

## **MARINA OPERATIONS**

### **GENERAL INFORMATION:**

The operation of the gas barge on the City's riverfront began in the spring of 1995. Fuel, oil and ice were available for sale to area boaters. Through 2003 the gas barge was operated by City staff and not by a private entity as the City had hoped. In its first two years, the marina operated on a deficit basis due to overhead costs, a relatively low volume of fuel sales and the limited number of items available for sale. Revenues exceeded expenditures by \$773 in 1997/98, \$2,171 in 1998/99 and \$95 in 1999/2000. Expenditures, however, exceeded revenues by \$287 in 2000/2001, \$1,920 in 2001/2002, \$1,593 in 2002/2003, and \$1,301 in 2003/2004. The marina did not open during the 2004 season primarily due to construction on the riverfront. In 2004/2005 a General Fund subsidy transfer was made to eliminate the \$13,823 accumulated deficit in this fund. General Fund subsidy transfers were also made in 2005/2006, 2006/2007, 2007/2008, and 2008/2009 to eliminate deficits of \$560, \$1,708, \$1,740, and \$4,363, respectively. In 2009/2010 and 2010/2011 the marina had a fund balance of \$172 and \$453, respectively.

In 2005 the City entered into a five-year agreement with D&C Werner, LLC, for riverfront and marina operations. Under the agreement, D&C Werner, LLC, would pump gas and diesel fuel and was to also sell convenience and boater specific products in the building adjacent to the marina which had previously been used by park maintenance staff. The City was to pay the contractor \$5,000 annually under this contract. The contractor provided fuel sales to boaters through 2007; however, the store area for boater convenience items was not opened beginning in 2007. In 2008 the contractor withdrew from the agreement and City staff is again selling fuel to boaters. No concession items are being sold by the City.

### **CURRENT TRENDS AND ISSUES:**

The 2008 boating season was affected by two floods and also high fuel prices which resulted in a reduction of fuel purchases and fuel sales for the year. Fuel sales returned to close to previous levels in 2009 and 2010. Fuel sales were down in 2011 primarily due to fewer outings on the paddle wheel excursion boat.

The 2011/2012 revised estimate and 2012/2013 budget allow for fuel purchases and fuel sales to continue at prior year levels. Both the revised estimate for 2011/2012 and the budget projection for 2012/2013 show this operation as having small surpluses. As in previous years, if there are shortfalls for either year, it is proposed that they be eliminated by funding transfers from the General Fund on an annual basis.

### **GOAL STATEMENT:**

To provide fuel, oil and other items for sale to boaters on the Mississippi River.

**PERFORMANCE MEASURES:**

	<b>Actual 2009</b>	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Estimated 2012</b>	<b>Estimated 2013</b>
Gallons of Gasoline Sold	3,539	3,442	3,933	3,500	3,500
Gallons of Diesel Fuel Sold	2,520	2,287	635	2,000	2,000
Hours Open	194	174	129	180	180

**RECENT ACCOMPLISHMENTS:**

General maintenance upkeep was done on the dock and a new pump computer was installed. Annual staff training was also completed.

**OBJECTIVES TO BE ACCOMPLISHED IN 2012/2013:**

- \* To continue to explore entering into a contractual arrangement to operate retail concessions for boaters.
- \* To replace the roof and paint the shed.
- \* To improve fuel and electric connections.
- \* To continue to operate within federal and state guidelines.
- \* To recruit and train quality staff.
- \* To discuss and implement "Lean" initiatives in this division.

## Marina Operations

### Fund Statement

	<u>Actual 2009/2010</u>	<u>Actual 2010/2011</u>	<u>Budget 2011/2012</u>	<u>Revised Estimate 2011/2012</u>	<u>Budget 2012/2013</u>
Beginning Balance (Deficit), July 1	\$ (5,141)	\$ (2,337)	\$ (1,837)	\$ (5,371)	\$ (5,071)
<b>Revenues</b>					
Fuel Sales	\$ 19,572	\$ 13,409	\$ 20,000	\$ 20,000	\$ 20,000
Miscellaneous	51	64	100	100	100
Transfer from General Fund: Subsidy to Eliminate Deficit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<u>\$ 19,623</u>	<u>\$ 13,474</u>	<u>\$ 20,100</u>	<u>\$ 20,100</u>	<u>\$ 20,100</u>
<b>Funds Available</b>	\$ 14,482	\$ 11,137	\$ 18,263	\$ 14,729	\$ 15,029
<b>Expenditures</b>	<u>16,819</u>	<u>16,507</u>	<u>19,600</u>	<u>19,800</u>	<u>19,800</u>
Ending Balance (Deficit), June 30	\$ (2,337)	\$ (5,371)	\$ (1,337)	\$ (5,071)	\$ (4,771)
Allowance for Inventory	<u>2,509</u>	<u>5,824</u>	<u>2,500</u>	<u>5,800</u>	<u>5,800</u>
Net Balance (Deficit), June 30	<u>\$ 172</u>	<u>\$ 453</u>	<u>\$ 1,163</u>	<u>\$ 729 (1)</u>	<u>\$ 1,029 (1)</u>

<b>Increase (Decrease) in Net Fund Balance</b>	<b>\$ 2,804</b>	<b>\$ (3,034)</b>	<b>\$ 500</b>	<b>\$ 300</b>	<b>\$ 300</b>
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1. Although positive fund balances are projected with the allowance for inventory, any shortfalls are proposed to be funded from transfers from the General Fund on an annual basis.

**Function:**  
Business Type

**Department:**  
Parks and Recreation

**Activity:**  
**Marina Operations**

	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Percent Change
<b>Expenditure Summary</b>						
Personal Services	\$ 1,686	\$ 1,535	\$ 1,700	\$ 1,800	\$ 1,800	5.88%
Commodities	14,394	14,072	17,200	17,300	17,300	0.58%
Contractual Services	739	900	700	700	700	0.00%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 16,819</b>	<b>\$ 16,507</b>	<b>\$ 19,600</b>	<b>\$ 19,800</b>	<b>\$ 19,800</b>	1.02%
<b>Funding Sources</b>						
Fuel Sales	\$ 19,572	\$ 13,409	\$ 20,000	\$ 20,000	\$ 20,000	0.00%
Miscellaneous Revenue	51	64	100	100	100	0.00%
Subsidy to Eliminate Deficit	-	-	-	-	-	
<b>Total Funding Sources</b>	<b>\$ 19,623</b>	<b>\$ 13,473</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>	0.00%

<b>Personnel Schedule</b>						
	Actual 2009/2010	Actual 2010/2011	Budget 2011/2012	Revised Estimate 2011/2012	Budget 2012/2013	Budget Amount 2012/2013
<b>Part Time:</b>						
Seasonal Laborer	0.09	0.09	0.09	0.09	0.09	\$ 1,500
Employee Benefits						300
<b>Total Personal Services</b>						<b>\$ 1,800</b>