

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 2010	Actual 2011	Actual 2012	Estimated 2013	Estimated 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 2010/2011</u>	<u>Actual 2011/2012</u>	<u>Budget 2012/2013</u>	<u>Revised Estimate 2012/2013</u>	<u>Budget 2013/2014</u>
Beginning Balance (Deficit), 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: Subsidy to Eliminate Deficit	<u>0</u>	<u>775</u>	<u>0</u>	<u>0</u>	<u>0</u>
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), 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), June 30	<u>\$ 453</u>	<u>\$ 0</u>	<u>\$ 1,029</u> (1)	<u>\$ 0</u> (1)	<u>\$ 0</u> (1)

Increase (Decrease) in Net Fund Balance	\$ 3,034	\$ 2,076	\$ 300	\$ 100	\$ (400)
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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 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
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%
Funding Sources						
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%

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