	4,288,833
Slip Transfer Fees	338,100	524,425	428,875	425,000	450,000	490,000	575,000	650,000
Visitor Fees	507,158	517,613	416,262	463,000	383,000	463,000	472,260	481,705
Other	385,053	380,550	391,407	378,911	234,007	295,146	301,049	313,211
Total Marina Management	4,752,028	5,086,977	5,098,236	5,265,432	5,108,471	5,370,438	5,553,047	5,879,160
Parking Fees	1,793,635	2,106,329	1,994,074	2,158,450	2,137,240	2,201,619	2,245,651	2,290,564
Interest/Financial Mgmt	341,317	252,029	173,953	185,859	173,100	185,859	189,576	193,368
Rebates (Expense Reductions)				453,481				
Other Revenues	2,950							
Total Operating Revenue	11,027,011	11,527,052	11,451,779	12,203,518	12,094,763	12,137,087	12,456,943	13,052,606

Salaries & Benefits	Actual	Actual	Actual	Expected	Projected			2018
					2013	2014	2015	
Furloughs/Labor Concessions	5,394,474	5,466,272	5,494,677	5,693,664	5,711,214	5,752,909	5,925,496	6,286,359
Supplies & Services	3,236,924	3,156,645	2,996,888	3,225,796	3,166,622	3,139,055	3,217,531	3,297,970
Parks Landscape Maintenance	227,324	229,325	229,325	229,325	229,325	229,325	229,325	240,935
Life Guards/FASB 45		116,578	75,824	77,020	80,685	81,685	84,229	89,784
Fireworks			45,059	60,000	60,000	60,000	60,000	60,000
MTHD Wharf Shuttle	21,634							
Debt Service (Princ & Int)	1,368,759	1,369,938	1,291,734	1,289,253	1,285,947	1,282,963	1,284,772	1,279,834
Other Transfers (FMS)								
Debt Service for Chandlery	123,500	123,500	123,500	123,503	123,503	123,503	123,503	123,503
Debt - Service - Repay GF	100,000	107,718	107,718	107,718	107,718	65,315	62,771	60,074
Debt - Service - Marina One			122,538	256,315	331,937	462,159	462,159	611,544
Equipment & Software	105,744	21,226	74,046	117,500	157,500	117,500	119,850	122,247
Other/Appropriated Reserves	23,239		19,563	100,000	100,000			
Total Operating Expenses	10,601,598	10,482,207	10,580,872	11,047,481	11,354,451	11,398,897	11,654,120	12,403,490
Net operating gain / (loss)	\$ 425,413	\$ 1,044,845	\$ 870,907	\$ 1,156,037	740,312	738,190	802,823	784,502

Coverage Ratio - Bond/DBAW	1.49	1.77	1.79	1.66	1.66	1.66	1.57	1.51	1.41
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MAR 15 2012
#10

ATTACHMENT #2

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Funding Sources								
Carry Forward	\$ 5,118,763	\$ 5,767,807	\$ 5,858,971	\$ 6,224,660	\$ 5,592,141	\$ 5,493,569	\$ 5,431,736	\$ 5,248,963
Re-Allocation of Reserves	537,800	80,445						
Transfer to Capital Fund (FMS)	61,400	69,812	69,653	77,168	63,238	60,344	57,724	52,645
Interest - Harbor Preservation Fund (@ 2%)								
Other Income - HFP								
Release of unused capital appropriations								
Use of Capital Fund Reserves	40,000	400,000	400,000	350,000				
Capital Projects - Grants	2,330,000	2,110,640	1,118,998	1,915,328		1,927,130	1,842,670	698,340
Capital Projects - Loans	8,047,963	8,068,704	7,447,621	8,567,157	5,655,379	7,481,043	7,332,130	5,999,947
TOTAL FUNDS AVAILABLE								

\$2.35 Million Unfunded Projects

Marina One Replacement	2,330,000	1	2,110,640	1,118,998	1,915,328	1,927,130	1,842,670	698,340
Marina Renovation Program	225,000		225,000	225,000	250,000	250,000	250,000	250,000
Parking Lot/Maintenance Program	250,000		70,000	75,000	75,000	105,000	300,000	80,000
Stearns Wharf Heavy Timber & Pile Replacement	300,000		300,000	300,000	300,000	400,000	425,000	425,000
West Beach Dredging						70,000		
Repair Hoists 1, 2, 3 and 4	30,000		30,000		50,000			
Harbor ADA Restroom remodel	30,000		50,000	20,000	90,000			
Replace Sump Pump - Marina One West Restroom				20,000				
M1 East Restroom Sump Tank	50,000							
Replace Lift Station at Stearns Wharf	15,000		15,000	85,000	85,000			
Seawall ADA Handrailing and Sidewalk repairs	20,000		20,000	20,000	20,000	50,000	50,000	50,000
Upgrade Accom Dock	40,000			75,000	75,000			
Parking- Self Pay System				40,000	165,000	40,000		
Solar Thermal	30,000		30,000	40,000				
Launch Ramp Concrete (Grant)	30,000		40,000	400,000	350,000			
Recoot PLR				30,000				
I25 Windows and Decking	50,000		90,000					
Marina 3 ADA			25,000					
FMS Replacement								
Breakwater Lights								
Waterfront Center Renovation			75,000					
Breakwater Cap				20,000				
Replace/Upgrade Video System				400,000				
M4B Endite Expansion				25,000				
UNFUNDED PROJECTS				75,000				
Renovate Maintenance Shop / \$100,000 /2015								
Replace Patrol Boat 3 / \$400,000 / 2016								
I25 Elevator / \$350,000 / 2016								
I19 Elevator / \$350,000 / 2015								
Breakwater Cap Replacement / \$700,000 / 2016								
217 Elevator / \$350,000 2016								
I32 Emergency Generator / \$100,000 2017								
TOTAL EXPENSES	3,325,000	1	3,080,640	2,378,998	3,715,328	2,852,130	2,867,670	1,503,340
NET SURPLUS / (DEFICIT)	\$ 4,722,963	\$ 4,988,064	\$ 5,068,623	\$ 4,851,829	\$ 4,755,379	\$ 4,628,913	\$ 4,464,460	\$ 4,496,607
Net Gain from Operating Fund	1,044,845	870,907	1,156,037	740,312	738,190	802,823	784,502	649,117
Reserves - June 30th	\$ 5,767,807	\$ 5,858,971	\$ 6,224,660	\$ 5,592,141	\$ 5,493,569	\$ 5,431,736	\$ 5,248,963	\$ 5,145,724
Operating Fund - Reserve Requirements	\$ 2,277,220	\$ 2,376,337	\$ 2,366,239	\$ 2,430,229	\$ 2,476,365	\$ 2,545,547	\$ 2,616,724	\$ 2,674,702
Harbor Preservation Fund	\$ 3,490,587	\$ 3,482,634	\$ 3,858,421	\$ 3,161,912	\$ 3,017,204	\$ 2,886,189	\$ 2,632,238	\$ 2,471,022
	\$ 5,767,807	\$ 5,858,971	\$ 6,224,660	\$ 5,592,141	\$ 5,493,569	\$ 5,431,736	\$ 5,248,963	\$ 5,145,724

Assumptions: 1) Loan from DBW (Additional Debt Service)

Capital Outlay Transfer	995,000	930,000	860,000	1,450,000	900,000	925,000	1,025,000	805,000
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MAR 15 2012
*10

ATTACHMENT # 2

MAR 15 2012
#10

RESOLUTION NO. 99-066

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING RESOLUTION NO 95-157 INCORPORATING SPECIFIC FINANCIAL RESERVE POLICIES PERTAINING TO THE WATERFRONT DEPARTMENT'S CAPITAL RESERVE REQUIREMENT AND REPLENISHMENT OF BUDGETARY RESERVES.

WHEREAS, the City established policies regarding reserves for the various City funds for the purpose of providing consistent designations for different categories of reserves, ensuring fiscal security for the funds, defining standards for minimum and maximum amounts to be maintained in reserves, and providing flexibility to recognize differences among funds; and

WHEREAS, the Council adopted Resolution 95-157 establishing policies for appropriated reserves, capital reserves, economic contingency/emergency reserve and future year budget/fund reserves; and

WHEREAS, the Council considered modifying those reserve policies as they pertain to the Tidelands Trust Fund at a joint work session with the Harbor Commission on December 8, 1998;

NOW, THEREFORE BE IT RESOLVED, by the Council of the City of Santa Barbara that the following reserve policies as they pertain to the Tidelands Trust Fund are hereby amended:

1. APPROPRIATED RESERVES

An appropriated reserve will be included in the Waterfront Department operating fund's adopted budget to provide for unanticipated expenditures or to meet unexpected small increases in service delivery costs within the fiscal year. This reserve will be budgeted up to one-half of one percent of the operating budget and any unused portion will be returned to fund balance at the end of the fiscal year.

2. RESERVE FOR CAPITAL

The Harbor Preservation Fund as established by Ordinance 4065 and subsequently codified in Chapter 17.40 of the Santa Barbara Municipal Code, shall be the Waterfront Department's capital reserve. A minimum reserve of \$2 million should be maintained in the fund, with a goal of having the fund balance reach \$5 million.

ATTACHMENT #3

MAR 15 2012
#6

3. RESERVE FOR ECONOMIC CONTINGENCY/EMERGENCIES

The Waterfront Department shall establish a reserve equal to 15% of its annual operating budget for the purpose of responding to and addressing unanticipated expenses and emergencies.

4. RESERVE FOR FUTURE YEAR BUDGETS/FUND BALANCE

The Waterfront Department shall establish a reserve equal to 10% of its annual operating budget for the purpose of providing for unique one-time costs and for maintenance of City services and permit orderly budget adjustments during periods of reductions.

5. APPROPRIATION AND FUNDING OF RESERVES

Appropriation of these reserves to operating budgets should, when feasible, be accompanied by a plan for replenishment within a reasonable period of time. Appropriation or use of funds from any reserves will require Council action.

At the end of each budget year funding of reserves will come from revenues in excess of expenditures. The reserves will be funded using the following priority:

- 1st Reserve for Economic Contingency/Emergencies
- 2nd Harbor Preservation Fund (Capital Reserve) – up to \$2 million
- 3rd Reserve for Future Year Budgets/Fund Balance
- 4th Harbor Preservation Fund (Capital Reserve) – up to \$5 million

Adopted June 15, 1999

ATTACHMENT #3

MAR 15 2012
#6

Chapter 17.40

RESERVE FOR HARBOR PRESERVATION

Sections:

17.40.010 Purpose.

17.40.030 Accumulation of Funds.

17.40.020 Reserve for Harbor Preservation.

17.40.010 Purpose.

The City Council has identified certain funds that shall be reserved for the purpose of accumulating funds for the preservation and enhancement of the Harbor, State Tidelands Trust, and Waterfront Department properties under the management of the City of Santa Barbara. Sources of funds to be committed for this purpose include but are not limited to surplus Waterfront Fund funds, interest earnings, and other sources as may be directed by the City Council. (Ord. 5110, 1999.)

17.40.020 Reserve for Harbor Preservation.

The City Finance Director shall establish and maintain a Reserve for Harbor Preservation in the Waterfront Tidelands Trust Fund for monies accumulated for preservation, enhancement, and management of Harbor, State Tideland Trust, and Waterfront Department properties. (Ord. 5110, 1999.)

17.40.030 Accumulation of Funds.

The City Finance Director shall deposit any funds received for the preservation and enhancement of the Harbor, State Tidelands Trust, and Waterfront Department properties and all interest earned from the investment of such funds in the Reserve for Harbor Preservation until a total of \$5 million has been accumulated. If at any time the account balance for the Reserve for Harbor Preservation exceeds \$5 million, the City Finance Director shall deposit all or a portion of the interest earned from the investment of those funds into the Operating Fund of the Waterfront Department as directed by a Resolution of the City Council. (Ord. 5110, 1999.)

ATTACHMENT #4