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Redondo Beach Harbor Enterprise Budget Update

Harbor Commission Meeting

June 2, 2021

Overview

- * Harbor Enterprise Comprised of Uplands and Tidelands Funds
- * Reflects Revenues and Expenditures Attributable to the Enterprise
- * Typical General Fund Revenue Sources Flow to the General Fund (e.g., Sales Tax, Property/Possessory Interest Tax, TOT, etc.)

Revenue Assumptions

- ❖ Used 2019 Calendar Year to Construct Revenue Model
- ❖ Sensitivity Testing for Various Scenarios
- ❖ Projected FY21-22 Revenue Based On Following Assumptions:
 - ▶ Retail and Restaurant – 35% Reduction in Sales
 - ▶ Parking - 35% Reduction in Revenue
 - ▶ Hotel Rooms and F&B – 50% Reduction in Sales
 - ▶ Residential and Office – 15% Reduction in Rental Income
 - ▶ Marina Slips – 15% Reduction in Slip Rental Income
- ❖ Rent Repayment Schedules established, no additional COVID-related deferrals

Operating Budget

Financial Summary		FY 21-22	FY 20-21		
		Tidelands	Tidelands		Variance
<i>Funding</i>					
	Rents and Percentages	\$ 5,230,189.00	\$ 4,521,511.00		\$ 708,678.00
	Parking Structure Revenue	\$ 307,200.00	\$ 307,200.00		\$ -
	Seaside Lagoon Entrance Fees	\$ 153,000.00	\$ 661,000.00		\$ (508,000.00)
	Investment Earnings	\$ 290,000.00	\$ 290,000.00		\$ -
	Fisherman's Wharf Sanitation District	\$ 110,000.00	\$ 110,000.00		\$ -
	Other Revenue	\$ 29,000.00	\$ 24,500.00		\$ 4,500.00
	Total	\$ 6,119,389.00	\$ 5,914,211.00		\$ 205,178.00
<i>Expenditures</i>					
	Personnel	\$ 4,479,213.00	\$ 4,303,241.00		\$ 175,972.00
	Maintenance and Operations	\$ 1,687,327.00	\$ 1,912,327.00		\$ (225,000.00)
	Internal Service Fund Allocations	\$ 941,888.00	\$ 1,003,200.00		\$ (61,312.00)
	Overhead	\$ 498,795.00	\$ 552,055.00		\$ (53,260.00)
	Property Tax In-Lieu Fee	\$ 98,225.00	\$ 96,299.00		\$ 1,926.00
	Total	\$ 7,705,448.00	\$ 7,867,122.00		\$ (161,674.00)
	Operating Income (Loss)	\$ (1,586,059.00)	\$ (1,952,911.00)		\$ 366,852.00
	Beginning Fund Balance	\$ 5,044,001.00	\$ 7,340,929.00		\$ (2,296,928.00)

Operating Budget

Financial Summary		FY 21-22	FY 20-21		
		Uplands	Uplands		Variance
Funding					
	Rents and Percentages	\$ 3,486,396	\$ 2,600,000		\$ 886,396
	Parking Structure Revenue	\$ 1,515,300	\$ 1,515,300		\$ -
	Parking Meter Fees	\$ 50,000	\$ 45,000		\$ 5,000
	Investment Earnings	\$ 110,000	\$ 110,000		\$ -
	Storage Fees	\$ 35,000	\$ 40,000		\$ (5,000)
	Fisherman's Wharf Sanitation District	\$ 110,000	\$ 130,000		\$ (20,000)
	Other Revenue	\$ 6,000	\$ 2,000		\$ 4,000
	Total	\$ 5,312,696	\$ 4,442,300		\$ 870,396
Expenditures					
	Personnel	\$ 2,127,308	\$ 2,166,627		\$ (39,319)
	Maintenance and Operations	\$ 1,047,452	\$ 1,216,952		\$ (169,500)
	Internal Service Fund Allocations	\$ 1,267,330	\$ 1,069,190		\$ 198,140
	Overhead	\$ 309,669	\$ 325,975		\$ (16,306)
	Debt Service	\$ 1,651,413	\$ 1,650,982		\$ 431
	Total	\$ 6,403,172	\$ 6,429,726		\$ (26,554)
	Operating Income (Loss)	\$ (1,090,476)	\$ (1,987,426)		\$ 896,950
	Beginning Fund Balance	\$ (3,717.00)	\$ 2,602,023.00		\$ (2,605,740.00)

Decision Packages

	Tidelands	Uplands
Financial Summary Operating Loss	\$ (1,586,059.00)	\$ (1,090,476.00)
#21 - Police Dept Harbor Enterprise Budget Reduction	\$ 45,891.00	\$ 45,891.00
#22 - Public Works Dept Harbor Enterprise Budget Reduction	\$ 127,309.00	\$ 96,302.00
#23 - Reduction in Harbor Contracts	\$ 75,000.00	\$ 75,000.00
#24 - DBAW Loan Elimination	\$ 415,833.00	
#32 - Fire Dept. Administrative Support Staff	\$ 15,515.00	\$ 14,605.00
#53 - King Harbor Amenities Plan Preparation	\$ (150,000.00)	\$ (150,000.00)
#54 - Concept Plan for Seaside Lagoon	\$ (50,000.00)	\$ -
#56 - Use of COVID Recovery Funds	\$ -	\$ 1,000,000.00
Revised Operating Loss	\$ (1,106,511.00)	\$ (8,678.00)
Reduction in Costs	\$ (479,548.00)	\$ (1,081,798.00)

Capital Improvements

Five Year CIP Funding - FY 21-22 to FY 25-26							
Tidelands		Carryover	21-22	22-23	23-24	24-25	25-26
	Harbor Dredging	\$ -	\$ 2,300,000.00	\$ -	\$ -	\$ -	\$ -
	Harbor Railing Replacement	\$ 565,291.00	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -
	Pier Sails and Lighting	\$ 119,767.00	\$ -	\$ -	\$ -	\$ -	\$ -
	Pier Repairs	\$ 1,178.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
	Pier Parking Structures	\$ 59,695.00	\$ -	\$ -	\$ -	\$ -	\$ -
	Restroom Improvements	\$ 75,767.00	\$ 150,000.00	\$ -	\$ -	\$ -	\$ -
	Boat Ramp Design and Construct	\$ 542,830.00	\$ -	\$ 4,500,000.00	\$ -	\$ -	\$ -
	Sport Fishing Pier Repairs	\$ -	\$ -		\$ -	\$ 6,000,000.00	\$ -
	Moonstone Park	\$ 2,435,783.00	\$ -	\$ -	\$ -	\$ -	\$ -
	Habor Patrol Docks	\$ 918,960.00	\$ 460,000.00	\$ -	\$ -	\$ -	\$ -
	Replacement of Hand Launch Dock	\$ -	\$ 45,000	\$ 300,000	\$ -	\$ -	\$ -
	Totals	\$ 4,719,271	\$ 3,655,000	\$ 5,000,000	\$ 200,000	\$ 6,200,000	\$ 200,000
	5 Year Total	\$ 19,974,271					

Capital Improvements

Five Year CIP Funding - FY 21-22 to FY 25-26							
Uplands		Carryover	21-22	22-23	23-24	24-25	25-26
	Basin 3 Seawall	\$ -	\$ -	\$ 950,000	\$ -	\$ -	\$ -
	Basin 3 Slip Replacement	\$ -	\$ 150,000	\$ 3,100,000	\$ -	\$ -	\$ -
	Harbor Railing Replacement	\$ 222,629	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ -
	Pier Parking Structures	\$ 75,925	\$ 50,000	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -
	Restroom Improvements	\$ 30,000	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
	Sea Level Rise Improvments	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
	Relocation of Boat Launch - Access/Design/Site	\$ 6,949	\$ -	\$ -	\$ -	\$ -	\$ -
	Redondo Beach Marina Parking Lot Pay Stations	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -
	Play Surface Replacement at Parks	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -
	Totals	\$ 335,503	\$ 520,000	\$ 6,400,000	\$ 750,000	\$ 1,950,000	\$ 500,000
	5 Year Total	\$ 10,455,503					

Recommendation

- * Discussion and Possible Action to Provide Input/Recommendations to the Redondo Beach City Council on Proposed FY21-22 Budget and Proposed FY21-26 Capital Improvement Plan
- * Receive and File Staff Report on Proposed FY21-22 Budget and Proposed FY21-26 Capital Improvement Plan