

Resolution No.19-08
of the
San Mateo County Harbor District
to
Adopt the Preliminary Budget for Fiscal Year 2019-2020
Operating and Capital Budget

Whereas, §6093, §6093.1, §6093.2, and §6093.3 of the California Harbors and Navigation Code provides procedures for “Adoption of Preliminary and Final Annual Operating and Capital Budget by the San Mateo County Harbor District”; and

Whereas, the Board of Harbor Commissioners desires to adopt the Preliminary Fiscal Year 2019/20 budget in accordance with the Harbors and Navigation Code; and

Whereas, the Board of Harbor Commissioners of the San Mateo County Harbor District must set a time and place for the public hearing on the adoption and fixing of a Final Integrated Fiscal Year 2019/20 Budget.

NOW, THEREFORE BE IT RESOLVED that the Board of Harbor Commissioners of the San Mateo County Harbor District does hereby adopt the Preliminary Budget for Fiscal Year 2019/20 as contained in the budget document attached and incorporated by reference as part of this Resolution; and which further reflects revisions and amendments, if any, as approved by this Commission; and

BE IT FURTHER RESOLVED that after publication of notice, the Board of Harbor Commissioners will meet at 6:30 PM, June 19, 2018 at the San Mateo County Harbor District, Conference Room, 504 Avenue Alhambra, Ste. 200, El Granada, California, for the purpose of hearing from any taxpayer wishing to appear and be heard regarding budget items, after which the Board of Harbor Commissioners may fix the final budget.

Approved this 17th day of April 2019 at the regular meeting of the Board of Commissioners by a recorded vote as follows:

For: Brennan, Larenas, Reyerling

Against: Chang Kiraly, Mattusch


Absent: None

Abstention: None

Attested


Debbie Gehret
Deputy Secretary

BOARD OF HARBOR COMMISSIONERS


Sabrina Brennan
President



SAN MATEO COUNTY HARBOR DISTRICT



PRELIMINARY 2019/20 OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM

Board of Commissioners:
Sabrina Brennan, President
Nancy Reyerling, Secretary
Tom Mattusch, Treasurer

Edmundo Larenas, Vice President
Virginia Chang Kiraly, Commissioner



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SECTION ONE- 2019/20 OPERATING BUDGET



Budget at a Glance



Budgetary Highlights

2019/20 Operating Budget Summary		Comparison to 2018/19 Projections	
Operating Revenues	\$ 4,548,000	\$ 4,448,000	2.25%
Non-Operating Revenues	7,564,000	7,444,000	1.61%
Total Revenues	12,112,000	11,892,000	1.85%
Salaries/Wages/Benefits Expenditures	5,270,000	7,252,000	-27.33%
Non-Personnel Expenditures	3,080,000	3,962,700	-22.28%
Total Expenditures	8,350,000	11,214,700	-35.56%
Total Revenues less Expenditures	\$ 3,762,000	\$ 677,300	455.44%

- The Draft Final Operating Budget for Fiscal Year (FY) 2019/20 is projected to add \$3,762,000 to the working capital balance. This is expected to bring the projected ending working capital balance at the end of FY 2018/19 \$14,731,851 to \$18,493,851 at the end of FY 2019/20.
- Operating Revenues are budgeted to increase by 2.25% due to projected inflationary increases in lease income, and rates, and fees.
- Non-Operating Revenues are budgeted to increase by 1.61% due to an anticipated increase in Property Tax Revenue of 2.03% offset by a decrease in interest income due to the spending of cash balances.
- Salary/Wages and Benefit Expenditures are presented without a paydown of the CalPERS long-term unfunded liability. In 2018/19 the Harbor Commission approved a paydown of \$2,300,000. If the Harbor Commission provides direction to use Working Capital to fund this liability, this expenditure line item will increase to be more in line with the FY 2018/19 projections. Additional information concerning this item will be presented at a future Board meeting.
- Non-Personnel Expenditures are budgeted to decrease by 22.28%. This is mainly due to FY 2018/19 including \$850,000 of election costs, which are not applicable to the FY 2019/20 Budget, and an expected decrease in settlement costs. These decreases are partially offset by inflationary related increases in other expenditure items.



Priorities and Issues [THIS WILL BE UPDATED WHEN RAUCH REPORT IS COMPLETED AND APPROVED]

The Mission Statement of the San Mateo County Harbor District is: “To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

The following goals are in support of the above mission statement:



Short-Term Factors Influencing Decisions

Short-term factors influencing the District's decisions include impact of outside economic and legislative factors, environmental issues, and aging infrastructure.

Economic Factors:

The Public Employees' Pension is managed by California Public Employees' Retirement System (CalPERS). As of June 30, 2018, the District reported a net pension liability (NPL) of \$5,012,108. Multiple variables (e.g. expected rate of return on investments, expected inflationary rates, average life-span, and expected number of vested employees) impact the calculation of the NPL. The District paid an additional \$2,300,000 to fund the unfunded long-term retirement liability in FY 2018/19. CalPERS retirement costs continue to grow as expected rates of return decrease. It is difficult to predict the impact that economic and market conditions may have on the NPL and future retirement costs of the District.

The District has one month-to-month lease for a restaurant in the "tenant row" building at Pillar Point. Short-term agreements may impact future revenues.

State & Federal Budgets & Actions:

Pacific Gas & Electric Company (PG&E) filed for Chapter 11 bankruptcy protection in wake of the billions of dollars in liabilities associated with the 2017 and 2018 California wildfires. In addition, a nuclear power plant will be decommissioned. There is a potential that the District's utility costs may increase substantially while unitary property taxes decrease. For fiscal year 2019/20, Property and Liability Insurance rates increased due to the fires.

In addition, the State approved a \$4 billion housing bond in November. Lack of affordable housing may affect the District's ability to attract and retain qualified candidates. According to the 2018 State Department of Housing and Urban Development report, \$82,200 for a single individual is categorized as low income. Housing costs continue to increase throughout the area.

Environmental Issues:

The District is investigating, developing, and advocating for the implementation of strategies to mitigate the impacts of climate change on District-managed properties. Projects that are included in the Capital Asset Expenditure Section (pages 23-26) and are associated with climate change include the West Trail Shoreline Protection and Restoration of Surfers Beach.

Other Factors:

The District's Infrastructure is aging and will require replacement. For fiscal year ended June 30, 2018 the District had approximately \$45 million in depreciable assets with accumulated depreciation of \$28 million. About 62% of the District's total assets have been depreciated. The five-year capital asset project and replacement section of this budget document includes a plan to replace a portion of the District's infrastructure. In the event that the District meets the fairly aggressive replacement projections, grant money needs to be identified and/or debt will need to be issued in FY 2020/21 to meet the cash flow requirements.

The District entered into a Memorandum of Understanding (MOU) with the City of South San Francisco (SSF) to manage property owned by SSF. This property is the Oyster Point Marina (OPM) and will continue to be managed (per the MOU) by the District for the next fifteen years.



The MOU will automatically renew for two additional periods of ten years each, unless notice is given by the District to SSF to discontinue the MOU. The MOU requires that the District replace Docks 12, 13, and 14 at its sole cost.



Budget Process

The District's budget process is outlined in Policy 4.9.1. and Policy 4.9.2 of the Policy Handbook. Adoption of the Preliminary Budget and Final Budget is governed by Harbor and Navigation Code Section 6093 (et. seq.).

The District's process for preparing its annual budget begins mid-year (fiscal year) for the succeeding year's budget. District Finance staff begins the current fiscal year's mid-year performance to budget analysis. The Harbor Commission reviews the mid-year budget report in February. Having reviewed the current year's performance and identified budget issues and goals for the next fiscal year, staff prepares a first draft preliminary budget which is introduced to the Harbor Commission at a public meeting in March and a final preliminary budget is adopted in April. The Harbor Commission publishes a notice pursuant to Section 6061 of the Government Code stating that the adopted preliminary budget is available for public review. The public has at least 30 days to review and provide comment prior to the adoption of the final budget. The final budget is normally adopted in June.

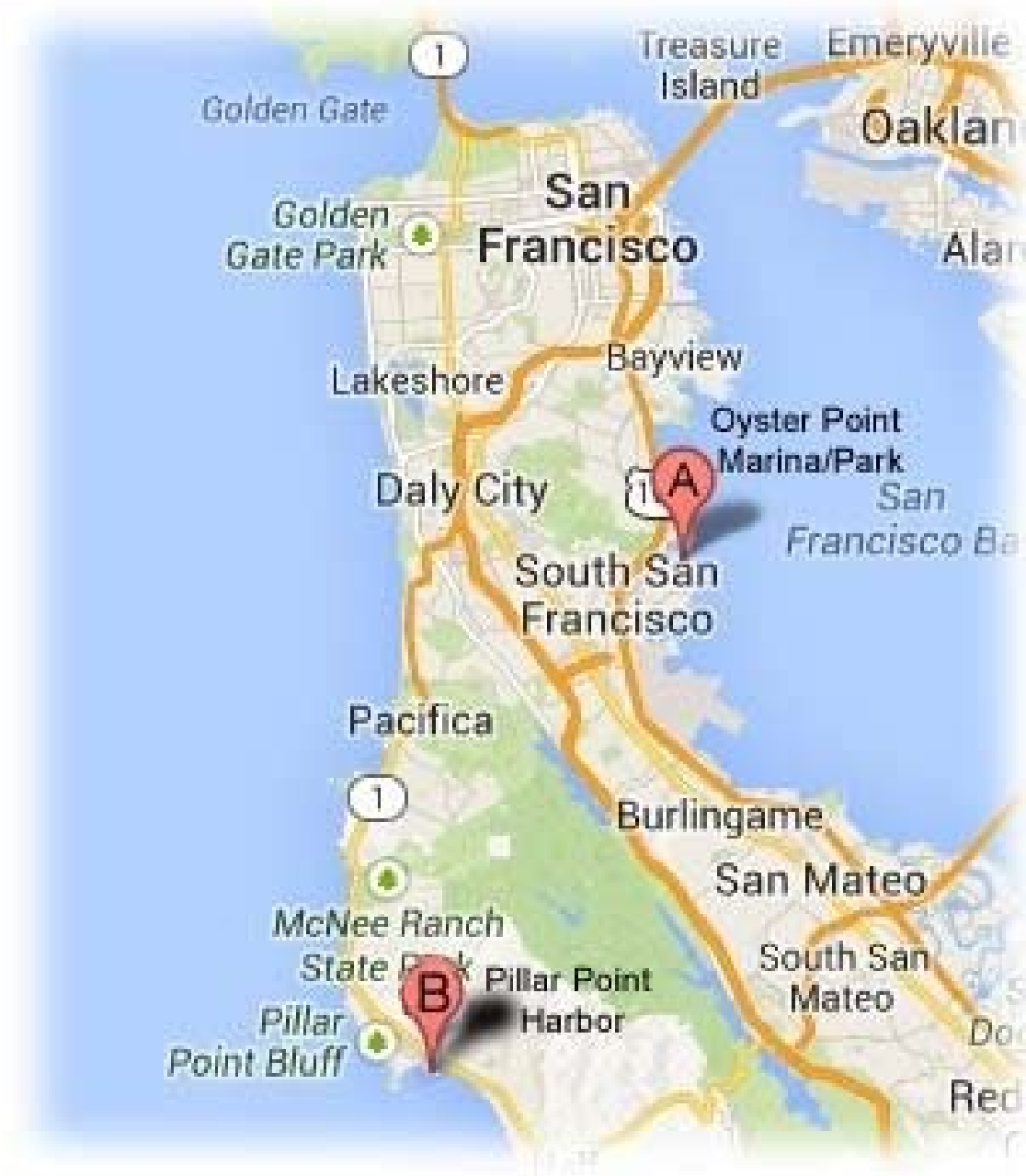


About Us



Where is San Mateo County Harbor District?

The San Mateo County Harbor District is in Northern California and manages and operates (A) Oyster Point Marina/Park on San Francisco Bay located in the City of South San Francisco and (B) Pillar Point Harbor located on the Pacific Ocean in the unincorporated area of Princeton.





Our History

The San Mateo County Harbor District is an independent special district created by San Mateo County in 1933 by Resolution of the Board of Supervisors who established the entire area of the County of San Mateo as the District's boundaries.

In 1948, the District created a harbor of safe refuge for the fishing fleet at Pillar Point per the State of California Harbors and Navigation Code Section 70.5. A federal breakwater was built by the Army Corps of Engineers in 1959-61, with an extension in 1967. The District constructed the harbor's docks and berths in the 1980s, along with a second, inner breakwater to provide further protection. This later work was financed by loans from the California Department of Boating and Waterways (DBW), now a Division of the State Parks Department.



1943 Aerial View of Pillar Point Harbor

In 1977, the District took over operation of Oyster Point Marina/Park from the City of South San Francisco. A Joint Powers Agreement was executed, giving the District authority to improve and complete construction of a 600-berth recreational marina. Full build-out was accomplished during the 1980s, again with loans from DBW.



San Mateo County Harbor District Today

The San Mateo County Harbor District operates two harbors. Pillar Point Harbor, located in the unincorporated community of Princeton on Half Moon Bay, approximately twenty-five miles south of the City of San Francisco, The Harbor is a 369-berth commercial fishing harbor that also supports sport fishing and recreational boating.



Oyster Point Marina/Park consists of a 408-berth recreational marina, public beach and bayside park located in the City of South San Francisco. The District operates Oyster Point Marina/Park under a Memorandum of Understanding with South San Francisco, which owns the facility.





Public and Enterprise Services

The District provides services for enterprise related activities (revenue generating activities through fees) and public activities (non-revenue generating activities primarily funded through taxes). District staff support both activities and estimate that 40% of their time is spent on enterprise activities and 60% on public activities.

Enterprise activities include berth rentals, liveboard fees, boat launch fees, property rentals and permit fees, all of which are presented as operating revenues in this Budget Document.

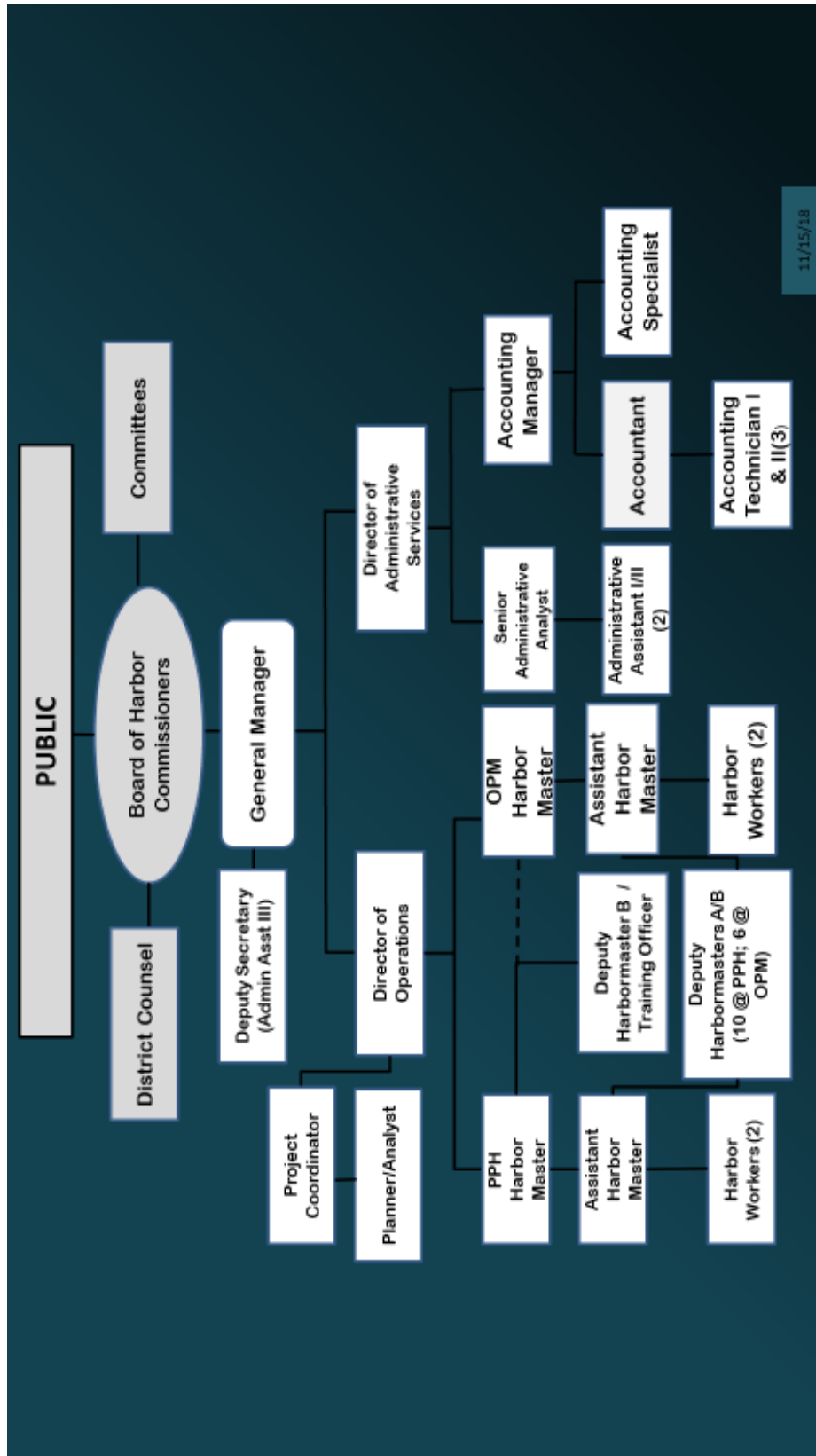
Public activities include coastal trail access and maintenance, beach access, public fishing piers, park and landscape maintenance, public parking, trash removal, bay trail access and maintenance, search and rescue operations, toxic environmental clean-up, public restrooms and public outreach and education. These public services and activities serve a broad segment of San Mateo County's population and visitors. Property tax revenue and investment income, which is presented as non-operating revenue in this Budget Document, is used to fund these activities.

	Total		Oyster Point		Pillar Point		Administration	
	Public	Enterprise	Public	Enterprise	Public	Enterprise	Public	Enterprise
Total Operating Revenues	\$ -	\$ 4,548,000	\$ -	\$ 1,649,700	\$ -	\$ 2,898,300	\$ -	\$ -
Total Non-Operating Revenues	7,564,000	-	1,572,000	-	5,717,000	-	275,000	-
Total Revenues	\$ 7,564,000	\$ 4,548,000	\$ 1,572,000	\$ 1,649,700	\$ 5,717,000	\$ 2,898,300	\$ 275,000	\$ -
Salary/Wages/Benefits Sub-total	\$ 3,162,000	\$ 2,108,000	\$ 843,600	\$ 562,400	\$ 1,308,000	\$ 872,000	\$ 1,010,400	\$ 673,600
Non-Personnel Expend Sub-total	1,848,000	1,232,000	466,020	310,680	880,380	586,920	501,600	334,400
Total Operating Expenditures	\$ 5,010,000	\$ 3,340,000	\$ 1,309,620	\$ 873,080	\$ 2,188,380	\$ 1,458,920	\$ 1,512,000	\$ 1,008,000
Revenues less Expenditures	\$ 2,554,000	\$ 1,208,000	\$ 262,380	\$ 776,620	\$ 3,528,620	\$ 1,439,380	\$ (1,237,000)	\$ (1,008,000)

[This section will be expanded for the Final Budget.]



Organizational Chart



11/15/18



Staffing Authorization

Classification/Position Title	Actual 2017/18	Revised Budget 2018/19	Preliminary Budget 2019/20	*Status as of 3/20/2019
Administration Department				
General Manager	1	1	1	Active
Director of Operations	1	1	1	Active
Director of Admin. Services	1	1	1	Active
Accountant	1	1	1	Active
Accounting Specialist	-	1	1	Vacant
Accounting Tech 1&2	1	1	1	Active
Accounting Manager	1	1	1	Active
Administrative Analyst	1	-	-	Inactive
Administrative Assistant 1&2	2	2	2	Active
Deputy Secretary	1	1	1	Active
Sr. Administrative Analyst	-	1	1	Vacant
Planner Analyst	1	1	1	Vacant
Project Coordinator	-	1	1	Vacant
Total Administration	11	13	13	
Pillar Point Harbor				
Harbormaster	-	1	1	Vacant
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	9	10	10	8 Active/2 Vacant
Deputy Harbormaster/Training Officer	-	1	1	Active
Harbor Worker B	2	2	2	Active
Harbor Worker C (lead maint.)	1	-	-	Inactive
Accounting Tech 1&2	1	1	1	Active
Total Pillar Point Harbor	14	16	16	
Oyster Point Marina				
Harbormaster	-	1	1	Active
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	6	6	6	Active
Harbor Worker B	2	2	2	Active
Harbor Worker C (lead maint.)	1	-	-	Inactive
Accounting Tech 1&2	1	1	1	Active
Total Oyster Point Marina	11	11	11	
Total Full-Time Equivalent Positions	36	40	40	

* Active positions are funded and filled; Vacant positions are funded but not filled
Inactive positions are not funded and not filled



Department Summary

Administration Department-

The Administration Department includes five elected Harbor Commissioners and 13 full-time positions and are responsible for the following duties and tasks:

Elected Harbor Commissioners:

- Adopts a Mission Statement and establishes goals, objectives and priorities for the District.
- Appoints, evaluates, and terminates Harbor Manager.
- Adopts an annual budget.
- Adopts ordinances to provide legal foundation of District operations.
- Represents the District, stakeholders, and general public.
- Adopts policies.

General Manager:

- Plans, organizes, coordinates and directs the activities of the District.
- Prepares, reviews, and makes recommendations regarding issues for Board consideration and action.
- Appoints, evaluates and terminates management staff.
- Oversees preparation of annual budget.
- Provides direction and leadership by setting organizational standards and objectives.

Administration & Operations:

- Responsible for administrative, business and fiscal functions, including finance/accounting, human resources, purchasing, information technology, risk management, contract management, public information, grant management, and real property management.

Operations:

- Responsible for operations and maintenance of the District's two marinas, develops and implements sound management approaches for the publicly owned land and facilities under lease, and generates optimal utilization of marine recreational operations and activities at the marinas.
- Plans and coordinates capital projects, maintenance work, and environmental compliance reporting.
- Manages construction projects.



Department Summary- continued

Pillar Point Harbor Department and Oyster Point Marina Department-

The Pillar Point Harbor Department includes 16 full-time positions and the Oyster Point Marina Department includes 11 full-time positions and are responsible for the following at their respective locations:

- Serve the public by providing berthing and support for pleasure and commercial craft.
- Ensure that the harbor/marina is maintained in safe and clean condition.
- Act as a liaison with outside agencies including, but not limited to California Division of Boating and Waterways, U.S. Coast Guard, local law enforcement, yacht clubs and other groups who may use District facilities.
- Plan, evaluate and direct the maintenance of docks, piers, vehicles, vessels and equipment.
- Respond to emergency and/or severe weather situations to protect the public, staff, vessels, District assets and other property as necessary.
- Enforce District ordinances and policies, and State of California boating laws.
- Provide information and other customer service to tenants, lessees and harbor visitors.



Budget Schedules



Basis of Budgeting vs. Accounting

The basis of budgeting and accounting refers to the method of recognition of revenue and expenses in financial and budgetary reporting. The District's budgets are prepared on a modified cash flow basis which projects the District's cash inflows and outflows over the course of a fiscal year (July 1 through June 30) excluding physical and intangible assets such as depreciation.

Revenues are recognized as they are received and accounted for while obligations for expenditures are recognized when a commitment is made through an encumbered purchase order or actual expense.

The District's accounts and transactions are tracked on an accrual basis, which is the basis of accounting under generally accepted accounting principles for Enterprise Funds. An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Under this method, all assets and liabilities associated with operations are included on the balance sheet; and revenues are recorded when earned and expenses are recorded at the time commitments are incurred. Depreciation and amortization are handled differently in budgetary reporting and in financial reporting. In budgetary reporting, depreciation and amortization are excluded, and the repayment of the principal on debt as expense is included. In financial reporting, depreciation and amortization are included, and the repayment of the principal on debt as expense is excluded. This table illustrates the differences between the budget and accounting basis described above.

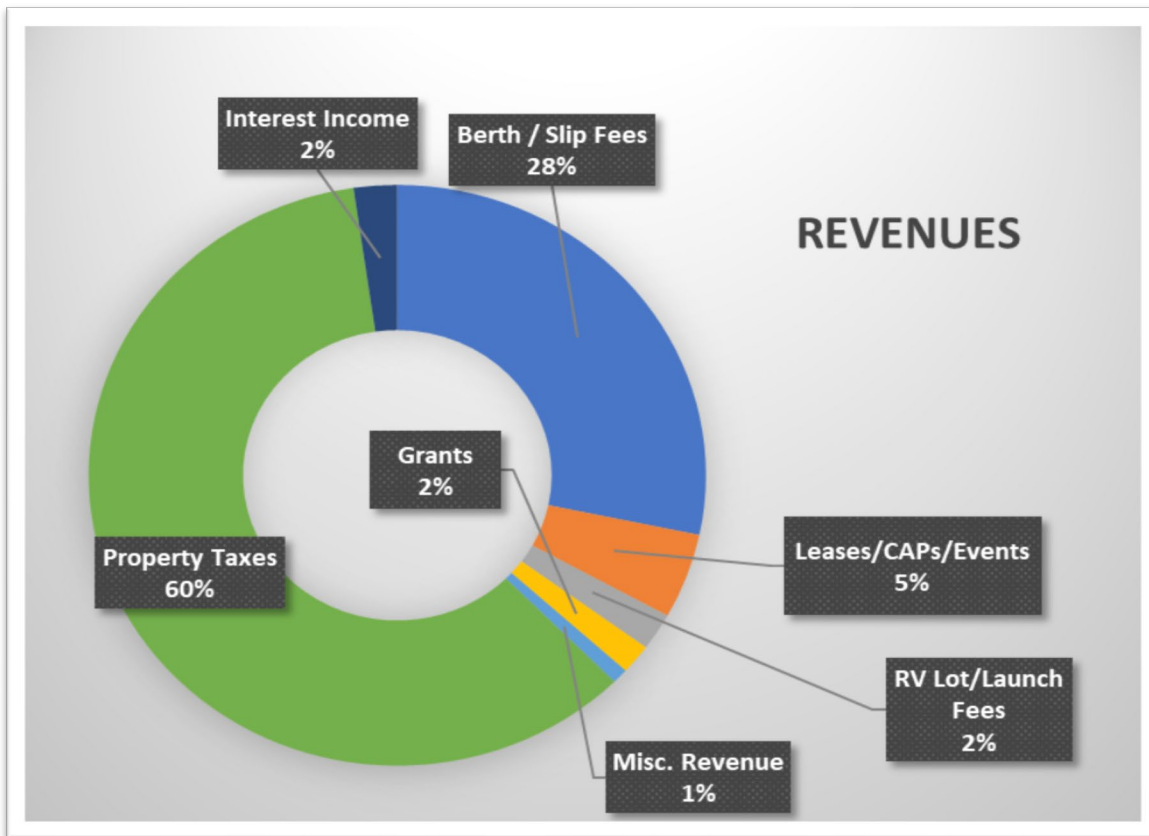
	BUDGETARY	ACCOUNTING
Basis	Modified Cash Flow	Accrual
Revenue	Recognized when received and accounted for	Recorded when earned
Obligations (Expenditures/ Expense)	Recognized when a commitment is made through encumbrance or expense	Recorded at the time commitments are incurred
Depreciation and Amortization	Excluded	Included
Repayment of Principal on Debt	Included	Excluded

Three-Year Comparative Financial Schedule

	Last Fiscal Year 2017/18		Current Fiscal Year 2018/19		Fiscal Year 2019/20
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget
Operating Revenues:					
Berth / Slip Fees	\$ 3,449,216	\$ 3,257,846	\$ 3,327,000	\$ 3,327,000	\$ 3,427,000
Leases and CAPs	589,000	631,891	611,000	552,000	552,000
RV Lot/Launch Fees	245,706	238,085	250,000	250,000	250,000
Events	30,000	39,227	52,000	22,000	22,000
Grants & Reimbursements	110,000	119,088	475,000	200,000	200,000
Other Operating Revenue	100,000	96,707	100,000	97,000	97,000
Total Operating Revenues	4,523,922	4,382,844	4,815,000	4,448,000	4,548,000
Non-Operating Revenues:					
Property Taxes	6,500,000	7,006,800	7,140,000	7,140,000	7,285,000
Interest Income	53,300	235,347	186,245	300,000	275,000
Misc. Rev./Exp.	10,000	29,428	10,000	4,000	4,000
Grants & Reimbursements	-	119,104	1,000,000	-	-
Total Non-Operating Revenues	6,563,300	7,390,679	8,336,245	7,444,000	7,564,000
Total Revenues	\$11,087,222	\$11,773,523	\$13,151,245	\$11,892,000	\$12,112,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 3,140,514	\$ 2,950,445	\$ 3,571,141	\$ 3,200,000	\$ 3,415,000
Benefits-Current Employees	1,638,759	1,477,147	1,727,008	1,599,000	1,702,000
Benefits-Retired/Former Emp	190,209	147,951	152,157	153,000	153,000
CalPERS Liability Payment	-	-	2,300,000	2,300,000	-
Salary/Wages/Benefits Sub-total	4,969,482	4,575,543	7,750,306	7,252,000	5,270,000
Non-Personnel Expenditures					
Payments to Other Agencies	69,000	59,037	900,000	920,000	65,000
Utilities	355,000	415,357	506,000	350,000	438,000
Contract Services	423,000	565,647	611,500	580,000	623,000
Legal	484,000	333,458	484,400	550,000	505,000
Property/Liability Insurance	114,000	92,937	114,200	108,000	112,000
Repairs & Maint- Routine	209,500	130,448	277,700	278,400	294,000
Office/Equipment Rentals	91,500	91,500	98,400	94,800	100,000
Information Technology	236,000	142,094	167,700	108,000	118,000
Financial Service Fees	61,200	62,985	73,300	73,700	78,000
Operating Expenses	203,250	191,161	184,600	213,100	215,000
Travel and Training	57,000	53,454	56,300	46,000	53,000
Advertising and Promotion	16,000	15,553	20,400	30,400	30,000
Personnel Administration	28,000	2,953	17,100	39,500	42,000
Vessel Destruction	110,000	146,861	200,000	200,000	200,000
Memberships & Subscriptions	10,000	17,541	20,300	32,400	35,000
Claims Settlement	10,000	-	10,000	275,000	100,000
Bad Debts	50,000	79,118	101,600	57,400	62,000
Miscellaneous Expend.	12,250	14,252	16,700	6,000	10,000
Non-Personnel Expend Sub-total	2,539,700	2,414,356	3,860,200	3,962,700	3,080,000
Total Operating Expenditures	\$ 7,509,182	\$ 6,989,899	\$11,610,506	\$11,214,700	\$ 8,350,000
Capital Expenditures	7,489,500	3,008,770	10,407,500	3,259,085	7,935,800
Revenues less Expenditures	\$(3,911,460)	\$ 1,774,854	\$(8,866,761)	\$(2,581,785)	\$(4,173,800)

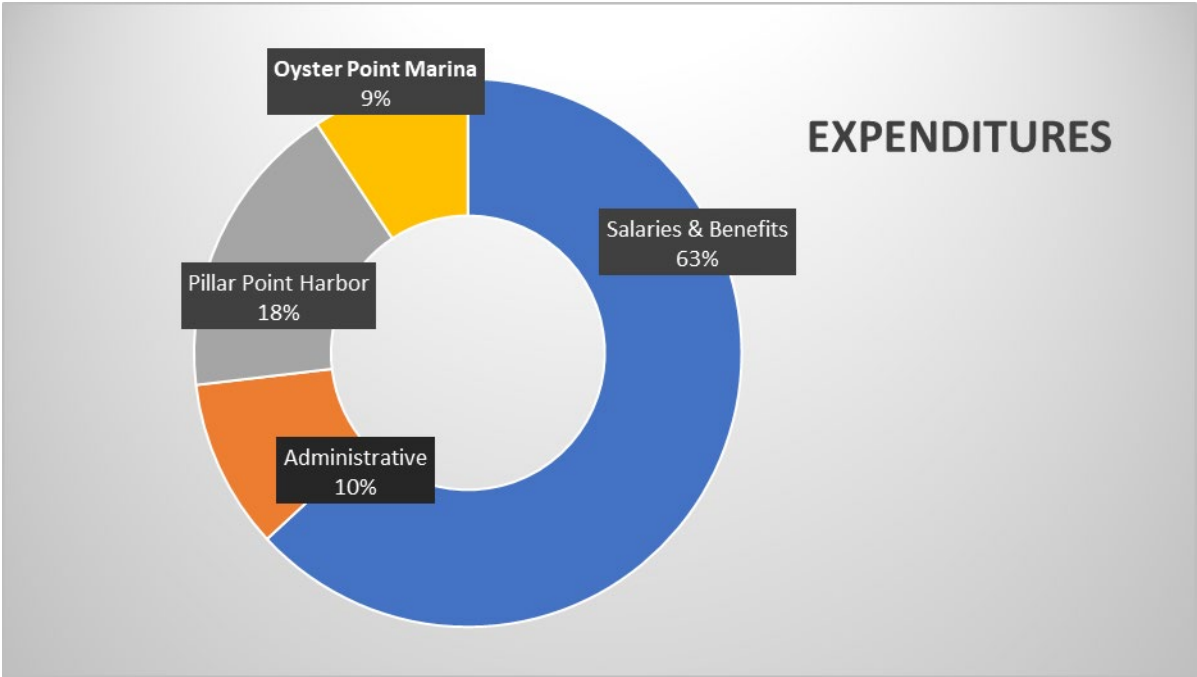


District Revenue





District Expenditures





Policies and Definitions



District Policies and Guidelines

Reserve Policy

The District's reserve policy establishes a minimum level at which the District's reserve balance is to be maintained. The District believes that sound financial management principles includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, other events. The limits defined in the District's Reserve Policy is intended to "maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of the temporary revenue shortfalls or unpredicted one-time expenditures" (recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting). In addition, this policy is intended to document the appropriate Reserve level to protect the District's credit worthiness.

The term "Reserve" in this instance refers only to the portion of Working Capital that is intended to provide stability and respond to unplanned events or opportunities. The term "Working Capital" is an accounting term defined as current assets less current liabilities in Enterprise funds.

The District will maintain a minimum of 20% of annual revenue projections or \$2,422,400 for 2019/20 Budget Year per Reserve Policy 4.4.3.

Investment Policy

The District's Investment Policy is in compliance with California Government Code 53600. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all the operating requirements, which might be reasonably anticipated.
- **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.



Debt Management Policy, Capacity, and Issuance

The District will be fiscally prudent and in compliance with state and federal law. California Harbors and Navigation Code Section 6077 prescribes that the bonded indebtedness of the District not exceed 15% of the assessed value of property within the District. To issue bonds that require additional property tax assessments, the bond proposition must pass with two-thirds of the voting electors approving such proposition. The District's gross assessed value of property for July 1, 2018 through June 30, 2019, is about \$211.2 billion (per County's Tax Rate Book), making the debt limit approximately \$31.7 billion.



Budget by Department



Administration

	Last Year 2017/18		Current Year 2018/19		Fiscal Year 2019/20
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget
Non-Operating Revenues:					
Property Taxes	\$ 1,366,827	\$ 894,350	\$ 2,789,053	\$ 2,577,615	\$ -
Interest Income	53,300	235,347	186,245	300,000	275,000
Miscellaneous Revenues	5,000	39,031	-	-	-
Grants & Reimbursements	-	-	-	-	-
Total Non-Operating Revenues	1,425,127	1,168,728	2,975,298	2,877,615	275,000
Total Revenues	\$ 1,425,127	\$ 1,168,728	\$ 2,975,298	\$ 2,877,615	\$ 275,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 920,466	\$ 856,145	\$ 1,100,397	\$ 991,000	\$ 1,142,000
Benefits-Current Employees	455,218	389,791	475,574	456,000	525,000
Benefits-Retired/Former Emp	24,983	15,959	16,635	17,000	17,000
CalPERS Liability Payment	-	-	667,000	667,000	-
Salary/Benefits Sub-total	1,400,667	1,261,895	2,259,606	2,131,000	1,684,000
Non-Personnel Expenditures					
Payments to Other Agencies	69,000	59,037	900,000	920,000	65,000
Contract Services	113,000	125,476	236,500	200,000	210,000
Legal	424,000	169,526	279,000	120,000	126,000
Property/Liability Insurance	22,000	40,673	61,800	50,000	53,000
Repairs & Maint- Routine	3,500	3,032	3,400	3,400	4,000
Office/Equipment Rentals	91,500	91,500	98,400	94,800	100,000
Information Technology	147,000	62,080	93,800	48,000	50,000
Financial Service Fees	2,000	505	700	700	1,000
Operating Expenses	49,750	31,669	25,100	25,100	26,000
Travel and Training	27,000	29,784	39,900	26,000	27,000
Advertising and Promotion	6,000	3,824	4,400	4,400	5,000
Personnel Administration	6,000	1,295	15,100	35,000	37,000
Memberships & Subscriptions	9,000	16,353	19,500	30,000	32,000
Claims Settlement	10,000	-	10,000	275,000	100,000
Miscellaneous Expend.	750	290	-	-	-
Non-Personnel Expend Sub-total	980,500	635,044	1,787,600	1,832,400	836,000
Total Expenditures	\$ 2,381,167	\$ 1,896,939	\$ 4,047,206	\$ 3,963,400	\$ 2,520,000
Capital Expenditures	80,000	24,136	1,010,000	1,526,000	400,000
Revenues less Expenditures	\$ (1,036,040)	\$ (752,347)	\$ (2,081,908)	\$ (2,611,785)	\$ (2,645,000)



Pillar Point Harbor

	Last Year 2017/18		Current Year 2018/19		Fiscal Year 2019/20
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget
Operating Revenues:					
Berth / Slip Fees	\$ 2,069,118	\$ 1,931,592	\$ 1,950,000	\$ 1,950,000	\$ 2,009,000
Leases and CAPs	450,000	461,374	509,000	430,000	430,000
RV Lot /Launch Fees	232,118	215,596	234,378	234,000	234,000
Events	30,000	39,977	50,000	20,000	20,000
Grants & Reimbursements	55,000	76,587	138,300	138,300	138,300
Other Operating Revenue	67,000	64,993	74,100	67,000	67,000
Total Operating Revenues	2,903,236	2,790,119	2,955,778	2,839,300	2,898,300
Non-Operating Revenues:					
Property Taxes	3,590,102	4,587,564	3,189,863	3,133,200	5,713,000
Miscellaneous Revenues	-	3,150	10,000	4,000	4,000
Grants & Reimbursements	-	116,612	1,000,000	-	-
Total Non-Operating Revenues	3,590,102	4,707,326	4,199,863	3,137,200	5,717,000
Total Revenues	\$ 6,493,338	\$ 7,497,445	\$ 7,155,641	\$ 5,976,500	\$ 8,615,300
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,339,424	\$ 1,203,533	\$ 1,427,486	\$ 1,313,000	\$ 1,357,000
Benefits-Current Employees	764,970	667,421	774,065	722,000	746,000
Benefits-Retired/Former Emp	84,897	74,328	77,000	77,000	77,000
CalPERS Liability Payment	-	-	938,400	938,400	-
Salary/Benefits Sub-total	2,189,291	1,945,282	3,216,951	3,050,400	2,180,000
Non-Personnel Expenditures					
Utilities	237,000	268,515	336,200	270,000	284,000
Contract Services	133,000	246,615	184,000	200,000	210,000
Legal	33,000	95,655	92,000	340,000	307,000
Property/Liability Insurance	56,000	23,377	23,300	26,000	27,000
Repairs & Maint- Routine	120,000	67,103	169,100	200,000	210,000
Information Technology	60,000	48,087	40,600	32,000	34,000
Financial Service Fees	37,800	34,461	43,900	46,000	48,000
Operating Expenses	102,300	106,956	104,700	128,000	134,000
Travel and Training	16,000	10,979	4,700	12,000	13,000
Advertising and Promotion	5,000	8,214	8,000	20,000	21,000
Personnel Administration	8,000	222	500	3,000	3,000
Vessel Destruction	55,000	96,691	138,300	138,300	138,300
Memberships & Subscriptions	500	338	400	2,000	2,000
Bad Debts	25,000	52,066	90,200	32,000	34,000
Miscellaneous Expend.	9,500	6,005	500	2,000	2,000
Non-Personnel Expend Sub-total	898,100	1,065,284	1,236,400	1,451,300	1,467,300
Total Expenditures	\$ 3,087,391	\$ 3,010,566	\$ 4,453,351	\$ 4,501,700	\$ 3,647,300
Capital Expenditures	5,603,566	2,729,001	7,290,000	1,444,800	5,798,000
Revenues less Expenditures	\$ (2,197,619)	\$ 1,757,878	\$ (4,587,710)	\$ 30,000	\$ (830,000)



Oyster Point Marina

	Last Year 2017/18		Current Year 2018/19		Fiscal Year 2019/20
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget
Operating Revenues:					
Berth / Slip Fees	\$ 1,380,098	\$ 1,326,254	\$ 1,377,000	\$ 1,377,000	\$ 1,418,000
Leases and CAPs	139,000	170,517	102,000	122,000	122,000
RV Lot /Launch Fees	13,588	22,489	15,622	16,000	16,000
Events	-	(750)	2,000	2,000	2,000
Grants & Reimbursements	55,000	42,501	336,700	61,700	61,700
Other Operating Revenue	33,000	31,714	25,900	30,000	30,000
Total Operating Revenues	1,620,686	1,592,725	1,859,222	1,608,700	1,649,700
Non-Operating Revenues:					
Property Taxes	1,543,071	1,524,886	1,161,084	1,429,185	1,572,000
Misc. Rev./(Exp.)	5,000	(12,753)	-	-	-
Grants & Reimbursements	-	2,492	-	-	-
Total Non-Operating Revenues	1,548,071	1,514,625	1,161,084	1,429,185	1,572,000
Total Revenues	\$ 3,168,757	\$ 3,107,350	\$ 3,020,306	\$ 3,037,885	\$ 3,221,700
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 880,624	\$ 890,767	\$ 1,043,258	\$ 896,000	\$ 916,000
Benefits-Current Employees	418,571	419,935	477,369	421,000	431,000
Benefits-Retired/Former Emp	80,329	57,664	58,522	59,000	59,000
CalPERS Liability Payment	-	-	694,600	694,600	-
Salary/Benefits Sub-total	1,379,524	1,368,366	2,273,749	2,070,600	1,406,000
Non-Personnel Expenditures					
Utilities	118,000	146,842	169,800	80,000	154,000
Contract Services	177,000	193,556	191,000	180,000	203,000
Legal	27,000	68,277	113,400	90,000	72,000
Property/Liability Insurance	36,000	28,887	29,100	32,000	32,000
Repairs & Maint- Routine	86,000	60,313	105,200	75,000	80,000
Information Technology	29,000	31,927	33,300	28,000	34,000
Financial Service Fees	21,400	28,019	28,700	27,000	29,000
Operating Expenses	51,200	52,536	54,800	60,000	55,000
Travel and Training	14,000	12,691	11,700	8,000	13,000
Advertising and Promotion	5,000	3,515	8,000	6,000	4,000
Personnel Administration	14,000	1,436	1,500	1,500	2,000
Vessel Destruction	55,000	50,170	61,700	61,700	61,700
Memberships & Subscriptions	500	850	400	400	1,000
Bad Debts	25,000	27,052	11,400	25,400	28,000
Miscellaneous Expend.	2,000	7,957	16,200	4,000	8,000
Non-Personnel Expend Sub-total	661,100	714,028	836,200	679,000	776,700
Total Expenditures	\$ 2,040,624	\$ 2,082,394	\$ 3,109,949	\$ 2,749,600	\$ 2,182,700
Capital Expenditures	1,805,934	255,633	2,107,500	288,285	1,737,800
Revenues less Expenditures	\$ (677,801)	\$ 769,323	\$ (2,197,143)	\$ -	\$ (698,800)



SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM



Five-Year Capital Improvement Program

PILLAR POINT HARBOR	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Johnson Pier Terminus						
Design/Engineering						
Construction						
Johnson Pier Terminus/Fuel Tank /H Dock						
Design/Engineering	\$ 170,000	\$1,130,000				
Construction			14,000,000			
Grant (tbd)			(7,000,000)			
Johnson Pier G Dock						
Design/Engineering			200,000			
Construction				3,000,000		
Johnson Pier F Dock						
Design/Engineering				200,000		
Construction					3,000,000	
Johnson Pier E Dock						
Design/Engineering					200,000	
Construction						3,000,000
Fishing Pier						
Design/Engineering	50,000					
Construction		1,000,000				
West Trail						
Design/Engineering	100,000					
Construction		1,500,000				
Launch Ramp Dredging						
Permitting/Bid Docs	100,000					
Dredging		1,500,000				
FEMA Funding	(100,000)	(1,500,000)				
Harbormaster Bldg.						
CDP/Bid Docs	50,000					
Construction		300,000				
Parking Lot B, C2, C3						
Design/Engineering	100,000					
Construction		400,000				
Launch Ramp Impr./Restroom/Boat Wash						
Design/Engineering		200,000				
Construction			1,000,000			
Surfers Beach Sand						
Design/Engineering	100,000					
Construction		2,000,000				
OPC Grant Funding	(75,000)					
DBW Grant Funding		(800,000)				
Vehicles/Vessels						
Trucks		50,000			50,000	
All-Terrain Vehicle		18,000				
Rescue Vessel				900,000		
DBW Grant Funding				(450,000)		
Golf Carts (2)						16,000
Two PWCs	27,500					
Completed Projects						
Lessee Sidewalk	448,000					
Romeo Pier Demo	460,500					
Transformers A-C	13,800					
TOTAL PILLAR POINT HARBOR	\$1,444,800	\$5,798,000	\$ 8,200,000	\$3,650,000	\$3,250,000	\$3,016,000



Five-Year Capital Improvement Program (continued)

OYSTER POINT MARINA		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Dock 12							
	Design/Engineering	\$ 200,000					
	Construction		1,400,000	600,000			
Dock 13							
	Design/Engineering		200,000				
	Construction			2,000,000			
Dock 14							
	Design/Engineering			200,000			
	Construction				2,000,000		
Evaluation of Dock 16 in Accordance with MOU					100,000		
40k sq. ft. Parcel Building							
	Design/Engineering		100,000				
	Construction			1,000,000			
Vehicles/Vessels							
	Repower Challenger	4,200	37,800				
	Electric Golf/Dump Cart			15,000			
Completed Projects							
	Bait Shop Building	26,983					
	Transformers Dock 1-6	57,102					
TOTAL OYSTER POINT MARINA		\$ 288,285	\$ 1,737,800	\$ 3,815,000	\$ 2,100,000	\$ -	\$ -
ADMINISTRATION		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Admin Office/Land Purchase		\$ 1,526,000					
Enterprise Resource Planning System							
	Consulting Services		400,000	400,000			
	Software Price			60,000			
TOTAL ADMINISTRATION		\$ 1,526,000	\$ 400,000	\$ 460,000	\$ -	\$ -	\$ -
SUMMARY		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Pillar Point Harbor		\$ 1,444,800	\$ 5,798,000	\$ 8,200,000	\$ 3,650,000	\$ 3,250,000	\$ 3,016,000
Oyster Point Marina		288,285	1,737,800	3,815,000	2,100,000	-	-
Administration		1,526,000	400,000	460,000	-	-	-
TOTAL		\$ 3,259,085	\$ 7,935,800	\$ 12,475,000	\$ 5,750,000	\$ 3,250,000	\$ 3,016,000



2019/20 Capital Improvement Program- Oyster Point Marina



Challenger Repowered

The Challenger was purchased in 2004 and requires the replacement of the two fifteen year old outboard engines.

Purchase & Installation \$37,800



**Replace
Docks 12 & 13**

In accordance with the 2011 Joint Powers Agreement modification, the District is required to replace Docks 12, 13, & 14 and evaluate Dock 16. For the 2019/20 Fiscal Year the following costs are budgeted.

Dock 12 Construction \$1,400,000
Dock 13 Design/Engineering \$200,000



**40,000 sq. ft.
Commercial Parcel
for Marina Related
Use**

In accordance with the 2011 Joint Powers Agreement modification, the District is entitled to 40,000 s.f. of development for District use when the Development Project conveyance occurs. The District anticipates a need for professional planning, specifications and engineering to help develop this parcel to its full potential.

Design/Engineering \$100,000



2019/20 Capital Improvement Program- Pillar Point Harbor



Surfers Beach Sand

District Consultant is working closely with staff and other agencies to move this project forward. A DBW grant was approved by the Board on 5/23/18 to partially fund this project. Technical Specifications and permitting is in progress.

Construction \$2,000,000
DBW Grant \$(800,000)



Fishing Pier Repair

The PPH Fishing Pier has suffered substantial erosion in places along its breakwater foundation support. Rip rap must be replaced before structural damage occurs. The decking and safety hand railings around the circumference of the pier will also be repaired and/or replaced to become ADA compliant.

Construction \$1,000,000



**Launch Ramp Restroom/
Boat Wash/ Ramp
Improvements**

The restrooms at the PPH launch ramp improvements are over 20 years old and are in poor condition. The restroom building is of modular construction and due to its poor condition, it is most cost effective to replace the entire building. A Consultant is working on design, engineering and permitting for the replacement.

Design/Engineering \$200,000



**Launch Ramp
Dredging**

This project was initiated in 2016 and approved for Disaster Relief Funding by FEMA/CalOES. The FAA approved a staging site within the airport boundary. A wetlands delineation study is in progress and bid documents were advertised March 2019.

Dredging	\$1,500,000
FEMA/CalOES	\$(1,500,000)



**Harbormaster
Building**

This project was approved by the Board at a 12/17 meeting. Preliminary construction drawings are expected to be completed and an Invitation to Bid will be released. A CCC/CDP waiver has been approved.

Construction	\$300,000
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**West Trail Erosion
Protection**

The PPH West Trail and adjacent bluffs have sustained substantial erosion. The District is investigating beach nourishment alternatives with an emphasis on Living Shoreline options. District Consultant is working with Program Manager on Coastal Conservancy grant funding.

Construction	\$1,500,000
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Parking Lots B, C2, C3

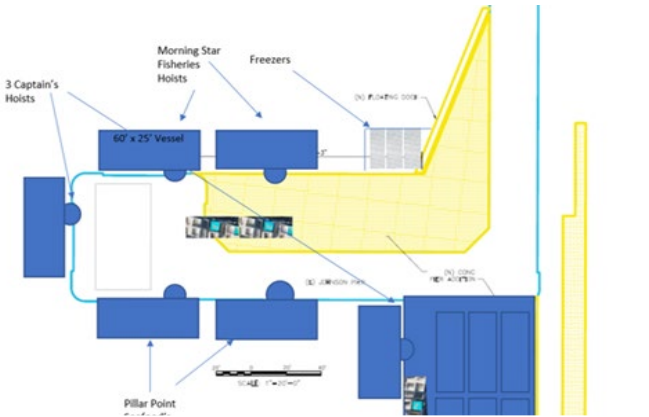
Slurry & stripe parking Lots B, C2 & C3. Polices for RV use in parking lot is expected to be vetted before this project will be started.

Construction \$400,000



Johnson Pier H-Dock Replacement

The PPH H-Dock has outlived its serviceable life. The dock has been repaired multiple times over the years and needs replacement. This project is combined with the Johnson Pier Terminus Project depicted below.



Johnson Pier Terminus & Fuel Dock Replacement

Design/Engineering consultant has been hired to work on the Johnson Pier Terminus, Fuel Dock Replacement and H-Dock Replacement. The projects have been combined so that programmatic permitting is cost efficient. Consultant will also assist in developing grant opportunities.

Design/Engineering \$1,130,000



Five-Year Projected Working Capital

	Actual	Projections					
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Operating Revenues	\$ 4,382,844	\$ 3,327,000	\$ 3,427,000	\$ 3,529,810	\$ 3,635,704	\$ 3,744,775	\$ 3,857,119
Non-Operating Revenues	7,390,679	7,444,000	7,564,000	7,715,280	7,869,586	8,026,977	8,187,517
Total Revenues	11,773,523	10,771,000	10,991,000	11,245,090	11,505,290	11,771,753	12,044,636
Salaries/Wages/Benefits Expenditures	4,575,543	7,252,000	5,270,000	5,533,500	5,810,175	6,100,684	6,405,718
Non-Personnel Expenditures	2,414,356	3,962,700	3,080,000	3,744,000	3,059,700	3,552,685	2,858,819
Capital Expenditures	3,008,770	3,259,085	7,935,800	12,475,000	5,750,000	3,250,000	3,016,000
Total Expenditures	9,998,669	14,473,785	16,285,800	21,752,500	14,619,875	12,903,369	12,280,537
Total Revenues less Expenditures	1,774,854	(3,702,785)	(5,294,800)	(10,507,410)	(3,114,585)	(1,131,616)	(235,902)
Working Capital- Begin Balance	16,659,782	18,434,636	14,731,851	9,437,051	(1,070,359)	(4,184,944)	(5,316,560)
Working Capital- End Balance	\$ 18,434,636	\$ 14,731,851	\$ 9,437,051	\$ (1,070,359)	\$ (4,184,944)	\$ (5,316,560)	\$ (5,552,462)