



## Legislation Text

File #: ID#16-2712, Version: 1

### **SUBJECT/RECOMMENDATION:**

Approve an increase to the 2015/16 Pier 60 Operations budget in the amount of \$15,100 to cover the cost of two additional full time employees at 3<sup>rd</sup> quarter, for a total of 9.8 FTE positions at Pier 60. (consent)

### **SUMMARY:**

Sales at Pier 60 have increased steadily since 2007. It costs the City over \$50,000 to operate, compared with approximately \$265,000 it is expected to return to the City in 2016. This is a result of excellent retail management use of the Pier 60 space, the increase in tourism due to Clearwater being named #1 beach in the U.S. and the opening of several world-class hotels.

Staff does not expect a decrease in sales as Clearwater Beach continues to grow and a convention center is set to open in the near future. Additionally, staff would like to bring back the 24/7 operation year-round versus closing the overnight shift three months out of the year (Dec, Jan, Feb).

Along with the increase in retail sales, personnel costs have gone up. Several part time employees have come extremely close to the maximum hours allowable. It will not be possible to stay within the hourly limits without hiring additional staff or closing the pier to save on man hours thus reducing revenue. The funds requested will cover the Pier for the remainder of the Fiscal Year and cover the hours the Department has exceeded.

Without the new FTE's, Pier hours will be reduced thus reducing sales and the additional revenues available to the General Fund. As an example, closing the 8-hour overnight shift and operating only two shifts a day year round would reduce revenue gained during the third shift. The current third shift that operates only 9 months of the year brings in approximately \$145,000 annually (\$34,800 profit).

A third quarter amendment will be needed to increase Pier 60 personnel expenditures by \$15,100 to cover the increased staffing. This will be offset by an increase in Concession Sales revenue.

The final fiscal year 2017 budget will be amended from the preliminary to include an additional \$86,000 in personnel expenditures in the Pier 60 program offset by an increase in Concession Souvenir revenue.

### **APPROPRIATION CODE AND AMOUNT:**

A third quarter budget amendment will increase Pier 60 cost code 010-01374-510100 (Full-time Salaries) by \$15,100 to fund the additional FTE's for the remainder of Fiscal Year 16. An offsetting amendment will be recognized to 010-00000-347584 (Concession Sales).