

PORT OF REDWOOD CITY

PORT OF REDWOOD CITY



PORT OPERATIONS

PORT OF REDWOOD CITY

DEPARTMENT DESCRIPTION

The Port of Redwood City is a department of the City of Redwood City and is governed by an appointed five member Board of Port Commissioners which meets bi-monthly. It is the only deep-water port in South San Francisco Bay and is strategically located in the growing economic region of Silicon Valley and serves industrial companies with dry bulk material and neo-bulk cargoes. The City oversees the Port as a financially self-sufficient enterprise without General Fund support through the Port Department, under the supervision and direction of the Port Commission. The finances of the Port are maintained as a separate budget of the City.

MAJOR ACCOMPLISHMENTS

- Increased growth in shipping tonnage
- Approved new leases with CEMEX Aggregates and Sims Metal Management
- Completed Wharves 3 and 4 Fender Replacement Project, invested \$7 million to improve safety for shipping activities and longevity of the wharves
- Continued the promotion of ferry service at the Port of Redwood City through collaboration with WETA, Bay Area Council, and the City of Redwood City
- The Port and the City promoted the expenditure plan for Regional Measure 3 to provide operational funding for the expansion of ferry service
- Invested in Community events through corporate sponsorships
- Supported signature events at the Port
- Installed the “Heron” Public Art sculpture



PORT OF REDWOOD CITY

GOALS FOR FY 2018-19

- Foster further growth of the Port's maritime commerce and cargo shipments
- Engage in public-private partnerships to develop the Port site for future lease opportunities
- Enhance the Interagency Emergency Operations Center
- Collaborate with the City for the development of public Ferry Service
- Invest in the improvement of ship berths to allow for bigger ships
- Promote the Port as a multimodal hub
- Strategize communications opportunities and continue collaboration with the City
- Conduct a full scale emergency response and recovery exercise with the City and the County
- Support the development of a Youth Maritime Center



PORT OF REDWOOD CITY



PORT OF REDWOOD CITY
Serving Silicon Valley

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May 23, 2018

The Honorable Ian Bain, Mayor
City of Redwood City and City Council Members
1017 Middlefield Road
Redwood City, CA 94061

Subject: Port Budget Data for Fiscal Year 2018-19

Dear Mayor Bain and City Council Members:

The Port of Redwood City annually prepares a budget for the upcoming fiscal year, which spans July 1 – June 30. The Port Budget is reviewed by the Port Commission and a Budget Ordinance is introduced to the Commission at its first meeting in May; a public hearing is also held at that time. After final approval of the Budget and the Budget Ordinance by the Port Commission, copies of the Executive Summary of the Budget are provided to the members of the City Council, City Manager, City Clerk and Assistant City Manager of Administrative Services.

For Fiscal Year (FY) 2018-19 the Port budget data reflects \$8.602 million in Operating Revenue, of which \$6.443 million, or 75%, is generated by maritime operations. It includes 2.234 million metric tons of cargo, composed primarily of imported construction aggregates and exported scrap metal. Recreational boating revenue of \$615,000 is based on a 10 percent vacancy factor at the Marina. Commercial rental revenue is expected at slightly over \$1.544 million.

The budget data also includes \$7.349 million in Total Operating Expenses; approximately 78% is attributable to operations and 22% to administration – leaving an Operating Income of \$1.253 million. The operating income is further reduced by \$373,000 with net Non-Operating Expenses, primarily due to interest expense on the Port's Series 2012 and Series 2015 revenue bonds, and Subvention of \$516,000 to the City of Redwood City resulting in anticipated Net Income of \$364,000.

The FY 2018-19 Budget also includes \$1.530 million for the Port's Capital Improvement Program (CIP). The major projects are Improvements to the Marina, Improvements to Rail Spur and renovating the Public Fishing Pier.

Respectfully,

Richard Dodge, Chairman
Port Commission

Encl: Port FY2018-19 Executive Summary of the Port Budget
Port FY2018-19 Statement of Activities and Statement of Cash Flow

CC: City Manager, ACM of Administrative Services, City Clerk
Port Commissioners, Port Executive Director

Port Commissioners
Richard S. Claire
Richard "Dick" Dodge
Simms Duncan
Ralph A. Garcia, Jr.
Lorianna Kastrop

PORT OF REDWOOD CITY

PORT OF REDWOOD CITY FY 2018-19 BUDGET COMPARATIVE STATEMENTS OF ACTIVITIES

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 FORECAST	FY2019 BUDGET	BUDGET FY2019 vs FY2018 FORECAST	%
OPERATING REVENUES						
Dockage:	\$ 502,952	\$ 595,359	\$ 682,622	\$ 731,215	\$ 48,594	7%
Line Handling:	489,639	563,160	647,980	649,442	1,462	0%
Wharfage:	1,719,065	2,261,252	2,509,697	2,292,618	(217,079)	-9%
Facilities Usage:	515,359	367,665	434,696	362,820	(71,876)	-17%
Services & Misc (Water usage):	9,958	13,200	18,091	19,000	909	5%
Rental - Maritime:	1,904,388	2,033,701	2,196,106	2,387,625	191,519	9%
Sub-Total Marine Terminal:	5,141,361	5,834,337	6,489,192	6,442,720	(46,472)	-1%
Marina - Berth Rental:	513,401	507,702	500,387	532,548	32,161	6%
Live-Aboard at Marina:	-	12,000	-	26,400	26,400	
Launch Ramp:	6,126	6,000	4,867	6,200	1,333	27%
Dry Boat Storage:	48,696	49,644	49,196	50,157	961	2%
Sub-Total Recreational Boating:	568,223	575,346	554,450	615,305	60,855	11%
Rental - Commercial:	942,298	973,366	975,098	976,875	1,777	0%
Rental - Temporary:	348,490	440,717	436,264	451,596	15,332	4%
Sub-Total Commercial:	1,290,788	1,414,083	1,411,362	1,428,471	17,109	1%
Sewer Capacity:	46,814	38,160	25,954	32,960	7,006	27%
Security Fees (Rovering-charges):	80,625	81,600	82,125	82,800	675	1%
Sub-Total Other Operating Rev:	127,439	119,760	108,079	115,760	7,681	7%
TOTAL OPERATING REVENUES:	7,127,811	7,943,526	8,563,083	8,602,256	39,173	0%
OPERATING EXPENSES						
Marine Terminal:	1,761,382	1,884,870	1,823,831	3,837,396	(2,013,565)	-110%
Recreation Boating:	567,131	573,773	588,832	613,270	(24,438)	-4%
Commercial:	244,616	259,005	249,340	264,197	(14,857)	-6%
Infrastructure:	653,590	717,192	683,965	725,090	(41,125)	-6%
General Maintenance:	236,681	237,046	239,831	247,208	(7,377)	-3%
Sub-Total Operating Expenses:	3,463,400	3,671,886	3,585,799	5,687,161	(2,101,362)	-59%
ADMINISTRATIVE EXPENSES						
Salaries & Benefits:	634,377	866,010	876,371	972,140	(95,769)	-11%
Office & Admin Expenses:	135,955	128,914	125,555	148,300	(22,745)	-18%
Professional Services:	267,844	329,604	326,370	294,204	32,166	10%
Promotion & Marketing:	202,520	238,150	150,533	233,050	(82,517)	-55%
Depreciation (Office Only):	2,605	2,604	2,547	13,904	(11,357)	-446%
Sub-Total Administrative Exp:	1,243,301	1,565,282	1,481,376	1,661,598	(180,222)	-12%
TOTAL OPERATING EXPENSES:	4,706,701	5,237,168	5,067,175	7,348,759	(2,281,584)	-45%
OPERATING INCOME:	2,421,110	2,706,358	3,495,908	1,253,497	(2,242,411)	-64%
NON-OPERATING REVENUES (EXPENSES)						
Interest Income:	107,911	61,000	166,045	168,000	1,955	1%
Interest Expense:	(595,004)	(651,205)	(567,704)	(542,254)	25,450	-4%
Other Income (Expense):	4,220	37,344	632	1,100	468	
Total Non-Operating Expenses:	(482,873)	(552,861)	(401,027)	(373,154)	27,873	-7%
NET INCOME BEFORE SUBVENTION:	1,938,237	2,153,497	3,094,881	880,343	(2,214,538)	-72%
Subvention to City of Redwood City:	(427,669)	(476,612)	(513,785)	(516,135)	(2,350)	0%
NET INCOME AFTER SUBVENTION:	\$ 1,510,568	\$ 1,676,885	\$ 2,581,096	\$ 364,208	\$ (2,216,888)	-86%

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PORT OF REDWOOD CITY FY2018-19 BUDGET STATEMENT OF ACTIVITIES

OPERATING REVENUES

Marine Terminal	\$	6,442,720	
Recreational Boating		615,305	
Commercial Rentals		1,544,231	
Total Operating Revenues:			\$ 8,602,256

OPERATING EXPENSES

Operations

Labor	944,456
Utilities	218,400
Security	372,000
Maintenance	2,014,040
Insurance	298,879
Management Fees	57,600
Misc. Operating Expenses	50,900
Depreciation	1,730,886

Administration

Salaries & Benefits	972,140
Misc. Office Expenses	65,900
Professional Fees	294,204
Insurance	14,000
Promotion & Marketing	233,050
Utilities	34,800
Maintenance	33,600
Depreciation	13,904

Total Operating Expenses: 7,348,759

OPERATING INCOME:

1,253,497

NON-OPERATING REVENUES (EXPENSES)

Interest & Other Non-Operating Income	180,500	
Interest Expense	(542,254)	
Other Non-Operating Income (Grant)	(11,400)	
Total Non-Operating Expenses (net):		<u>(373,154)</u>

NET INCOME BEFORE SUBVENTION:

880,343

Subvention to City of Redwood City

(516,135)

NET INCOME AFTER SUBVENTION:

\$ 364,208

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PORT OF REDWOOD CITY FY2018-19 BUDGET STATEMENT OF CASH FLOW

CASH FLOW FROM OPERATING ACTIVITIES

Operating Income	\$ 1,253,496	
Depreciation	<u>1,744,790</u>	
Net Cash Provided by Operating Activities:		\$ 2,998,286

CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES

Subvention payment to City of Redwood City	(516,135)	
Non-Operating Revenues	<u>(11,400)</u>	
Net Cash Provided by Non-capital Financing Activities:		(527,535)

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Debt Service payment on 2012 Bonds	(742,294)	
New Loan	-	
Debt Service payment on 2015 Bonds	(604,188)	
Capital Improvement Program	<u>(1,530,000)</u>	
Net Cash Provided by Capital and Related Financing Activities:		(2,876,482)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	<u>180,500</u>	
Net Cash Provided by Investing Activities:		180,500

Net Decrease in Cash and Cash Equivalents:		<u><u>\$ (225,231)</u></u>
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**PORT OF REDWOOD CITY
FY2018-19 BUDGET
CAPITAL IMPROVEMENT PROGRAM (CIP)**

DESCRIPTION	COST
Marina Improvement Project:	\$ 400,000
Rail Spur Improvement:	350,000
Prologis/Engineering:	50,000
Dust Mitigation:	50,000
Repaving/Slurry Seal:	50,000
Computers/ EOC Equipment:	30,000
Ferry Terminal Infrastructure:	100,000
Public Fishing Pier:	500,000
	<u>\$ 1,530,000</u>

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PORT OF REDWOOD CITY FY2018-19 BUDGET COMPARATIVE TONNAGE

	<u>FY2016-17</u> <u>ACTUAL</u> <u>Metric ton</u>	<u>FY2017-18</u> <u>BUDGET</u> <u>Metric ton</u>	<u>FY2017-18</u> <u>FORECAST</u> <u>Metric ton</u>	<u>FY2018-19</u> <u>BUDGET</u> <u>Metric ton</u>
SCRAP METAL:	290,805	270,000	257,507	264,000
CEMENT:	-	-	-	180,000
DOMESTIC SAND (Dredged):	20,385	27,000	-	-
IMPORTED SAND:	1,040,574	1,260,000	1,829,820	1,540,000
GYPSUM:	144,137	180,000	173,465	175,000
BAUXITE:	56,913	75,000	51,279	75,000
OTHER - SLAG:	-	-	-	-
	<u>1,552,814</u>	<u>1,812,000</u>	<u>2,312,071</u>	<u>2,234,000</u>