

COMMISSIONERS

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STAFF REPORT - HARBOR DISTRICT MEETING

June 11, 2020

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: June 10, 2020

TITLE: **SUPPLIMENTAL STAFF REPORT:** FY 2020-21 District Budget Preparation – draft goals revenues and expenditures by programmatic activity.

RECOMMENDATION: It is recommended that the Board:

1. Receive a report of the draft goals, income and expenditures for Fields Landing Boat Yard, Woodley Island Marina, and Dredging.
2. Adopt the preliminary budget.

INTRODUCTION: The Budget is prepared annually under direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on or before June 15, the District Board shall estimate and determine the amount of money required by the Harbor District and shall adopt a preliminary budget. The preliminary budget is really the first draft and the Board has meetings scheduled on June 25th, July 9th and July 23rd to receive comments from the public and make additional changes to the budget. The Board can also schedule additional special meetings as required and may want to consider scheduling a Special Meeting on Monday June 15th to discuss any additional details prior to adopting the Preliminary Budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors not later than August 1st.

DISCUSSION: The preliminary budget income and expenditures are included as Exhibits A and B. The Preliminary Income reflects the following primary issues:

- COVID 19 reduced revenues from Café Marina due to shutdown revenue sharing lease terms.
- Poor crab season resulting in reduced transient vessel slip rental.
- Lease of Fields Landing Boat Yard resulting in reduced incomes. Income will gradually increase in 2021 and 2022 as per lease agreement. Staff will be shifting from Fields Landing to RMT II to clear out warehouse, shops and stores building and exterior area and relocate tenants to new spaces to prepare for Nordic Aquafarms beginning construction in FY 2021/22.
- RMT II nearing 100 % occupancy with Nordic Aquafarms lease. In past new incomes have been generated with new tenants. District still has abundant vacant CDI zoned land for lease but little interior leasable area.
- Ongoing Debt Service payments for removal of hazardous material removal from RMT II. Repayment Plan projects paying off debt in 2021/22 and freeing up \$196,000 annual expenditure.

The Directors Recommendation column in Exhibit B Expense presents a balanced budget that includes approximately \$336,000 in cuts from the Division Managers recommendations. This is in addition to the previous deferred maintenance that are outlined in the Goals Slides for the properties. Exhibit A includes a total income of \$3,719,812 which allocated according to the different properties or categories where the income is derived. The key areas of reduction from the Division Recommendation are:

- Reductions in engineering and planning services
- No matching funds for Headwaters Grant for new multipurpose dock to support offshore wind
- Reduced funding to mitigate for suction dredging at the Bay Street property
- No matching funds for Shelter Cove fish cleaning station

Attachments

A Preliminary Budget Income

B Preliminary Budget Expenses

EXHIBIT A

Humboldt Bay Harbor, Recreation, and Conservation District

INCOME FY 2020 - 21 BUDGET

6/11/2020

		General Fund	Tidelands	Woodley Island	RMT II	RMT I	Fields Landing	Shelter Cove	Grants	DIVISION RECOMMENDATION TOTAL 2018-19
Account	Sub Account									
R1	Dredging									-
R1a	Dredging Surcharge			125,000			15,000			140,000
R1b	Dredging Set Aside									-
R1c	Dredging Other								50,000	50,000
R2	Float Replacement			63,000						63,000
R3	Harbor Surcharge		150,000							150,000
R4	Utility Surcharge			56,471	56,422	10,414				123,308
R5	Grants									-
R5a	Conservation									-
R5a	Recreation									-
R5c	Harbor									-
R5d	Facilities								21,274	21,274
R6	Tax Revenue									-
R6a	Property Tax	1,096,500								1,096,500
R6b	Other									-
R8	Other Income									-
R8a	Other Revenue		32,350							32,350
R8b	Late Fees/Interest	7,000	160,750	5,000						172,750
R9	Interest Income				6,200					6,200
R10	Rents									-
R10a	Slip Rents			500,000						500,000
R10b	Transient Rents			120,000						120,000
R10c	Upland Rent			140,000	560,000	25,000	78,500			803,500
R10d	Tideland Rent		307,000							307,000
R10e	Equipment									-
R10f	Storage			40,000		18,000				58,000
R10g	Work Yard			5,000						5,000
R11	Fees									-
R11a	Services Office			2,200						2,200
R11b	Late Fees/Interest	500		8,000	1,500	200				10,200
	Permits	500	1,500	5,300						7,300
R11c	Miscellaneous	10,000								10,000
R11d	Fork Lift			3,500						3,500
R11e	Boat Launch									-
R11f	Travel Lift									-
R11g	Haul Out									-
R11h	Moorage									-
R11i	Poundage			1,500		6,000				7,500
R11j	Port	9,700	12,500							22,200
	Pilotage		2,000							2,000
R12	Sales									-
R12a	Laundry			6,000						6,000
R12b	Retail									-
R13	Donations									-
R13a	Light House			20						
R13b	Sea Scouts			10						
TOTAL REVENUE		1,124,200	666,100	1,081,001	624,122	59,614	93,500	-	71,274	3,719,782
TOTAL EXPENSE		945,396	353,441	1,221,709	1,094,096	167,857	145,451	94,200	25,273	4,047,422
NET INCOME		178,804	312,659	(140,708)	(469,974)	(108,243)	(51,951)	(94,200)	46,001	(327,640)

EXHIBIT B

Humboldt Bay Harbor, Recreation, and Conservation District
EXPENSES FY 2020-21 BUDGET

6/11/2020										Division Recommend	Directors Recommend ation	Reduction Description
Account	Sub Account	General Fund	Tidelands	Woodley Island	RMT II	RMT I	Fields Landing	Shelter Cove	Grants	TOTAL 2019-20	Cuts	
Personnel												
E1	Salaries/Wages	251,677		327,480	107,828	61,861	28,720		15,187	792,752		792,752
E1a	Salaries/Wages PT	-		-	-	-	-			-		-
E2	Commissioners Fees	25,200		-	-	-	-			25,200		25,200
E3	Payroll Burden	220,370		246,429	74,786	44,096	21,681			607,362		607,362
E3a	Payroll Burden PT					-				-		-
										-		-
										-		-
Materials and Services												
E5	Advertising & Promotion	1,300		1,000						2,300	2,300	-
E6	Communications	6,000		7,000	11,200					24,200		24,200
E7	Conference & Meetings	15,000		6,000	2,500				1,000	24,500	17,500	7,000
E8	Dues,Subscript.,License	25,000	120		11,000				435	36,555	2,555	34,000 Membership
E9	Elections & Government Fees	10,000			40,000					50,000		50,000
E10	Insurance	9,000	19,000	33,700	16,000		7,600	7,200		92,500		92,500
E11	Supplies Office	13,349	1,000	4,000					4,651	23,000	5,000	18,000 Office supplies
E12	Supplies Maintenance	750		14,000	25,000	1,000				40,750	24,000	16,750
E13	Permits		3,400	500	22,000	400	2,700			29,000		29,000
E14	Utilities	8,000		220,000	235,000	10,000	30,000	7,500		510,500	18,000	492,500 RMT II Power
E15	Fuel	15,750		3,800	350					19,900		20,000
E16	Accounting	41,000		8,300						49,300		49,300
E17	Legal	35,000								35,000		35,000
E18	Planning	50,000								50,000	20,000	30,000 Planwest
E19	Engineering	12,000		1,000	26,000	4,000	10,000	2,000	2,000	57,000	27,000	30,000 Engineering
E20	Other Professional/Outside Services	5,000	60,000	8,000	1,000	5,000	2,500	-	2,000	83,500	60,000	23,500 Multipurpose dock
E20a	Information Technology									-		-
E20b	HSU Ports		32,350							32,350		32,350
E21	Small Tools - Protective Clothing			2,000	1,500		250			3,750		3,750
E22	Maintenance Facilities		30,000	23,500	40,900	25,000	33,000	2,500		154,900		154,900
E23	Maintenance Equipment			17,000	14,900	3,500	5,000	10,000		50,400		50,400
E24	Maintenance IT	3,000		2,000	4,000					9,000		9,000
E25	Dredging			150,000						150,000	85,000	65,000 Mitigation
E26	Capital Outlay									-		-
E26a	Building & Facilities			45,000	20,000	10,000	4,000			79,000	20,000	59,000 RMT I Water + Sea Chest
E26b	Equipment							65,000		65,000	65,000	Fish Cleaning Station
E26c	Automotive									-		-
E26d	Vessels									-		-
E27	Rent/ Lease Payments				205,632					205,632		205,632
E28	Interest/Debt Payments									-		-
E29	Other Expenses	2,000		1,000		3,000				6,000		6,000
E30	Grant Expenses									-		-
E30a	Conservation Grant									-		-
E30b	Recreation Grant									-		-
E30c	Harbor Grant									-		-
E30d	Facilities Grant									-		-
TOTAL EXPENSE		749,396	145,870	1,121,709	859,596	167,857	145,451	94,200	25,273	3,309,351	346,355	2,963,096
Debt												
D1	Bonds 2014		207,571	100,000						307,571		307,571
D2	Coast Seafood	196,000								196,000		196,000
D3	BVVA Loan NMTC				234,500					234,500		234,500
D4	Acquisition									-		-
D5										-		-
D6										-		-
TOTAL EXPENSE		196,000	207,571	100,000	234,500	-	-	-	-	738,071	-	738,071
TOTAL EXPENSE		-	-	-	-	-	-	-	-	-		-
GRAND TOTAL EXPENSE		945,396	353,441	1,221,709	1,094,096	167,857	145,451	94,200	25,273	4,047,422	346,355	3,701,067
TOTAL REVENUE		1,124,200	666,100	1,081,001	624,122	59,614	93,500	-	71,274	3,719,812		3,719,812
NET INCOME		178,804	312,659	(140,708)	(469,974)	(108,243)	(51,951)	(94,200)	46,001	(327,610)		18,745