

Mooring Operations Enterprise Fund (2000)

Interview with DPW Director Tom Daley on February 9, 2023
Finance Committee: Tim Counihan, Ed Mahoney and Lynn Bruneau

Background: Mooring Operations is responsible for the issuance of 1100 mooring permits, maintaining mooring waiting lists and enforcement of mooring regulations, site visits, deed research, repair and maintenance of vehicles/vessels, and management and oversight of waterways and mooring fields.

Note that the latter phrasing - from “site visits” through the end of the sentence” is new this year. When Fin Comm reps met w/ DPW Director Tom Daley and Natural Resources Manager Nate Sears last fall, it was suggested that the definition of “Mooring Operations” be broadened to include more than “just” mooring permits and waiting lists, particularly given the sizable allocation of other DPW costs to the Mooring Operations Enterprise Fund. 31.5% of the Shellfish/Harbormaster Salaries budget is allocated here. Interestingly, the definition of the Shellfish/Harbormaster department includes “enforcement of all federal, state and local laws, bylaws and regulations governing boating” - which arguably is some of what is being done by Mooring Operations in the “management and oversight of waterways and mooring fields”. However, there are no staff/salaries in the Moorings Operations Enterprise Fund budget - all resources (staff) are allocated from other departments, primarily from Shellfish/Harbormaster.

Budget Overview: The attached spreadsheet includes a summary of Mooring Operations Enterprise Fund Budget information from FY22 and FY23 and the proposed data for FY24. The data also includes the FY22 “results” from the 8/31/22 presentation made by Finance Director Cathy Doane to the Select Board and the 12/31/22 year-to-date results.

Warrant Article 9 from last year’s Annual Town Meeting (May 2022) included the FY23 Budget for the operation of the Moorings enterprise, including authorizing the Select Board to set user fees, license fees and permit fees for the Moorings enterprise as set forth in the Warrant Article. With no perceived change in the overall operation of the enterprise, the Warrant Article for this year’s Annual Town Meeting (May 2023) will likely be similar to last year’s Article, with updates

to the revenue and expense and “budgeted surplus” numbers as appropriate. The FY24 budget is again a “balanced” budget, with no change in user fees and with sufficient revenue to “balance” projected expenses with no need for a subsidy from the General Fund.

Budget Fundamentals:

Salaries: there are no Salaries included in the Mooring Operations EF budget. As noted above, Mooring Operations is staffed primarily by resources from the Shellfish/Harbormaster and Highway departments.

Direct Expenses for FY24 are estimated at \$2,670, down slightly (\$420) from FY23. Budget Surplus is “budgeted” at \$17,561 (updated 3/28/23 - \$5 change) - based on a percentage of the 5-year plan for Motor Vehicle/Equipment replacement (per the budget detail - however likely this w/be an allocation as it is unclear what “Motor Vehicles” or “Durable Equipment” is directly ascribed to Moorings Operations. Any ecological impacts/costs are apparently ignored in calculating expenses. Total Direct Expenses: \$20,231 (updated 3//28/23 - down \$5).

Indirect Expenses - including the allocation from “Town Hall” (\$232) and from DPW (\$118.9k) (updated 3/28/23) plus MIIA Pool Insurance (\$4,074) total \$167.1k, including benefits for the allocated DPW resources (\$44.1k).

Total Expenses: Direct plus Indirect - \$20,231 + \$167.1K = \$187,335 (note, the direct expenses and one line-item of the allocated expenses changed by \$5 each with not net change to Total Expenses as of 3/28/23).

Revenue and Funding:

No anticipated change in mooring permit fees from FY23 to FY24:

Commercial	\$50	Estimated sales 78	Estimated revenue \$	3,900
“Blanket”	220	153		33,660
Recreational	155	925		143,375
Waitlists	10	640		6,400
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			Estimated revenue	\$187,335

Balancing the Budget: As for FY23, the FY24 budget for Moorings Operations balances, with estimated Revenue equaling estimated total Expenses. Thus there is no need for additional funding from the Moorings Fund Balance (\$12,270 as of

8/31/22) or from the General Fund. As noted above however, any Moorings-related debt service (although none at present) would be paid from the General Fund, per the Select Board Enterprise Fund Policy.

Strategic Considerations: As noted in the Fin Comm November 17, 2022 memo to the Select Board re “Enterprise Fund Evolution, Policies and Procedures”, the Town is now “half-way through the first 3 years of the initial Enterprise Funds, defined and approved by Town Meeting in October 2020, to take effect beginning July 1, 2021. Once established, Enterprise Funds are meant to ‘live’ at least 3 years before they can be ‘sunset’.” As further noted in the memo, now is an opportune time to take a good look at the Town’s Enterprise Funds and to make some corrections if/as appropriate.

With regard to Moorings Operations, it is apparent that the sources of revenue and the community benefit are not well aligned. The revenue comes entirely from boats on moorings while the benefits are also enjoyed by those using the Town landings as well as those with docks and other access to the water. Small watercraft such as canoes, kayaks and paddleboards, however launched, are also significant beneficiaries of the services provided by Mooring Operations.

Unless Revenue can be sourced more equitably, the Finance Committee recommends that the Town consider “sun-setting” the Moorings Operations Enterprise Fund at the end of FY24 and returning all operations to Town funding.