



Office of the City Manager

ACTION CALENDAR

July 10, 2007

To: Honorable Mayor and
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: William Rogers, Acting Director, Parks Recreation and Waterfront

Subject: Marina Fee Increases For Fiscal Year 2008

RECOMMENDATION:

Conduct a Public Hearing and upon conclusion adopt a Resolution: (1) increasing berth fees by 5%; b) increasing selected service fees by up to 10%; c) increasing the Chain fee by 100%; d) establish one new fee (Event parking fee); and e) increasing Nature Center/Adventure Playground fees by 5%, for Fiscal Year 2008, and rescinding Resolution No. 63,354–N.S. and all amendatory Resolutions.

FISCAL IMPACTS:

The FY 2008 projected operating costs for the Berkeley Marina increased by almost 9% from projected FY 2007 costs:

	FY 2007 Projected	FY 2008 Projected	% Change
Marina Operating Costs	4,961,227	5,386,747	9%
Revenues	4,588,748		
Gap	(372,479)		

In order to keep up with the increase in operating costs, it is necessary to increase revenues by a similar amount. There are several factors contributing to the 9% increase in operating expenses from FY 2007 to FY 2008:

1. Personnel cost-of-living adjustments of 5% in FY 2008 as part of the City's negotiated labor contracts; and health and dental care increases of 20% and 10% in FY 2008.
2. Funding 17% of a new Environmental Compliance Specialist in Public Works for safe storage and removal of Marina hazardous materials.
3. Expected carryover of \$599,961 for the Marina Docks H-I capital project.
4. \$200,000 increase in the debt service expenditures as part of the agreed upon draw down schedule for the repayment of a \$9.0 million dollar loan from the State of California Department of Boating & Waterways (DBAW) dock reconstruction.
5. \$200,000 increase in Marina capital expenditures to for float replacement and dock piling maintenance.

To fund the increase in costs, staff is recommending fee increases:

- Increasing berth fees by 5%;
- Increasing selected service fees by up to 10% as follows:
 - Live board fee increases from \$140.00 to \$145.00
 - Labor fees increase from \$50.00 to \$75.00;
 - Daily Impound fees increase from \$45.00 to \$55.00.
 - The fees for premium slip rates for upwind/single berths increases from 8% to 10%.
 - Increasing the Chain fee by 100% from \$50.00 to \$100.00;
- Establish a new Event Parking fee of \$10.00 per vehicle;
- Increasing Nature Center/Adventure Playground fees by 5%.

Berthing fees are the primary source of revenue to Marina Enterprise Fund, and are projected to generate almost \$3.0 million dollars in FY 2007. A 5% increase in berth fees in FY 2008 will generate an additional \$152,000 in revenue; an increase in selected service fees by up to 10% will generate an additional \$30,000 in revenue; and a 5% increase in Marina Experience fees will generate an additional \$2,515 in revenue. It is expected that the FY 2008 Marina Fund total projected revenue will be \$4,728,683.

CURRENT SITUATION AND ITS EFFECTS

Marina Operations

In addition to the rising costs of basic operations, the Berkeley Marina will complete two major capital improvement projects totaling \$9.7 million over the next two years to replace the aging dock infrastructure: a) the H and I dock replacement project; and b) the A through E dock replacement project. \$9 million for these two projects is funded through a loan from DBAW.

In FY 2008, the H and I Dock Replacement Project will incur two separate costs to the Marina Fund balance totaling \$900,000 comprised of the following:

- The use of \$3 million from the DBAW Loan for the 53 recreational slips will incur an annual debt service charge of \$200,000; and
- \$700,000 from the Marina Fund balance itself will be used directly for the houseboat slip portion of the project, for which the DBAW loan funds are not eligible.

In FY 2009, the A through E Dock Replacement Project will draw down the remainder of the DBAW loan (\$6 million) and resulting in a new total annual debt service charge to the Marina Fund balance of \$630,000 for the next 29 years.

Over the next two fiscal years, the regular annual capital replacement projects for dock pilings and float replacements has been increased in FY 2008 from \$235,000 to \$435,000 to provide critical repairs to docks.

Nature Center

As a subset of the Marina's budget, the Nature Center/Adventure Playground operating budget is \$264,033 and generates approximately \$53,000 in revenues from fees.

Nature Center programs provide services to the community, which include Teacher in –service training, low tide programs (explorations on the rocky shoreline, dock and Berkeley pier); Animal programs; fish, birds, marine mammals and bay scientist program. Additionally, the programs offer research sailing and boating trips for students and teachers, and summer programs dedicated to marine biology, canoeing, safe boating skills, and water skiing.

Adventure Playground provides a unique outdoor facility where parents and staff encourage children to play and build creatively with hammers, nails and saws. The playground has experienced a surge of attention lately and staff is inundated with groups making reservations.. Staff have chosen to keep the drop in fee for individual children at \$6 for 3+ hours a day. It is still free for parents with their kids. The Adventure Playground is open 7 days a week in the summer.

The proposed fee increases will generate \$2,515 in revenue and will help offset Marina funds allocated to these programs.

The proposed fee increases are as follows:

Marina Environmental Education PROGRAMS	STUDENTS PER CLASS/ # OF CLASSES	CURRENT FEES FOR SCHOOL YEAR 2006-07	PROPOSED FEE INCREASES For 07-08	PERCENT INCREASE
EDUCATION				
Animal Programs	20-30 / 24 classes	\$147.00	\$154.00	5%
Low Tide Programs	20-30/ 17 classes	\$147.00	\$154.00	5%
Research Boat Trip	35 / 6 classes	\$604.00	\$634.00	5%
Sail Boat Trip	30/ 4 classes	\$185.00	\$194.00	5%
Docent Training	Each	\$47.00	\$49.00	5%
Individual Programs	10-60 / 8 classes	\$47.00	\$49.00	5%

ADVENTURE PLAYGROUND		<u>(2 hour minimum)</u>		
	Current Fees	Proposed Fees	% Increase	
<u>Groups of 5-10 kids</u>	<u>\$52 for 2hrs</u>	<u>\$55 for 2hrs</u>	<u>5%</u>	
<u>Groups of 11-20 kids</u>	<u>\$74 for 2 hs</u>	<u>\$78 for 2 hs</u>	<u>5%</u>	
<u>Groups of 21-30 kids</u>	<u>\$106 for 2 hrs</u>	<u>\$111 for 2 hrs</u>	<u>5%</u>	
<u>Groups of 31-40 kids</u>	<u>\$126 for 2 hrs</u>	<u>\$132 for 2 hrs</u>	<u>5%</u>	
<u>Drop-Ins (individual)</u>	<u>\$6 (for 3 hrs)</u>	<u>\$7 (for 3 hrs)</u>	<u>0</u>	
SUMMER MARINE BIOLOGY/BOATING (per person)				
<u>Marine Biology</u>	<u>4 days \$53</u>	<u>\$56</u>	<u>5%</u>	
<u>Marine Biology</u>	<u>8 days \$105</u>	<u>\$110</u>	<u>5%</u>	
<u>Boating</u>	<u>4 days \$105</u>	<u>\$110</u>	<u>5%</u>	
<u>Canoeing</u>	<u>3 days \$37</u>	<u>\$39</u>	<u>5%</u>	
<u>Waterskiing</u>	<u>not done in 2006</u>	<u>\$25- two days</u>		
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BACKGROUND

The Marina Enterprise Fund does not receive revenue from the City's General Fund, and therefore it must be self-funded through revenues from berth fees and leases. This revenue covers all expenses at the Marina, including operations, capital improvements, and Nature Center educational programs. At over forty years old, the present condition of the docks at the Marina is very poor –ten years past their expected life span. In anticipation of major dock replacement projects, the Marina has begun to modestly increase its fees over the past ten years, and must continue to do so in order to fund required capital improvements and keep up with increasing operating costs.

Waterfront Commission

At it's meeting of April 11, 2007 the Waterfront Commission M/S/C (Smith/McGrath) to approve the FY 2008 Marina budget and to recommend a 5% berthing fee increase, selected service fee increases, and a 5% Nature Center fee increase. Yes: Smith, McGrath, Barry, Mackhouse; No: 0; Absent: Beier Abstain: Leary, Kamen (both Commissioners are berthers and cannot vote on this issue).

ALTERNATIVE ACTIONS CONSIDERED

An alternative action for the Council is to not approve any fee increases for FY 2008. This would force the Marina Fund to draw down on its fund balance and further diminish capacity to fund infrastructure debt service.

CONTACT PERSON:

Ann Hardinger, Secretary to Waterfront Commission/ Acting Waterfront Manager, 981-6737

Attachments:

1: Resolution

Exhibit A: Fee Schedule FY2008

Exhibit B: Fee Schedule FY 2007

RESOLUTION NO. ##,###-N.S.

MARINA FEE INCREASES FOR FISCAL YEAR 2008

WHEREAS, the City's costs to operate facilities, provide services and undertake capital improvements at the Berkeley Marina increase with inflation and aging infrastructure; and

WHEREAS, on April 11, 2007 the Waterfront Commission proposed increases in fees (berth fees and selected service fees), and, after receiving public comment during its regular meeting, recommended approval of the fees – M/S/C (Smith/McGrath).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached rate structure (Exhibit A) is hereby established for use by the general public for facilities at the Berkeley Marina.

BE IT FURTHER RESOLVED that Resolution No. 63,354–N.S. and all amendatory resolutions are hereby rescinded.

Exhibits

A: FY 2008 Fee Schedule

B: Comparison FY 2007 fees and FY 2008 fees

EXHIBIT A

PROPOSED FEE SCHEDULE FY 2008

Monthly Base Berth Rates per Foot		Surcharge for Unmetered Power
20-21	6.87	0.00
22-24	7.28	0.10
25-29	7.72	0.20
30-39	8.19	0.30
40-49	8.67	0.40
50-59	9.20	0.50
60-69	9.75	0.60
70-79	10.33	0.70
80-89	10.95	0.80

Surcharges

Upwind	10% added to base rate
Single Berth (Double Finger Berth)	10% added to base rate
Upwind AND Single Berth	20% added to base rate
Catamaran/Trimaran Fees	20% added to base rate
Monthly Temporary Berth Fees	10% added to base rate

Other Fees

Dry Storage 24X8 (monthly)	\$80.00
Dry Storage 28X8 (monthly)	\$90.00
Skiffs	\$70.00
Monthly Lockers	\$20.00
Monthly Live Aboard Fees	\$145.00
Labor Fees (per occurrence)	\$75.00
Wait List Fees	\$40.00
Monthly Launch Ramp	\$25.00
Seasonal Launch Ramp	\$100.00
Daily Launch Ramp Fee	\$5.00
Daily Visitor Berth Fees (per foot)	\$0.50
Chaining Fee (per occurrence)	\$100.00
Electronic key passes (each)	\$15.00
Annual Hoist Fee	\$36.00
Tide Books	\$1.00
Daily Impound Fee	\$55.00
Lien Fees	\$100.00
Charter Boat Fee (public dock)	\$35.00 per event + \$1.00 per person
Transfer Fees	\$25.00
Event Parking Fee (new)	\$10 per vehicle, per event

EXHIBIT B

COMPARISON OF FY 2007 FEES WITH FY 2008 FEES

FY 2007			FY 2008		
Monthly Base Rates per Foot	Surcharge for Unmetered Power per Foot		Monthly Base Rates per Foot	Surcharge for Unmetered Power per Foot	
20-21	6.54	0	20-21	6.87	0
22-24	6.93	0.1	22-24	7.28	0.1
25-29	7.35	0.2	25-29	7.72	0.2
30-39	7.8	0.3	30-39	8.19	0.3
40-49	8.26	0.4	40-49	8.67	0.4
50-59	8.76	0.5	50-59	9.2	0.5
60-69	9.29	0.6	60-69	9.75	0.6
70-79	9.84	0.7	70-79	10.33	0.7
80-89	10.43	0.8	80-89	10.95	0.8

Surcharges	FY 2007 Rates	FY 2008 Rates
Upwind	8% added to base rate	10% added to base rate
Single Berth (Double Finger	8% added to base rate	10% added to base rate
Upwind AND Single Berth	16% added to base rate	20% added to base rate
Catamaran/Trimaran Fees	20% added to base rate	20% added to base rate
Monthly Temporary Berth	10% added to base rate	10% added to base rate

Other Fees	FY 2007	FY 2008
Dry Storage 24X8 (monthly)	\$80.00	\$80.00
Dry Storage 28X8 (monthly)	\$90.00	\$90.00
Skiffs	\$70.00	\$70.00
Monthly Lockers	\$20.00	\$20.00
Monthly Live Aboard Fees	\$140.00	\$145.00
Labor Fees (per occurrence)	\$50.00	\$75.00
Wait List Fees	\$40.00	\$40.00
Monthly Launch Ramp	\$25.00	\$25.00
Seasonal Launch Ramp	\$100.00	\$100.00
Daily Launch Ramp Fee	\$5.00	\$5.00
Daily Visitor Berth Fees (per foot)	\$0.50	\$0.50
Chaining Fee (per occurrence)	\$50.00	\$100.00
Electronic key passes (each)	\$15.00	\$15.00
Annual Hoist Fee	\$36.00	\$36.00
Tide Books	\$1.00	\$1.00
Daily Impound Fee	\$45.00	\$55.00
Lien Fees	\$100.00	\$100.00
Charter Boat Fee (public dock)	\$35.00 per event +	\$35.00 per event +
Transfer Fees	\$25.00	\$25.00
Event Parking Fee (new)		\$10 per vehicle, per event

