

**San Mateo County Harbor District
Board of Harbor Commissioners
*1st Amended Special Meeting Agenda***

**April 15, 2015
4:00 p.m.**

**Oyster Point Marina Yacht Club
911 Marina Blvd.
South San Francisco, CA**

All Harbor District Commission meetings are recorded and posted at www.PacificCoast.tv within 24-48 hours of the meeting. Pacifica residents can tune into Comcast Chanel 26 and residents from Montara through Pescadero can tune into Comcast Chanel 27. Copies of the meetings can also be purchased from PCT and mailed for \$18.

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400

A.) Roll Call

Commissioners

Sabrina Brennan, President
Tom Mattusch, Vice President
Nicole David, Secretary
Robert Bernardo, Commissioner
Pietro Parravano, Commissioner

Staff

Scott A. Grindy, Acting General Manager & Treasurer
Debra Galarza, Director of Finance
Vacant, Human Resource Manager
Jim Merlo, Acting Harbor Master - OPM
John Draper, Acting Harbor Master - PPH
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

B.) Public Comments/Questions-

The Public may directly address the Board of Harbor Commissioners for a limit of three minutes, unless a request is granted for more time, on any item that is on the Agenda. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the administration offices of the District, 400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080 or online at www.smharbor.com.

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

C.) New Business

- 1 TITLE: **Proclamation for Gary Stern**
REPORT: Parravano, Proclamation
PROPOSED ACTION: Approve proclamation

- 2 TITLE: **Presentation: Facilities Condition Study for Oyster Point Marina/Park and Pillar Point Harbor**
REPORT: Grindy, Presentation
PROPOSED ACTION: Information Only

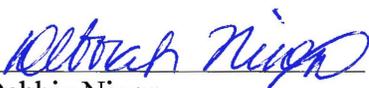
- 3 TITLE: **Budget Workshop for FY2015/16 Budget**
REPORT: Draft Preliminary Budget, Memo
PROPOSED ACTION: Information only

- 4 TITLE: *Approval of IT Vendor for Harbor District Move Activities*
REPORT: *Grindy, Memo, Proposals*
PROPOSED ACTION: *Approve IT vendor for a not to exceed amount of \$10,000*

D.) Adjournment

The next regularly scheduled meeting will be held on April 15, 2015 at the Oyster Point Marina Yacht Club, 911 Marina Blvd., South San Francisco, CA at 6:30p.m.

1st Amended Special Agenda Posted As Required:
April 10th at 3:30 pm


Debbie Nixon
Deputy Secretary

PROCLAMATION

SAN MATEO COUNTY HARBOR DISTRICT

TO HONOR

Gary Stern

PROCLAIMED, by the Board of Harbor Commissioners that:

WHEREAS, Gary Stern retired as Deputy Harbormaster on April 30th, 2015 after twelve years of distinguished service to the San Mateo County Harbor District; and

WHEREAS, Gary Stern began his Harbor District career in February of 2003 as a Deputy Harbormaster at Oyster Point Marina, where he continued to demonstrate exemplary customer service skills and abilities while also serving the Harbor District needs; till his retirement in 2015, and

WHEREAS, Gary Stern was known by harbor tenants, visitors, other agency personnel, business people, and District staff as an individual of integrity, competence, high energy, and commitment to excellence in his work ethic, and one who strove to treat others with courtesy and consideration; and

WHEREAS, Gary Stern always sought to effect positive change by his leadership, his training of staff, and his interactions with the Harbor Commission and his fellow staff and managers; and;

WHEREAS, Gary Stern has served the District, its governing Board, and staff with dedication, distinction, and good humor.

NOW, THEREFORE, BE IT KNOWN that the Board of Harbor Commissioners hereby honors Gary Stern for his service to the San Mateo County Harbor District.

WITNESS my hand this 15th day of April, 2015:

COMMISSIONERS: _____ President

Facility Condition Survey Pillar Point Harbor



Executive Summary

This report addresses the condition of the Pillar Point Harbor marina facility on the California Coast at Princeton operated by the San Mateo County Harbor District. The facility has been in operation since the early 1960s and had major additions in the 1980s. The facility has full time staff who operate and maintain these facilities. The replacement value of the facility is \$32 million, as shown on Table 1. The marina is now more than 50 years old and many of the facilities within are near or beyond the expected useful life—the nominal life often used for depreciation.

Executive Summary-Continued

Because the facility has been maintained, they can be expected to remain in service beyond the expected useful life with increased maintenance effort and cost. At some point the cost or effort to maintain the facility exceeds the replacement cost or the decreased function or appearance of the facility affects revenue at which point it should be replaced.

This report identifies and prioritizes maintenance of the facilities and identifies those that are in need of replacement. The floating docks are the greatest asset in terms of replacement cost and a primary factor in the appeal and revenue potential of the marina. The fuel dock is in poor condition and should be replaced or refurbished in the next 1-2 years. The fuel dock is regularly inspected by Harbor Staff and other agencies. All other docks are in fair condition and are serviceable and can remain in service for at least 5 years with increased maintenance. There are no conditions at either marina that pose an immediate threat to life safety or loss of function to boat mooring and access to the water.

Executive Summary-Continued

The assessment of the condition of the facility was performed by gathering information from the Marina staff including the staff's identification of known deficiencies and items in need of maintenance or replacement. This information, supplemented by visual observations by our engineers of the marine facilities (docks, piers, and breakwaters), buildings and site facilities (paving, utilities, and lighting) was used to assess the condition of facilities. Based upon the condition, needed repairs were identified, costs estimated and categorized (capital, maintenance or improvement) and prioritized from 1 (highest) to 3 (lowest). All repairs identified will continue to extend the useful life and replace those items that are beyond the useful life to ensure continued function.

Executive Summary-Continued

A total of \$2.0 million worth of repairs (Table 2) were identified to be performed over the next 5 years the planning horizon. Some of the major components include replacement of the fuel dock, providing ADA accessibility to the Harbor Master Building, improving security and safety at the dock gates, and improving the electrical service on Johnson Pier-currently in design in a separate SMCHD project. The assessment also addresses the potential effects of Sea Level Rise at the marina. The largest impact will be increased vulnerability to the already failing slope protection on the west portion of the harbor.

Figure 1: Pillar Point Site Plan

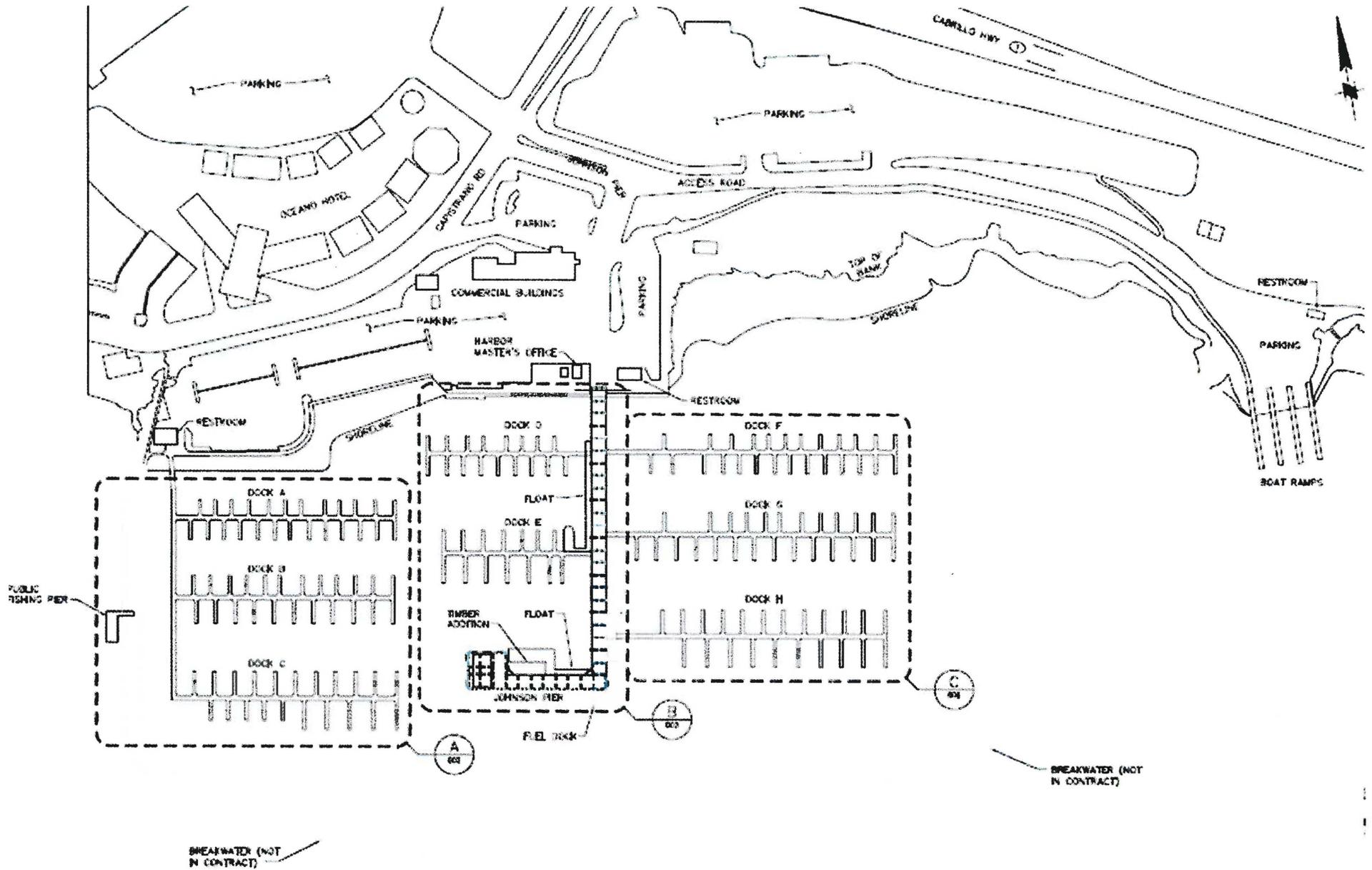


Table 3: Condition Rating

Condition	Description	Remaining Service Life	Condition Rating
NEW (N)	Like-new condition	More than 15	100
GOOD (G)	Generally new condition	10-15	80
FAIR (F)	Serviceable condition, lightly worn due to normal wear	5-10	60
WORN (W)	Exhibits cracking, corrosion, or other indicators of deterioration. Still serviceable but requires maintenance to extend the service life.	Less than 5	40
REPLACE (R)	Worn to the point of needing immediate replacement or major repair.	Should replace in 1-2 years	20

Priority: is the level of importance or urgency that the component should be repaired or replaced. The numeric assignment is based upon safety and the function of the component as follows:

System or element is in failure, or is expected to fail in the next year.

Safety: Such failure will pose significant risk of injury.

Function: will adversely affect the facilities ability to operate (e.g. s separation of a dock would block access to the remaining dock even if not a safety risk)

System or element is currently functional, but has a probability of failing before the next scheduled inspection or 5 years.

Safety: such failure poses little risk to safety. Function: may result in a temporary and minor loss of facility operations.

System or element is expected to remain functional until the next scheduled inspection or at least 5 years.

If failure does occur, it poses no safety risk and will not likely result in the significant loss of facility operation

Cost-Type-Asset Life

Cost- the cost for repair or replacement is based upon the following:

- Means Building Construction Cost Data and Heavy Construction Cost Data
- Cost data from construction of similar projects
- Input from SCMHD and Engineering judgment

Type –The cost and type of repair or replacement project is further broken out into a budgetary category as follows:

C- Capital - One time repair or replacement typically costing over \$10,000 to correct.

M- Recurring Maintenance - Repair/maintenance actions that occur with a frequency of less than 10 years with a cost of less than \$10,000 per action

M1- Scheduled Maintenance - Repair/maintenance actions that typically occur annually or more frequently with a cost of less than \$5,000 per year.

I- Improvement-a repair or replacement that provides greater functionality than the existing system.

Cost-Type-Asset Life/Continued

When a facility is first placed in service (new) it is assigned a nominal “useful life”-a duration of time during which function can be expected with little or no maintenance. The duration is based upon experience with the type of facility.

For example, a concrete structure may have a useful life of 50 years, where the same structure built of timber may have a useful life of 30 years.

This duration is often used for depreciating an asset in financial planning. The remaining useful life is the difference between the years an asset has been in service and the original useful life. The remaining useful life is guideline in planning of maintenance and replacement costs; as it approaches 0 increased maintenance to extend the service life (actual years in use, described previously) or replacement should be planned.

Condition Assessment

Waterside

Docks (A-H)

Cleats are in good condition with a few isolated exceptions. Many of the cleats on the fuel pier are corroded and the anchorage is pulling out due to the warping timbers. Replacement and reattachment has been performed as ongoing maintenance and should continue. Many of the rub strip fenders are worn or loose on the docks and should be replaced or reattached.

Guide Piles

All the guide piles are in good condition, no deficiencies were found.

Pile Guides

The pile guides at all the docks consist of steel angles bolted to the dock surface. The pile guides are generally in good condition. One of the five pile guides at the fuel dock should be replaced within the next two years, as the corrosion of the frame prevents the roller from being able to rotate.

Condition Assessment Waterside- *Continued*

Utilities

The utilities on the docks at Pillar Point are new within the last 10 years. The boxes for utilities are generally in good condition. There are a few locations of corrosion on the boxes, and it is recommended to recoat these areas during the normal maintenance cycle. The hangers are in good condition.

2.2. Gate Structures

Only Dock A has a locked gate that restricts access onto the docks.

The gates on Johnson pier do not have controlled access. Locking gates and wing walls should be installed to provide better security onto the docks.

Condition Assessment Waterside-Continued

Gangways

The gangways are in good condition. The walking surface is even and has non-slip surfacing although some has been worn and should be replaced or recoated.

ADA/Accessibility

Currently there is not an accessible gangway at Pillar Point. To comply with ADA guidelines, a gangway of 80 ft length should be installed for increased access, though not required.

Fishing Pier

- The fishing pier is a concrete structure (concrete decking, beams, and piles) and is in good condition. There are no significant cracks or corrosion stains on the deck, beams, or piles. There were signs of epoxy injection ports on some beams near the outside end of the pier, although no rust or cracking was observed. It is likely these were to remedy something immediately after the initial construction. The handrails are constructed of wood, and appear to be sound.
- The abutment of the pier was recently fit with an ADA compliant access gangway.

Buildings-Harbormaster Office

This is a one story 2,300 square foot building with a 200 square foot second story observation tower estimated to have been constructed in late 1950s or early 1960s.

Structurally this building appears to be in fair condition.

ADA: The entrance to the front of the building is not ADA-compliant. The ramp at the rear of the building is outdated and needs to be updated to current ADA standards. The main entry and pathways throughout the building are not ADA-compliant. The front counter is also not at an ADA compliant height. Currently, H.C. access is on the north side of the building at the expansion.

Buildings-Harbormaster Office-Continued

Suggested Accessibility and Operational Improvements

1. Create an accessible ramp to the main entrance of the building
2. Upgrade ramp on the north side of the building
3. Remodel restrooms; potentially changing their location for accessibility
5. Rework interior of building for complete ADA compliance

Suggested Deferred Maintenance And Repair

1. Replace restroom and shower finishes
2. Upgrade and standardize floor finishes throughout the building
3. Install new ADA compliant service counter
4. Repair lighting controls throughout the building
5. Repair ceiling grid in copy area

Maintenance Building:

This building was originally constructed as a one story 1,000 square foot warehouse in the late 1960s and appears to be in fair condition structurally.

Suggested Accessibility and Operational Improvements

None

Suggested Deferred Maintenance and Repair

1. Replace exterior conduit
2. Replace exterior soffits and fascia board
3. Address areas of corrosion
4. Replace corroded doors and frames
5. Repair/replace (2) boarded up windows
6. Replace interior finishes in upstairs locker room
7. Improve heating and ventilation in upstairs locker room

Tenant Row Building

This is primarily a one story building with masonry walls and a timber framed mansard roof. No information was provided on the age of construction however, it appears to be constructed in the late 1960s or early 1970s around the same time as the harbor office building and maintenance shop.

Suggested Accessibility and Operational Improvements

1. Update parking striping
2. Replace approach ramps with compliant design
3. Rework sidewalks and entrance thresholds to be ADA compliant

Suggested Deferred Maintenance and Repair

None

Restrooms

West Restroom-Recently remodeled

Suggested Accessibility and Operational Improvements

1. Improve access path from H.C. accessible parking space
2. Update ramps leading to showers at the west restroom

Suggested Deferred Maintenance and Repair

1. Address brick and concrete efflorescence on the south side of the building

Restrooms Continued-Public by Pier

Condition is “Fair”, due for a remodel 1-3 years:

Suggested Accessibility and Operational Improvements

- 1. Update the accessible ramp to current standards

Suggested Deferred Maintenance and Repair

- 1. Replace corroded exterior doors, frames and hardware
- 2. Address ponding issue in front of restroom entrance
- 3. Repair/replace worn tile in shower areas

Restrooms Continued- Public by Boat Ramp

Condition Poor, Time to replace it:

Suggested Accessibility and Operational Improvements

- 1. Add striped aisle to H.C. accessible parking space

Suggested Deferred Maintenance and Repair

- 1. Replace corroded exterior doors, frames and hardware
- 2. Replace plumbing fixtures
- 4. Repair walls and replace metal trim throughout
- 5. Repair damaged exterior privacy screens
- 6. Repair/replace siding
- 7. Install gutters and downspouts
- 8. Replace conduit for exterior lighting

Roads, Sidewalks, Parking

Roads are in Fair condition with some maintenance required.

Parking lots in Fair condition but repair of cracking and resurfacing/restripe needed.

Sidewalks appear to be in good condition, however the sidewalk at the tenant building is not ADA compliant.

Utilities

Underground Utilities: The underground utilities were not inspected but most of them are now over 50 years old. The sewer line to the tenant row buildings was recently replaced due to blockages and separations. The sewage pump that serves the entire Harbor is in need of replacement.

Electrical: The existing electrical service to shoreside facilities is adequate. The service to the fish buyer buildings on Johnson Pier is becoming aged and inadequate for current use. The service is part of the original construction of the Pier in the early 1960s and is 120/240 volts single phase. The conduit has corroded through in locations and the wire insulation has become exposed to the weather.

The electrical service to the ice house and dock transformers was installed in the 1980s and is 480 volt 3 phase. Further, increased use of electrical equipment at the Fish Buyer buildings has created demand for 480 volt 3 phase service. A separate project with the SMCHD is currently being designed to improve the electric service available at the Fish Buyer Buildings.

Landscaping

Landscaping is minimal since most of the site is paved. The area between the parking lot and the harbor waters had ground cover that was mowed but appeared natural with a pathway

The parking lots had landscaped areas with miscellaneous nautical themed items displayed. The trees located in the parking lot appear to be in good condition.

There is a small area that has been recently improved located behind Tenant Row and is in new condition. The Harbor Office has planters around the perimeter of the building and the plants appear to be in good condition. Restroom #2 has a planter in the front with plants in worn condition. The landscaping near Restroom #1, Restroom #3 and on the hill adjacent to the Maintenance Shop have native foliage in fair condition.

Sea Level Rise Analysis

The current western slope within the harbor is sloughing down into the harbor, resulting the rip rap falling and the soil being exposed. With SLR this will expose the bare slope to greater erosion and cutting back of the soil. The rip rap protection should be repaired or a seawall installed similar to the portion at the Harbormaster Building and East Basin.



Fish buyer Building on Johnson Pier



Pillar Point Harbormaster Office



Tenant Row at Pillar Point Harbor



Tenant Row at Pillar Point Harbor



West Restroom Pillar Point Harbor



Johnson Pier Public Restroom



Roadways at Pillar Point Harbor

Oyster Point Marina / Park



Seawall/Breakwater

The breakwater is in fair-good condition overall. There are spalls along the top on portions of the structure. These do not presently affect the function of the breakwater, however the exposed rebar at the spall locations could lead to significant corrosion in the rebar and extend further throughout the structure. It is recommended that the rebar get cleaned, coated, and patched up with new concrete.

There are many gaps between segments along the length of the breakwater, likely due to initial driving of the sheets wandering. This allows minor leakage during high waves, but does not pose a significant problem.

Oyster Point Marina/Park Buildings

Harbor Master's Office Building:

Structural

- This one story 1,220 square foot building was constructed in the early 1980s and structurally
- appears to be in fair condition. The roof consists of 1/2" plywood over 2x6 decking with heavy
- timber framing supported by timber pole columns. The foundation consists of a 12" thick
- reinforced concrete mat over nine 12" square by 125 foot long concrete pilings. The lateral force
- resisting system appears to be conventional wood framed shear walls. The finishes consist of
- wood shake roofing, exterior T1-11 wood siding and interior gypsum board. It is evident that the
- ground has settled significantly below this building (Photograph 3). The stability of the building is
- not compromised by this condition due to the deep foundations. It was reported that during high
- tides of +6.9 or greater the access road to this building and its parking lot are below water.

Oyster Point Marina/Park Buildings- Continued

The General Condition of the Interior Layout and Finishes

The finishes are generally in fair to worn condition. Floor tile in the waiting area is cracked and

- missing in some places. The tile damage is caused mostly by shifting of the building due to
- settlement. The carpet throughout the building is worn and in need of replacement. The metal
- frame around the main entrance door is corroded because of rain infiltration. The windows on
- the south face of the building are due to be replaced. The sills on the interior are worn and show
- age.
- signs of leaking in some areas. Some areas of the walls show signs of cracking from settlement
- and scratches from general use. The paint overall is in fair condition. The handrails along the
- steps
- up to the harbor master work area are in good condition but the paint has worn through in some
- places.
- The kitchenette finishes in the multi-purpose room are in fair to worn condition. The fixtures and
- appliances are functioning. The upper cabinets are metal while the lower cabinets are wood. The
- countertop is plastic laminate. The upper cabinets are worn and are in need of replacement.
- The restroom finishes are in good condition. The restroom looks to have been recently
- remodeled.
- Walls, floors and fixtures are all clean and operational. The restroom appears to be ADA
- compliant
- with proper door size, five-foot interior clearance and grab bars.
- The heat exchanger has been recently replaced.

Harbor Master's Office Building-Continued

The General Condition of the Interior Layout and Finishes

The finishes are generally in fair to worn condition. Floor tile in the waiting area is cracked and missing in some places. The tile damage is caused mostly by shifting of the building due to settlement. The carpet throughout the building is worn and in need of replacement. The metal frame around the main entrance door is corroded because of rain infiltration.

The windows on the south face of the building are due to be replaced. The sills on the interior are worn and show age, signs of leaking in some areas. Some areas of the walls show signs of cracking from settlement and scratches from general use. The paint overall is in fair condition. The handrails along the steps up to the harbor master work area are in good condition but the paint has worn through in some places.

The kitchenette finishes in the multi-purpose room are in fair to worn condition. The fixtures and appliances are functioning. The upper cabinets are metal while the lower cabinets are wood. The countertop is plastic laminate. The upper cabinets are worn and are in need of replacement.

The restroom finishes are in good condition. The restroom looks to have been recently remodeled. Walls, floors and fixtures are all clean and operational. The restroom appears to be ADA compliant with proper door size, five-foot interior clearance and grab bars.

The heat exchanger has been recently replaced.

Harbor Master's Office Building-Continued

Deferred Maintenance and Repair

1. Roof needs to be replaced; clerestory windows can be addressed concurrently
2. Exterior siding needs to be replaced
3. Exterior windows need to be replaced
4. Interior window sills need to be replaced
5. Interior floor finishes need to be replaced
6. Walls need to be repaired and repainted
7. Cabinets in the multi-purpose room should be replaced

Maintenance Building:

This one story 2,300 square foot prefabricated metal building.

Settling has caused the building to not be level, with walls now separating and shifting.

Restroom spaces are heavily worn.

Deferred Maintenance and Repair

- 1. Exterior windows and doors need to be replaced
- 2. Large sections of the interior slab should be replaced
- 3. Vinyl tile flooring should be replaced
- 4. Finishes and fixtures should be updated and replaced

Restrooms

Restrooms #1, #2 & #3 East Side:

Recently Remodeled and are at ADA standards.

Restrooms #4 & #5 West Side:

Maintained but require remodeling soon.

Suggested Accessibility and Operational Improvements

1. Updating building ramp from the parking lot; making it ADA compliant

Suggested Deferred Maintenance and Repair

1. Replacing floors throughout
2. Upgrading fixtures; including partitions
3. Repairing walls and metal wall trim
4. Replacing exterior doors and hardware

Utilities

Sewer + Vacuum System:

The system is maintained but requires constant care.

Electrical Systems:

Underground systems are a constant failure problem.

Dock power transformers and switchgear on most docks is obsolete and should be replaced due to corrosion and age. Dock power pedestals are fairly new.

Water systems:

Underground will soon require replacement, above ground and docks receive regular maintenance but are aging.

Roads, Sidewalks, Parking & Landscaping

Roads: The roads appear to be in a worn condition with the exception of the new asphalt concrete pavement in the east basin. Potholes and alligator cracking were observed as well as standing water due to inadequate drainage.

Sidewalks: The asphalt sidewalks appeared to be in fair condition.

Parking: The parking areas appear to be in a worn condition with the exception of the new paved areas in the east basin. A large percentage of the parking areas are unpaved with a gravel surface. Standing water was observed in several paved and gravel

Landscaping: The landscaping area by the boat launch ramp consisted of trimmed lawn in good condition. The landscaping near the fishing pier appeared to be native foliage in worn condition. The landscaping near the parking lots appeared to be in fair condition and well maintained.

Sea Level Rise (SLR) Analysis

The consensus approach to SLR is to plan for 16 inches of increase by 2050 and 55 inches by 2100. The annual highest tide in 2014 at Oyster Point is 8.29 ft (MLLW), projecting this would correspond to 9.62 in 2050 and 12.87 in 2100. It should be noted that higher tides of almost 2 ft have been observed (estimated) than 8.29 ft., however, planning for the highest annual tide will rarely be exceeded.

There is frequent flooding of the parking lot between the East and West Basin at the Harbormaster's office now, which will only get more frequent in the next 10 years. It is likely that the office should be moved to higher ground as placing fill to raise the ground will increase surcharge and induce settlement on the compressible landfill below.

Other features that will be affected further into the future are the access gates to all the docks, which are presently at elevation 10, approx. The tops of guide piles may need to be extended if they are not replaced by 2050. The elevations need to be confirmed to ensure the docks will still be restrained. Similarly, the top of the breakwater and wave overtopping may occur as sea levels rise.



Oyster Point Marina Wood Docks



Oyster Point Marina Harbor Office and King Tides



King Tides at Oyster Point Harbor Office



Oyster Point Marina West Restroom



Oyster Point Marina Roads and Parking Lots



Harbor Patrol Training

QUESTIONS?

San Mateo County Harbor District

Budget Workshop
April 15, 2015



Purpose Of The Budget

- **The purpose of the budget is to estimate revenues and establish expenditure authority. Each year a government must include current-year capital spending in its operating budget.**

Basis of Accounting For Budgets

- **Despite the importance of budgets and the influence of budgeting on financial reporting, both the GASB (Government Accounting Standards Board) and FASB (Financial Accounting Standards Board) establish generally accepted principles only for financial reporting, NOT for budgeting.**

Accrual or Modified Accrual?

- The budgetary basis of enterprise funds may be the accrual basis (i.e., the GAAP basis for enterprise funds) or the modified accrual basis (i.e., a non-GAAP budgetary basis). While the accrual basis requires budgeting for depreciation, which some question as non-productive in a governmental environment; nevertheless, it might be easier to use the accrual basis of budgeting to be consistent with the accrual basis of accounting required for enterprise fund reporting.
- Conversely, some may adopt budgets for enterprise funds on the same basis as they adopt budgets for the governmental funds(modified accrual). This method allows them to appropriate resources for capital outlay and debt service payments.

Fiscal Year 2015-16 Budget

Schedule remaining:

- May 6th– Public Hearing and Adoption of Preliminary Operating and Capital Budget by Resolution per Harbors and Navigation Code Section 6093, and Adoption of FY 2015-16 Rates & Fees.
- No later than 30 days before the hearing date, publish a notice pursuant to Section 6061 of the Government Code stating the Preliminary Budget has been adopted.
- June 17, 2015-Fix/Adopt the Final Budget by Resolution. Adopt Wage & Salary Classification Schedule by Resolution.
- July 1, 2015 Adopted Budget goes into effect.

Proposed Budget: Sources and Uses of Funds

- 33% Operating Rev
- 49% Taxes
- 1% Reimb/Grants
- 16% Reserves
- 1% Other

Sources of Funds



Budgeted Use of Funds

- 34% EE Costs
- 25% Operating Exp
- 11% Debt Service
- 30% Capital Expenses

Mission Statement

- To assure that the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant **marinas.**

Mission Statement

- Does it address all services the District provides?
- What does the District provide in addition to its Mission Statement?

Who are our users? Do they all pay user fees?

- DIRECT- Harbor Users
- INDIRECT-County Wide Residents
- “FREE RIDERS”- In economics, the **free rider problem** occurs when those who benefit from resources, goods, or services do not pay for them, which results in either an under-provision of those goods or services, or in an overuse or degradation of a common property resource.

Operating Revenues-Direct Harbor Users

- Berthing
- Rents & Concessions
- Commercial Activity Fee
- Launch Ramp
- RV Lot
- Laundry
- Boat Wash
- Hoist Fees
- Key Fees
- Event Fees
- Miscellaneous



Rents & Concessions-Leases



PPH-Maverick's Surf Competition- Event Fee



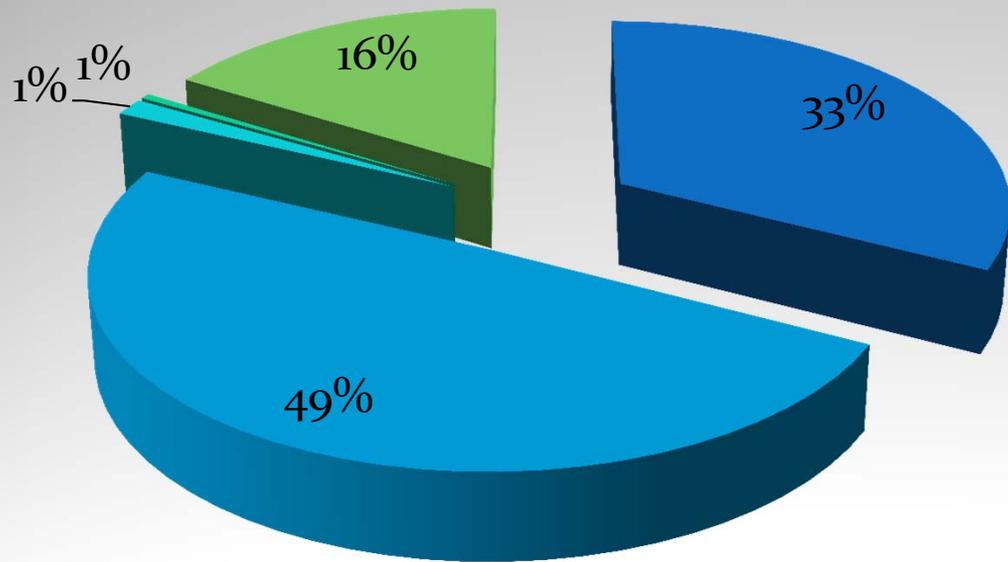
OPM-5 K Run/Walk-Event Fee



Non-Revenue Generating Activities

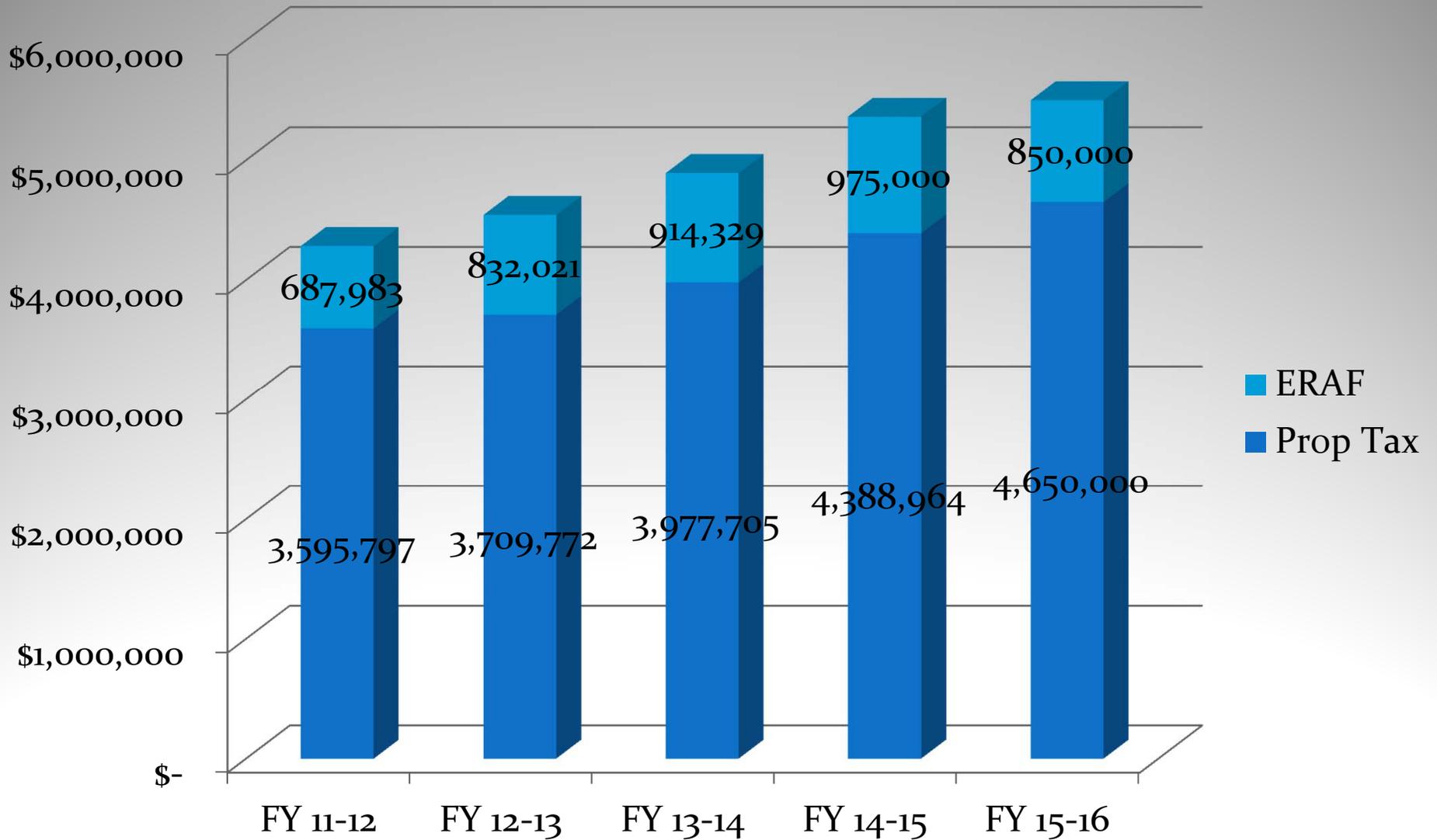
- Search and rescue
- Bay trail maintenance
- Landscape maintenance
- Coastal trail access
- Beach access
- Trash removal
- Parking
- Public restrooms
- Public fishing piers
- Harbor of refuge
- Free Wifi
- Some public events

District Sources of Funds

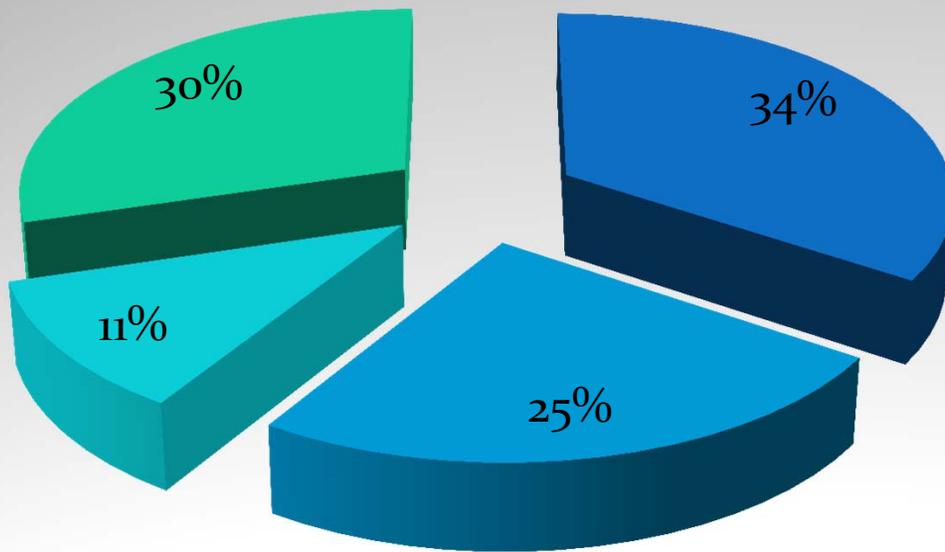


- Operating Revenues
\$3,622,583
- Taxes (including ERAF)
\$5,500,000
- Operating Grants/Reimb
\$160,000
- Interest Income \$51,319
- Draw on Reserves
\$1,802,210

Tax Revenue Breakdown



District Uses of Funds



- Salaries & Benefits
\$4,202,228
- Operating Expenses
\$3,014,355
- Debt Service
\$1,393,094
- Capital Expenditures
\$3,629,190

Pillar Point Harbor is a protected “Harbor of Refuge” (Harbors and Navigation Code Section 70.3) along the San Mateo County California Coast.



PILLAR POINT HARBOR, HMB



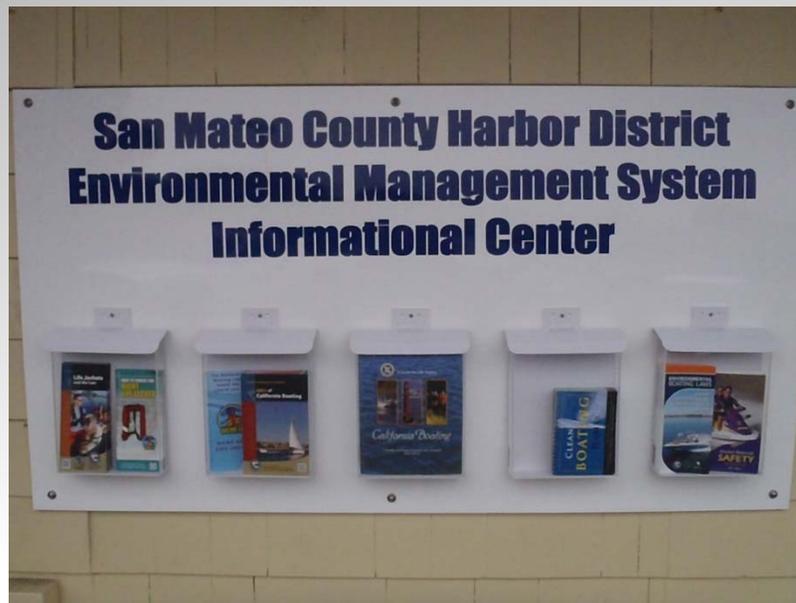
About Pillar Point Harbor:

Pillar Point Harbor is a protected harbor of refuge along the San Mateo County California Coast. It is home port to a vital commercial fishing industry, to sport fishermen, and to pleasure boaters seeking the amenities this modern coastal harbor facility provides. The Harbor has 369 berths and an inner and outer breakwater, making it one of the safest harbors in the United States. The harbor is also situated within the boundaries of the Monterey Bay National Marine Sanctuary with its natural and ocean resources protected by the National Marine Sanctuaries Program under the National Oceanic & Atmospheric Administration.

Clean Marina Certification-Both Pillar Point Harbor and Oyster Point Marina received certification March 20, 2013

Mission Statement (www.cleanmarina.org)

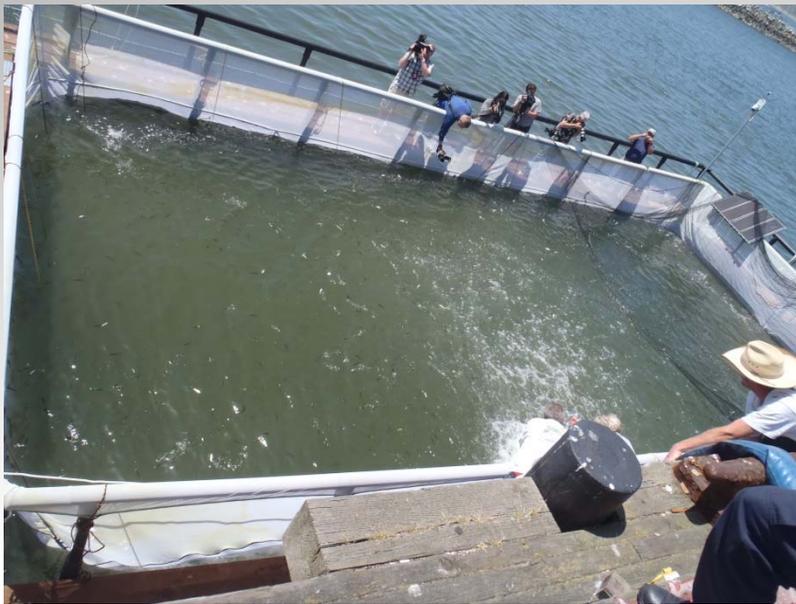
The Clean Marinas program is an ongoing endeavor, by a marina industry alliance, determined to provide environmentally clean facilities and protect the states' coastal and inland waters from pollution through compliance of best management practices.



PPH-Public Events-Annual Sand Castle Event-Inner Harbor Beach



PPH-Hosts Salmon Breeding



PPH Maintenance-Trash

Pallets/Crab Season



Hazardous Waste



Property Maintenance

Launch Ramp Dredging

Graffiti Abatement



Property Maintenance-Asphalt Repairs



Property Maintenance-Asphalt Repairs



Public Places Maintenance

Removed from Launch Ramp at PPH

Public Restroom Maintenance(PPH), Also 5 Portable Toilets (2) at Foot of Fishing Pier and (3) at Mitigation Lot-start of trail to Mavericks (Cost \$15,600/Year)



Public Places Maintenance

Vessel Abatement

Vessel Abatement Grant amounts vary year to year to cover a percentage of costs



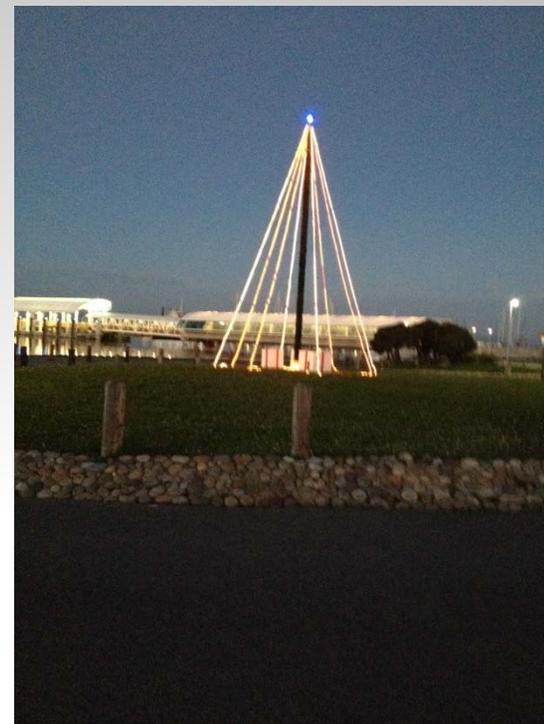
Boat Lighting Contest

Tenants decorate boats for Holiday spirit and prizes donated by local sponsors and the Grand Prize is a free month berthing.

Contest is viewed by tenants and the public and includes Santa pictures, music, hot chocolate and a live choir.



OPM-Christmas Decorating Contest



OPM-Kite Festival

Boy Scout Assistance

With Public Kite Festival



PPH-Public Events

CIA Cook Off Event

Vessel Safety Check Station



PPH Educational Activities

Junior Lifeguard Training

Junior Lifeguard Education



PPH –Educational Activity-School Field Trip



Field Trip-Cont'd



PPH-Public Services

Pump Out Services-Free to all users



Emergency Services-No charges to users



Search and Rescue Operations

Pillar Point is unique because it provides search and rescue services to all boaters. Over the past two decades, its dedicated crew performed an average of 110 rescues annually, saved more than 100 lives, and millions of dollars in boats and equipment. They train with and assist the U.S. Coast Guard.



Oyster Point Marina/Park



Oyster Point Marina Park-Easter Egg Hunt

Dragon Boat Participation

U.S. Coast Guard Demonstration



Oyster Point Marina Park Public Services-ADA Compliant Restrooms



Oyster Point Marina Park Public Services

Porta Potty Dump Station



Boat Wash Station-User Fees



Oyster Point Marina Park Public Access

ADA Fishing Pier

San Francisco Bay Vista



Oyster Point Marina Park Public Access

Beach Access-Swimming



Windsurf Launch Ramp



OYSTER POINT MARINA PARK
WINDSURF LAUNCH RAMP
ATTENTION WINDSURFERS

- ADVANCED SAILING AREA
- STRONG, GUSTY, OFFSHORE WINDS
- HAVE ABILITY TO WATER START AND SELF RESCUE
- OPEN DAWN TO DUSK
- NO MOTORIZED VESSELS NO FISHING
- IN CASE OF EMERGENCY CONTACT:

OYSTER POINT HARBOR PATROL
(650) 952-2888 OR VHF 16

SOUTH SAN FRANCISCO POLICE DEPARTMENT
EMERGENCY 911
NON-EMERGENCY (650) 877-8900

UNITED STATES COAST GUARD (415) 536-2103

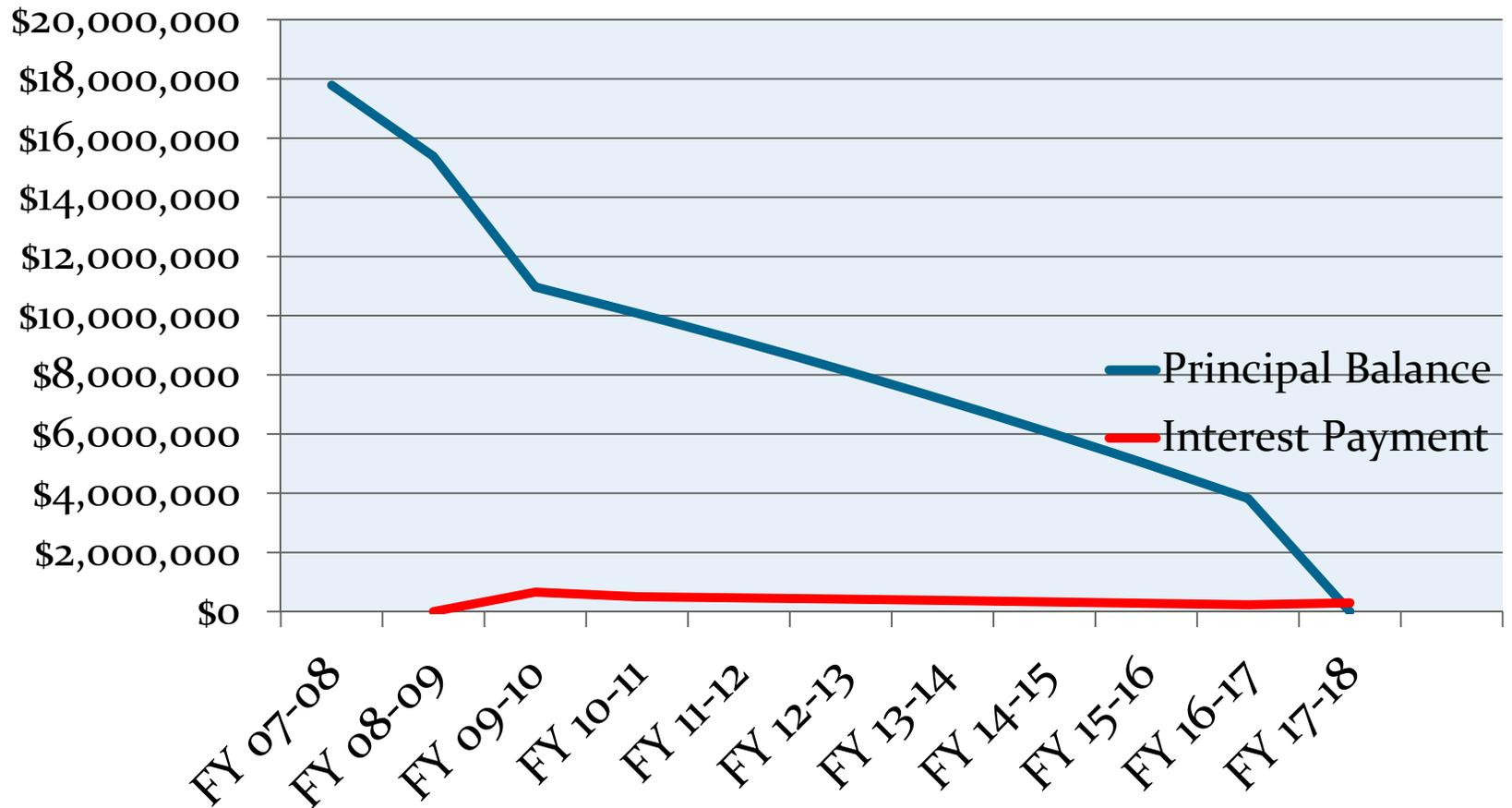


San Mateo County Harbor District

Opportunities

- Declining Debt Balance
- Accessible Cash
- ~~Paid Parking~~
- Limited Termination Benefit Liability
- Union Negotiations
- Charge User Fees for Services?
- Continue to Accelerate Receivables
- ~~Sale of Surplus Land~~
- ~~New Building on Alhambra~~
- Salary savings due to retirements
- Grant Procurement
- Move for rent savings?
- Create 5 year Capital Plan

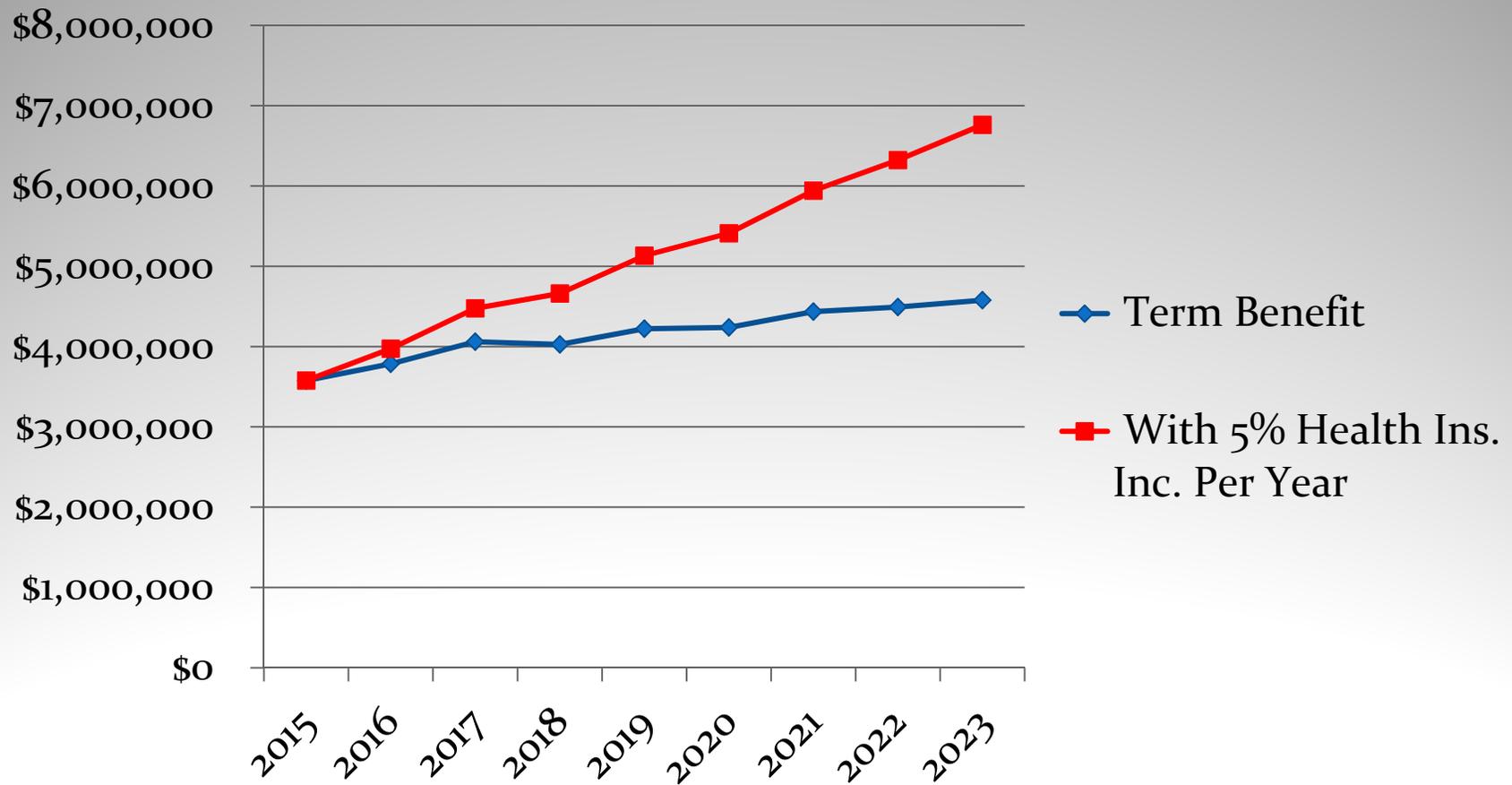
Debt Balance – Existing Debt



Challenges

- **Dependence on Non-Operating Revenues**
- **Continued ERAF Tax Refunds are Uncertain**
- **Aging Facilities**
- **Increased Legal Costs**
- **Board Dynamics**
- **Cost increases in Benefits**

Termination Benefit Liability



Capital Project Expenses

Capital Improvement Projects

	<u>Budgeted Projects</u>	<u>Estimated Carryover</u>	<u>Combined Projects</u>
Oyster Point Marina:			
Correct Flooding Issues	25,000	-	25,000
Compactor	40,000	-	40,000
Dock 12 Referbishment	500,000	-	500,000
Total Oyster Point Marina	565,000	-	565,000
Pillar Point Harbor:			
Mooring Replacements	25,000	-	25,000
Leasee Sidewalk	300,000	-	300,000
Rip Rap Fishing Pier Repair	300,000	-	300,000
Johnson Pier Electrical Feed Power	173,000	-	173,000
Dock Fingers	580,257	-	580,257
Radon Boat Replacement or Repair	120,000	-	120,000
Harbor Office Remodel	200,000	-	200,000
Romeo Pier	650,000	-	650,000
Trench Drains at Boat Launch Ramp	40,000	-	40,000
Launch Ramp Restroom Design	250,000	-	250,000
Inner Harbor Dredging	70,000	-	70,000
West Trail-Fix Erosion	-	355,933	355,933
	2,638,257	355,933	3,064,190
TOTAL DISTRICT	3,203,257	355,933	3,629,190

Following are Capital Projects in FY 15-16

- As we review these slides let's ask these following questions.....
 - 1. Is it Revenue Producing?
 - 2. Is this a Health and Safety Concern?
 - 3. Any potential litigation if not done?
 - 4. Can it be postponed till next year?

OPM-Tidal Design at Harbor Master Office and Guest Dock \$25,000.

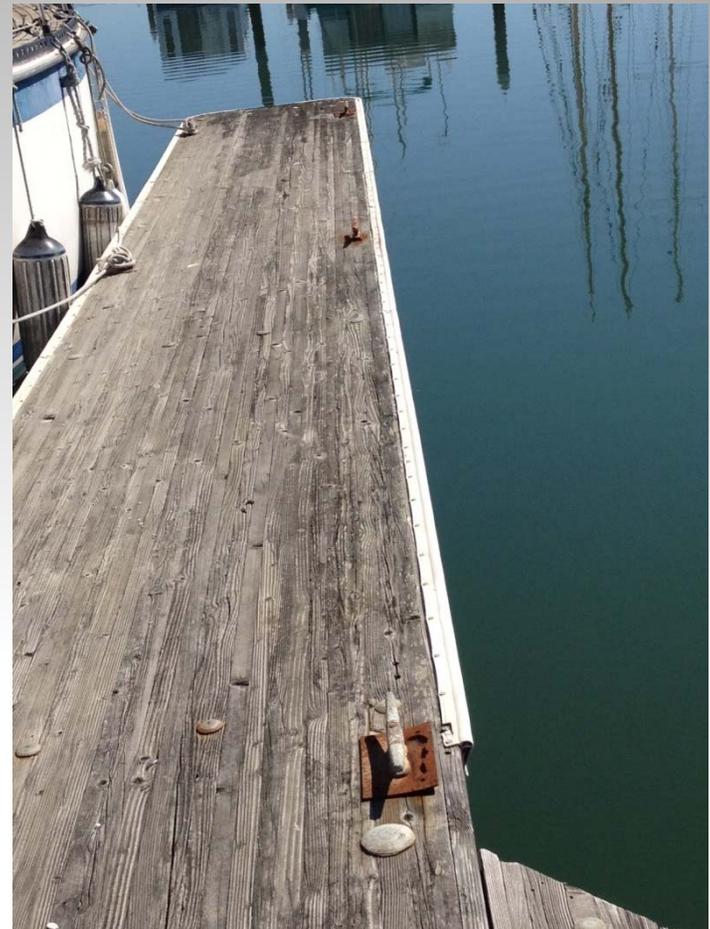


OPM-Replace Trash Compactor

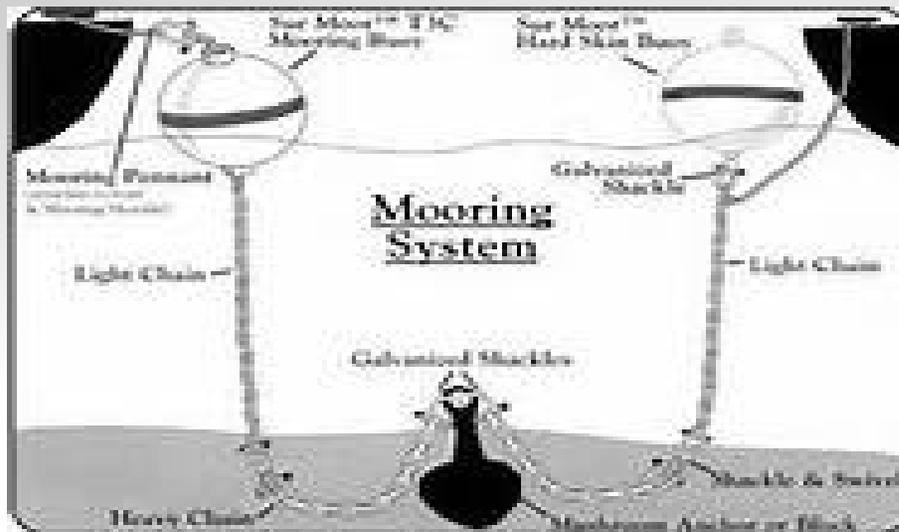
\$40,000



OPM-Dock 12 Refurbish \$500,000



PPH-District Moorings Refurbish \$25,000.



PPH Sidewalk \$300,000



PPH-Rip Rap Fishing Pier Repair

\$300,000



Johnson Pier Electrical \$173,000



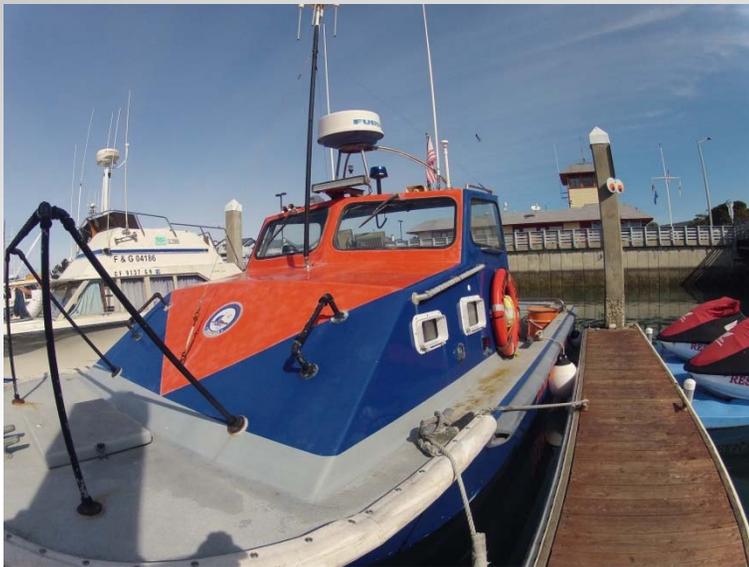
PPH-Dock Fingers-\$580,257



PPH-Radon Patrol Boat

Repair? \$120,000

Replace? \$350,000



Harbor Office Remodel \$200,000



Romeo Pier Removal-\$650,000



Sewer Pit Drains \$40,000



PPH-Launch Ramp Restroom

\$250,000



PPH-Inner Harbor Dredging

\$70,000



PPH -Trail to Mavericks Repair \$355,933.



Capital Project Expenses

Capital Improvement Projects

	<u>Budgeted Projects</u>	<u>Estimated Carryover</u>	<u>Combined Projects</u>
Oyster Point Marina:			
Correct Flooding Issues	25,000	-	25,000
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	2,638,257	355,933	3,064,190
TOTAL DISTRICT	3,203,257	355,933	3,629,190

Other Capital Projects to consider

- **OPM Restroom/Cost Share/Grant**
- **Flow Meters to Launch Ramp Drains**

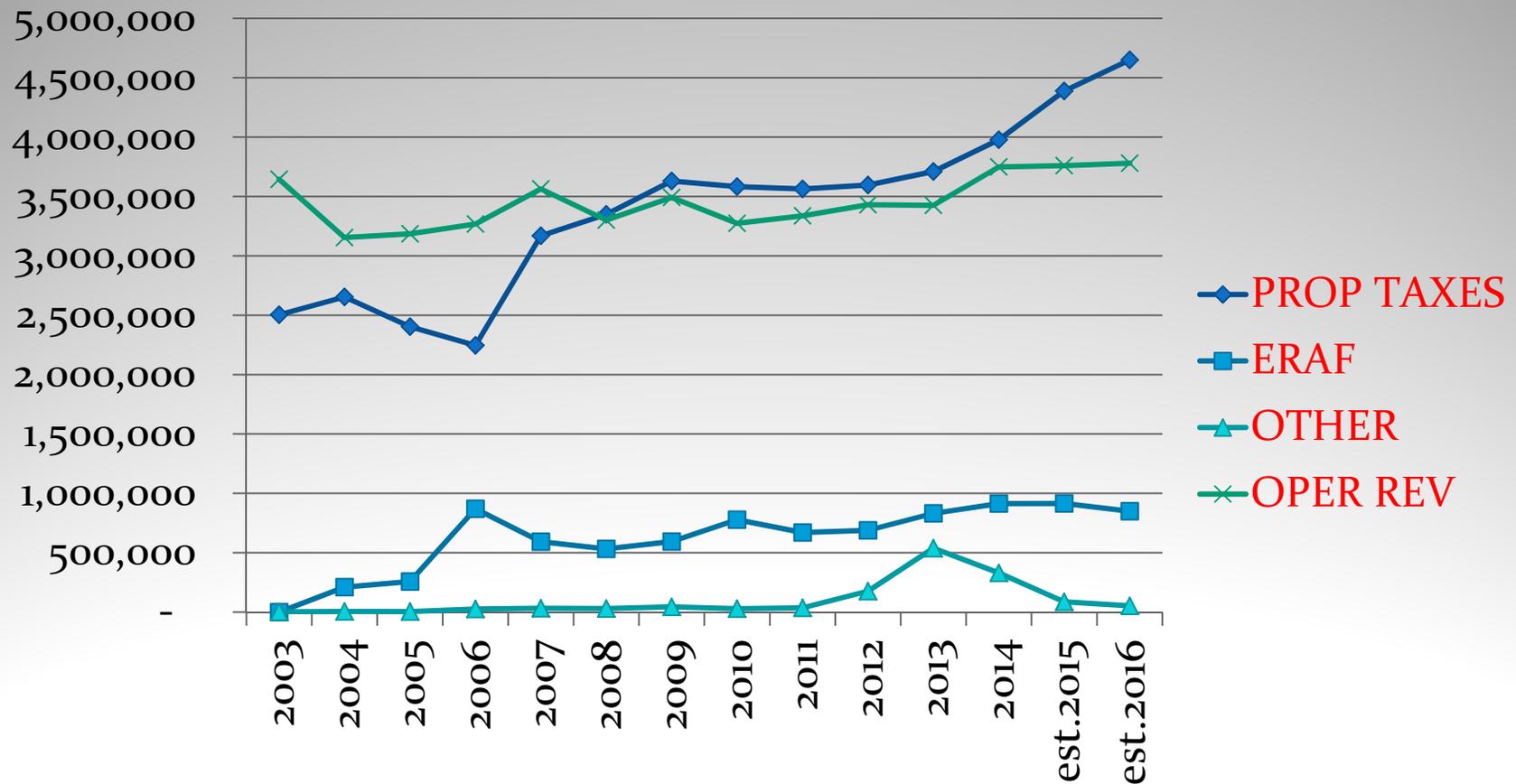
- **How do we pay for them?**
- **Reserves?**
- **Solicit Financing? (requires DBW approval)**

Flow Meters to Launch Ramp Drains

\$175,000

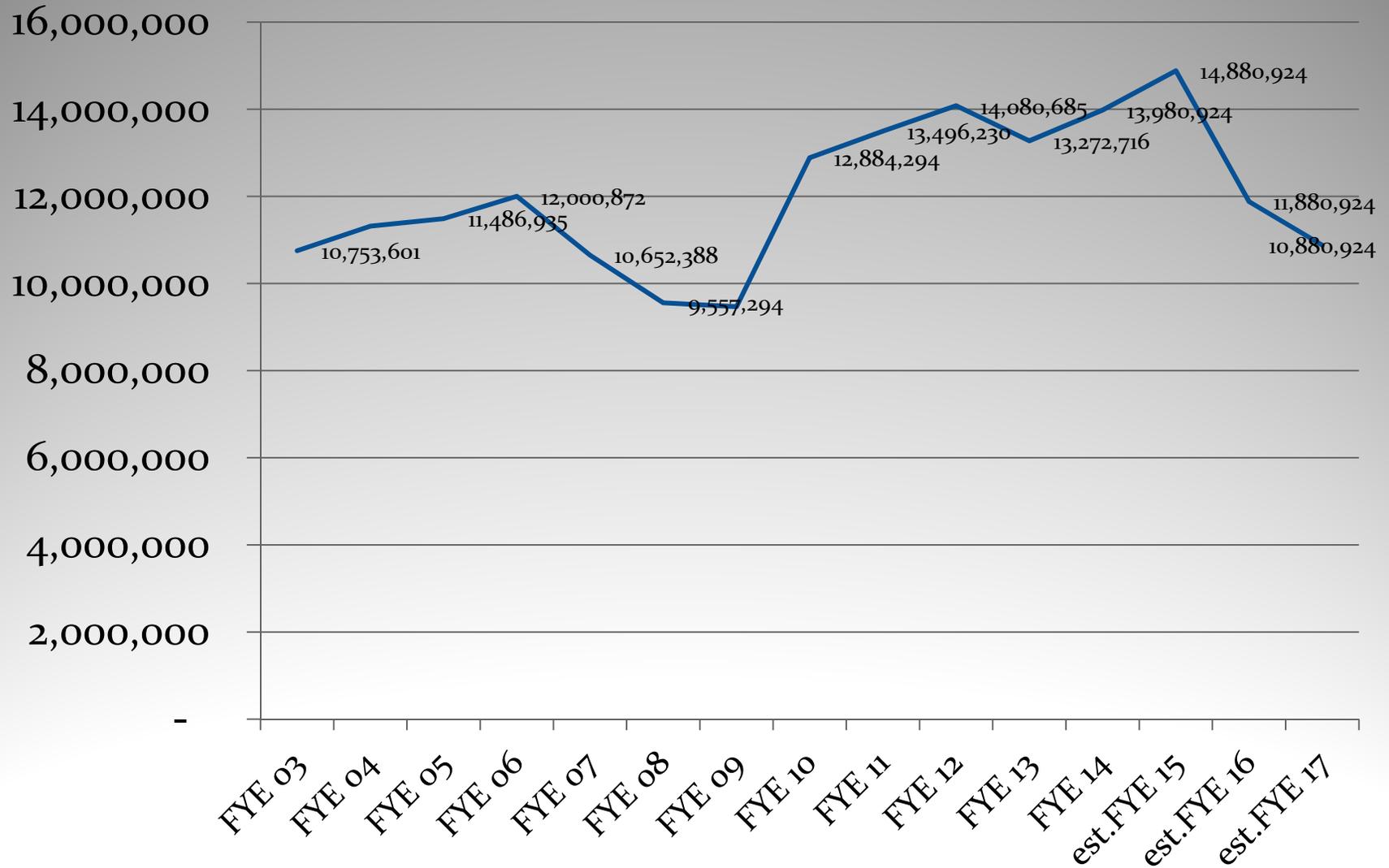


2003-2014 Revenue from Cash Flow Statement



Note: \$3.6M WETA Payment in 2010 excluded

Cash Totals from Financial Balance Sheet (FYE 03-14)



Why are cash reserves declining?

- **Aging facilities require maintenance. Capital projects are funded by the reserves.**
- **Increased CALPers Expense, increased Health and Welfare costs, Termination Benefit assumes all increase costs paid by District.**
- **Operational Revenues and Taxes do not cover all services provided. Reserves are used to close gap**



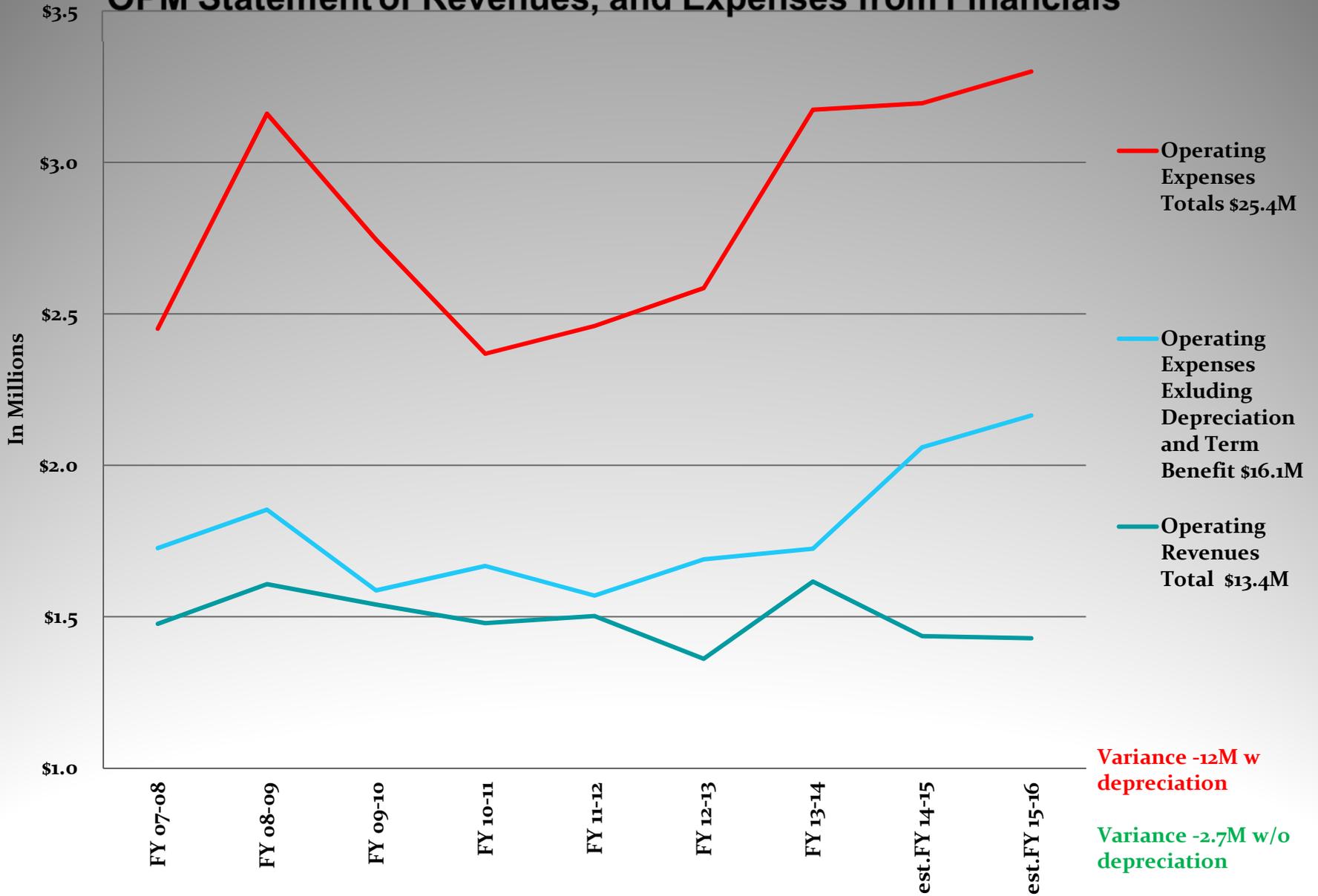
How are we addressing the declining reserves?-LAST YEAR

- Reducing Capital Expenditures.
- New two-tiered system in place for new employees allows for cost savings to the District.
- Proposed Paid Parking.
- Moving District office to District owned building.
- New leases to negotiate.
- Apply for more grants.
- Strategic Plan will study finding new revenue sources.

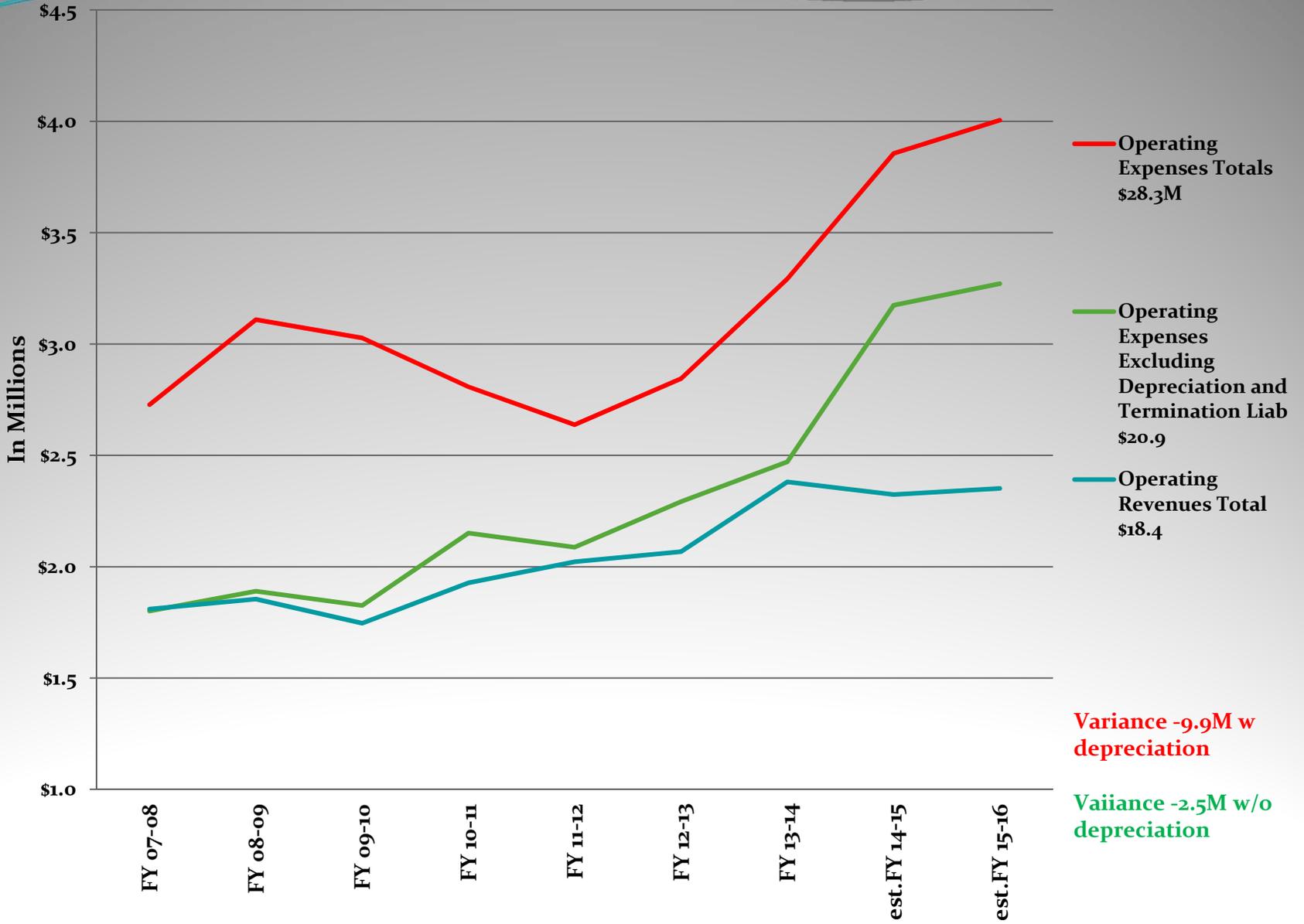
Oyster Point Marina Park Property –RFP for new tenant



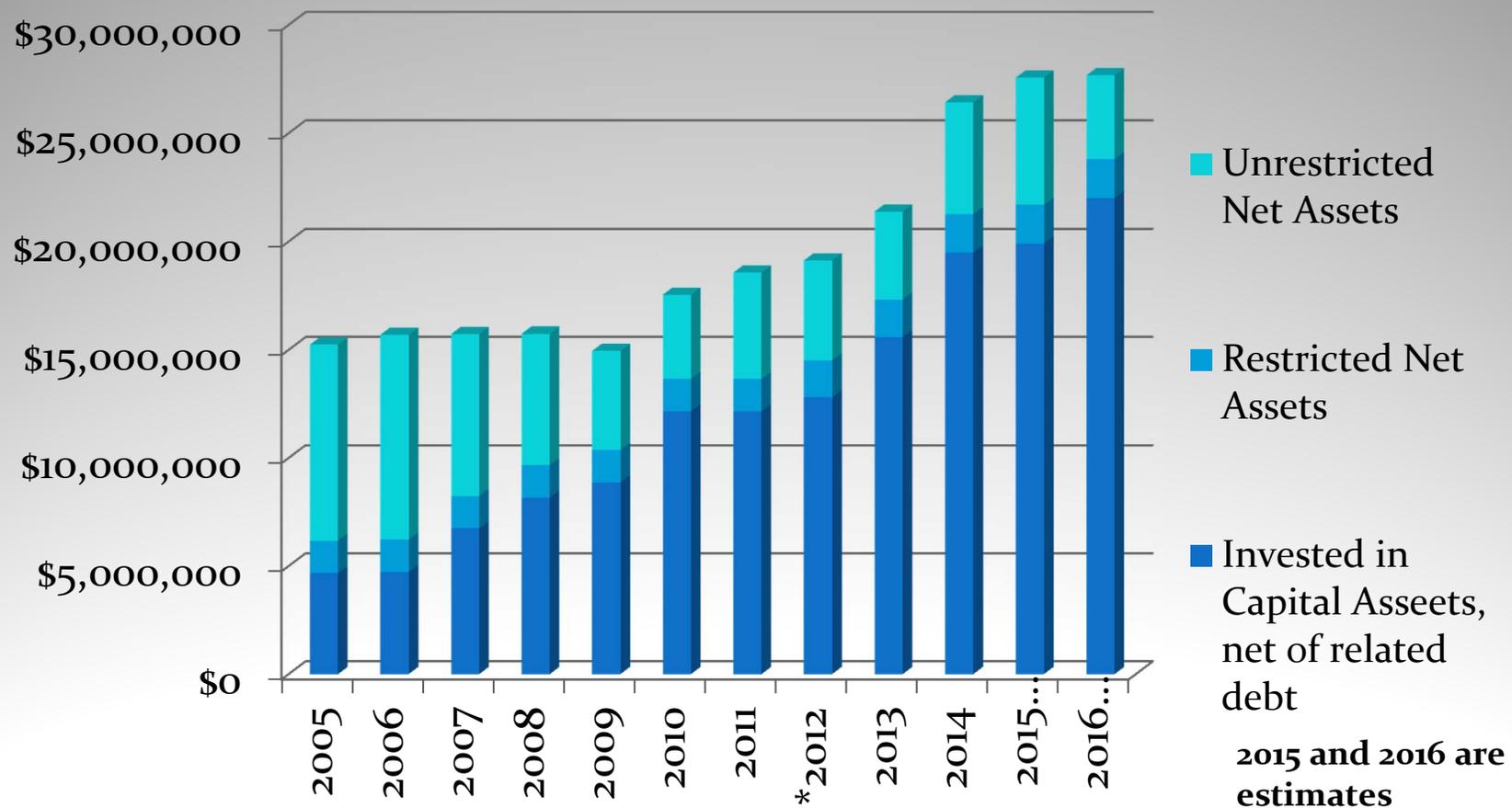
OPM Statement of Revenues, and Expenses from Financials



PPH Statement of Revenues, and Expenses from Financials



Assets-Liabilities = NET ASSETS



*EXCLUDES net assets at June 30, 2012, increased to \$39,126,210 from \$18,564,087 in 2011. The increase in net assets was primarily due to a recent capital asset valuation.

THANK YOU



SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



**DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016
Presented on March 18, 2015**

Board of Harbor Commissioners

**Scott Grindy
Acting General Manager**

**Debra Galarza
Director of Finance**

**John Draper
Acting Harbor Master**

**Charles White
Acting Harbor Master**



San Mateo County Harbor District
Board of Harbor Commissioners

<u>TITLE</u>	<u>NAME</u>	<u>TERM EXPIRES</u>
PRESIDENT	Sabrina Brennan	December 31, 2016
VICE PRESIDENT	Tom Mattusch	December 31, 2016
SECRETARY	Nicole David	December 31, 2018
COMMISSIONER	Pietro Parravano	December 31, 2016
COMMISSIONER	Robert Bernardo	December 31, 2018

**PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016**

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SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



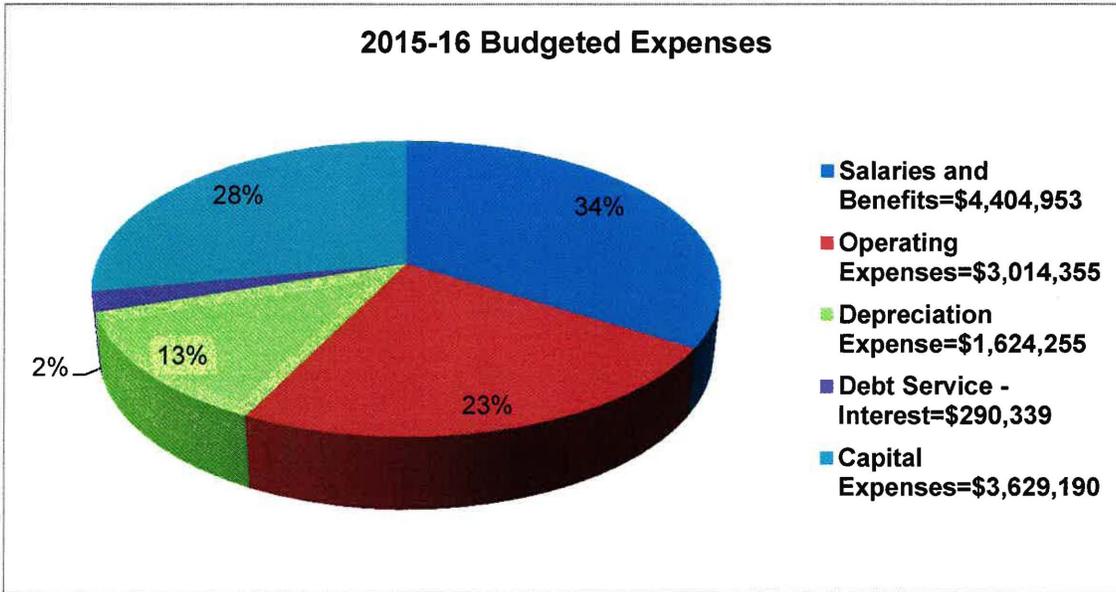
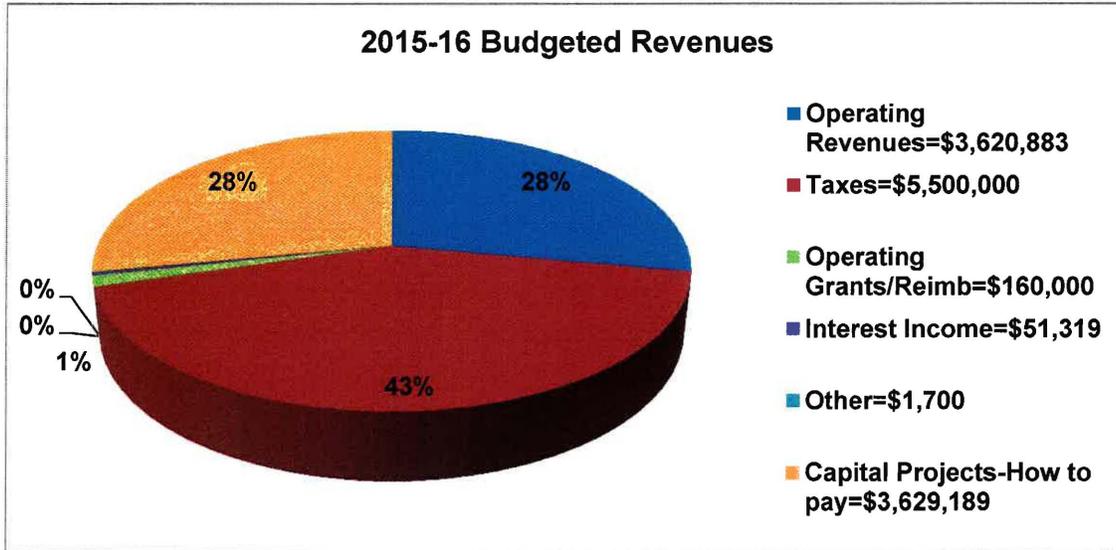
BUDGET SUMMARY

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

BUDGET SUMMARY

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/14	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
Operating Revenues	4,272,223	3,788,250	2,064,792	3,760,319	3,780,883
Non-Operating Revenues	7,438,059	5,117,300	2,469,203	5,391,003	5,553,019
TOTAL REVENUES	11,710,282	8,905,550	4,533,994	9,151,322	9,333,902
Operating Expenses	6,545,252	8,244,724	4,480,141	7,573,229	7,419,308
Non-Operating Expense	2,635,898	1,934,426	0	1,873,821	1,914,593
TOTAL EXPENSES	9,181,149	10,179,150	4,480,141	9,447,050	9,333,902
<i>NET INCREASE(DECREASE)</i>	<i>2,529,133</i>	<i>(1,273,600)</i>	<i>53,853</i>	<i>(295,728)</i>	<i>0</i>
Total Capital Projects Expense	1,436,415	777,686	156,749	-	3,629,190
TOTAL EXPENSES WITH CAPITAL	10,617,565	10,956,836	4,636,890	9,447,050	12,963,092
TOTAL INCREASE(DECREASE) INCLUDING CAPITAL	1,092,718	(2,051,286)	(102,896)	(295,728)	(3,629,190)

Total Revenues & Expenses



TOTAL SOURCES: \$12.9 MILLION = TOTAL USES: \$12.9 MILLION

Budget Summary

Fiscal Year Ending June 30, 2016

1. This year's budget Operating and Non-Operating Revenue are balanced to the Operating and Non-Operating Expenses. This was attainable because several repairs and maintenance projects had been completed in previous years, attrition of senior staff at higher salaries and benefits are being replaced with new staff who have lower salaries and benefits, and it is estimated that new lease negotiations on three lease renewals will enhance revenues.
2. Capital costs will need to be funded by reserves. Other financing should be researched but is limited to the restrictions put in place by DBAW.
3. Capital projects in the amount of \$3,629,290 are made up of \$2,638,257 in new projects and \$355,933 in carryovers from FY2014-15. Review of the Facilities study, meetings with Harbor Masters and Acting General manager enabled the discussion of necessary capital projects. Capital projects are evaluated by necessity due to health and safety issues (i.e. Johnson Pier electrical repairs), items that may create legal issues (i.e. Romeo Pier), and projects that would generate revenue (i.e. Sidewalk project via higher percentage rents).

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
OPERATING REVENUE:					
Berth Fees	1,588,500	1,102,083	0	0	2,690,583
Mooring Fees	41,000	0	0	0	41,000
Launch Ramp Fees	81,500	16,750	0	0	98,250
Dock Boxes	0	6,500	0	0	6,500
Misc. Fees	47,100	10,550	0	0	57,650
Rents & Concessions	430,000	205,000	0	0	635,000
RV Parking (Fishing)	50,450	0	0	0	50,450
Event Fees	22,750	500	0	0	23,250
Commercial Activity Permits	9,000	1,500	0	0	10,500
Sales	6,500	1,200	0	0	7,700
State- DBAW - Abandoned Vessel	75,000	85,000	0	0	160,000
Total Operating Revenues	2,351,800	1,429,083	0	0	3,780,883
NON-OPERATING REVENUE:					
Taxes	0	0	5,500,000	0	5,500,000
Interest Income	0	0	51,319	0	51,319
Miscellaneous Revenues	0	0	1,700	0	1,700
Total Non-Operating Revenues	0	0	5,553,019	0	5,553,019
TOTAL REVENUES	2,351,800	1,429,083	5,553,019	0	9,333,902

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	1,091,591	689,999	730,057	36,000	2,547,647
Overtime	16,000	16,000	8,000	0	40,000
Other Pay	25,000	25,000	0	0	50,000
Total Salaries and Wages	1,132,591	730,999	738,057	36,000	2,637,647
Benefits Expense:					
Pension Contributions	265,758	163,733	135,778	0	565,270
Health Insurance Costs - Current Employees	249,746	163,710	102,174	40,769	556,399
Worker's Compensation Insurance	79,300	67,000	5,444	400	152,144
Other Insurance - Current Employees	16,025	74,500	14,100	300	104,925
Insurance Costs - Retirees	38,750	46,700	0	21,315	106,765
Social Security and Taxes	16,496	10,375	20,507	2,832	50,209
Auto Allowance	8,400	8,400	8,400	0	25,200
Employment Assistance Program	1,300	1,100	670	600	3,670
Liability for Termination Benefit	175,844	80,972	(27,709)	(26,382)	202,725
Total Benefits	851,619	616,490	259,363	39,834	1,767,306
TOTAL SALARY AND PAYROLL BURDEN	1,984,211	1,347,489	997,420	75,834	4,404,953

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
OPERATING EXPENSES:					
Advertising	11,200	8,000	2,500	8,000	29,700
Bad Debt Expense	45,000	50,000	0	0	95,000
Communications	21,000	13,100	12,500	0	46,600
WiFi Services	4,440	6,500	0	0	10,940
Computer - Hardware and software	11,750	5,000	7,500	0	24,250
Postage	9,000	4,000	9,000	100	22,100
Meetings/Travel/ Training	6,600	5,300	6,500	9,800	28,200
Auto Mileage Reimbursement	500	400	1,500	200	2,600
Memberships/ Exams/ Subscriptions	400	250	17,500	0	18,150
Personnel Tests	1,100	1,150	2,500	0	4,750
Property & Casualty Insurance	135,000	139,200	0	14,935	289,135
Fuel	12,000	6,400	0	0	18,400
Operating Supplies	67,900	31,500	0	0	99,400
Office Supplies	7,500	5,400	13,600	1,800	28,300
Uniform Expenses	9,000	7,500	0	0	16,500
Legal Services	55,000	15,000	100,000	150,000	320,000
Contractual Services-IT	10,500	13,000	21,000	4,000	48,500
Contractual Services-Professional	50,000	79,800	75,000	0	204,800
Outside Contractual Services	105,900	127,080	33,150	21,500	287,630
Special Events Expense	6,500	6,500	0	0	13,000
Bank & Credit Card Fees	16,400	22,300	750	0	39,450
Office Space and Equipment Rentals	0	4,500	99,000	0	103,500
Repair and Maintenance	467,000	131,500	0	0	598,500
Garbage Collections	158,300	26,500	0	0	184,800
Harbor/ Marina Equipment	17,150	5,000	0	0	22,150
Vessel Destruction	65,000	75,000	0	0	140,000
Water and Electrical Utility Expenses	168,500	108,000	0	0	276,500
LAFCO Fees	0	0	7,500	0	7,500
Property Tax Admin. Fee	0	0	29,000	0	29,000
Employee Appreciation Dinner	0	0	0	5,000	5,000
Total Operating Expenses	1,462,640	897,880	438,500	215,335	3,014,355
Total All Operating, Salary and Benefit Expenses	3,446,851	2,245,369	1,435,920	291,169	7,419,308
NON-OPERATING EXPENSES:					
Depreciation Expense	558,065	1,054,626	11,563	0	1,624,255
Interest Expense - DBAW Loan	129,869	160,470	0	0	290,339
Total Non-Operating Expenses	687,934	1,215,096	11,563	0	1,914,593
TOTAL OE&E EXPENSE	4,134,785	3,460,465	1,447,483	291,169	9,333,902

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
CAPITAL PROJECTS (2015-2016 BUDGET APPROPRIATION ONLY):					
Oyster Point Marina:					
Correct Flooding Issues	0	25,000	0	0	25,000
Trash Compactor	0	40,000	0	0	40,000
Dock 12 Referishment	0	500,000	0	0	500,000
Pillar Point Harbor:					
Mooring Replacements	25,000	0	0	0	25,000
Leasee Sidewalk	300,000	0	0	0	300,000
Rip Rap Fishing Pier Repair	300,000	0	0	0	300,000
Johnson Pier Electrical Feed Power	173,000	0	0	0	173,000
Dock Fingers	580,257	0	0	0	580,257
Radon Boat Replacement or Repair	120,000	0	0	0	120,000
Harbor Office Remodel	200,000	0	0	0	200,000
Romeo Pier	650,000	0	0	0	650,000
Trench Drains at Boat Launch Ramp	40,000	0	0	0	40,000
Launch Ramp Restroom Design	250,000	0	0	0	250,000
Inner Harbor Dredging	70,000	0	0	0	70,000
Total Capital Projects (2015-16 Appropriations)	2,708,257	565,000	0	0	3,273,257
CAPITAL PROJECTS (CARRYOVER):					
Pillar Point Harbor:					
West Trail - Fix Erosion	355,933	0	0	0	355,933
Total Capital Projects (Carryover Appropriations)	355,933	0	0	0	355,933
Total All Capital Projects	3,064,190	565,000	0	0	3,629,190
TOTAL ALL COSTS	7,198,974	4,025,465	1,447,483	291,169	12,963,091
TOTAL REVENUES LESS TOTAL EXPENSES					(3,629,190)

SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



REVENUES

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
 FISCAL YEAR ENDING JUNE 30, 2016

DESCRIPTION	COMBINED REVENUES				
	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/14	FY 14-15 PROJECTED ANNUAL	FY 15-16 FINAL BUDGET
Operating Revenues	4,272,223	3,788,250	2,064,792	3,760,319	3,780,883
Non-Operating Revenues	7,438,059	5,117,300	2,469,203	5,391,003	5,553,019
TOTAL REVENUES	11,710,282	8,905,550	4,533,994	9,151,322	9,333,902

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

PILLAR POINT HARBOR REVENUES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING REVENUE:					
Berth Fees	1,644,761	1,674,000	883,620	1,563,092	1,588,500
Mooring Fees	42,346	41,000	18,475	40,075	41,000
Launch Ramp Fees	88,325	81,500	69,495	81,306	81,500
Misc. Fees	77,447	37,900	28,377	45,439	45,600
Crab Pot Storage Fee	5,050	5,800	1,200	1,500	1,500
Rents & Concessions	457,280	433,000	298,776	429,108	430,000
RV Parking (Fishing)	37,311	35,000	35,430	50,430	50,450
Event Fees	0	22,100	9,130	22,730	22,750
Commercial Activity Permits	18,685	9,000	3,600	9,000	9,000
Sales	13,359	6,500	3,328	6,500	6,500
Operational Grants					
State- DBAW - Abandoned Vessel	0	30,000	0	75,000	75,000
Total Operating Revenues	2,384,566	2,375,800	1,351,431	2,324,180	2,351,800

Pillar Point Harbor

Fiscal Year Ending June 30, 2016

1. The fishing season was again robust in FY2014-15 and Pillar Point was 100% occupied for most of the commercial crab fishing season. It was approximately 96% occupied during salmon season. The Department of Fish and Wildlife have forecasted that the Salmon season this coming year will surpass last year despite the drought conditions. This will have a positive effect on revenues.
2. Budgeted revenue from lease rents and concessions is expected to increase as a result of CPI lease rent adjustments, percentage rents, and offloading fees. As the economy improves, it is hoped that foot traffic to the harbor and related patronage of the harbor and lessee facilities will increase.
3. Grant monies received from Division of Boating and Waterways Grant for Abandoned Vessel Abatement are expected to continue to be received and Pillar Point will continue to remove and salvage abandoned vessels as necessary even though grant funding from the State will not completely cover the costs of abatement. The District will consider alternative methods of cost recovery if/when grants are not available.

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

OYSTER POINT MARINA PARK REVENUES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING REVENUE:					
Berth Fees	1,189,745	1,098,400	570,551	1,099,839	1,102,083
Dock Boxes	6,380	6,400	3,150	6,300	6,500
Launch Ramp Fees	21,748	17,850	8,085	16,500	16,750
Misc. Fees	18,077	19,200	5,457	10,450	10,550
Rents & Concessions	371,029	235,000	120,708	225,000	205,000
Event Fees	0	500	85	1,500	500
Commercial Activity Permits	7,037	3,200	400	350	1,500
Sales	2,222	1,900	591	1,200	1,200
Operational Grants					
State- DBAW - Abandoned Vessel	21,420	30,000	4,334	75,000	85,000
Reimbursements on Projects(Dock 8)	2,000,000	0	0	0	0
Federal - DBAW - Guest Dock	250,000	0	0	0	0
Total Operating Revenues	3,887,658	1,412,450	713,361	1,436,139	1,429,083
NON-OPERATING REVENUE:					
Reimbursements on Projects	0	0	0	0	0
Total Non-Operating Revenues	0	0	0	0	0

Oyster Point Marina/Park

Fiscal Year Ending June 30, 2016

1. Operating revenues for FY2015-16 are projected to decrease from FY2014-15. This projection is the net result of flat berth rentals and decreases in grant reimbursements. However, new developments in the Oyster Point area are beginning due to increase demands from Biotech companies which may bring more foot traffic to the Marina/Park in the future.
2. Grant monies received from a Division of Boating and Waterways Grant for Abandoned Vessel Abatement are not expected to fully cover the costs of abatement. Oyster Point will continue to remove and salvage abandoned vessels as necessary despite the lack of grant funding from the State. The District will consider alternative methods of cost recovery if/when grants are not available.

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
 FISCAL YEAR ENDING JUNE 30, 2016

ADMINISTRATION REVENUES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
NON-OPERATING REVENUE:					
Taxes	5,265,173	5,050,000	2,412,700	5,303,964	5,500,000
Interest Income	76,179	66,200	21,156	51,200	51,319
State Mandated Cost Grant	0	0	34,739	34,739	0
Miscellaneous Revenues	96,708	1,100	608	1,100	1,700
Total Non-Operating Revenues	5,438,059	5,117,300	2,469,203	5,391,003	5,553,019

Administration

Fiscal Year Ending June 30, 2016

1. For FY2015-16, interest income is projected to be \$50 thousand. Interest income is expected to increase slightly as the Federal Reserve is expected to raise the Fed Funds Rate mid-2015.
2. Property tax revenues are projected to be \$4.6 million. The FY2015-16 property tax revenue estimate is an increase from current year projections. This estimate is based upon current trends in property values plus information received from the San Mateo County Assessor's Office.
3. Excess "ERAF" (Educational Revenue Augmentation Fund) was included in last year's budget for the first time. ERAF distributions received have been a consistent revenue source and this budget includes the expected ERAF revenue of \$850K. "RDA" (Redevelopment Agency) monies are not included in the property tax estimate as they are uncertain and dependent on State Budget policy decisions.

SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



EXPENSES

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

COMBINED EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/14	FY 14-15 PROJECTED ANNUAL	FY 14-15 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense	2,306,175	2,432,350	1,234,446	2,365,639	2,620,520
Benefits Expense	1,546,185	1,750,548	1,255,446	1,804,130	1,767,306
Total Salary and Payroll Burden	3,852,360	4,182,898	2,489,892	4,169,769	4,387,826
OPERATING EXPENSES	2,692,892	4,061,826	1,990,250	3,403,460	3,014,355
NON-OPERATING EXPENSES	2,635,898	1,934,426	0	1,873,821	1,914,593
Total Expenses without Capital Outlay	9,181,149	10,179,150	4,480,141	9,447,050	9,316,774
CAPITAL PROJECTS	950,521	777,686	156,749	0	3,804,190
TOTAL OPERATING EXPENSES & CAPITAL	10,131,671	10,956,836	4,636,890	9,447,050	13,120,964

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 13-14 AMENDED BUDGET	FY 13-14 YEAR TO DATE THRU 3/31/14	FY 13-14 PROJECTED ANNUAL	FY 14-15 FINAL BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	928,556	999,850	498,940	952,400	1,091,591
Overtime	14,238	16,500	2,344	5,500	16,000
Other Pay	0	15,000	15,943	25,000	25,000
Total Salaries and Wages	942,795	1,031,350	517,227	982,900	1,132,591
Benefits Expense:					
Pension Contributions	225,332	252,100	118,600	264,028	265,758
Health Insurance Costs - Current Employees	211,766	211,500	119,944	239,888	249,746
Worker's Compensation Insurance	72,787	79,300	54,522	79,300	79,300
Other Insurance - Current Employees	15,820	16,025	10,221	17,562	16,025
Insurance Costs - Retirees	36,861	24,150	18,690	37,432	38,750
Social Security and Taxes	14,374	15,969	7,869	16,229	16,496
Auto Allowance	4,400	8,400	2,100	4,400	8,400
Employment Assistance Program	1,246	1,300	623	1,300	1,300
Liability for Termination Benefit	218,844	185,125	317,446	175,884	175,844
Total Benefits	801,429	793,869	650,015	836,023	851,619

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING EXPENSES:					
Advertising	10,076	11,204	5,344	10,688	11,200
Bad Debt Expense	20,944	65,000	0	65,000	45,000
Communications	25,140	22,600	12,876	22,600	21,000
Wifi Services	0	9,600	1,116	4,800	4,440
Computer Hardware and Software	3,969	11,750	436	11,750	11,750
Postage	6,919	30,100	4,030	8,800	9,000
Meetings/Travel/ Training	1,219	6,300	2,830	4,575	6,600
Auto Mileage Reimbursement	256	500	162	500	500
Memberships/ Dues/ Subscriptions	138	200	262	400	400
Recruitment and Personnel Tests	80	2,000	108	450	1,100
Property & Casualty Insurance	112,167	137,830	123,652	125,000	135,000
Fuel	11,708	12,500	5,220	10,600	12,000
Operating Supplies	67,400	85,288	25,908	59,600	67,900
Office Supplies	12,191	12,000	2,618	6,500	7,500
Office Equipment	0	0	0	0	0
Uniform Expenses	9,721	12,500	3,693	8,000	9,000
Special Events Expense	5,887	6,500	3,250	6,500	6,500
Legal Services	7,735	20,000	17,992	38,000	55,000
Contractual Services-IT	0	18,500	2,261	6,500	10,500
Contractual Services-Professional	43,162	181,982	42,087	90,000	50,000
Outside Contractual Services	133,167	157,008	70,617	148,300	105,900
Bank & Credit Card Fees	17,520	16,400	9,022	16,040	16,400
Repair and Maintenance	356,987	486,010	98,235	409,000	467,000
Garbage Collections	146,579	154,300	75,857	153,750	158,300
Trash Compactor	54,678	0	0	0	0
Harbor/ Marina Public Access	0	0	0	0	0
Harbor/ Marina Equipment	56,259	25,300	0	5,000	17,150
Vessel Destruction	6,573	83,427	6,293	75,000	65,000
Water and Electrical Utility Expenses	174,316	168,000	106,883	68,203	168,500
Total Operating Expenses	1,284,789	1,736,799	620,752	1,355,556	1,462,640
NON-OPERATING EXPENSES:					
Depreciation Expense	821,391	603,178	0	558,065	558,065
Interest Expense - DBAW Loan	170,412	168,627	0	123,587	129,869
Total Non-Operating Expenses	991,803	771,805	0	681,652	687,934

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Rip Rap Repair - Fishing Pier					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	300,000
Dock Fingers					
Carry Over Money	15,407	0	0	0	580,257
2015-16 Budget Appropriation	0	0	0	0	0
Johnson Pier Repairs					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	121,484	1,370	0	0	173,000
West Trail - Fix Erosion					
Carry Over Money	0	0	0	0	355,933
2015-16 Budget Appropriation	15,402	408,309	46,669	0	0
PPH Leasee Sidewalk					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	300,000
Trench Drains at Boat Launch Ramp					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	40,000
Add'l 71 Berths, Bulkhead					
Carry Over Money	15,994	3,316	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
North HMB Shoreline (Surfers Beach)					
Carry Over Money	91,159	89,316	89,316	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Pay Station Parking PPH					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	50,000	0	0	0
Dredge Launch Ramp					
Carry Over Money	322,917	1,830	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Patrol Boat-Repairs					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	120,000

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
 FISCAL YEAR ENDING JUNE 30, 2016

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Harbor Office Remodel					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	9,279	8,299	0	200,000
Restroom-West Basin					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	116,240	0	0	0	0
Tenant Sewer Project					
Carry Over Money	241,968	12,441	193	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Mooring Replacements					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	9,950	0	0	0	25,000
Restrooms - Launch Ramp Pre Cast					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	25,000	0	0	250,000
Post Office Lot					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	6,660	0	0

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
 FISCAL YEAR ENDING JUNE 30, 2016

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Removal of Romeo Pier					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	61,200	5,404	0	650,000
Inner Harbor Dredging					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	70,000	0	0	70,000
Total Capital Projects	950,521	752,061	156,541	0	3,064,190
TOTAL EXPENSES	4,971,338	5,085,884	1,944,534	3,856,131	7,198,974

Pillar Point Harbor

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Pillar Point Harbor budget for salaries and payroll related expenses are expected to increase by approximately \$120 thousand over FY2014-15 projections not including Termination Benefit expense (see #2) due to an increase of one Deputy Harbormaster and additional temporary administrative staff budgeted to assist during fishing seasons. This is due to an expected cost of living adjustment for all employees. The cost of living adjustment, based on the December 31, 2014 Labor CPI for San Francisco-Oakland-San Jose, is 2.1%.
2. The budget includes annual Termination Benefit expense of \$175,844 based on the estimated accrued liability for employees who have worked 12 years or more for the District and have been hired prior to July 1, 2009. The reason for the increase is due to cost increase for health care and the fact that two employees will vest for this benefit this fiscal year. This benefit expires as follows (example: Employee works 15 years and leaves District. The employee is entitled to 7.5 years of health benefits only.)
3. The FY2015-16 budget for other operating expenses is \$107,084 greater than FY2014-15 projected expenses. FY2015-16 has several deferred repairs and maintenance projects that needed to be addressed and those repairs and maintenance projects focus on safety and immediately needed repairs. The largest repair is a \$100,000 cost for asphalt repairs in and around the facility.
4. Interest payments to the Division of Boating and Waterways (DBAW) have been included in this budget at \$169 thousand as set in the Loan Agreement with the DBAW.
5. Capital expenditures in the FY2015-16 budget total \$ 2.7 million of which \$355,933 are carryover funds. Current projects include design for the Launch Ramp restrooms, Mooring replacements, Rip Rap Fishing Pier Repair, Johnson Pier Electrical Power Feed Repair, Flow Meters for sewer lift station, Radon Boat repair, design for Harbor Office remodel, Dock Finger repair, Romeo Pier engineering engagement, trench drains at boat launch ramp, inner harbor dredging and an emergency repair for the erosion at the West Trail.

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	679,097	668,300	352,577	670,739	689,999
Overtime	10,669	17,000	7,334	16,000	16,000
Other Pay	0	20,000	0	25,000	25,000
Total Salaries and Wages	689,766	705,300	359,911	711,739	730,999
Benefits Expense:					
Pension Contributions	154,377	189,000	74,856	162,999	163,733
Health Insurance Costs - Current Employees	140,507	145,354	71,874	139,910	163,710
Worker's Compensation Insurance	54,479	55,000	37,563	67,000	67,000
Other Insurance - Current Employees	12,630	11,400	17,150	11,250	74,500
Insurance Costs - Retirees	33,293	35,700	21,405	42,887	46,700
Social Security and Taxes	10,015	23,200	5,247	10,241	10,375
Auto Allowance	4,400	8,400	2,100	6,150	8,400
Employment Assistance Program	1,030	1,100	515	1,030	1,100
Liability for Termination Benefit	29,891	136,168	108,486	80,972	80,972
Total Benefits	440,621	605,322	339,196	522,439	616,490

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING EXPENSES:					
Advertising	5,116	8,000	5,383	8,000	8,000
Bad Debt Expense	49,259	65,000	0	65,000	50,000
Communications	14,452	12,800	8,635	12,800	13,100
Wifi Expense	0	8,000	2,564	6,500	6,500
Computer Hardware and Software	5,813	5,000	528	4,750	5,000
Postage	3,053	4,000	1,792	3,800	4,000
Meetings/Travel/ Training	2,286	6,300	1,052	2,550	5,300
Auto Mileage Reimbursement	117	400	136	250	400
Memberships/ Dues/ Subscriptions	138	200	183	250	250
Personnel Tests	80	1,100	101	550	1,150
Property & Casualty Insurance	112,167	137,800	123,652	137,500	139,200
Fuel	5,327	6,800	2,383	5,400	6,400
Operating Supplies	40,299	32,188	9,820	29,550	31,500
Office Supplies	8,903	7,000	2,172	4,500	5,400
Uniform Expenses	6,748	8,000	3,339	7,000	7,500
Special Events Expense	2,946	6,500	4,083	6,500	6,500
Legal Services	22,332	10,000	3,724	10,000	15,000
Contractual Services-IT	0	13,000	5,515	12,500	13,000
Contractual Services-Professional	23,903	185,822	41,579	114,400	79,800
Outside Contractual Services	133,652	136,689	67,406	121,700	127,080
Bank & Credit Card Fees	17,869	22,250	9,655	19,400	22,300
Office Space and Equipment Rentals	3,828	4,200	1,718	3,500	4,500
Repair and Maintenance	46,061	131,825	36,706	111,500	131,500
Garbage Collections	21,655	26,500	12,033	25,500	26,500
Harbor/ Marina Equipment	37,509	5,000	0	5,000	5,000
Vessel Destruction	24,120	65,880	66,495	75,000	75,000
Water and Electrical Utility Expenses	87,487	128,300	45,045	113,000	108,000
Total Operating Expenses	675,118	1,038,554	455,702	906,400	897,880
NON-OPERATING EXPENSES:					
Depreciation Expense	1,449,319	988,195	0	1,054,626	1,054,626
Interest Expense - DBAW Loan	180,204	160,470	0	123,587	160,470
Total Non-Operating Expenses	1,629,524	1,148,665	0	1,178,213	1,215,096

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
West Restroom Remodel					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	3,507	0	0	0	0
Refurbishment Dock 12					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	500,000
Replacement of Guest Dock					
Carry Over Money	48,424	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
East Basin Restroom Renovation					
Carry Over Money	251,123	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Trash Compactor					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	40,000
Correct Flooding Issues					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	25,000	0	0	25,000
Dock 11					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	170,966	0	0	0	0
Electrical Pad for Kayak					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	11,875	625	207	0	0
Total Capital Projects	485,894	25,625	207	0	565,000
TOTAL EXPENSES	3,920,922	3,523,466	1,155,017	3,318,791	4,025,465

Oyster Point Marina/Park

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Oyster Point Marina budget for salaries and payroll related expenses are expected to increase by approximately \$27 thousand higher than FY2014-15 projections not including OPEB expense (see #2). This is due to an expected cost of living adjustment for all employees. The cost of living adjustment, based on the December 31, 2014 Labor CPI for San Francisco-Oakland-San Jose is 2.1%.
2. The budget includes annual Termination Benefit expense of \$80,972 based on the estimated accrued liability for employees who have worked 12 years or more for the District and have been hired prior to July 1, 2009. This benefit expires as follows (example: Employee works 15 years and leaves District. The employee is entitled to 7.5 years of health benefits only.)
3. Interest payments to the Division of Boating and Waterways (DBAW) have been included in this budget at \$123,587 thousand as set in the Loan Agreement with the DBAW.
4. Capital projects budgeted at \$565,000 include repair of Dock 12, a new trash compactor, and engineering to correct flooding at the Harbor Master's office during high tide.

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

ADMINISTRATION EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	631,951	654,200	353,266	630,000	730,057
Overtime	5,664	5,500	2,242	5,000	8,000
Total Salaries and Wages	637,615	659,700	355,508	635,000	738,057
Benefits Expense:					
Pension Contributions	133,037	154,200	71,397	147,000	135,778
Health Insurance Costs - Current Employees	91,398	94,000	46,299	100,974	102,174
Worker's Compensation Insurance	4,031	4,800	3,087	4,650	5,444
Other Insurance - Current Employees	10,177	10,100	7,415	13,281	14,100
Social Security and Taxes	12,542	11,595	6,681	11,608	20,507
Auto Allowance	8,400	8,400	4,200	4,200	8,400
Employment Assistance Program	570	670	325	650	670
Liability for Termination Benefit	1,061	10,300	68,402	73,000	-27,709
Total Benefits	261,216	294,065	207,806	355,363	259,363

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

ADMINISTRATION EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING EXPENSES:					
Advertising	1,899	2,500	127	127	2,500
Communications	10,321	12,500	5,460	5,460	12,500
Computer Hardware and Software	1,691	9,000	2,749	7,000	7,500
Postage	5,896	32,474	3,619	8,000	9,000
Meetings/Travel/ Training	3,285	6,500	1,027	6,500	6,500
Auto Mileage Reimbursement	1,048	1,500	1,084	1,084	1,500
Memberships/ Dues/ Subscriptions	12,976	15,000	16,454	17,500	17,500
Recruitment and Personnel Tests	1,520	2,500	841	1,500	2,500
Office Supplies	17,325	20,126	5,851	13,100	13,600
Office Equipment	0	-15,000	0	0	0
Legal Services	53,447	50,000	36,128	75,000	100,000
Contractual Services-IT	0	21,000	7,912	28,000	21,000
Contractual Services-Professional	45,075	110,158	25,108	110,000	75,000
Outside Contractual Services	42,976	33,150	10,112	32,150	33,150
Bank & Credit Card Fees	560	750	252	750	750
Office Space and Equipment Rentals	95,063	101,970	45,148	97,500	99,000
LAFCO Fees	5,516	7,500	6,182	6,182	7,500
Building Procurement Fees			102,116		
Property Tax Admin. Fee	45,131	29,000	23,218	28,322	29,000
Total Operating Expenses	343,730	440,628	293,390	438,175	438,500
NON-OPERATING EXPENSES:					
Depreciation Expense	14,571	13,956	0	13,956	11,563
Total Non-Operating Expenses	14,571	13,956	0	13,956	11,563
TOTAL EXPENSES	1,257,131	1,408,349	856,704	1,442,494	1,447,483

Administration

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Administration budget for salaries and payroll expenses are is \$70 thousand higher than FY2014-15 projections. This partly is due to an expected cost of living adjustment for all employees. The cost of living adjustment, based on the December 31, 2014 Labor CPI for San Francisco-Oakland-San Jose is 2.1%. In addition General Manager salary has been estimated at half a year at \$125/hour for an interim position. This estimated temporary position would not include any District benefits. The remaining half a year is estimated at the normal salary and benefit schedule for the permanent replacement.
2. The budget includes annual Termination Benefit expense of negative \$27,709 because a vested employee is now drawing the benefit and reducing the cost and liability. This benefit is based on the estimated accrued liability for employees who have worked 12 years or more for the District and have been hired prior to July 1, 2009. This benefit expires as follows (example: Employee works 15 years and leaves District. The employee is entitled to 7.5 years of health benefits only.)
3. Other operating expenses are budgeted to remain flat over the FY2014-15 projections. However, the District may move their Administration office to a facility with a rent cost savings which has not been included in these estimates.

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

HARBOR COMMISSION EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	36,000	36,000	1,800	36,000	36,000
Total Salaries and Wages	36,000	36,000	1,800	36,000	36,000
Benefits Expense:					
Pension Contributions	0	0	0	0	0
Health Insurance Costs - Current Employees	44,112	52,900	24,456	40,656	40,769
Worker's Compensation Insurance	228	400	150	350	400
Other Insurance - Current Employees	310	320	107	250	300
Insurance Costs - Retirees	19,656	20,300	9,828	20,300	21,315
Social Security and Taxes	3,121	3,122	1,744	3,200	2,832
Employment Assistance Program	542	550	271	550	600
Liability for Termination Benefit	(25,050)	(20,300)	21,872	25,000	(26,382)
Total Benefits	42,919	57,292	58,429	90,306	39,834
OPERATING EXPENSES:					
Advertising	19,546	26,500	2,451	7,500	8,000
Election Expense	188,487	650,000	513,378	513,378	0
Postage	17	250	21	100	100
Meetings/Travel/ Training	5,498	9,500	4,772	9,300	9,800
Auto Mileage Reimbursement	0	200	0	200	200
Memberships/ Dues/ Subscriptions	433	0	0	0	0
Property & Casualty Insurance	14,456	17,545	14,398	14,500	14,935
Office Supplies	1,328	1,700	1,365	1,600	1,800
Legal Services	137,951	110,000	64,599	130,000	150,000
Contractual Services-IT	0	4,000	64	500	4,000
Contractual Services-Professional	0	0	0	0	0
Outside Contractual Services	17,605	21,351	19,094	21,451	21,500
Employee Appreciation Dinner	3,934	4,800	265	4,800	5,000
Total Operating Expenses	389,255	845,846	620,406	703,329	215,335
TOTAL EXPENSES	468,174	939,138	680,635	829,635	291,169

Harbor Commission

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Commission budget for salaries and payroll expenses are is \$76 thousand versus \$126 thousand projected for FY2014-15, due to a decrease in termination benefits. Only one Commissioner became eligible for the termination benefit during her term. No other Commissioners are eligible for this benefit.
2. Total Commission budget for FY2015-16 is \$ 829,635 thousand compared with \$276,169 thousand projected for FY2014-15 mostly due to a non-election year. However, legal fees are estimated at \$150K or 15% higher than FY2014-15 projected due to anticipated increased in legal costs.

SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



CAPITAL IMPROVEMENT PROJECTS

DRAFT PRELIMINARY OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016

Capital Improvement Projects

	<u>Budgeted Projects</u>	<u>Estimated Carryover</u>	<u>Combined Projects</u>
Oyster Point Marina:			
Correct Flooding Issues	25,000	-	25,000
Compactor	40,000	-	40,000
Dock 12 Referbishment	500,000	-	500,000
Total Oyster Point Marina	565,000	-	565,000
Pillar Point Harbor:			
Mooring Replacements	25,000	-	25,000
Leasee Sidewalk	300,000	-	300,000
Rip Rap Fishing Pier Repair	300,000	-	300,000
Johnson Pier Electrical Feed Power	173,000	-	173,000
Flow Meters for Sewer Lift Station	580,257	-	580,257
Radon Boat Replacement or Repair	120,000	-	120,000
Harbor Office Remodel	200,000	-	200,000
Romeo Pier	650,000	-	650,000
Trench Drains at Boat Launch Ramp	40,000	-	40,000
Launch Ramp Restroom Design	250,000	-	250,000
Inner Harbor Dredging	70,000	-	70,000
West Trail-Fix Erosion	0	355,933	355,933
	2,638,257	355,933	3,064,190
TOTAL DISTRICT	3,203,257	355,933	3,629,190

SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



GLOSSARY

Accrued Liabilities – Unpaid liabilities

Administrative Budget Adjustment –

The Board of Harbor Commissioners has authorized the General Manager to transfer appropriation authority between budget items after the budget is adopted provided that the transfer is within a single department's budget. Any such approved transfer is an Administrative Budget Adjustment.

Adopted Budget – The adopted budget is the District's annual fiscal plan, which is approved by the Board of Harbor Commissioners. The adopted budget establishes the legal authority for the expenditure of funds.

ADA - Americans with Disability Act. Federal law which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, state and local government services, public access, commercial facilities and transportation.

Appropriation - A legal authorization granted by the Board of Harbor Commissioners to make expenditures and to incur obligations for specific purposes. An appropriation usual is limited in amount, and in the time in which it may be expended.

Balanced Budget – A budget in which resources, including estimated revenue and other sources such as bond proceeds, and approved fund balances/net assets, meet or exceed uses.

Budget - A plan for financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Adjustment – A transfer of appropriation authority that has formal approval of the Board of Harbor Commissioners and is enacted after the budget is adopted.

Capital Budget - A plan for proposed capital outlays and the means of financing them.

Capitalized Expenditures - Expenditures resulting in the acquisition and/or construction of fixed assets.

Capital Improvement Program - A multi-year plan for capital expenditures, with details on anticipated annual expenditures, with information about the resources estimated to be available to finance the projected expenditures.

Capital Improvement Projects – Listing of intended capitalized expenditures.

Carryover – Appropriation authority granted by the Board in a prior fiscal year.

DBAW – California Department Boating and Waterways.

Debt Service – Annual principal and interest payments on borrowed money.

Depreciation – A non-cash expense that reduces the value of the District's assets to reflect that the asset has aged and has been used during the period in which the expense is recorded.

Designation of Fund Balance – Unreserved fund balance may be designated by the District to be set aside for a specific purpose. The designation indicates that a portion of fund equity is not available for current appropriation, as it has been set aside to comply with the District's plan for future uses.

Encumbrances – Commitments for unperformed contracts for goods and services.

EMS – Environmental Management Systems

ERAF – Educational Revenue Augmentation Fund. A fund into which County auditors deposit a share of property taxes revenues that would otherwise be allocated to cities, counties and special districts. The purpose of the fund is to ensure local schools receive specified Proposition 98 funding.

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which the District determines its financial position and the results of its operations. The District's fiscal year is from July 1 through June 30.

Fixed Assets – Land and other long-lived assets, such as buildings, improvements, vehicles/equipment, with a value greater than the capitalization threshold of \$10,000 stated in the District's Fixed Asset Procedure.

Fund Accounting – Refers to accounting for an entity using multiple funds. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Fund Balance – Fund balance is the difference between governmental fund assets and fund liabilities.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board

General Fund – The fund used by the District to capture all accounting activities.

Generally Accepted Accounting Principles – Uniform standards and guidelines for financial accounting and reporting.

Grants - Contributions of gifts of cash or other assets to/from another government agency, foundations or private entities, to be used for a specific purpose.

HMB – Half Moon Bay

Infrastructure – The physical system, including the fixed assets, necessary for the District to function.

JPA – Joint Powers Agreement.

LAFCO – Local Agency Formation Commission

LED – Light- Emitting Diode

Liability – An obligation or debt resulting from a past transaction or event.

Net Assets - The difference between a proprietary fund assets and liabilities.

Operating Budget – plan for current operating expenditures (as opposed to capital or debt service expenditures) and the proposed means of financing them.

Operating Expenditures - Expenses related directly to the District's primary activities.

Operating Revenues - Revenues directly related to the District's primary activities.

PTO – Paid Time Off.

Reimbursements – Repayments of amounts remitted on behalf of another agency.

Reserve - (1) An account used to earmark a portion of fund balance to indicate that it is not appropriate for expenditure; and (2) an account used to earmark a portion of fund equity as legally segregated for a specific future use.

Reserved Fund Balance - The portion of fund balance that is not available to finance expenditures of the subsequent accounting period, including items such as encumbrances, inventory, prepaid items, and notes receivable.

Resources – Total revenue, interdepartmental charges and bond proceeds budgeted for the fiscal year.

RDA – Redevelopment Agencies

SSF – South San Francisco

Termination Benefit – District paid insurance premiums for qualified individuals that have left District employment.

Unfunded Liabilities – Liabilities for which no funding has been set aside to address.

Uses – Total planned expenditures and changes to fund balance for the budget year.

Staff Report

IT VENDOR FOR HARBOR DISTRICT MOVE ACTIVITIES

Recommendations

Option #1: Allow the General Manager more time to obtain additional quotes for the noted work.

Option #2 Accept the selection of Caspian IT Group of Campbell, California in a not to exceed amount of \$10,000 for performing related IT activities (see attachment) for efforts and actions related to the moving of the Harbor District administrative offices upon contract legal review.

NOTE: *Caspian IT Group was the lower of the two proposals received.*

Background

Due to circumstances with our past IT vendor, in preparation to move the Administrative offices, quotes were requested for the work effort.

Firms solicited by staff were:

- Dell Marketing L.P (State of Ca. contract)
- Sterling Computers (State of Ca. contract)
- City of South San Francisco
- McMillian Consulting

Unsolicited firms:

- Techsolutions-Montara Ca.
- Caspian IT Group, Campbell Ca. Analysis
- Network Strategy, Santa Clara, CA

The time line for having Administrative office move would be no later than May 31, under the present lease. It is expected that upon award of contract the vendor will be performing pre-work/move actions no later than May 18th so that a smooth move transition can occur.

Fiscal Impact

The quote amount for this work activity is **\$5,950**. Adding tax of **\$595** brings a total of **\$6,545**. A contingency of **\$3,455** has been added to this project for unknown potential issues with the relocation of equipment, connectivity and other related problems occurring during the move. Caspian IT Group is the only vendor who provided us a quote in this short window of effort. ***Additionally via the proposal, desktop computer and phone equipment is not included as requested in the actual moving effort, staff be required to find other means for equipment to be moved.***

Conclusion

The district concludes the price for the work noted is of good value; however the firm has no experience working with the district to date for work performance experience comments.

Alternatives

The board can accept this proposal or ask staff to continue soliciting quotes for the work till no later than the May 6th board meeting.



CASPIAN IT GROUP

File: 015-SM-03
County of San Mateo Harbor
District
IT Summary Bid Package

Caspian IT Group Proposal ***Network Infrastructure Upgrade***

Attn.: Scott Grindy

San Mateo County Harbor District
400 Oyster Point Blvd. Ste. 300
South San Francisco, CA 94080

08 April 2015

Prepared by:
Borhan Zoufan CTO
Caspian IT Group, LLC
1326 White Oaks Rd.
Campbell, CA 95008



CASPIAN IT GROUP

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CASPIAN IT GROUP

Introduction/Background

Description

This proposal is being prepared in response to a "Request for Quote" issued by the San Mateo County Harbor District ("The District") on April 3rd, 2015.

It is our understanding that at this time the previous IT vendor has departed and will no longer be providing IT services to the District, and further that numerous passwords, and other forms of access and control may, or may not, be provided to Caspian IT Group. (CITG) Finally it is our understanding that all backup/disaster recovery services have been summarily terminated by the previous vendor.

Caspian IT Group conducted a cursory examination of the current Administration Offices located at 400 Oyster Point Blvd. on April 6, 2015, as well as a walkthrough of the proposed new location for said offices at 504 Avenue Alhambra in El Granada.

As a result of a careful review of available documentation, and the results of those walkthroughs, we have added to the original list/scope that is found on Page three of the RFP, titled "Quotation Form for IT Work-Quotation Description and Amounts." We have also taken the liberty of bundling these line-items into color-coded groups – representative of both task and criticality. Items 11-15 are new and do not appear on the original list issued by the District.

Mission Critical Items Caused by the Departure of the Current Vendor

Item 12: Email Migration to Hosted Exchange Service

Item 13: Set up, provide, and Implement backup/Disaster Recovery Plan

Item 14: Secure and lock-down network, change passwords, audit server and firewalls for any form of remote access

Item 15: Needs Assessment

Move-Related Services

Item 1: IT Services for Office Move from 400 Oyster Point Blvd to 504 Avenue Alhambra in El Granada.

Item 3: Establish a PPH computer for the finance department for continuous uninterrupted services during move.

Item 5: OPM Office Internet

Item 7: Internet phone conversion, OPM, PPH, Administration

Item 11: Coordinate installation of Comcast Business Service for 504 Ave. Alhambra



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New Hardware/Desktop PC Requirements

Item 2: New computers for OPM Warehouse, PPH Service Desk, including loading of all software and updating to full operation at noted location.

Wi-Fi Installation and Configuration for PPH and OPM

Item 4: Wi-Fi extension to Commercial Docks at PPH

Item 6: OPM Wi-Fi extension and completion to the docks 1-14 at the gatehouses

Network infrastructure Upgrades/Improvements (Firewalls etc.)

Item 8: Purchase and installation of firewall and software for server sharing 3 district locations.

Mission-Critical Items

Introduction

At the time of this writing the current IT vendor for the District has departed. Our intent is to stay as uninvolved from what has come previously as possible, but also to recognize that the District is in extreme risk at the moment, and there are several work-related items that absolutely must be carried out at the earliest possible moment.

EMAIL MIGRATION

SCOPE: Email Migration to Hosted Exchange Services

THIS IS BY FAR THE MOST IMPORTANT ITEM IN THE ENTIRE PROPOSAL PACKAGE!!!

ISSUE: The previous vendor owns the material rights to the District's email services, hosting them at a company called AppRiver, and in so doing denying the District the ability or right to manage its own email connectivity and provision. At this time the previous vendor may terminate the District's email services without warning, and further the vendor has access to private and confidential emails from District email users.



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SOLUTION: Our approach is different. We believe that our clients own their intellectual property, and while hosted email is fine, the control of this resource must reside with the client and not the vendor. As a result we will set the district up with a hosted Microsoft Exchange service, at a lesser total cost per mailbox from the current vendor. The District will be billed by the service provider directly, and CITG will have no ownership interest in this service.

Caspian IT Group will provide the following under "Email Migration to Hosted Exchange Services"

1. Immediately obtain control of the Districts Domain Registrar Account.
2. Establish a new Master Account using Hosted Microsoft Exchange at an initial individual mailbox cost of \$11.50 per month. (This initial cost is subject to change once a proper needs-assessment has been performed and the accurate long-term needs of the district have been identified.) Each mailbox includes Forefront spam-filtering and anti-virus, unlimited distribution lists, 25GB of storage, and access through any and all methods, including web, phone, tablet, and anything else possible.
3. Migration of each user's current profile, contacts, address lists, and .pst (mail) files to the new service. Configure each end-user's machine to work with the new email provider, and coordinate support where necessary for phone or tablet setup.
4. At the conclusion of the migration provide the district with a breakout matrix of accounts, email aliases, and master passwords and other account information.

Cost for Email Migration for up to 30 Users: (Not to Exceed) \$1,400.00

BACKUP/DISASTER RECOVERY

SCOPE: Set up, provide and implement a Backup/Disaster Recovery Plan

THIS IS BY FAR THE SECOND MOST IMPORTANT ITEM IN THE ENTIRE PROPOSAL PACKAGE!!!

ISSUE: The previous vendor has summarily terminated the District's e-Folder storage services. (The District was paying approximately \$850 per month for this service.) Thus it remains the case that the District is now operating with absolutely no safety net whatsoever, and is at complete risk of losing any and all data contained on any server currently in use.



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SOLUTION: As such it is imperative that a temporary solution be provided immediately, even if it requires manual backups once a day, and that a long-term plan be implemented at the earliest possible opportunity.

Caspian IT Group will provide the following under "Backup/Disaster Recovery Services"

PHASE I:

1. Immediately take a snapshot/image of all servers currently in production at the district. We will provide this snapshot on a discrete hard drive, to the General Manager or his designated representative for storage offsite.
2. Immediately implement a temporary backup paradigm using vendor-supplied hardware and software, to begin backing up data on (at the minimum) a daily basis, with storage onsite at the Administrative office.
3. Provide reporting within one week of beginning the implementation documenting the efficacy of the backup system in use.

The duration of Phase I will only be 30 days, and is renewable upon mutual agreement between the District and CITG.

Cost for Backup/Disaster Recovery (Phase 1)(Not to Exceed) \$500.00

PHASE II:

1. Phase II will be determined by the findings of the Needs Assessment.
2. A proposal for Phase II implementation and costs will be made within one week of the completion and presentation of the Needs Assessment.

Cost for Backup/Disaster Recovery (Phase 2)(Not to Exceed per month) \$500.00

NEEDS ASSESMENT AND IT AUDIT

SCOPE: Provide the District with a complete IT Needs Assessment and Audit at the earliest possible opportunity.



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Issue: There is no readily apparent documentation within the District's control pertaining to the IT infrastructure in any of the District's locations. This lack of data and accountability places the District at great risk of permanent damage and/or harm should any critical piece of equipment fail. Additionally licensing, support from software and hardware vendors and general everyday IT support are at risk without a thorough understanding of what is in the network, what needs to be replaced in the future, and what the long term needs and requirements will be for both the IT vendor and the District.

Caspian IT Group will provide the following under "Needs Assessment and IT Audit"

1. Current hardware and software inventory and catalogue.
 - a. Analysis of applicability of both software and hardware.
 - b. Identification of over or under-built machines and/or configurations.
 - c. Practical recommendations on alternative methods and means if any issues are identified.
 - d. Confirmation of licensing for all server-side software and client applications.
2. Email analysis
 - a. Investigation/analysis of email provision including:
 - i. Routing and filtering
 - ii. Cost
 - iii. Accessibility from multiple platforms and devices
 - iv. Security
 - v. Backup and disaster recovery
 - b. Recommendations as necessary to improve cost or functionality of the current email provisioning.
3. Backup and Disaster Recovery
 - a. Audit backup paradigm, logs, licensing, and oversight.
 - b. Test backup (via live test) to determine if it is working as designed.
 - c. Test disaster recovery plan in non-invasive or production areas
 - d. Analyze disaster recovery plan and provide suggestions and recommendations on areas that would benefit from a different or best-practices approach
4. Detailed network schematic, including
 - a. VPN access rules and PPTP/IPsec tunneling currently in use.
 - b. Current Routing Tables
 - c. Inventory of devices and evaluation of suitability in their current role
 - d. Wireless usage and suitability of installed devices, including devices and routing in both harbor locations



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- e. Recommendations/suggestions for improvement (if applicable) in all the areas listed above
5. Security
 - a. Audit password policies
 - b. Audit anti-virus implementation and usage
 - c. Audit patch awareness and currency
 6. Applicability of Server-side Operating Systems and configuration(s)
 - a. Perform a real-world analysis to determine the applicability of all server based applications
 - b. Create alternative suggestions and scenarios should any shortcomings be identified
 - c. Perform a cost-basis analysis to identify where SMCHD funds may be inefficiently spent or expended

Cost for Needs Assessment and IT Audit: (Not to Exceed)

\$2,500.00

Move-Related Services

Introduction

It is clear that the most pressing issue that the District perceives at the moment is the potential upcoming move from 400 Oyster Point Blvd. to 504 Avenue Alhambra in El Granada. With that thought in mind we have bundled items 1, 3, 5, 7, and 11 together as they are all move related in one form or another.

SCOPE

Caspian IT Group will provide the following under "Move Related Services"

1. Establish and finalize the current Comcast internet connection at OPM, at least two weeks prior to the move. As part of this process CITG will also provide the District with a serviceable router/firewall for the current wireless setup, and for the users in the Harbormasters office, to insure connectivity with the new admin offices. This firewall is intended to allow the district to focus on the upcoming move, and to allow the District to resolve the "imminent" firewall issue at a later, more convenient time.



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2. Coordinate with the District and Comcast to install Comcast Business Class service in the new location. (Immediately upon initiation of contract and endorsement of lease.)
3. Port the current phone numbers from AT&T to 8 by 8 prior to the actual move.
4. One Week Prior to the Move CITG will prepare an image of the current server, which will be setup in the new location- on a temporary machine, prior to the move. The intent of this image is that we will be able to flip a switch, and service from OPM and PPH will continue seamlessly.
5. One week prior to the move CITG will prepare a network topography for the new location, and will confirm connectivity for both phone and network devices. (We will separate the phone and network deliberately as this is the best practices method of providing these services, and the office as currently wired will support such a configuration.)
6. One week prior to the move CITG will confirm that the connection from OPM to the new location is fully functioning, pending the arrival of the related server hardware.
7. On the day of the move CITG will:
 - a. Power-down and move all server/network related hardware from the Admin Offices to El Granada.
 - b. Install all server/network infrastructure related equipment in the new location, power-on, and ensure functionality.
 - c. CITG will not be responsible for moving any desktop related hardware or phones, but once in the new location we will reconnect and power-on/test for full functionality, and will install and test any and all phones.
 - d. CITG will insure that PPH has required access as specified by the District at all times.
8. On the Monday following the move CITG will have an individual onsite at 0800 for as long as necessary to provide any end-user or other support required. This technician will be available until all issues are resolved, irrespective of time spent on-location.
9. Within one week of the move CITG will insure that the internet service at the current Admin offices has been discontinued, and that the account is closed.

Cost for Move Related Services: (Not to Exceed)

\$1,250.00



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Non Mission-Critical Items

Introduction

The Request for Quotation includes several line items which are individually unique, or are not time-critical. As a result we have bundled Items 2,4,6 and 8 into this Category.

TWO NEW DESKTOP COMPUTERS FOR PPH AND OPM WAREHOUSE

SCOPE: Provide two new computers for the front desk at Pillar Point Harbor, and the Warehouse at Oyster Point Marina.

ISSUE: District requires two new computers. In our cursory walkthrough of the Admin offices we found a perfectly good (very good actually) PC in the server rack. This PC would be appropriate for use in either location proposed, and would save significant expense as the only thing it would need to be placed into service is a new desktop case. As a result this quote is for one new Lenovo Desktop, and a single case for the computer currently in the rack.

SOLUTION: Caspian IT Group will provide the following under "New Computers for OPM Warehouse and PPH Service Desk":

- 1. Lenovo ThinkCentre E73 PC
 - a. Intel Core i5, 4GB DDR3 Memory, 500GB HDD, DVD+/-RW, Windows 7 Professional 64bit. 1 year parts warranty, support to be provided by CITG.
 - b. One Cooler Master (or Equiv.) PC Mini-Tower case.
- 2. Configuration and installation of both machines in locations as specified by the District.

Cost for 2 new Desktop Computers for PPH and OPM: (Not to Exceed) \$800.00

WI-FI EXTENSIONS FOR PPH AND OPM

SCOPE: Provide Wi-Fi extensions to the Commercial Docks at PPH and Docks 1-14 at OPM.



CASPIAN IT GROUP

The Quote you will find in Appendix A would likely be sufficient for the District’s needs, and CITG will happily provide these devices and service upon request, but we respectfully suggest that you wait until things have been stabilized before interjecting further complexities and complications to the mix.

Summary of Proposed Services and Charges

Cost for Email Migration for up to 30 Users: (Not to Exceed)	\$1,400.00
Cost for Backup/Disaster Recovery (Phase 1)(Not to Exceed)	\$500.00
Cost for Backup/Disaster Recovery (Phase 2)(Not to Exceed per month)	\$500.00
Cost for Needs Assessment and IT Audit: (Not to Exceed)	\$2,500.00
Cost for Move Related Services: (Not to Exceed)	\$1,250.00
Cost for 2 new Desktop Computers for PPH and OPM: (Not to Exceed)	\$800.00
Cost for “Wi-Fi Extensions for PPH and OPM”: (Not to Exceed)	\$00.00

Disclaimer: All of the preceding quotes are based upon proper access being provided to all hardware, software, and locations within the District. This access must include administrative passwords and access for all hardware, including servers, firewalls, routers, virtual machines, and any other devices involved in this proposal, as well as administrative credentials for all third party accounts owned by the District, including the Domain Registrar, AT&T, 8x8, and other phone vendors, Comcast and other internet providers, and any other third party account held or used by the district. Missing or inaccessible credentials will be handled on a case by case basis and will be charged at a rate of \$100/hr to be resolved.



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Acceptance and Terms

Commitment of Acceptance

The District commits to engage Caspian IT Group, LLC. to undertake the Service outlined in the preceding proposal. Upon receiving this commitment, Caspian IT Group, LLC. agrees to book this project, schedule staff, and negotiate a suitable project start date with The District.

In agreeing to reserve Caspian IT Group, LLC.'s services, The District acknowledges that the scope of work and methodology outlined in the proposal are satisfactory and agrees to accept the total purchase price as specified in the proposal. Any changes to this agreement must be made in writing and approved by Caspian IT Group, LLC..

The District agrees to the terms and conditions provided below. Caspian IT Group, LLC. reserves the right to refuse or suspend service under this proposal in the event The District breaches these terms and conditions.

Signatures

X  _____

*Borhan Zoufan
Chief Technical Officer
Caspian IT Group, LLC.*

X _____

*Scott Grindy
The District*

Date: 08 April 2015

Date:



CASPIAN IT GROUP

Terms and Conditions

Caspian IT Group, LLC.'s liability to The District for any act or omission, whether negligent or otherwise, shall at all times be limited to the cost of the Services.

The project is a joint effort between Caspian IT Group, LLC. and The District. Caspian IT Group, LLC. is not responsible for providing additional work or resources which are caused, directly or indirectly, by delay, omission, or alteration of scope by The District. The District shall reimburse to Caspian IT Group, LLC. any labor charges and/or expenses resulting, either directly or indirectly, from such delay, omission, or alteration.

All information contained in this proposal is confidential between Caspian IT Group, LLC. and The District. This confidentiality clause covers methodology, costs, and all particulars of the proposal. Caspian IT Group, LLC. respects The District' ownership of documentation prepared for The District as part of this project. Caspian IT Group, LLC. staff pledge to treat as confidential any client information encountered during the project.

WHEREAS, Caspian IT Group, LLC. ("PROVIDER") is a provider of IT Consulting and Management Services;

WHEREAS, The District ("CLIENT") desires to contract with PROVIDER for said Services;

NOW THEREFORE, for and in consideration of the premises contained herein and good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

Charges for Service

1. Services shall be charged against CLIENT in accordance with the terms and conditions as outlined herein.
2. CLIENT shall, in addition to the other amounts payable under this proposal, pay all sales and other taxes, federal, state, or otherwise, however designated which are levied or imposed by reason of the services provided pursuant to this proposal. Without limiting the foregoing, CLIENT shall promptly pay to PROVIDER an amount equal to any such taxes actually paid or required to be collected or paid by PROVIDER.
3. PROVIDER reserves the right to refuse or suspend service under this proposal in the event CLIENT has failed to pay any invoice according to the payment terms, whether it is an invoice for services provided under this proposal or any other agreement between the parties.

Conditions of Service

Services under this proposal will be provided if PROVIDER serviceability requirements and site environmental conditions are met.

PROVIDER shall not be responsible to CLIENT for loss, damage, theft, or any other liabilities arising from alterations, additions, adjustments, or repairs which have been made to the network other than by authorized representatives of PROVIDER.

PROVIDER reserves the right to suspend or terminate this proposal if in its sole discretion, conditions at the service site pose a health or safety threat to any PROVIDER representative.



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Client Responsibilities

1. CLIENT agrees that it will inform PROVIDER of any modification, installation, or service performed on the network by individuals not employed by PROVIDER in order to assist PROVIDER in providing an efficient and effective support response.

Service Limitations

In addition to other limitations and conditions set forth in this proposal, the following service and support limitations are expressed:

1. Cost of consumables, replacement parts, hardware, software, upgrades, and associated services are outside the scope of this proposal. PROVIDER will provide consultative specifications, sourcing guidance, and/or Time and Material/Project offerings.
2. Manufacturer warranty parts and labor/services are outside the scope of this proposal.
3. Services required or requested outside the scope of this proposal may not be exchanged for services within this proposal. Outside of scope support services are available and will be provided on either a Time/Material or Project basis.

Warranties and Disclaimers

PROVIDER makes and the CLIENT receives sixty (60) days warranty on service only, express or implied, and all warranties of merchantability and fitness for a particular purpose are expressly excluded. Any defects not directly caused by PROVIDER's workmanship are expressly excluded. In no event shall PROVIDER or any of its Directors, Employees, or Other Representatives be responsible for any special, incidental, indirect, or consequential damages of any kind including, without limitations, those resulting from loss of property, income, profit, and on any theory of liability, arising out of or in connection with the services or use thereof even if it has been advised or has knowledge of the possibility of such damages.

CLIENT shall assume full responsibility for the overall environment in which the network shall be located.

Indemnification

CLIENT hereby agrees to indemnify and defend at its sole expense PROVIDER, its employees, agents, representatives, directors, and shareholders, from and against any and all claims arising out of or based upon CLIENT's use of all services, software, or hardware provided or serviced hereunder, including, but not limited to, claims based on software licensing violations, copyright infringement, trademark infringement, and patent in fragment. In addition, CLIENT agrees to pay for any judgment and costs associated with such claims.

Independent Engagement/Non-Hire

Because employees are one of our most valuable assets, policy and professional ethics require that our employees not seek employment with, or be offered employment by any CLIENT during the course of engagement and for a period of one (1) year thereafter. Your signature on this document confirms your organizations' agreement to adhere to this professional standard of conduct.



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CLIENT acknowledges that PROVIDER is involved in a highly strategic and competitive business. CLIENT further acknowledges that CLIENT would gain substantial benefit and that PROVIDER would be deprived of such benefit if CLIENT were to directly hire any personnel employed by PROVIDER. Except as otherwise provided by law, CLIENT shall not, without the prior written consent of PROVIDER, solicit the employment of PROVIDER personnel during the term of this proposal and for a period of one (1) year following the date of project completion.

CLIENT agrees that PROVIDER damages resulting from breach by CLIENT of this provision would be impracticable and that it would be extremely difficult to ascertain the actual amount of damages. Therefore, in the event CLIENT violates this provision, CLIENT shall immediately pay PROVIDER an amount equal to **50% of employee(s)' total annual compensation** as liquidated damages, and PROVIDER shall have the option to terminate this proposal without further notice or liability to CLIENT. The amount of the liquidated damages reflected herein is not intended as a penalty and is reasonably calculated based upon the projected costs PROVIDER would incur to identify, recruit, hire, and train suitable replacements for such personnel.

Confidentiality

This Confidentiality, Privacy, and Compliance portion of this proposal is in addition to other terms and conditions set forth in any and all contracts currently existing or hereafter created between CLIENT and PROVIDER. This proposal shall under no circumstances be deemed to alter any such contract except as specifically provided below.



PROVIDER acknowledges that in the course of providing services to CLIENT, PROVIDER may learn from CLIENT certain non-public personal and otherwise confidential information relating to CLIENT, including its customers, consumers, or employees. PROVIDER shall regard any and all information it receives which in any way relates or pertains to CLIENT, including its customers, consumers, or employees as confidential.

PROVIDER shall take commercially reasonable steps to not disclose, reveal, copy, sell, transfer, assign, or distribute any part or parts of such information in any form, to any person or entity, or permit any of its employees, agents, or representatives to do so for any purpose other than purposes which serve CLIENT or as expressly and specifically permitted in writing by CLIENT or as required by applicable law.

CLIENT acknowledges that it also has responsibility to keep records and information of its business, customers, consumers, and employees, confidential.

CLIENT also acknowledges that all information and services, consulting techniques, proposals, and documents disclosed by PROVIDER or which comes to its attention during the course of business and provided under this proposal constitute valuable assets of, and confidential and/or proprietary to, PROVIDER.

This provision shall survive termination of this document and any other agreements between CLIENT and PROVIDER.

Insurance Coverage

PROVIDER shall maintain at its sole expense commercial general liability insurance for personal injury and property damage for a general aggregate of \$2,000,000; worker's compensation insurance as



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required by law; and hired and non-owned automobile liability insurance for the combined single limit of \$1,000,000. At CLIENT's request, PROVIDER further agrees to furnish CLIENT with certificates, including renewal certificates, evidencing such coverage within thirty (30) days of commencing performance under this Proposal and at other times as may be reasonably requested by CLIENT.

General Provisions

1. **Sole Agreement:** This proposal constitutes the entire and only understanding and agreement between the parties hereto with respect to the subject matter hereof and, except as expressly set forth herein, maybe amended only by a writing signed by each of the parties hereto.
2. **Severability:** If a court of competent jurisdiction determines that any terms or provision of this document is invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining terms and provisions of this proposal, which shall continue to be given full force and effect.
3. **Captions:** The captions of the paragraphs of this proposal are for convenience only and shall not affect in any way the meaning or interpretation of this proposal or any of the provisions hereof.
4. **Waiver:** Any failure of either party to comply with any obligation, covenant, agreement, or condition herein may be expressly waived, but only if such waiver is in writing and signed by the other party. Any such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or conditions shall not operate as a waiver of and/or set precedence with respect to any subsequent and/or other failure.
5. **Governing Law:** Notwithstanding the place where this proposal may be executed by any party, this document, the rights and obligations of the parties, and any claims and disputes relating hereto shall be subject to and governed by the laws of the State of California as applied to agreements among California residents to be entered into and performed entirely within the State of California, and such laws shall govern all aspects of this proposal. The parties agree to submit to the personal jurisdiction and venue of the state and federal courts in the State of California, in the Judicial Circuit where PROVIDER has its principal office, for resolution of all disputes and causes of action arising out of this proposal, and the parties hereby waive all questions of personal jurisdiction and venue of such courts, including, without limitation, the claim or defense therein that such courts constitute an inconvenient forum.
6. **Assignment:** This proposal and the rights and duties herein shall not be assignable by either party hereto except upon written consent of the other.
7. **Force Majeure:** PROVIDER shall not be liable for any problems due to external causes beyond its control including, but not limited to, terrorist acts, natural catastrophe, fire, flood, or other act of God, and/or power failure.
8. **Attorneys' Fees.** In any action between the parties to enforce any of the terms of this proposal, the prevailing party shall be entitled to recover all expenses, including reasonable attorneys' fees.



CASPIAN IT GROUP

About

Caspian IT Group, LLC. is an IT Consulting and Managed Service provider operating in the San Francisco Bay Area. Our team of specialists is equipped with advanced automation tools and many years of applied experience. Because our expert services are tailored to your specific needs, we maximize the return on your IT investment. With Caspian IT Group, LLC., you'll know exactly what you're getting.

Caspian IT Group, LLC. is certified and insured.
C-7 Lic#: 995801

Contact



CASPIAN IT GROUP

www.caspianitg.com
info@caspianitg.com
(408) 780-0900

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APPENDIX A

PLEASE POST IN A CONSPICUOUS PLACE

NOT TRANSFERABLE

**BUSINESS LICENSE
CITY OF CAMPBELL**

(408) 866-2174

ESTABLISHED: 01/31/2013

EXP DATE: 12/31/2015

LICENSE NO. 027566

LOCATION: 1326 WHITE OAKS RD
CAMPBELL, CA 95008

BUSINESS: CASPIAN IT GROUP
OWNER: HOOMAN VAFAI / BORHAN ZOUFAN

TYPE OF BUSINESS
COMPUTER RELATED SERVICES (NEC)

The person, firm, or corporation named above is granted this business license pursuant to the provisions of the City Business License Ordinances to engage in, carry on, or conduct the business, trade, calling, profession, exhibition, or occupation described above. Issuance of the license is not an endorsement, nor certification of compliance with other ordinances or laws, nor an assurance that the proposed use is in conformance with the city zoning regulations. This license is issued without verification that the licensee is subject to or exempt from the licensing by the State of California. Valid only within the City of Campbell city limits. **CITY MUST BE NOTIFIED ON ANY CHANGE IN OWNERSHIP, LOCATION, OR CLOSURE.**
ANNUAL TAX PAYMENT DUE ON OR BEFORE THE EXPIRATION DATE. RENEWAL NOTICE NOT REQUIRED.



CONTRACTORS STATE LICENSE BOARD

Pursuant to Chapter 9 of Division 3 of the Business and Professions Code
and the Rules and Regulations of the Contractors State License Board,
the Registrar of Contractors does hereby issue this license to:

HOUMAN VAFAI

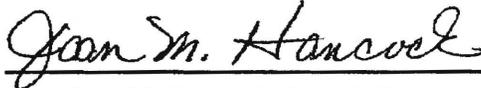
License Number 995801

to engage in the business or act in the capacity of a contractor in the following classification(s):

C-7 - LOW VOLTAGE SYSTEMS

Witness my hand and seal this day,
August 18, 2014

Issued August 16, 2014



Joan M. Hancock, Board Chair



Stephen P. Sands, Registrar of Contractors

This license is the property of the Registrar of Contractors,
is not transferable, and shall be returned to the Registrar
upon demand when suspended, revoked, or invalidated
for any reason. It becomes void if not renewed.



San Mateo County Harbor District

Board of Harbor Commissioners

Sabrina Brennan, President
Tom Mattusch, Vice President
Nicole David, Secretary
Robert Bernardo, Commissioner
Pietro Parravano, Commissioner

Scott Grindy, Acting General Manager

April 3, 2015

IT Vendors/Providers

RE: Quotation Form for IT Work

Please find the following format below for your price quotes on items determined for action. It should be noted that prices noted may be segregated and obtained separately and or as a group.

1. **Quotation Requirements:** Proof of business insurance, and business license. Please include a copy of your active business license and a copy of your business insurance for the related business activities.
2. **Employee Roster:** Please provide copies of all employees who may be involved in this project, this roster shall include photo ID. (Driver's license, and company ID badge). Roster and copy of noted photo ID will be included with quotation.
3. **Employee requirements:** 1. Employees must visibly wear company ID at all times when on any of the district site locations. 2. Vendor/Provider will be fully responsible for building and space security during work activities. 3. When removing equipment from the 400 Oyster Point Blvd building, Vendor/Tenant acknowledges that they have complied with building requirements for moving materials in and out of the building, and have pre checked with building security for authorization to do so.
4. **General Access:** Where keys or similar is required, the IT Vendors/Provider will be either provided a key for access, or a district staff person will assist with providing access to specific building spaces. IT Vendors/Provider will need to provide a planned schedule for district staff access assistance prior project start. Emergency district contact # will be provided.
5. **Price Quotations:** The quotations will be good for 90 days from date of submission of the quotation.
6. **Completion of Work Product:** a. where power 118volt power is required for Wi-Fi connections, district staff will note where to connect for power. All assigned work must be completed 100% prior submitting invoice, and work product to be demonstrated to assigned district staff for noting work product is complete. Vendor is not responsible for installation of 118volt power outlets or supplies.



San Mateo County Harbor District

Board of Harbor Commissioners

Sabrina Brennan, President
Tom Mattusch, Vice President
Nicole David, Secretary
Robert Bernardo, Commissioner
Pietro Parravano, Commissioner

Scott Grindy, Acting General Manager

7. **Warranty:** Work product, materials and installation to be warranted for 1 year from date of project completion. Existing computers, servers, printers, keyboards, and minor related equipment items that are moved / relocated will be noted for proper operation upon start of work effort and will be warranted for 30 days after the relocation.
8. **Change Orders:** any work required as “extra or additional work” must be approved by the Acting General Manager or his designee, and will be billed on a Time and Material basis, via the rate noted on the quotation form. Change order proposals must be in writing for approval.
9. **Documents:** Any quotation items for these documents will be provided with cut sheets of the product materials, along with any O & M documents for general service and maintenance. All documents will be provided in a 3 ring binder that is spine labeled for the project. This will be included with the quotation documents.
10. **Miscellaneous Materials & Tools:** IT Vendors/Providers are responsible to provide all their own tools, ladders, hand trucks, minor parts, fasteners and other related items.
11. **Site Coordination activities:** IT vendor will be provided account numbers and vendor contacts for Comcast and if other vendor companies are required. IT Vendors/Provider will be responsible for making contact for service connections and service calls to coordinate any connectivity actions at the various district sites.
12. **Pre-Construction Meeting:** Upon award of the project work and prior any physical work activities start, a meeting will be required of the IT Vendors/Provider and the district. The IT Vendors/Provider will be required to provide a project schedule for the activity coordination so that district services are not disrupted.
13. **Project Disruption and Down Time:** At the noted pre-construction meeting, the IT Vendors/Provider will need to provide the district with a draft schedule of possible service down time for the transitional activities. This schedule must be approved by the district prior any down time occurs.
14. **Liquidated Damages:** Liquidated damages in regards to project schedule delays and or down time will be at up to \$500.per day, and SMCHD reserves the right to hold payment till the full project is complete, and the ability to reduce the full payment of the project if damaged equipment is not replaced or repaired with equal or better equipment.



2096 Walsh Avenue, #B-1
 Santa Clara, CA 95050
 Tel./Fax: 866-836-4675
 E-Mail: info@ntstrategy.com

Proposal

Date	Proposal #
3/31/2015	274

Name / Address
San Mateo County Harbor District 400 Oyster Point Blvd. Ste. 300 South San Francisco, CA 94080

Customer Phone	Rep
	Ata

Item	Description	Qty	Rate	Total
	Project Description: San Mateo County Harbor District requires to connect 3 offices through VPN in the bay area.			
Materials	XTM 25 Series Security Bundle, 3-Year * Includes Appliance, Gateway AV/IPS, SpamBlocker, WebBlocker, LiveSecurity, Application Control and Reputation Enabled Defense	3	1,699.99	5,099.97
Small Busine...	The Following service were performed: - Configure the VPN to connect 3 offices through VPN	10	145.00	1,450.00

I hereby authorize the service work and materials noted above and agree to pay the estimated charges. Because Network Strategy custom orders all products based on customer need, returns are not allowed after the order has been placed. I acknowledge reading and approving Network Strategy's Warranty and Terms & Conditions of sale as posted on its website - ntstrategy.com. I acknowledge that the estimated amount may change due to additional time spent or additional materials needed to complete the service project.

Subtotal	\$6,549.97
Sales Tax (9.25%)	\$471.75

Total	\$7,021.72
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Customer Signature: _____ Date: _____