

## 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, 2008/2009, and 2011/2012, to eliminate deficits of \$560, \$1,708, \$1,740, \$4,363, and \$775, 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 2012/2013 revised estimate and 2013/2014 budget allow for fuel purchases and fuel sales to continue at recent year levels. Both the revised estimate for 2012/2013 and the budget projection for 2013/2014 show this operation breaking even. 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 and related items for sale to boaters on the Mississippi River.

### PERFORMANCE MEASURES:

|                             | Actual<br>2010 | Actual<br>2011 | Actual<br>2012 | Estimated<br>2013 | Estimated<br>2014 |
|-----------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Gallons of Gasoline Sold    | 3,442          | 3,933          | 3,813          | 3,800             | 3,800             |
| Gallons of Diesel Fuel Sold | 2,287          | 635            | 602            | 600               | 600               |
| Hours Open                  | 174            | 129            | 179            | 180               | 180               |

## **RECENT ACCOMPLISHMENTS:**

An upgrade to the electrical connection to the dock was made in 2012 making it less difficult for boaters to hook up and disconnect to the dock. Staff training was done to make the operation as service friendly as possible.

## **OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:**

- \* To continue to explore entering into a contractual arrangement for the provision of retail concession services to boaters.
- \* To improve fuel connections.
- \* To continue to operate within federal and state guidelines.
- \* To recruit and train quality staff.
- \* To complete repairs to the fuel shed.
- \* To discuss and implement “Lean” initiatives in this operation. (**Management Agenda High Priority**)

## Marina Operations

### Fund Statement

|   | <u>Actual</u><br><u>2010/2011</u> | <u>Actual</u><br><u>2011/2012</u> | <u>Budget</u><br><u>2012/2013</u> | <u>Revised</u><br><u>Estimate</u><br><u>2012/2013</u> | <u>Budget</u><br><u>2013/2014</u> |
|---|-----------------------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|
| Beginning Balance (Deficit),<br>July 1                      | \$ (2,337)                        | \$ (5,371)                        | \$ (5,071)                        | \$ (3,295)  | \$ (3,195)                        |
| Revenues  |                                   |                                   |                                   |   |                                   |
| Fuel Sales  | \$ 13,409                         | \$ 18,734                         | \$ 20,000                         | \$ 18,000   | \$ 18,000                         |
| Miscellaneous   | 64                                | 23                                | 100                               | 100   | 100                               |
| Transfer from General Fund:<br>Subsidy to Eliminate Deficit | 0                                 | 775                               | 0                                 | 0   | 0                                 |
| Total Revenues  | <u>\$ 13,474</u>                  | <u>\$ 19,532</u>                  | <u>\$ 20,100</u>                  | <u>\$ 18,100</u>                                      | <u>\$ 18,100</u>                  |
| Funds Available   | \$ 11,137                         | \$ 14,161                         | \$ 15,029                         | \$ 14,805   | \$ 14,905                         |
| Expenditures  | <u>16,507</u>                     | <u>17,456</u>                     | <u>19,800</u>                     | <u>18,000</u>   | <u>18,500</u>                     |
| Ending Balance (Deficit),<br>June 30                        | \$ (5,371)                        | \$ (3,295)                        | \$ (4,771)                        | \$ (3,195)  | \$ (3,595)                        |
| Allowance for Inventory                                     | <u>5,824</u>                      | <u>3,295</u>                      | <u>5,800</u>                      | <u>3,195</u>  | <u>3,595</u>                      |
| Net Balance (Deficit),<br>June 30                           | <u><u>\$ 453</u></u>              | <u><u>\$ 0</u></u>                | <u><u>\$ 1,029 (1)</u></u>        | <u><u>\$ 0 (1)</u></u>                                | <u><u>\$ 0 (1)</u></u>            |
| <b>Increase (Decrease) in<br/>Net Fund Balance</b>          | <b>\$ 3,034</b>                   | <b>\$ 2,076</b>                   | <b>\$ 300</b>                     | <b>\$ 100</b>   | <b>\$ (400)</b>                   |

1. Although zero 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<br>2010/2011 | Actual<br>2011/2012 | Budget<br>2012/2013 | Revised<br>Estimate<br>2012/2013 | Budget<br>2013/2014 | Percent<br>Change |
|------------------------------|---------------------|---------------------|---------------------|----------------------------------|---------------------|-------------------|
| <b>Expenditure Summary</b>   |                     |                     |                     |                                  |                     |                   |
| Personal Services            | \$ 1,535            | \$ 1,725            | \$ 1,800            | \$ 1,600                         | \$ 1,800            | 0.00%             |
| Commodities                  | 14,072              | 12,036              | 17,300              | 15,500                           | 15,800              | -8.67%            |
| Contractual Services         | 900                 | 3,694               | 700                 | 900                              | 900                 | 28.57%            |
| Capital Outlay               | -                   | -                   | -                   | -                                | -                   | -                 |
| Transfers                    | —                   | —                   | —                   | —                                | —                   | —                 |
| Total Expenditures           | <u>\$ 16,507</u>    | <u>\$ 17,455</u>    | <u>\$ 19,800</u>    | <u>\$ 18,000</u>                 | <u>\$ 18,500</u>    | -6.57%            |
| <b>Funding Sources</b>       |                     |                     |                     |                                  |                     |                   |
| Fuel Sales                   | \$ 13,409           | \$ 18,734           | \$ 20,000           | \$ 18,000                        | \$ 18,000           | -10.00%           |
| Miscellaneous Revenue        | 64                  | 23                  | 100                 | 100                              | 100                 | 0.00%             |
| Subsidy to Eliminate Deficit | —                   | 775                 | —                   | —                                | —                   | —                 |
| Total Funding Sources        | <u>\$ 13,473</u>    | <u>\$ 19,532</u>    | <u>\$ 20,100</u>    | <u>\$ 18,100</u>                 | <u>\$ 18,100</u>    | -9.95%            |

|                         | <b>Personnel Schedule</b> |                     |                     |                                  |                     |                               |
|-------------------------|---------------------------|---------------------|---------------------|----------------------------------|---------------------|-------------------------------|
|                         | Actual<br>2010/2011       | Actual<br>2011/2012 | Budget<br>2012/2013 | Revised<br>Estimate<br>2012/2013 | Budget<br>2013/2014 | Budget<br>Amount<br>2013/2014 |
| <i>Part Time:</i>       |                           |                     |                     |                                  |                     |                               |
| Seasonal Laborer        | 0.09                      | 0.09                | 0.09                | 0.09                             | 0.09                | \$ 1,500                      |
| Employee Benefits       |                           |                     |                     |                                  |                     | 300                           |
| Total Personal Services |                           |                     |                     |                                  |                     | <u>\$ 1,800</u>               |