

Humboldt Bay Harbor, Recreation and Conservation District

FINAL FY 2016/17 BUDGET

SUMMARY OF 2016-17 BUDGET

	<u>GENERAL</u>	<u>MARINA</u>	<u>TOTAL</u>
REVENUE	\$3,093,458	\$964,162	\$4,057,620
OPERATING EXPENSES	2,219,537	529,296	2,748,833
NON-OPERATING EXPENSES (Capital Expenses, Debt Pmt)	1,039,199	247,920	1,287,119
EXCESS REVENUES OVER(UNDER) EXPENSES	(165,278)	186,946	21,668

Approved by the Board of Commissioners
at their July 14, 2016 Meeting

REVENUE

Line #		<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17 Proposed Budget</u>			<u>% of Total</u>
		<u>Actual Audited</u>	<u>Budget</u>	<u>Projected</u>	<u>General</u>	<u>Marina</u>	<u>TOTAL</u>	
R1	Tax Revenue	932,081	880,000	950,000	838,873	93,208	932,081	23.0%
R2	Sales & Permits	22,235	19,100	19,000	20,000	70,854	90,854	2.2%
R3	Harbor Surchg	63,162	97,028	64,814	60,000	-	60,000	1.5%
R4	Pilotage Tariff	9,436	-	-	-	-	-	0.0%
R5	Slip Rents	487,040	503,990	510,000	-	510,000	510,000	12.6%
R6	Trans Rental	42,955	46,056	43,563	-	40,000	40,000	1.0%
R7	WIM Dredge Srchg	96,325	103,020	105,706	-	96,000	96,000	2.4%
R8	WIM Float Replace	64,198	68,680	70,769	-	64,000	64,000	1.6%
R9	Tenant Utilities Reimb.	51,993	51,500	65,936	7,000	59,500	66,500	1.6%
R10	Fields Landing	153,615	220,201	189,780	212,826	-	212,826	5.2%
R11	Berth 1	17,426	131,000	46,142	85,000	-	85,000	2.1%
R12	Berth 2	10,800	1,668,400	83,422	387,000	-	387,000	9.5%
R13	Shelter Cove	-	-	20,200	109,400	-	109,400	2.7%
R14	Rents	148,225	215,000	178,303	158,000	18,000	176,000	4.3%
R15	Tideland/Upland Leases	287,616	324,938	384,673	310,456	-	310,456	7.7%
R16	Late Fees/Interest	18,223	15,675	18,200	3,075	12,600	15,675	0.4%
R17	Other Revenue	75,284	35,000	51,000	264,500	-	264,500	6.5%
	Gallonage	1,752	17,000	1,800	1,800	-	1,800	0.0%
R18	Treasury Funds Interest	15,632	20,000	20,000	20,000	-	20,000	0.5%
R19	Grant Revenue	485,647	537,782	105,000	365,528	-	365,528	9.0%
R20	New Mkts Tax Credits	-	1,600,000	1,600,000	-	-	-	0.0%
R21	Borrowed Funds	-	1,500,000	1,168,850	-	-	-	0.0%
R22	Brownfields Grant	-	-	-	-	-	-	0.0%
R23	TIGER Grant	-	-	-	-	-	-	0.0%
R24	CDB/EDA Grants	-	250,000	-	-	-	-	0.0%
R25	Mitigation Reimbursemt	-	500,000	-	250,000	-	250,000	6.2%
	TOTAL REVENUE	2,983,645	8,804,370	5,697,158	3,093,458	964,162	4,057,620	100.0%

OPERATING EXPENSES

Line #	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17 Proposed Budget</u>			<u>% of Total</u>	
	<u>Actual Audited</u>	<u>Budget</u>	<u>Projected</u>	<u>General</u>	<u>Marina</u>	<u>TOTAL</u>		
E1	Salaries/Wages	765,356	883,708	901,455	737,745	173,497	911,242	33.2%
E2	Commish Fees	25,200	25,200	25,200	25,200	-	25,200	0.9%
E3	Temp Svcs	42,889	20,000	18,230	-	20,000	20,000	0.7%
E4	Payroll Burden	336,471	360,000	410,669	318,313	79,809	398,122	14.5%
E5	Advert/Promo	7,104	7,000	9,378	3,500	3,500	7,000	0.3%
E6	Auto/Vessel	51,854	31,000	61,357	54,000	7,000	61,000	2.2%
E7	Communications	13,489	14,000	14,393	7,000	7,000	14,000	0.5%
E8	Conf/Mtgs	30,678	28,000	37,250	25,000	3,000	28,000	1.0%
E9	Dues/Subs	36,253	34,000	35,500	29,000	5,000	34,000	1.2%
E10	Elect/Gov. Fees	25,191	25,000	25,000	20,000	5,000	25,000	0.9%
E11	Insurance	65,520	85,000	73,000	50,000	12,500	62,500	2.3%
E12	Office Expense	53,268	41,000	40,000	25,000	16,000	41,000	1.5%
E13	Oper Supplies	9,586	7,000	8,000	1,500	5,500	7,000	0.3%
E14	Security Guards	2,198	-	-	-	-	-	0.0%
E15	Legal Services	18,141	53,000	37,562	25,000	5,000	30,000	1.1%
E16	Acctg/Audit	49,821	31,000	45,546	30,000	18,000	48,000	1.7%
E17	Planner/Engineer	46,776	40,000	35,400	40,000	-	40,000	1.5%
E18	Prof. Svcs	80,049	131,500	103,542	60,000	-	60,000	2.2%
E19	Utilities	141,545	220,000	184,913	60,000	125,000	185,000	6.7%
E20	Maintenance	124,195	90,000	107,585	64,000	43,490	107,490	3.9%
E21	Fields Landng	83,441	65,000	56,354	56,000	-	56,000	2.0%
E22	Shelter Cove	28,222	15,000	70,102	61,000	-	61,000	2.2%
E23	King Salmon	6,553	2,000	7,082	7,000	-	7,000	0.3%
E24	Berth 1	35,679	35,000	48,200	45,000	-	45,000	1.6%
E25	Berth 2	310,191	80,000	191,510	90,000	-	90,000	3.3%
E26	Marcitre Lse Fee	-	10,000	-	19,751	-	19,751	0.7%
E27	Grant Expense	532,316	521,682	154,086	365,528	-	365,528	13.3%
TOTAL								
OPERATING EXPENSES								
		2,921,986	2,855,090	2,701,314	2,219,537	529,296	2,748,833	100.00%

NON-OPERATING EXPENSES

CAPITAL EXPENDITURES

Line #		2014-15	2015-16	2015-16	2016-17 Proposed Budget		
		<i>Actual Audited</i>	<i>Budget</i>	<i>Projected</i>	<i>General</i>	<i>Marina</i>	<i>TOTAL</i>
NOE1	WI Facility Improvmt	-	90,000	16,128	-	73,000	73,000
NOE2	Dredging Expenses	454,925	355,000	195,000	375,000	30,000	405,000
NOE3	FL Boat Yard	-	55,000		48,000	-	48,000
NOE4	Marine Term Impr	-	105,000		145,000	-	145,000
NOE5	Harbor Imprvmt	-	15,000		17,500	-	17,500
NOE6	Property Acquisition	274,000	-		-	-	-
NOE7	Property Improvement	-	3,310,000	511,625	15,000	-	15,000
NOE8	Rec Enhance	-	-		10,000	-	10,000
NOE9	Cons Enhance	-	-		-	-	-
NOE10	Auto/Operating Equip	-	-	30,713	10,000	-	10,000
NOE11	Office Equipment	-	15,000		3,000	-	3,000
	TOTAL CAPITAL EXPENDITURES	728,925	3,945,000	753,466	623,500	103,000	726,500

DEBT PAYMENTS

	2014-15	2015-16		2016-17 Proposed Budget			
	<i>Actual Audited</i>	<i>Budget</i>		<i>General</i>	<i>Marina</i>	<i>TOTAL</i>	
2014 Refunding							
NOE13	Bond	212,977	307,570	307,570	208,571	99,000	307,571
NOE14	Elect.Mtr. Loan Pmt	45,920	45,920	459,250	-	45,920	45,920
NOE15	Forklift Loan Pmt	6,781	6,781	6,781	6,781	-	6,781
NOE16	Coast Seafood Repay	39,562	439,424	39,423	39,600	-	39,600
NOE17	NMTC Loan repay	-	64,416	-	160,747	-	160,747
	TOTAL DEBT PAYMENTS	305,240	864,111	813,024	415,699	144,920	560,619

NARRATIVE FOR FY 2016/17 BUDGET

(New sources of revenue and expenses are in **bold**.)

REVENUE (R)

R1 - Tax Revenue

Estimated income received from County of Humboldt - District's portion of property taxes paid to County.

R2 - Sales and Permits

General - Estimated income from permit fees.

Marina - Estimated income from coin-operated showers, washers, and dryers, vending machines, ice machine, charter service, permits for fish sales and other business permits and forklift fees. **New revenue source: Fuel Dock \$50,000.**

R3 - Harbor Surcharge

Anticipated revenues to be generated by Harbor Improvement Surcharge.

R5 - Slip Rentals

Estimated income from the rental of slips at the Marina.

R6 - Transient Rentals

Estimated income from the rental of transient slips at the Marina.

R7 - WIM Maintenance Dredging Surcharge

Charge assessed toward future maintenance dredging of Woodley Island Marina.

R8 - WIM Float Replace

Charge for all tenants/transients of Woodley Island Marina deposited into a fund designated specifically for dock/float replacement.

R9 - Tenant Utilities Reimbursement

Revenue received from the metering of electrical use by Harbor District facilities tenants.

R10 - Fields Landing

Revenue received from storage (boats and trailers) utilities, forklift, and equipment rentals, building space rent, and Travelift haul out fees and usage. **New tenant - Boat Fabricator.**

R11 - Redwood Dock/Berth 1

Revenue received from building space rent/terminal lease/wharfage and dockage. Additional revenue for FY 2016/17 to be received from increased dock use/forklift fees, unloading live crab/eels. Additional buildings used for storage of crab pots. **New oyster tenant, Building Lease for Seafood Company and dockage fees for Hagfish supplier.**

R12 - Redwood Terminal 2/Berth 2

Revenue estimated to be received from the tenants of this property: Taylor Mariculture, DG Power and Coast Seafoods Company. **\$196,000 revenue from new leases.**

R13 - Shelter Cove

New revenue estimated from tractor launches (2,000 x \$35); Storage (40 boats x \$40 x 9 mo.); and Parking.

R14 - Rents

Money to be received by the District for rents and concessions as follows: Café Marina Restaurant; Office Space; and work yard rent on Woodley Island. Additionally, a storage area on Woodley Island for trailers has been designated and will be available from May 1 – September 30. **Fish Market Lease revenue \$10,000.**

R15 - Tideland Leases

Money to be received by the District for tidelands leases held throughout the Humboldt Bay area. **\$96,000 new aquaculture leases.**

R16 - Late Fees and Interest on Delinquent Accounts

Late fees and interest collected on delinquent accounts.

R17 - Other Revenue

Revenue received from Coast Seafoods for gallonage fees as a condition of their tideland lease, Secretariat Services for Harbor Safety Committee, Chevron's payment for the PORTS O&M costs, other government agencies and miscellaneous operating and non-operating revenue. Also monies anticipated to be received for support of fire boat operation and maintenance. **Revenue received through reimbursement of dredging expenses by PG&E and City of Eureka and of cruise ship expenses by the City of Eureka and County of Humboldt.**

R18 - Interest

Interest earned by the District on monies presently deposited in the Humboldt County Treasury.

R19 - Grant Revenue

Monies received from grant-funded projects expected to be received in FY 2016/17. **Prop 1 Grant for Shelter Cove fish cleaning station.**

R20 - New Markets Tax Credits

Monies acquired for asset purchase and improvements.

R21 – Borrowed Funds

\$1.5 million borrowed as part of the New Market Tax Credits program.

R22 – Brownfields Grant

Monies received for the cleanup of the Redwood Terminal 2 property.

R23 – TIGER Grant

Monies received for the planning and permitting pertaining to the Samoa Industrial Waterfront Transportation Access Plan.

R24 – CDB/EDA Grants

Community Development Block Grant and Economic Development Administration grants for Redwood Terminal 2 upgrades.

R25 – Mitigation Reimbursement

Monies received for payment of mitigation expenses for dredging project.

EXPENSES (E)

E1 - Salaries and Wages

Salaries and wages paid to Harbor District employees. Includes the negotiated increase (COLA) for the District's represented employees and **seasonal employees for Shelter Cove.**

E2 - Commissioners Fees

Fees paid for the service of Commissioners on the Board.

E3 - Temporary Services

Expenses paid for additional temporary services as needed.

E4 - Payroll Burden

Payroll Burden consists of employer-paid taxes and employer-paid benefits and insurances provided for in the District's Personnel Policy. **The Employer Contribution Rate for PERS for FY 2016/17 is 8.377% for employees hired prior to January 1, 2013 and 6.555% for employees hired on or after January 1, 2013, plus a lump sum \$1,300 for PERS unfunded liability report. There will be a decrease in the Workers Comp experience modification from 108% to 87% for 2016/17.**

E5 - Advertising and Promotion

General - Allocation for the printing of legal notices in the local newspapers required by laws and permit procedures of the State and the District. This line item also funds the printing and distribution of notices to inform the public of special interest items concerning the District's meeting and projects. There is also an amount included for the publication and for additional port, Marina and District marketing and promotional materials.

Marina – Allocation for the printing of notices, newsletters, Marina advertisements etc. to inform the Marina tenants and/or the general public of items which may be of special interest to them.

E6- Automotive Expense

Cost of maintaining and fueling the District's automobiles, vessels, electric trucks, security vehicles, forklift, and other operating equipment.

E7 - Communications

Telephones and Cell Phones - This amount includes the costs for the FAX, modem, E-mail and Website hosting, offsite Web link, wifi and cell phones.

E8 - Conferences & Meetings

Approves travel expenses for attendance at the following up to the total budget amount: (1) CMANC conferences; (1) legislative trips to Washington DC; (1) CSDA training conference, (1) Pacific Coast Congress of Harbor Masters, (1) Northern Area Port Security meetings, and (4) Conservation-related meetings. Additional conferences or travel that would exceed the budget require individual approval by the Board.

E9 - Dues & Subscriptions

This category includes dues for membership in the following organizations: California Marine Affairs and Navigation Conference, California Association of Port Authorities, California Special District Association, Association of California Water Agencies, Pacific Coast Congress of Harbor Managers and Port Masters, California Association of Harbor Masters and Port Captains, Fishing News, Pacific Fishing, Costco and various other subscriptions. Dues/Subscription costs vary by a variety of factors and amounts shown are estimated. Dues and subscriptions expenses that would exceed the budget require individual approval by the Board of Commissioners.

E10 - Elections and Fees Paid to Other Governmental Entities

There are no Board seats slated for election for the District in FY 2016/17.

E11 - Insurance

The Special Districts Risk Management Authority (SDRMA) policy combines several of the individual property, liability, bonds and other miscellaneous policies into one, plus the Marina Operator's Liability policy. SDRMA reported there will be no increase in the base rate for Property/Liability and Workers Compensation policies for FY 2016/17. The CAPA excess insurance through Alliant Insurance Services is still in order. The District's Fireboat and Port Security/Work boat are insured through Poseidon Insurance. Insurance for Redwood Terminal 2 is also included. Insurance expenses that would exceed the budget require individual approval by the Board of Commissioners.

E12 - Office Expense

Expenses include office supplies, postage and other expenses necessary for the operation of the office.

E13 - Operating Supplies

Expenses for janitorial supplies.

E14 – Security Guards – No expenses for FY 2016/17.

E15 - Legal Services

Fees paid to District Counsel Paul Brisso for work in connection with the Woodley Island Marina and to do District legal work to draw up ordinances, permits, agreements, leases etc. between the District and other agencies/entities, attend Commissioner meetings and all other general legal and litigation work needed by the District.

E16 - Accounting/Auditing Services

Fees paid for the services of District Treasurer Mark Wetzel for service in a controllership capacity, supervision of bookkeeping functions, statements and reports and monitoring all District cash transactions. Fees paid to independent accounting firm to perform the District's annual certified audit. Hunter, Hunter & Hunt is the contracted auditing firm for FY 2016/17.

E17 - District Planner Services

Fees paid for the services of District Planner George Williamson for service in all aspects of planning associated with District projects.

E18 - Professional/Outside Services

Excess Liability Insurance broker fees (\$10,000) split between CAPA ports. This account also includes funds for website revision, appraisal services, engineering and environmental consultant services required and transportation (marine/roads/rail) study support that have not been covered in any other category. Professional services may be hired to assist with Ordinance revisions, asset inventory, and dredging-related projects.

E19 - Utilities

Expenses for electricity, gas, water, sewer and refuse for the District office, Marina docks, lights, office spaces, and buildings. This expense will be offset by the revenue received through the installation of water and electrical meters.

E20 - Maintenance Expense

Estimated expenses for repairs and maintenance to Marina docks, light fixtures, compressor, miscellaneous equipment, facilities and roof repairs to the main building, as well as other District facilities. Also includes all tools less than \$2,500 and annual maintenance agreements on office equipment. **Includes Shelter Cove expenses: House rent for 4 months (\$4,800); Fuel (\$4,800); Per Diem 6 months (\$8,280).**

E21 - Fields Landing Expense

This is to cover any expenses of the District for the repair and maintenance of the District's Fields Landing property including storm water filters, repairs to buildings and yard lighting. Also included are insurance, utilities, water, sewer, refuse, and telephone service.

E22 - Shelter Cove Expense

Expenses/miscellaneous items needed for the repair and maintenance of the District's facilities at Shelter Cove (includes Insurance Expense). Also includes repairs to breakwater, roads, fencing and fish cleaning station.

E23 - King Salmon Expense

Estimated expenses for maintaining the King Salmon Beach area, including replacing signage and vegetation maintenance.

E24 - Redwood Marine Terminal/Berth 1 Expense

Estimated expenses for maintaining the Redwood Dock/Berth 1 property (planking, roadway upgrade, power).

E25 - Redwood Terminal 2/Berth 2 Expense

Estimated expenses for maintaining the Redwood Terminal 2/Berth 2 property, utilities and minor repairs.

E26 - Mariculture Lease Fees

Fees paid to private tidelands owners for mariculture leases.

E27 - Grant Expense

Expenses associated with grant-funded projects expected to occur in FY 2016/17. **Prop 1 Grant for Shelter Cove fish cleaning station.**

NON-OPERATING EXPENSES (NOE)

CAPITAL EXPENDITURES

NOE1 - Woodley Island Facility Improvement

Estimated expense for the purchase of replacement floats (\$50,000), Fire Alarm (\$10,000), camera for the island entrance to capture license plate numbers (\$3,000), Oyster BBQ and Picnic Tables/Design (\$10,000).

NOE2 - Dredging Expenses

Estimated expenses in preparation of dredging the marina and other bay sites, including Fisherman's Channel at King Salmon. (\$30,000) is estimated for dredge sediment sampling for Woodley Island Marina. Permitting and mitigation of Fisherman's Channel (\$250,000), Booster pump for dredge (\$40,000), Clarifier retrofit for dredge slurry - City to pay ½ (\$50,000), White Slough Sediment Berm (\$10,000), King Salmon Dock Owner Association formation (\$5,000) and King Salmon Entrance Dredging (\$20,000).

NOE3 - Fields Landing Boat Yard

Estimated expenses for capital improvements to the Fields Landing Boat Yard, including installation of a lower dock next to Travelift pier (\$5,000), Travelift cables (\$10,000), lighting (\$18,000) and Planning and Design for future uses (\$15,000).

NOE4 - Redwood Marine Terminal Berth 1 Improvement

Estimated expenses required for power, lights - North connection (\$10,000), dock repairs (\$5,000), Roof repairs and painting (\$10,000), South Door wall (\$5,000) and Red Tank dock repairs and power (\$10,000).

NOE5 - Harbor Improvement

Payments for harbor improvement projects such as channel deepening, shoreline protection, shoal abatement and navigation aid improvement. **Purchase of a gangway for cruise ships – City of Eureka will pay 1/2 (\$17,500).**

NOE6 - Property Acquisition

None anticipated in FY 2016/17.

NOE7 - Property Improvement – Redwood Terminal 2

Expenses associated with the Redwood Terminal 2 property: **Outfall pipe repairs (\$75,000); Environmental CleanUp – Lime silo & miscellaneous (\$20,000); and EDA grant match (\$10,000).**

NOE8 - Recreational Enhancements

Shelter Cove expenses for 2016/17: **Electrical, water and lighting (storage lot) (\$10,000).**

NOE9 - Conservation Enhancements

No estimated expenses for capital improvements related to conservation enhancements at facilities other than Woodley Island.

NOE10 - Auto/Operating Equipment

Purchase of an RV for employee housing at District facility (\$10,000).

NOE11 - Office Equipment

Estimated expenses for upgrading computer equipment with a more advanced **computer firewall (\$3,000).**

DEBT PAYMENTS

NOE13 - Cal Boating Loan & Deepening Loan Combined

In FY 2014/15, the Cal Boating Loans and the Deepening Loan were combined as a Bond refinance. The loans were originally incurred to build Woodley Island Marina and dry stack storage and to pay for the deepening of Humboldt Bay's bar and entrance channel.

NOE14 - Electric Meter Loan Payments

Monthly payments on the Woodley Island Marina electric meter loan.

NOE15 - Forklift Loan Payments

Monthly payments on the Redwood Terminal 2 Forklift.

NOE16 - Coast Seafoods Repayment

Repayment of loan to Coast Seafoods for the trucking of the liquors from Redwood Terminal 2 to KapStone.

NOE17 - New Market Tax Credits Payment

Payment on the New Markets Tax Credit Loan: \$1.5 million @ 5% for 30 years.