



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
July 11, 2012**

**TO:** Mayor and City Council

**FROM:** Mitch Austin, Contract Recreation Manager  
Philip Vince, City Manager

**SUBJECT:** Martinez Marina Loan Payment and Budget Adjustment

**DATE:** July 5, 2012

**RECOMMENDATION:**

1. Approve a resolution for the General Fund to loan the Marina Fund \$80,000 from assigned fund balance to pay the loan payment to the State Department of Boating and Waterways.
2. Approve a resolution amending the Fiscal Year 2012-13 budget and approving the recommended budget adjustment.

**BACKGROUND:**

In Fiscal Year 2011-12 and Fiscal Year 2010-11 there were shortfalls in revenue to budget. This, coupled with unanticipated expenditures in Fiscal Year 2011-12, has left the marina short of funds for the loan payment of \$113,866 to the State Department of Boating and Waterways, due on August 1, 2012.

Staff is in discussion with the State Department of Boating and Waterways (DBAW) on creating a model and payment plan that works for the City and that will stabilize the marina and allow for payments to be made to the State on its outstanding loans within the means of the marina. Due to the sensitive nature of these discussions, it is highly recommended that the City Council authorize the General Fund to loan the Marina Fund \$80,000 in order for the Marina Fund to make full payment to the State, as was agreed to in 2000. Staff is proposing to use Texaco settlement funds remaining in assigned fund balance.

If, after discussions with DBAW on restructuring our loans, agreement cannot be reached with the State by end of this year, then alternative measures will be presented for the City Council's consideration in early 2013 in order to address the August 1, 2013 loan payment.

Since 2005, the City has loaned the Marina a total of \$624,592, with a balance of \$473,849 remaining at June 30, 2011. At this time Staff is not outlining any payment structure; at a later date staff will bring back to Council a consolidation of all loans, including the \$80,000 requested today, with a new loan payment structure. The table below lists the prior loans.

<b>Fiscal Year</b>	<b>Purpose</b>	<b>Loan Amount</b>	<b>Terms</b>	<b>Balance @ 6/2011</b>
2005	Dredging 2005	225,000	4.96%	133,145
2006	DBAW loan payment	82,000	4.96%	52,176
2006	Phase I Studies & Permits	275,000	4.53%	264,248
2008	Dredging 2008	42,592	3.11%	24,279
	<b>Unpaid Balance</b>	<b>624,592</b>		<b>473,849</b>

### **Recommended Marina Fund Budget Adjustments**

Staff recommends amending the revenue budget down by \$70,000 due mainly to the drop in slip and guest dock revenue which is a result of the increased difficulty to navigate the marina due to siltation.

Lastly, Staff will return with more detailed information regarding marina expenses and revenue, as well as a restructuring of the General Fund loans to the Marina Fund and review the previous grants made to the Marina of \$474,000 from the General Fund. The table below lists the grants.

<b>Fiscal Year</b>	<b>Purpose</b>	<b>Grant Amount</b>
2008	Dredging 2008	290,000
	JARPA permit & studies for	
2011	Eastern Wall Replacement:	184,000
	<b>Total</b>	<b>474,000</b>

### **FISCAL IMPACT:**

The General Fund's assigned fund balance will be reduced by \$80,000 of Texaco settlement funds and a loan from the Marina Fund for \$80,000 will be set up. This will leave \$34,698 of Texaco settlement funds.

The Marina Fund will have a new debt to the City of \$80,000 and revenues will be reduced by \$70,000.

### **ACTION:**

Motion to approve the following:

1. Resolution for the General Fund to loan the Marina Fund \$80,000 from assigned fund balance to pay the loan payment to the State Department of Boating and Waterways; and
2. Resolution approving adjustments to the adopted Marina Fund Budget for the Fiscal Year 2012-13.

Attachment: Resolutions

RESOLUTION NO. -12

**AUTHORIZING THE GENERAL FUND TO PROVIDE A LOAN OF \$80,000 FROM ASSIGNED FUND BALANCE TO THE MARINA ENTERPRISE FUND TO PAY THE REMAINING BALANCE ON THE LOAN PAYMENT TO THE STATE DEPARTMENT OF BOATING AND WATERWAYS**

**WHEREAS**, the Marina Enterprise Fund has outstanding loans from the State; and

**WHEREAS**, the Marina Enterprise Fund is short approximately \$80,000 to pay its loan commitment to the State Department of Boating and Waterways; and

**WHEREAS**, the City made a commitment in 2000 to repay its loans to the State Department of Boating and Waterways under a restructured plan and has to date kept that commitment; and

**WHEREAS**, the City has unused funds from a Texaco Settlement in assigned fund balance and loans have been granted to the marina in the past.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council hereby authorizes a loan using the unused funds from a Texaco Settlement Fund to the Martinez Marina Enterprise Fund to pay the balance of money owed to the State to make the Martinez Marina Enterprise Fund loan payment on August 1, 2012.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at an Adjourned Regular Meeting of said Council held on the 11th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ

RESOLUTION NO. -12

APPROVING ADJUSTMENTS TO THE ADOPTED MARINA FUND BUDGET  
FOR THE FISCAL YEAR 2012-13

**WHEREAS**, in June 2011, the City Council adopted the Biennial Budget for the City of Martinez for Fiscal Years 2011-12 and 2012-13; and

**WHEREAS**, at year end, it is necessary to amend the Fiscal Year 2012-13 Budget to update the Marina Fund revenue projections; and

**WHEREAS**, those changes to the Fiscal Year 2012-13 Budget have been described, including their fiscal impact, in the attached staff report.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Martinez adopts the adjustments to the Fiscal Year 2012-13 Budget.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at an Adjourned Regular Meeting of said Council held on the 11th day of July, 2012 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ