



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
February 6, 2013**

TO: Mayor and City Council

FROM: Philip Vince, City Manager

SUBJECT: Adopt a Resolution Amending the Fiscal Year 2012-13 Marina Enterprise Fund Budget and Approving the Recommended Budget Adjustments

DATE: January 30, 2013

RECOMMENDATION:

Adopt a resolution amending the Fiscal Year 2012-13 Marina Enterprise Fund Budget and approving the recommended budget adjustments.

BACKGROUND:

At the July 25, 2012 meeting of the City Council, staff asked the Council for direction regarding the loan payment due to the Department of Boating and Waterways (DBAW) on August 1, 2012. During the previous two fiscal years, the Marina Enterprise Fund had experienced shortfalls in revenue as well as unexpected expenditures. This situation resulted in the Marina Fund being short on cash to meet its DBAW loan obligation of \$113,866. Council authorized a payment of \$33,000, which represented the cash funds available at that time.

On August 15, 2012, staff reported that since 2005, the General Fund had loaned the Marina Fund a total of \$624,592. The Marina Fund has made annual payments to the General Fund reducing the balance owed to \$473,849 as of June 30, 2011. Given that the Council decided not to make the full DBAW payment at the July 25, 2012 meeting, staff was reluctant to have the City pay itself back the \$49,311.28 loan payment owed to the General Fund from the Marina Fund. Therefore, Council approved an interest-only payment of \$71,266.88 to DBAW, and elected not to make the Fiscal Year 2011-12 payment of \$49,311.28 to the General Fund. Because of the revenue shortfall of the Marina Fund, staff stated back in August 2012 that revenue and expenditure adjustments will need to be made for Fiscal Year 2012-13, and that staff would bring those changes at mid-year.

Staff has completed a review of the first six months of the budget year and an analysis of the remaining six months. Staff presented proposed budget adjustments to the Budget Subcommittee on January 29, 2012, who recommended forwarding to the full Council for approval.

	Mid-year 12/31/12	Adopted Budget	Budget Revisions	Revised Budget
Revenue	\$ 49,473	\$ 77,844	\$ 3,945	\$ 81,789
Management Revenue (Almar)	29,453	180,000	(59,137)	120,863
Total Revenue	78,926	257,844	(55,192)	202,652
Expenditures	(78,608)	(135,896)	(22,400)	(158,296)
Debt Service - General Fund	0	(49,311)	49,311	0
Debt Service - State loans	(71,267)	(71,267)		(71,267)
	(149,875)	(256,474)	26,911	(229,563)
Transfers In from General Fund	20,000	20,000		20,000
NET	\$ (50,949)	\$ 21,370	\$ (28,281)	\$ (6,911)

Revenues

- Reduce revenues by \$59,137 because of the drop in slip and guest dock revenue resulting from the increased difficulty to navigate the marina due to siltation. With the dredge concluded, Almar expects to meet a revenue budget of \$120,863 for 2012-13.
- Increase revenue by \$3,945 to account for rent from Rooster Productions, LLC, for a portion of the Kenney Building per the terms of its license agreement with the City, effective January 23, 2013.

Expenditures

Staff is recommending not making the debt service payment to the General Fund of \$49,311 in order to have funds available for unknown expenses and possible additional revenue reductions.

Expenditure increases totaling \$22,400 are needed for the following:

- Electrical damages to the docks associated with the storm in March 2012: \$12,400
- Technical consultants for Marina re-scoping: \$10,000

FISCAL IMPACT:

The budget adjustments totaling \$28,281 have a negative cash effect of \$6,911 on the Marina Fund, which will be absorbed from existing cash.

ACTION:

Motion to adopt resolution authorizing the Marina Enterprise Fund mid-year budget adjustments for Fiscal Year 2012-13.

Attachment: Resolution

APPROVED BY:


City Manager

RESOLUTION NO. -13

APPROVING THE MARINA ENTERPRISE FUND MID-YEAR ADJUSTMENTS TO THE
ADOPTED BIENNIAL BUDGET FOR THE 2012-2013 FISCAL YEAR

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 mid-year, it is necessary to amend the budget to update certain marina enterprise fund revenue projections and expenditures; and

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

WHEREAS, staff met with the Budget Subcommittee on January 29, 2013, who recommended forwarding the budget changes to the 2012-13 Fiscal Year Budget to the full City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the revisions to the 2012-13 Fiscal Year Budget as provided for in the attached staff report.

* * * * *

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 a Regular Meeting of said Council held on the 6th day of February, 2013 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ