

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** March 15, 2012  
**To:** Harbor Commission  
**From:** Scott Riedman, Waterfront Director  
**Subject:** **Fiscal Year 2013 Operating and Capital Budget Recommendation**

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**RECOMMENDATION:** That Harbor Commission:

- A. Receive a staff presentation on the Waterfront Department's proposed Fiscal Year 2013 Budget submittal;
- B. Recommend approval of a \$5 service charge on parking collection envelopes;
- C. Recommend approval of the Department's proposed changes to the Fiscal Year 2013 Capital Plan; and
- D. Forward a recommendation to City Council for approval of the Waterfront Department's proposed Fiscal Year 2013 budget and incorporation into the City budget process.

**DISCUSSION:**

**Approved Fee Increases**

The following fee increases were recommended by the Commission and approved by Council as part of FY 2012/2013 two-year budget adoption:

- Slip fee increase of 2%
- Slip transfer fee increase of \$25 per linear foot (i.e. \$300 to \$325), except 20' slips

**New Parking Fee Recommendation**

Currently, when a driver exits a staffed kiosk such as Harbor Main or Stearns Wharf and they have no method of payment, they are issued a courtesy collection envelope for the amount of the parking fee actually owed. Now that all staffed kiosks accept Visa, MasterCard and Discover credit and debit cards, in addition to checks and cash, the number of courtesy collection envelopes issued at kiosks has decreased significantly.

A similar procedure is followed when a vehicle parks in an Honor Fee lot such as Harbor West, Cabrillo East or Cabrillo West without paying at the pay station. A parking monitor issues a courtesy collection envelope for \$7, which is the daily maximum for Honor Fee lots. Staff is proposing to add a \$5 service charge in addition to the parking

fee to encourage compliance and to help offset staff time writing and tracking collection envelopes. The \$5 service charge is consistent with the Downtown Parking service charge for collection envelopes. At the February 10 Budget Committee meeting, Committee members discussed a possible higher service charge of \$10.

### Staffing Changes

The Department will continue to operate with 46 full time employees; no additional positions are proposed. Following the retirement of the Parking Supervisor, it became apparent that the Assistant Parking Coordinators are working out of class. Currently there are only three full time employees in the Parking Services Program; one Supervisor and two Assistant Coordinators manage the \$2.1 million program. A reclassification of an Assistant Parking Coordinator to Parking Coordinator in the Parking Services program is currently under review at Human Resources. The salary difference is \$14,000 which will be mitigated in FY 2013 by the new Parking Supervisor starting at the first step of the five-step salary range. As the Luke self-pay parking systems are phased in, additional salary savings will be achieved in the Parking program.

### Fiscal Year 2013 Revenue

Fiscal Year 2013 revenue budget is similar to what was presented to the Commission at the February 16 meeting with a few changes. In February, Dos Cuadras Offshore Resources (DCOR) notified the Department that it is moving its crew transfer operations back to the Casitas (Venoco) Pier in Carpinteria. The loss of this business represents a reduction of \$140,000 in the Marina Management Program as well as a reduction in annual parking permit revenue. Additionally, FY 2013 revenue was adjusted to account for the Santa Barbara Maritime Museum's scheduled balloon payment of \$270,000 to satisfy the rent buydown provision in the lease. Beginning in FY 2014, the Museum will be exempt from rent payments, reducing the Department's annual property management revenue by \$151,000 annually. The Department received the FY 2013 interest income projection from the Finance Department on March 5.

The following table shows the Department's FY 2012 budget and revised FY 2013 revenue projections.

<b>Waterfront Revenues by Program</b>					
FY 2013					
Program	FY 2011	FY 2012	FY 2013	Change	Change
	<u>Actual</u>	<u>Amended</u>	<u>Adjusted</u>	<u>\$</u> FY 12/13	<u>%</u> FY 12/13
Property Management	4,185,515	4,140,296	4,675,952	535,656	12.94%
Financial Management	173,953	185,859	173,100	-12,759	-6.86%
Parking Services	1,994,074	2,158,450	2,137,240	-21,210	-0.98%
Marina Management	5,098,236	5,265,432	5,108,471	-156,961	-2.98%
Worker's Comp Rebate		453,481			
<b>Total</b>	<b>11,451,778</b>	<b>12,203,518</b>	<b>12,094,763</b>	<b>-108,755</b>	<b>-0.89%</b>

## Fiscal Year 2013 Expenditures

Fiscal Year 2013 expenditures are also similar to what was presented to the Commission on February 16. The variances between the FY 2012 amended budget and the FY 2013 budget are primarily due to furlough savings in FY 2012, which is not applicable in FY 2013, an increase in the Capital Outlay transfer to fund capital projects, and an increase in debt service associated with the loan from the Department of Boating and Waterways (DBW).

### Waterfront Expenditures Summary FY 2012 v FY 2013

	FY 2011	FY 2012	FY 2013	Change \$ FY 12/13	Change % FY 12/13
	<u>Actual</u>	<u>Amended</u>	<u>Adjusted</u>		
Salaries & Benefits	5,494,677	5,461,051	5,711,214	250,163	4.58%
Supplies & Services	2,194,701	2,366,047	2,282,114	-83,933	-3.55%
ICS & Allocated Costs	1,031,512	1,089,074	1,113,833	24,759	2.27%
Special Projects *	120,883	137,020	140,685	3,665	2.67%
Capital Transfer	969,361	934,483	1,534,483	600,000	64.21%
Equipment/Software	74,047	117,500	157,500	40,000	34.04%
Debt Service	1,645,493	1,776,789	1,849,105	72,316	4.07%
Cost of Issuance	19,563			0	
Appropriated Reserve		100,000	100,000	0	0.00%
Total	11,550,237	11,981,964	12,888,934	906,970	<b>7.57%</b>
<b>Total w/o Capital Transfer</b>	<b>10,580,876</b>	<b>11,047,481</b>	<b>11,354,451</b>	<b>306,970</b>	<b>2.90%</b>

\*Beach Lifeguards & July 4th Fireworks

## Capital Projects

The Harbor Commission reviewed and approved the FY 2012 – 2017 Capital Improvement Plan (CIP) on September 16, 2010. The CIP is typically prepared 90 days prior to the City's budget deliberations. The Department prepares a six-year CIP with the first two years of projects being funded as part of the two-year budget. Midway through the two-year budget, staff has reviewed the CIP project for FY 2013 and recommends several changes (Attachment 1).

- *Harbor ADA Restroom Remodel* – staff has identified the 119 Building restroom (Below Brophy's Restaurant) as non-compliant with ADA. A design to upgrade the restroom is currently under way. Construction costs are estimated at \$90,000 for FY 2013.
- *Upgrade Accommodation Dock* - The south finger of the Accommodation Dock was lengthened and widened last year. The north finger where the Harbor Patrol boats are moored suffered serious damage during a late season storm in 2012. The north finger will be replaced in FY 2013 for a cost of \$75,000.

- *Parking Self-Pay System* - The Department has purchased enough “Luke” self pay stations for installation at the Chase Palm Park and Garden Street parking lots. Installation of five units in these lots requires hundreds of feet of trenching to provide power and communications to these units. Staff designed the installation plan and received a low bid of \$125,000. Staff also looked at solar power and wireless communications as a means of reducing costs, but the reliability of operation and communicating credit card information is questionable.
- *Breakwater Lights* - Preliminary design and review to restore the historic “acorn” lights on the breakwater was completed in 2002. The project was not advanced due to an inability to meet lighting standards with the historic lighting. Upon review of a 2002 legal opinion by the City Attorney’s office and recent confirmation that the opinion still stands with the current City Attorney, staff has decided to abandon this project and free up \$360,000 for other capital projects.
- *Breakwater Cap* - Phases 1 – 3 of the Breakwater Cap Replacement project were completed between 2005 and 2010. Phase 4 is the final phase of this project and includes the radius section just south of the Marina One gangway. The cost estimate to construct Phase 4 is \$400,000.
- *Marina 4B Endtie Expansion* - Three large vessel berths were created at the Marina 4B endtie in 2007. The endtie is 4’ wide and does not meet the Department of Boating and Waterways design standards. Staff has completed a design to widen the endtie to 6’ to meet the standards. The cost for constructing the wider dock is \$75,000.

Considering these and a few other minor changes, staff recommends allocating an additional \$360,000 in funds for the FY 2013 Capital Improvement Program. Staff met with the Budget Committee (Commissioners Cramer, Kelly and Sloan) on February 10 to review the recommended changes to the Capital Improvement plan, the Department’s six-year cash flow model and reserve balances (Attachment 2).

### **Additional Information**

At the February 10 Budget Committee meeting, Committee members requested additional information detailing Waterfront reserve requirements. Additional detail is included in the attached Resolution (Attachment 3) and Municipal Code Section 17.40 (Attachment 4).

- Attachments:
1. Fiscal Year 2013 Recommended Capital Plan
  2. Draft Six-Year Cash Flow Model
  3. Resolution 99-066 Pertaining to Waterfront Reserves
  4. S.B.M.C. 17.40 Reserve for Harbor Preservation