



Board of Harbor Commissioners

William Zemke, President
Tom Mattusch, Vice President
George Domurat, Secretary
Kathryn Slater-Carter, Treasurer
Virginia Chang Kiraly, Commissioner

James B. Pruett, General Manager
Trisha Ortiz, District Counsel

San Mateo County Harbor District Board of Harbor Commissioners

“The Harbor District provides fiscally and environmentally responsible stewardship of its maritime resources, emergency response, and public access”

REGULAR MEETING AGENDA

March 15, 2023

1:00 PM – 5:00 PM

San Mateo County Harbor District

Hybrid Meeting – In-Person and by Videoconference

This meeting of the San Mateo County Harbor District will be held in Person at 504 Avenue Alhambra, 2nd Floor, Conference Room, El Granada, California 94018. Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person in the Board Room. For information regarding how to participate in the meeting, either in person or remotely, please refer to Appendix A attached at the end of the Agenda.

Please click the link below to join the meeting remotely via the Zoom platform:

<https://us02web.zoom.us/j/82521804518?pwd=RmtQbkdyY0JDeHduRlIIVd2dUSkxYkZz09>

Passcode: 129885

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”), please contact Melanie Hadden, Deputy Secretary at mhadden@smharbor.com or (650) 583-4400 prior to this meeting for assistance.

A) Roll Call

B) Public Comments/Questions

The Public may directly address the Board of Harbor Commissioners for a limit of two (2) minutes, unless a request is granted for more time, on any item of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, that is not on the Regular Agenda. If a member of the public wishes to address the Board on an agenda item, it is requested that the member of the public wait until the item is in discussion before following the instructions provided on making a public comment. The Chair will call your name at the appropriate time. Agenda material may be reviewed online at www.smharbor.com.

C) Commissioner Comments

Commissioners may make public statements limited to two (2) minutes.

D) February 2023 Activity Reports: [General Manager](#), [Operations](#), [Administration](#)

E) Consent

All items on Consent are approved by one motion unless a Commissioner requests the item be withdrawn or transferred to Discussion. A Commissioner may request any item on Discussion be transferred to Consent. The Public may directly address the Board of Harbor Commissioners regarding items on Consent before or during the Commissioners' consideration of the Consent agenda. The Public may request a Commissioner move an item consent, the decision to move the item is that of a Commissioner.

ITEMS PULLED FROM CONSENT WILL BE HEARD AFTER DISCUSSION ITEMS.

1. [Bills and Claims \(van Hoff\)](#)

Recommendation: 1) Accept Pre-Approved Items in the amount of \$164,674.88 for February. 2) Approve \$500,000 in Pre-Approved Items for April 2023.

2. [Minutes – Regular Board Meeting Minutes for February 15, 2023 \(Hadden\)](#)

Recommendation: Approve Minutes of the February 15, 2023 Board Meeting

3. [Deputy Director of Administrative Services Position Description \(van Hoff\)](#)

Recommendation: Approve the position of Deputy Director of Administrative Services Position Description and update the District's Salary Schedule with a salary range of \$125,000-\$156,000.

4. [Second Quarter – 2021/22 \(Q2-22\) Financial Report Spending Authority \(van Hoff\)](#)

Information only

5. [Monthly Capital Projects Update \(Moren\)](#)

Information only

F) Discussion

6. [Fiscal Year Audited Basic Financial Statements \(van Hoff\)](#)

Receive 2021/22 San Mateo County Harbor District Audited Basic Financial Statements.

7. “First Look” Fiscal Year 2023/24 Operating Budget and Capital Improvement Program (van Hoff)

Recommendation: Review and comment on “First Look” Fiscal Year 2023/24 Operating Budget and Capital Improvement Program.

8. Designation of Labor Negotiators (Pruett)

Recommendation: Designate the James B. Pruett, General Manager, San Mateo County Harbor District and Christopher Boucher, Boucher Law, PC as Chief Negotiators with the Operating Engineers Local #3 and Teamsters Union Local 856.

G) Closed Session

1. Conference with Labor Negotiators

Agency designated representatives: General Manager Jim Pruett and Chris Bucher, esq.

Employee organizations: Operating Engineers Local #3 and Teamsters Local 856.

H) Future Agenda Items

I) Adjourn

The next Regular meeting will be held on April 19, 2023 at the San Mateo County Harbor District Office, 504 Avenue Alhambra, Ste. 200, El Granada, CA 94018 at 1:00 PM.

Agenda posted as required:



Melanie Hadden
Deputy Secretary

Appendix A

The Public may watch and/or participate in the public meeting by joining the meeting through the Zoom Videoconference link provided below. The public may also join the meeting by calling the below listed teleconference phone number. Further instructions on how to make public comments throughout the videoconference or teleconference will be provided at the District website at www.smharbor.com. If you experience technical problems with the telephonic meeting, please contact Melanie Hadden at mhadden@smharbor.com or call at (650) 437-4368.

HOW TO JOIN THE MEETING:

The meeting will begin at 1:00 PM. Whether you participate online or by phone, you may wish to "arrive" early so that you can address any technology questions prior to the start.

ONLINE VIEWING AND PARTICIPATION:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/87511431370?pwd=eUZmZlpJamJCTjRRZ3VuSXh1YVBLUT09>

Passcode: 680664

If you have not used Zoom on your computer before, you will be prompted to download and install the Zoom software on your computer. If it is already installed, you may still be prompted to allow Zoom to run. Please enable the software to download and run to join the meeting via computer.

AUDIO

- BY COMPUTER AUDIO: When joining via the Zoom app, you will automatically be joined in via computer audio. You may be prompted to confirm that you wish to join via computer audio.
 - Please ensure your computers speakers are enabled and sound is switched on.
- BY PHONE: If you are unable to join via computer, or do not have speakers or a microphone on your computer, you can dial in for audio. You may call any one of the meeting numbers below and enter the meeting ID and password when prompted.

| | |
|-----------------------------|------------------------------|
| +1 669 900 6833 (San Jose) | +1 253 215 8782 (Tacoma) |
| +1 346 248 7799 (Houston) | +1 312 626 6799 (Chicago) |
| +1 929 205 6099 (New York) | +1 301 715 8592 (Germantown) |
| +1 877 853 5257 (Toll Free) | +1 888 475 4499 (Toll Free) |

Webinar ID: 825 2180 4518

Passcode: 129885

HOW TO MAKE A PUBLIC COMMENT OR ASK A QUESTION:

During hybrid meetings of the Board of Harbor Commissioners, members of the public may address the Members of the Board as follows:

Written Comments:

Written public comments may be emailed in advance of the meeting.

- 1) Written comments should be emailed to mhadden@smharbor.com
- 2) Your email should include the specific agenda item on which you are commenting, or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
- 3) Members of the public are limited to one comment per agenda item.
- 4) The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250 300 words.

- 5) If your emailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Members of the Board and made publicly available on the agenda website

under the specific item to which your comment pertains. If emailed comments are received

after 5:00p.m. on the day before the meeting, the Clerk will make every effort to either (i) provide such emailed comments to the Board and make such emails publicly available on the agenda website prior to the meeting.

Spoken Comments:

- 1) If you wish to speak to the Board of Harbor Commissioners, please fill out a speaker's slip located in the conference room.

Online/Phone Comments:

- 1) **ONLINE:** Raise your hand in the meeting controls at the bottom of your screen.
- 2) **PHONE:** Press *9 to raise your hand to request to be unmuted to make comments.

Note: Please request to speak using the method from which you prefer to comment. For example, if you are joining via computer (for viewing) *and* phone (for audio/commenting), please raise your hand by dialing *9 on the phone if you wish to use your phone to speak. If you wish to use your computer, please raise hand using the meeting controls at the bottom of your screen.



ACTIVITY REPORT

TO: Board of Harbor Commissioners
FROM: James B. Pruet, General Manager
DATE: March 15, 2023
SUBJECT: General Manager's Activity Report

1. I, with Commissioner Domurat, attended a meeting with Len Materman and Debbie Ruddock of OneShoreline. A follow up meeting is scheduled for Commissioner Domurat and I to receive a brief on the study OneShoreline is using as the basis for their recommendation for preserving the Coastside from sea level rise.
2. On February 21, 2022 provided tour of Pillar Point Harbor to Commissioner Slater-Carter and Commissioner George Domurat.
3. Attended the California Maritime and Navigation Conference in Washington D.C., with Commissioner Chang Kiraly and Commissioner Zemke. Agenda is attachment 1.
4. Attended SMCHD Finance Committee Meeting.
5. Attended quarterly Pet Waste Partners Meeting.
6. On March 7, 2023, provided tour of Pillar Point Harbor to San Mateo County Supervisor Dave Pine and Supervisor Ray Mueller. See attachment 2.
7. Provided briefing to Coastal Commission during site visit to the West Trail Living Shoreline Project.
8. On March 13, 2023, provided tour of Pillar Point Harbor to U.S. Representative Anna Eshoo. Agenda and briefing materials are included as attachment 3 to this report.

- 1) [California Maritime and Navigation Conference Agenda](#)
- 2) [Supervisor Dave Pine Agenda](#)
- 3) [Congresswomen Anna Eshoo Agenda](#)



Activity Report

TO: Board of Harbor Commissioners
FROM: John Moren, Director of Operations
THRU: James B. Pruett, General Manager
DATE: March 15, 2023
PERIOD: February 2023

Pillar Point Harbor:

Miscellaneous:

- Facilities Maintenance/ Repairs & Cleaning, Dock and J-Pier Repairs
- Customer Service (Harbor Master's Office and Facility Wide) & Code Enforcement of Facilities, J-Pier Regulations, and Ordinances.
- Continue to monitor J-Pier for Commercial Offloading in accordance with new regulations and implementation of Pier Safety Plan.
- Continuing Vessel Inspections/ Vessel Operability, V-TIP, and Enforcement of Abandoned Crafts
- Daily Land-side & Water Patrols including emphasis on Vessel Safety/Boater Education
- Expanded Kayak & SUP Safety/Education including dispensing New Vessel ID Stickers in response to significant increase in activity and rescues.
- Inter-Harbor Staff Training and Allied Agency/USCG Trainings

Occupancy Overview ():

- 98%, total slips available to rent including skiff space = 404
- 119 Daily use permits at Launch Ramp, not including annual passes

Search and Rescue Activity Highlights & Urgent Need Activities:

February 1 to 28, 2023:

- SAR: 2
- LE: 1
- MED/Fire: 3
- Patrol Vessel Calls: 19
- CODE ENFORCEMENT: 12
- DHM Calls: 26
- Environmental Activities/Response(including marine mammal): 12
- Training: 19

District staff received below commendation from USCG for rescue efforts:

PPH "Open Range" Vessel Rescue

Onboard R/V:

DHM's Matt Sumner

North Cossman

Adam Bloomer

Shoreside:

Dante Madrigal. AHM

C Tibbe HM

Owen Moore DHM B

Good evening Mr. Tibbe

I am the Command Duty Officer at Coast Guard Sector San Francisco and would like to pass my appreciation for the Search and Rescue assistance provided by Pillar Point Harbor Master. The below are the details of the case. Pillar Point Harbor Master rapid response prevented a vessel from running aground and having a catastrophic situation. Three lives were assisted and the vessel was saved.

SITUATION: At 1422U on February 10, 2023, Commercial Salvor VESSEL ASSIST relayed a report they received at 1353U. 27 ft vessel, OPEN RANGE, is disabled approximately 2nm off Pt Montara State Beach. The vessel is enroute to Pillar Point Harbor. VESSEL ASSIST declined to respond due to the weather exceeding their limitations. Sector San Francisco interviewed the vessel operator. Operator states his engine are disabled and the vessel is adrift. Anchor was deployed but the anchor line snapped and the operator has high apprehension of his vessel running aground up against the rocks. 3 people are onboard, all adult males. The operator states they do not have PFD but do have exposure suits. Sector instructed them to DON their exposure suits. Sector San Francisco, LCDR Yang, assumed SMC and evaluated the case in the distress emergency phase. ORM evaluated as M/H due to weather, close proximity to shore and danger of the vessel running around. Sector Command Center confirmed the vessel location and determined the vessel is actually off Pedro Point and less than 1 mile off Pedro Point, Pacifica. Sector San Francisco issued a UMIB and briefed Air Station San Francisco for launch. Station Golden Gate is unable to respond due to being involved in a tow of another SAR case and an escort. Sector Command Center reached out to Pillar Point Harbor Master for assistance. Pillar Point Harbor Master conducted an ORM evaluation and reported they are able to respond. The Harbor master also stated that they know of the vessel homeported out of Pillar Point Harbor. Sector Command Center updated the operator onboard VSL OPEN RANGE with our response plan. At 1430U Pillar Point Harbor Master reports they are underway, eta 30 minutes. At 1450U Rescue Helo is air born with a 5 minute eta. At 1500U the Rescue Helo arrived on scene, located, and established communication with VSL OPEN RANGE. Rescue Helo will remain on scene until Pillar Point Harbor Master arrive on scene. At 1514U Pillar Point Harbor

Master vessel arrived on scene, located the vessel, and established communications with the vessel. At 1522U Pillar Point Harbor Master vessel reports they have VSL OPEN RANGE is in tow and enroute to Pillar Point Harbor. Sector San Francisco will monitor Pillar Point Harbor Master voyage on AIS back to Pillar Point Harbor.

MISLE: 1337187

v/r

Joseph Ford, GS-12
Lead Command Center Controller, CDO
Sector San Francisco Command Center

Events:

- Commercial Crab fishery Opened – Crab landing on the docks and pier on **December 31, 2022.**
- **February 25, 2023** Pacifica Beach Coalition Volunteer Coastal Clean-up day.



EMS-Clean Marina Activities-District Wide:

- Continuing Vessel Inspections/Vessel Operability, V-TIP offered for abandoned crafts.
- Vessel safety/environmental inspections are ongoing
- Registration and Insurance enforcement

Oyster Point Marina/Park

General Status & Construction Update:

- Teichert Construction: New West Basin restrooms and showers were opened



- South San Francisco: The East Basin Vacuum Station/Vessel Pump Out is currently in the design phase for replacement. ALX quote is being reviewed by the city for implementing the security system into the new restrooms. Staff have continued to work with the city on these upgrades.
- Preventative/Routine maintenance work in progress throughout the marina on a daily basis.
- V-TIP, and Enforcement of Abandoned Crafts

Miscellaneous:

- Staff is working with displaced Oyster Cove Marina tenants: Several vessels have been inspected and have moved temporarily to Oyster Point Marina.
- Daily land-side Vessel Safety/Boater Education continues
- Continuous: Facilities Maintenance & Cleaning, Preventative Maintenance, East & West Basin repairs.
- Storm Cleanup: Currently working on collecting debris, so it does not become a hazard to navigation. Staff are clearing storm drains and continuing to

thoroughly check the dock hardware and replacing as necessary, such as cleats and bolts.

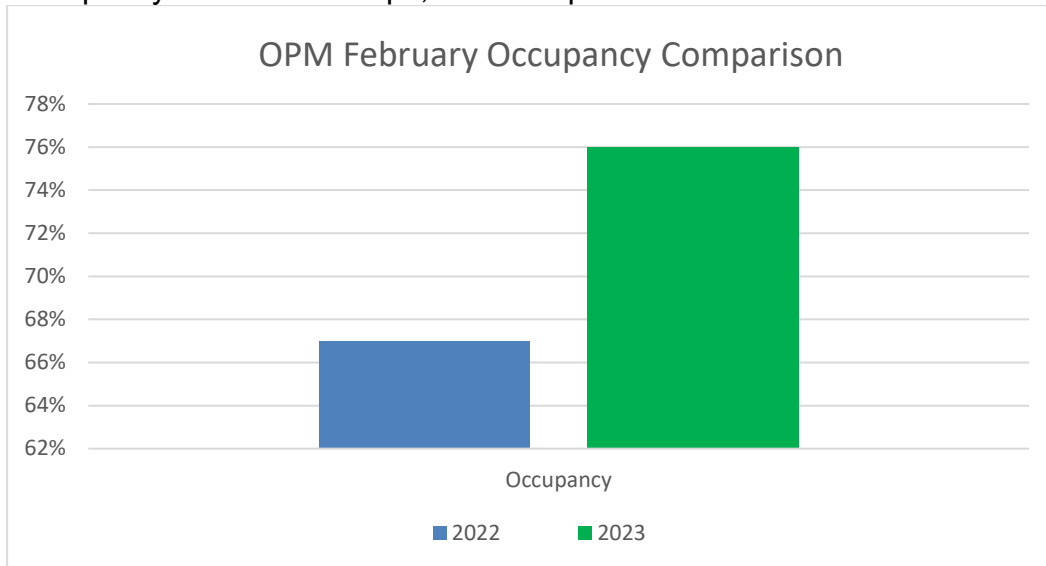
- Continued Kayak & SUP Safety/Education including dispensing New Vessel ID stickers.

Search and Rescue Activity Highlights & Urgent Need Activities:

- SSFPD: 6
- SSFFD: 3
- DHM Calls: 10
- Coast Guard: 3
- Fish & Wildlife: 2
- Training: 1

Occupancy Overview:

Occupancy: 76% of 408 slips, 310 occupied



Other Activity:

- Launch Ramp Usage: 90 total launches.
- National Response Corporation (NRC): 2 vessels took on water at the docks, working to remove.

Administration:

See related Staff Report for update on Capital Projects

Public Information:

- April through October is pinniped pupping season. It is very important to know that all marine mammals are Federally protected, should not be approached, pups are often left by their mothers on the beach, sometimes for several hours, they should not be bothered, **keep all dogs on leash**. Additional educational signage was put in place.



1 Sea lions and seals are protected by federal law.

2 It's **ILLEGAL** to disturb them or do anything that might make them change their behavior.

3 Enjoy watching them in a safe, responsible way.

- **KEEP YOUR DISTANCE.** You are too close if an animal starts to stare, fidget, or flee. Seals and sea lions on land are easily disturbed and may rush into the water or abandon their pups. They become stressed and may be trampled, and continued interruptions could be harmful to their health.
- **BE CONSIDERATE OF MOTHERS AND PUPS.** Seals and sea lions come ashore to rest, regulate their body temperature, and nurse their young. Mothers often leave pups behind while feeding offshore.
- **KEEP PETS AWAY AND ON A LEASH.** Pets can disturb or harm wildlife or separate mothers from their pups. And wild animals can injure or spread disease to pets.


If you see an injured, stranded, or dead marine mammal, call (866) 767-6114. You will be asked about the location and condition of the animal.

LEARN MORE: www.westcoast.fisheries.noaa.gov/protected_species/marine_mammals/share_the_shore_resources.html



- Public education/Information efforts on how pet waste is a pollutant is provided on the District's website and on information flyers at both PPH and OPM Harbor Master Offices. Additionally, the link for the public to take the "Scoop-the-Poop" Pledge is on the District website. The District will be using its social media to further public awareness of the water pollution caused by pet waste and to encourage public to remove all pet waste.
- Pictured are examples of informational flyers currently in use for public outreach to spread awareness on pet waste pollution.

IF YOU THINK PICKING UP DOG POOP IS GROSS... TRY SWIMMING IN IT!



Any of your pup's poop that isn't picked up has a good chance to end up in the ocean! Pick up after your pet so that both dogs and owners can enjoy the beach.

<http://www.sanmateorcd.org>
<https://www.facebook.com/sanmateorcd>
 This outreach program is funded by San Mateo County



ATTENTION PET OWNERS

POOP POLLUTES.

Did you know?
 Pet waste has been found to be a source of local water pollution.
 Help keep creeks and beaches clean and safe by bagging and disposing of pet waste in trash receptacles.

TAKE THE SCOOP-THE-POOP PLEDGE
 Visit FlowToBay.org/petwaste and receive a FREE pet waste bag dispenser.*

*Must be a resident of unincorporated San Mateo County.



Learn more at www.sanmateorcd.org/WQ and follow us on Facebook and Instagram @sanmateorcd





Activity Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services
THRU: James B. Pruet, General Manager

DATE: March 15, 2023

SUBJECT: Administrative Activity Report for February 2023

Public Records Requests

- Received and began reviewing and accumulating documents related to the Spirit of Sacramento including maintenance and repair records and docking records at Oyster Point Marina and lien sale. Provided partial response to the requestor John Downing.

Grants

- In process of completing CalOES Hazard Mitigation Assistance grant.
- In process of completing the Surrendered and Abandoned Vessel Exchange (SAVE) and Boating Safety and Enforcement Equipment (BSEE) grants.
- In process of completing the San Mateo County Used Oil Reimbursement form.
- In process of completing request for reimbursement for the SAVE grant.

Financial

- Continued Past Due Process in ERP system and distributed Notice of unpaid rent letters. Filed liens on delinquent accounts.
- Updating project accounting and reconciling it to the general ledger.
- Continued reviewing draft Audited Financial Statements and creating the Management Discussion & Analysis for fiscal year ended June 30, 2022.
- Analyzed PG&E bills to verify that the District was on the most advantageous rate plan.
- Completed questionnaire for 2023/24 Workers' Compensation Insurance.
- Completed the San Mateo County Assessor's Report.

Human Resources/Payroll

- Continued follow-up with OE3 Health Insurance Trust Fund administrator on overpayment of health premiums, and coverage errors.
- Transitioning paper based Human Resource information to ERP system.
- Distributed 1095-B forms for Special District Risk Management Authority Health Insurance plans (management insurance).
- Began review of revised Job Descriptions.
- Notified of three employees who tested positive for COVID-19.

Leases/CAPs/Special Events

- Followed up with lessees regarding most recent proof of insurance documents and late submittals of Statement of Earnings.
- Created and distributed increase in base rent letters to three lessees. Increases were 4.9% which is equal to the change in the published consumer price index for the Bay Area.
- Sent a 10-Day Notice letter to Lessee for delinquent rents.

Information Technology

- Working on general processes and system optimizations in ERP system.
- Working on reconciling project accounting module with general ledger accounts.
- Attended kickoff meeting for the implementation of SharePoint.
- Transferred to Bitdefender antivirus/security software.

Other

- Began hybrid work schedule upon completion of repair of water damage at the Administrative office.
- In process of organizing District electronic and paper records.
- Completed training assignments to comply with Cal/OSHA.
- In process of organizing vehicle/vessel titles.

Matrix of On-Going Activities

| Number of: | Total FY 20/21 | Total FY 21/22 | July-February FY 22/23 |
|-----------------------------------|-------------------|-------------------|---------------------------|
| A/P Checks | 1,183 | 1,336 | 812 |
| Payroll Direct Deposits | 1,185 | 1,083 | 755 |
| Personnel Action Forms | 73 | 80 | 54 |
| Recruitments | 3 | 9 | 4 |
| Employee Leaves/ Workers' Comp | 15 | 23 | 7 |
| Journal Entries | 649 | 606 | 214 |
| A/R Transactions- PPH | 26,486 | 24,527 | 16,975 |
| OPM | 18,580 | 16,226 | 10,788 |
| Draft Policies | 4 | 2 | 8 |



Staff Report

TO: Board of Harbor Commissioners

FROM: Kin Yip Chan, Accounting Technician

THRU: James B. Pruett, General Manager

DATE: March 15, 2023

SUBJECT: Review February Bills and Claims in the Amount of \$747,232.47

Total Disbursements being submitted for your review or approval:

| Description | Total | Admin | PPH | OPM |
|---------------------------------------------|----------------------|---------------------|----------------------|----------------------|
| Items Already Approved | \$ - | - | - | - |
| Pre-Approved Items | \$ 164,674.88 | 16,904.53 | 116,314.23 | 31,456.12 |
| Payroll - Deductions & Benefits | \$ 221,916.52 | 63,540.29 | 96,965.44 | 61,410.79 |
| Capital Projects | \$ 360,641.07 | 10,050.00 | 335,550.87 | 15,040.20 |
| Total Bills & Claims for Review: | \$ 747,232.47 | \$ 90,494.82 | \$ 548,830.54 | \$ 107,907.11 |

Gross Total Payroll: (includes Payroll amounts above)

| | | | | |
|----------------------------------|----------------------|---------------------|----------------------|---------------------|
| Payroll Paydate 02/03/23 | \$ 163,681.23 | 50,181.79 | 66,953.75 | 46,545.69 |
| Payroll Paydate 02/17/23 | \$ 153,130.31 | 47,679.64 | 67,705.91 | 37,744.76 |
| Total Payroll for Period: | \$ 316,811.54 | \$ 97,861.43 | \$ 134,659.66 | \$ 84,290.45 |

Background: The Board approved Pre-Approved Items up to \$500,000 for February. Actual Pre-Approved Items for the period are \$164,674.88. Payroll and Capital Project costs have already been approved by the Board.

Recommended Motion:

- 1) Accept Pre-Approved Items in the amount of \$164,674.88 for February.
- 2) Approve \$500,000 in Pre-Approved Items for April 2023.

Attachments:

- 1) [Bills and Claims/Cal Card Top 5](#)

| BILLS AND CLAIMS FOR 3/15/2023 BOARD MEETING | | | | ADMIN & COMM | PILLAR POINT HARBOR | OYSTER POINT MARINA |
|-----------------------------------------------------------|-----------------------------|------------------------------|-------------------|------------------|---------------------|---------------------|
| VENDOR | DESCRIPTION | DATE OF INVOICE OR STATEMENT | TOTAL ALL DEPTS | 103 | 201 | 301 |
| ITEMS REQUESTING APPROVAL | | | | | | |
| | | | - | | | |
| SUBTOTAL OF ITEMS REQUESTING APPROVAL 3/15/2023 | | | - | - | - | - |
| ITEMS ALREADY APPROVED | | | | | | |
| | | | - | | | |
| SUBTOTAL OF ITEMS ALREADY APPROVED | | | - | - | - | - |
| PRE-APPROVED ITEMS | | | | | | |
| 8x8 INC | TELEPHONE /COMMUNICATIONS | 2/1/2023 | 916.19 | 566.77 | | 349.42 |
| AIRGAS USA LLC | OPERATING SUPPLIES | 1/31/2023 | 165.08 | | 165.08 | |
| AIRVAC INC | REPAIRS & MAINTENANCE | 2/10/2023 | 1,569.91 | | | 1,569.91 |
| AMAZON CAPITAL SERVICES INC | REPAIRS & MAINTENANCE | 1/25-2/11/23 | 1,419.91 | 31.49 | 601.09 | 787.33 |
| AMERICAN DEBRIS BOX SERVICE INC | CONTRACTUAL SERVICES | 2/10/2023 | 6,040.97 | | 6,040.97 | |
| AT&T | TELEPHONE /COMMUNICATIONS | 2/13/2023 | 134.25 | | | 134.25 |
| BIG CREEK LUMBER CO | REPAIRS & MAINTENANCE | 1/26/2023 | 149.46 | | | 149.46 |
| BRUSH HOG TREE CARE INC | REPAIRS & MAINTENANCE | 1/30/2023 | 4,850.00 | | | 4,850.00 |
| CALIFORNIA CONSULTING INC | GRANT WRITING SERVICES | 1/31/2023 | 4,160.00 | | 4,160.00 | |
| CMANC | CONFERENCES & MEETINGS | 2/13/2023 | 1,485.00 | 1,485.00 | | |
| CALIFORNIA WATER SERVICE | UTILITIES | 1/25/2023 | 3,476.28 | | | 3,476.28 |
| CAPITAL ONE TRADE CREDIT/HASSETT HARDWARE | REPAIRS & MAINTENANCE | 1/25/2023 | 1,012.52 | | 1,012.52 | |
| CASPIAN IT GROUP | CONTRACTUAL SERVICES-IT | 2/1/2023 | 1,974.99 | 688.88 | 826.73 | 459.38 |
| CLARK PEST CONTROL | CONTRACTUAL SERVICES | 1/30/2023 | 373.00 | | 373.00 | |
| COASTSIDE COUNTY WATER DISTRICT | UTILITIES | 1/31/2023 | 5,054.96 | 118.82 | 4,936.14 | |
| COASTSIDE FIRE PROTECTION DISTRICT | REIMB TOLL FEES | 1/25/2023 | 46.50 | | 46.50 | |
| COASTSIDE NET | WIFI EXPENSES | 2/1/2023 | 359.10 | | 359.10 | |
| COLUMN SOFTWARE PBC-HALF MOON BAY REVIEW | ADVERTISING EXPENSES | 1/27/2023 | 297.00 | | 297.00 | |
| COMCAST | INTERNET EXPENSES | 1/25/2023 | 1,184.28 | 289.06 | 153.72 | 741.50 |
| EATON CORPORATION | REPAIRS & MAINTENANCE | 1/31/2023 | 1,215.05 | | 1,215.05 | |
| GRAINGER | REPAIRS & MAINTENANCE | 1/31/2023 | 374.70 | | 349.16 | 25.54 |
| HARBOR FUEL DOCK LLC | FUEL | 1/28/2023 | 332.25 | | 332.25 | |
| HENDERSON MARINE SUPPLY, INC | REPAIRS & MAINTENANCE | 1/20-2/10/23 | 6,464.69 | | 4,404.68 | 2,060.01 |
| HIRSCHFELD YACHT LLC DBA H & M MARINE | REPAIRS & MAINTENANCE | 12/20/2022 | 5,496.93 | | 5,496.93 | |
| IRON MOUNTAIN INC | CONTRACTUAL SERVICES | 1/31/2023 | 349.00 | 349.00 | | |
| JOHN C. LARSEN | REPAIRS & MAINTENANCE | 2/8/2023 | 1,006.00 | | 1,006.00 | |
| LAURETTA PRINTING COMPANY | OFFICE SUPPLIES | 1/20/2023 | 315.01 | 315.01 | | |
| LENACO CORPORATION/BLUE RIBBON SUPPLY COMPANY | JANITORIAL SUPPLIES | 2/6/2023 | 6,028.40 | | 4,631.79 | 1,396.61 |
| MARINE LIEN SALE INC | LIEN SALE SERVICES | 1/26/2023 | 2,860.00 | | 980.00 | 1,880.00 |
| MICHELLE DRAGONY DBA COASTSIDE BUZZ LLC | CONTRACTUAL SERVICES | 2/14/2023 | 1,064.00 | 1,064.00 | | |
| MISSION LINEN & UNIFORM SUPPLY | UNIFORM SERVICES | 1/31/2023 | 3,551.97 | | 2,453.46 | 1,098.51 |
| MOSS BEACH CHEVRON | FUEL | 1/31/2023 | 1,258.44 | | 1,258.44 | |
| NAVIA BENEFIT SOLUTIONS | PLAN FEE | 1/30/2023 | 754.00 | 754.00 | | |
| OCCUPATIONAL HEALTH CENTERS OF CALIFORNIA, A MEDICAL CORP | RECRUITING EXPENSES | 1/14-1/27/23 | 385.00 | | 385.00 | |
| OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. | LEGAL SERVICES | 2/28/2022 | 500.00 | 500.00 | | |
| PACIFICA COMMUNITY TELEVISION | CONFERENCES & MEETINGS | 2/2/2023 | 600.00 | 600.00 | | |
| PENINSULA PUMP & EQUIPMENT INC | REPAIRS & MAINTENANCE | 1/26/2023 | 3,932.40 | | 3,932.40 | |
| PG&E | UTILITIES | 1/23-2/15/23 | 22,085.98 | 941.06 | 16,869.50 | 4,275.42 |
| RASH CURTIS & ASSOCIATES | COLLECTION FEES | 2/1/2023 | 496.23 | | | 496.23 |
| READY REFRESH BY NESTLE | OFFICE SUPPLIES | 1/25-1/28/23 | 179.72 | 19.24 | | 160.48 |
| RECOLOGY OF THE COAST | GARBAGE SERVICES | 1/31/2023 | 14,176.65 | 332.72 | 13,843.93 | |
| SAFETY-KLEEN SYSTEMS INC | USED OIL PICK UP EXPENSES | 1/12-1/26/23 | 3,751.49 | | 3,751.49 | |
| SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT | WATER QUALITY ASSISTANCE | 12/31/2022 | 20,470.25 | | 20,470.25 | |
| SANTOS GARDEN INC | REPAIRS & MAINTENANCE | 1/29/2023 | 200.00 | 200.00 | | |
| SMITH, CARY | REIMB MILEAGE | 1/26/2023 | 70.74 | | 70.74 | |
| SOUTH SAN FRANCISCO SCAVENGER CO | GARBAGE SERVICES | 2/1/2023 | 2,907.20 | | | 2,907.20 |
| STAPLES ADVANTAGE | OFFICE SUPPLIES | 1/28/2023 | 586.26 | 200.94 | 385.32 | |
| STATE WATER RESOURCES CONTROL BOARD | ANNUAL PERMIT FEE | 1/18/2023 | 1,460.00 | | 1,095.00 | 365.00 |
| STEVE GOTELLI PLUMBING INC | REPAIRS & MAINTENANCE | 5/26/2022 | 1,050.00 | | | 1,050.00 |
| STREAMLINE/ DIGITAL DEPLOYMENT INC | CONTRACTUAL SERVICES-IT | 2/1/2023 | 200.00 | 200.00 | | |
| THINK CONNECTED LLC | CONTRACTUAL SERVICES-IT | 1/23-1/31/23 | 15,368.81 | 7,363.10 | 4,694.55 | 3,311.16 |
| TURBO DATA SYSTEMS INC | CITATION PROCESSING | 1/31/2023 | 78.15 | | | 78.15 |
| TYLER BUSINESS FORMS | OFFICE SUPPLIES | 2/2/2023 | 103.12 | 103.12 | | |
| U. S. BANK CORPORATION PAYMENT SYSTEMS | CAL-CARD EMPLOYEE PURCHASES | 1/23/2023 | 4,837.17 | 526.47 | 1,981.19 | 2,329.51 |
| WEST MARINE PRO | REPAIRS & MAINTENANCE | 1/28/2023 | 1,857.61 | | 1,435.01 | 422.60 |
| WONG, RAYMOND | REIMB PAYROLL SERVICES | 1/26/2023 | 255.85 | 255.85 | | |
| BIDINOST, PETER | REFUND DEPOSIT | 2/15/2023 | 237.77 | | 237.77 | |
| BOETTNER, ALEXANDRA | REFUND DEPOSIT | 2/15/2023 | 231.54 | | 231.54 | |
| CARDOSO, DUARTE | REFUND DEPOSIT | 2/15/2023 | 339.68 | | 339.68 | |
| DEHINDE, SHEA YZOBEL | REFUND DEPOSIT | 2/15/2023 | 111.87 | | | 111.87 |
| GOBER, JON | REFUND DEPOSIT | 2/15/2023 | 808.20 | | | 808.20 |
| HARPER, SHARRON | REFUND DEPOSIT | 2/15/2023 | 434.96 | | | 434.96 |
| HUI, KEVIN | REFUND DEPOSIT | 2/15/2023 | 16.08 | | 16.08 | |
| MACKIMMIE, BRUCE | REFUND DEPOSIT | 2/15/2023 | 6.85 | | 6.85 | |
| MCLAUGHLIN, MICHAEL | REFUND DEPOSIT | 2/15/2023 | 334.61 | | 334.61 | |
| SMITH, RICHARD | REFUND DEPOSIT | 2/15/2023 | 13.37 | | | 13.37 |
| SULLIVAN, WILLIAM | REFUND DEPOSIT | 2/15/2023 | 45.87 | | | 45.87 |
| THREADGOULD, BLANCA | REFUND DEPOSIT | 2/15/2023 | 222.22 | | | 222.22 |
| TSA HOLDINGS GROUP | REFUND DEPOSIT | 2/15/2023 | 579.39 | | | 579.39 |
| SUBTOTAL OF PRE-APPROVED ITEMS | | | 164,674.88 | 16,904.53 | 116,314.23 | 31,456.12 |
| PAYROLL - EMPLOYEE DEDUCTIONS | | | | | | |
| CALPERS CONTRIBUTIONS | EE CALPERS CONTRIBUTION | 2/3/2023 | 10,036.42 | 3,043.83 | 4,590.69 | 2,401.90 |
| CALPERS CONTRIBUTIONS | EE CALPERS CONTRIBUTION | 2/17/2023 | 10,102.04 | 3,043.83 | 4,402.03 | 2,656.18 |
| CALPERS SUPPLEMENTAL INCOME 457 PLAN | EE 457 CONTRIBUTION | 2/3/2023 | 9,424.41 | 3,387.96 | 2,618.82 | 3,417.63 |
| CALPERS SUPPLEMENTAL INCOME 457 PLAN | EE 457 CONTRIBUTION | 2/17/2023 | 9,447.59 | 3,367.65 | 2,665.98 | 3,413.96 |
| GARNISHMENT | PAYROLL DEDUCTION | 2/3/2023 | 78.92 | | | 78.92 |
| GARNISHMENT | PAYROLL DEDUCTION | 2/17/2023 | 78.92 | | | 78.92 |
| NAVIA BENEFIT SOLUTIONS | EE FSA CONTRIBUTION | 2/3/2023 | 704.09 | 199.96 | 140.02 | 364.11 |
| NAVIA BENEFIT SOLUTIONS | EE FSA CONTRIBUTION | 2/17/2023 | 438.71 | 199.96 | 90.02 | 148.73 |

| BILLS AND CLAIMS FOR 3/15/2023 BOARD MEETING | | | | ADMIN & COMM | PILLAR POINT HARBOR | OYSTER POINT MARINA |
|----------------------------------------------|-------------------------------------------------|------------------------------|-------------------|------------------|---------------------|---------------------|
| VENDOR | DESCRIPTION | DATE OF INVOICE OR STATEMENT | TOTAL ALL DEPTS | 103 | 201 | 301 |
| OPERATING ENGINEERS UNION LOCAL 3 | EE UNION DUES | 2/1/2023 | 1,496.00 | | 1,020.00 | 476.00 |
| TEAMSTERS UNION LOCAL 856 | EE UNION DUES | 1/19/2023 | 754.00 | 578.00 | 90.00 | 86.00 |
| MISSIONSQUARE RETIREMENT | PAYROLL DEDUCTION | 2/3/2023 | 800.00 | | 800.00 | |
| MISSIONSQUARE RETIREMENT | PAYROLL DEDUCTION | 2/17/2023 | 800.00 | | 800.00 | |
| IRS | MEDICARE & SOCIAL SECURITY-EE PORTION | 2/3-2/17/23 | 4,615.02 | 1,583.59 | 1,836.47 | 1,194.96 |
| IRS | MEDICARE & SOCIAL SECURITY-ER PORTION | 2/3-2/17/23 | 4,615.02 | 1,583.59 | 1,836.47 | 1,194.96 |
| IRS | FIT | 2/3-2/17/23 | 35,574.02 | 14,204.04 | 13,359.35 | 8,010.63 |
| EDD | SDI | 2/3-2/17/23 | 2,689.05 | 849.12 | 1,113.18 | 726.75 |
| EDD | SIT | 2/3-2/17/23 | 14,481.16 | 5,975.31 | 5,333.06 | 3,172.79 |
| PAYROLL - EMPLOYEE BENEFITS | | | | | | |
| CALPERS CONTRIBUTIONS | ER CALPERS CONTRIBUTION | 2/3/2023 | 11,774.84 | 3,359.22 | 5,508.20 | 2,907.42 |
| CALPERS CONTRIBUTIONS | ER CALPERS CONTRIBUTION | 2/17/2023 | 11,846.27 | 3,359.22 | 5,299.26 | 3,187.79 |
| CALPERS SUPPLEMENTAL INCOME 457 PLAN | ER 2% ADDITIONAL BENEFIT FOR EE | 2/3/2023 | 2,543.79 | 835.96 | 938.75 | 769.08 |
| CALPERS SUPPLEMENTAL INCOME 457 PLAN | ER 2% ADDITIONAL BENEFIT FOR EE | 2/17/2023 | 2,563.33 | 835.96 | 958.29 | 769.08 |
| MISSIONSQUARE RETIREMENT | ER 2% ADDITIONAL BENEFIT FOR EE | 2/3/2023 | 150.52 | | 150.52 | |
| MISSIONSQUARE RETIREMENT | ER 2% ADDITIONAL BENEFIT FOR EE | 2/17/2023 | 150.52 | | 150.52 | |
| JOHNSON, ROBERT | HEALTH INSURANCE PREMIUMS-RETIREE | 2/15/2023 | 986.60 | | | 986.60 |
| OPERATING ENGINEERS PUBLIC & MISC | HEALTH INSURANCE PREMIUMS | 1/25/2023 | 53,906.00 | | 36,309.00 | 17,597.00 |
| SPECIAL DIST RISK MANAGEMENT AUTHORITY | HEALTH INSURANCE PREMIUMS | 2/6/2023 | 16,864.38 | 9,693.63 | 2,201.11 | 4,969.64 |
| STANDARD INSURANCE COMPANY | LIFE & LTD INSURANCE | 1/19/2023 | 3,967.72 | 1,369.75 | 1,865.89 | 732.08 |
| TEAMSTERS LOCAL 856-HEALTH & WELFARE FUND | HEALTH INSURANCE PREMIUMS | 1/25/2023 | 11,027.18 | 6,069.71 | 2,887.81 | 2,069.66 |
| SUBTOTAL OF PAYROLL ITEMS | | | 221,916.52 | 63,540.29 | 96,965.44 | 61,410.79 |
| CAPITAL PROJECTS | | | | | | |
| BHOGAL BROTHERS CONSTRUCTION INC | ADMIN BLDG WATER DAMAGE - REPAIRS & MAINTENANCE | 2/7/2023 | 10,050.00 | 10,050.00 | | |
| FOTH & VAN DYKE & ASSOCIATES INC | OPM ENTRANCE NAVIGATION AID & REPLACEMENT | 2/1/2023 | 2,788.00 | | | 2,788.00 |
| GHD INC | PPH WEST TRAIL PROJECT | 2/3/2023 | 13,876.25 | | 13,876.25 | |
| MINERVA CONSTRUCTION INC | PPH RV PARK RESTROOM | 1/31/2023 | 194,750.00 | | 194,750.00 | |
| MOFFATT & NICHOL ENGINEERS INC | OPM EAST DOCK & PPH JOHNSON PIER IMPROVEMENTS | 2/8-2/13/23 | 90,671.70 | | 78,419.50 | 12,252.20 |
| QUESTA ENGINEERING CORP. | PPH RV PARK RESTROOM | 2/3/2023 | 44,144.62 | | 44,144.62 | |
| SALLY SWANSON ARCHITECTS INC | PPH RETAIL CENTER ADA RESTROOM | 12/31/22-1/31/23 | 4,360.50 | | 4,360.50 | |
| SUBTOTAL OF CAPITAL PROJECTS | | | 360,641.07 | 10,050.00 | 335,550.87 | 15,040.20 |
| TOTAL BILLS AND CLAIMS | | | 747,232.47 | 90,494.82 | 548,830.54 | 107,907.11 |
| 5 LARGEST PAYMENTS ON THE CAL CARDS | | | | | | |
| VENDOR | DESCRIPTION | DATE | TOTAL ALL DEPTS | ADMIN & COMM | PILLAR POINT | OYSTER POINT |
| SAN MATEO PARKS & MARINA | FUEL FOR PATROL BOAT | 1/21/2023 | 634.80 | | | 634.80 |
| HMB BLDG & GARDEN | REPAIRS & MAINTENANCE | 1/19/2023 | 461.56 | | 461.56 | |
| HOME DEPOT | REPAIRS & MAINTENANCE | 1/4/2023 | 435.31 | | 435.31 | |
| ZOOM VIDEO COMMUNICATIONS INC | SOCIAL MEDIA SOFTWARE | 12/23/2022 | 363.95 | 363.95 | | |
| R&W ROPE | REPAIRS & MAINTENANCE | 1/20/2023 | 286.15 | | 286.15 | |
| TOTAL | | | 2,181.77 | 363.95 | 1,183.02 | 634.80 |



San Mateo County Harbor District
Board of Harbor Commissioners

"The Harbor District provides fiscally and environmentally responsible stewardship of its maritime resources, emergency response, and public access"

REGULAR MEETING MINUTES

February 15, 2023

1:00 PM – 5:00 PM

San Mateo County Harbor District

A) Roll Call – 1:00 PM

All Commissioners Present

B) Public Comments/Questions

C) Commissioner Comments

D) Activity Reports

- a. General Manager,
- b. Operations,
- c. Administration and Finance

E) Consent

Commissioner Chang Kiraly Pulled Item 3

Approve Consent Items 1, 2, 4-10

(Mattusch/Chang Kiraly)

All in favor

1. Bills and Claims (van Hoff)

Accept Pre-Approved Items in the amount of \$104,277.80 for January and approve \$500,000 in Pre-Approved Items for March 2023.

2. Minutes – Regular Board Meeting Minutes for January 18, 2023 (Hadden)

Approve Minutes of the January 18, 2023 Board Meeting.

4. **Nomination to Special District Risk Management Authority (SDRMA), Board of Directors Election (Pruett)**
Receive information regarding election to SDRMA Board of Directors
5. **California Special District Association (CSDA) Board of Directors Call for Nominations Seat C (van Hoff)**
The Commission may consider nomination of a Commissioner or managerial employee for possible election to the California Special District Association (CSDA) Board of Directors.
6. **Authorized List of Signatures with the San Mateo County Treasurer's Office and California State Treasurer's Office; Adopt Resolutions No. 23-05 and 23-06 (van Hoff)**
Adopt Resolution No. 23-05 approving updated list of Harbor District authorized signers for the San Mateo County Treasurer's Office and adopt Resolution No. 23-06 approving updated list of Harbor District authorized signers for the California State Treasurer's Office.
7. **CMANC Washington Week 2023 Conference Pre-Approval for General Manager and Commissioners (Pruett)**
Pre-approval for James Pruett, Commissioner Virginia Chang Kiraly and Commissioner William Zemke to attend the CMANC Washington Week 2023 being held on Monday, February 27th, 2023 – Wednesday, March 1st in Washington D.C.
8. **Second Quarter – Fiscal Year 2022/23 (Q2-23) Rent Report (van Hoff)**
Information only
9. **Authorize Public Meetings to be Held via Teleconferencing Pursuant to Government Code Section 54953(e).**
Adopt Resolution No. 23-03 reconsidering the circumstances of the COVID-19 State of Emergency and making findings to authorize meetings to be held via teleconferencing pursuant to Government Code Section 54953(e)
10. **Monthly Capital Project Updates (Moren)**
Information only

F) Discussion

11. **CY2023 Ad Hoc and Standing Committee Review and Assignments (Zemke)**
The President of the Board for CY2023 reviewed each Standing and Ad Hoc Committee and appointed made new appointments, as necessary.

Standing Committees

Finance
Mattusch, Slater-Carter

Human Relations
Chang Kiraly, Zemke

Oyster Point Marina Liaison
Slater-Carter, Zemke

Ad Hoc Committees

Dredging/Sediment Management
Domurat, Mattusch

Sea Level Rise
Chang Kiraly, Domurat

Army Corp of Engineers Liaison
Domurat

12. Mid-Year Budget Review (van Hoff)

Information only

13. Letter to the US Army Corps of Engineers regarding Section 107 Navigation Improvements (Pruett)

Authorize the General Manager to sign and cause to have issued the letter to Lt. Col. Kevin P. Arnett, Army Corps of Engineers dated February 15, 2023, requesting the assistance of the U.S. Army Corps of Engineers under Section 111 of the River and Harbor Act of 1968, as amended, in mitigation to shore damage attributable to Navigation works in Pillar Pont Harbor on the San Mateo County coastline.

(Chang Kiraly/Slater-Carter)
All in favor

3. Commercial Activity Permit Application for Golden Gate Scenic Steamship Corporation dba Red and White Fleet to Operate as a Commuter Ferry Service out of Oyster Point Marina (Pruett)

Approve the Commercial Activity Permit application for Golden Gate Scenic Steamship Corporation dba Red and White Fleet to operate as a private ferry service to operate vessels serving Genentech and its employees out of Oyster Point Marina beginning on March 27, 2023 and continuing until December 31, 2023.

(Slater-Carter/Chang Kiraly)
All in favor

G) Closed Session

14. Conference with Real Property Negotiators

Property: 555 Obispo Road, El Granada, CA (APN: 047-261-040)
Agency negotiators: Jim Pruett and Julie van Hoff

Under Negotiation: Instructions to negotiators on price and terms.

15. Conference with Labor Negotiators

Agency designated representative: Jim Pruett, Julie van Hoff

Employee Organization: Teamsters 856 and Operating Engineers Local 3.

No reportable action

H) Future Agenda Items - None

I) Adjourn – 3:23 PM

Approved by the Board at the March 15, 2023 Meeting

Melanie Hadden
Board Secretary

William Zemke
President



Staff Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services

THRU: James B. Pruet, General Manager

DATE: March 15, 2023

SUBJECT: Deputy Director of Administrative Services Position Description

Recommendation/Motion:

Motion: Approve the position of Deputy Director of Administrative Services Position Description and update the District's Salary Schedule with a salary range of \$125,000-\$156,000.

Policy Implications:

Typically, Special District Boards review and approve recommended changes to position descriptions, organizational structure, salary schedules and benefit packages. California Public Employees Retirement System (CalPERS) requires salary schedules to be approved at a regularly scheduled Board meeting.

Fiscal Implications/Budget Status:

The salary for the Deputy Director of Administrative Services Position will be added to the 2023/24, 2024/25 and 2025/26 Operating Budget and the Administrative Analyst Position funding will be eliminated. There is expected to be a cost variance between \$53,000-\$58,000 for each fiscal year.

Background:

After a thorough review of current staffing levels and the workload/responsibilities of the Administrative Services Department, it was determined that an additional management level position is necessary in order to be able complete the update of all District policies and increase attention given to collection of outstanding accounts receivable. In addition, there will be redundancy for activities such as creating the District's budget and managing Human Resource and Risk Management activities.

It is anticipated that this position will be no longer be required once all Administrative Activities are brought up to date and the Enterprise Resource Planning (ERP) is fully automated.

Recommendation/Motion:

Staff recommend that the Board of Harbor Commissioners approve the position of Deputy Director of Administrative Services Position Description and update the District's Salary Schedule with a salary range of \$125,000-\$156,000.

Attachments:

- 1) [Draft Position Description for Deputy Director of Administrative Services](#)
- 2) [Draft Salary Schedule](#)

San Mateo County Harbor District Class Specification
Bargaining Unit: Unrepresented
FLSA Status: Exempt
EEOC Category: Officials/Administrators
Date Originated: March 15, 2023
Date Revised:



ASSISTANT DIRECTOR OF ADMINISTRATIVE SERVICES

DEFINITION

Under general direction, assists in planning, organizing, and directing the functions, programs, and activities of the Administrative Services Department of the San Mateo County Harbor District (District), with primary responsibility for budget preparation and administration, human resources, customer service, billing, and accounts receivable; assumes a major role in developing, updating, and implementing department-wide policies and procedures; performs complex management, analytical, and technical duties; ensures compliance with federal, state, and local regulations and District policies and procedures; and performs related duties as assigned.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Director of Administrative Services. Exercises general supervision over professional, paraprofessional, and/or administrative support staff.

CLASS CHARACTERISTICS

This is an assistant department director classification that oversees, directs, and participates in the functions and activities of the Administrative Services Department and is responsible for providing professional-level support to the Director of Administrative Services in a variety of areas. The incumbent assists in short- and long-term planning, development, and administration of departmental policies, procedures, services, and activities. Successful performance of the work requires an extensive professional background as well as skill in coordinating departmental work with that of other District departments and outside agencies. This class is distinguished from the Director of Administrative Services in that the latter has overall responsibility for all Administrative Services Department functions and activities.

EXAMPLES OF TYPICAL JOB FUNCTIONS

Class specifications are intended to present examples of the duties performed by employees in the classification. Any one position may not include all of the duties listed, nor do the listed examples include all tasks that may be performed by positions in this class.

- Assists the Director of Administrative Services in planning, organizing, and directing departmental functions, programs, and activities, with primary responsibility for budget preparation and administration, human resources, customer service, billing, and accounts receivable.
- Participates in the development and implementation of goals, objectives, policies, and procedures for the Administrative Services Department.
- Selects, trains, supervises, evaluates, mentors, and disciplines staff; manages the daily activities of assigned staff; plans, prioritizes, and assigns tasks and projects.

- Monitors and evaluates the efficiency and effectiveness of departmental procedures, services, programs, and systems; recommends and implements improvements.
- Assists in preparing the District's annual budget, monitoring expenditures, reviewing financial reports.
- Manages personnel and human resources functions and transactions, including recruitment, selection, evaluation, salary and benefits, and other terms and conditions of employment.
- Oversees the District's customer service, billing, and accounts receivable functions and activities.
- Develops and implements effective customer service standards; responds to citizen complaints and inquiries when elevated.
- Provides management and professional assistance to the Director in a variety of functional areas, including risk management, information technology, purchasing, contract and grant management, public information, and real property management.
- Prepares and reviews reports and technical documents; attends and presents at Board meetings as needed or assigned.
- Recommends, prepares, and updates policies, procedures, and programs to meet changing administrative needs and in support of changing legal requirements.
- Conducts complex and sensitive administrative, operational, and management analyses, studies, and investigations.
- Serves as acting Director in their absence.
- Performs related duties as assigned.

Reasonable accommodations may be made to enable qualified individuals with disabilities to perform the essential functions.

QUALIFICATIONS

The requirements listed below are representative of the knowledge and ability required.

Knowledge of:

- Principles and practices of public sector administrative management, including legal, ethical, and professional rules of conduct, supervision, personnel rules, performance management, procurement, contracting, and project management.
- Applicable federal, state, and local laws, regulatory codes, ordinances, and procedures relevant to assigned area of responsibility.
- Principles and practices of employee supervision, including work planning, assignment review and evaluation, discipline, and the training of staff in work procedures.
- Principles and practices of governmental budgeting, fund accounting, financial analysis, and financial forecasting.
- Principles and practices of human resources management in a public agency setting, including recruitment, selection, equal employment opportunity, and employee orientation; job analysis and classification; compensation and benefit analysis and administration; employee relations, including the interpretation of laws, regulations, policies, and procedures.
- Principles of record keeping, public records, contracts management, and records management.

- Techniques for providing a high level of customer service by effectively interacting with the public, vendors, contractors, and District staff.
- Methods and techniques for the development of presentations, contract negotiations, business correspondence, and information distribution.
- Research and reporting methods, techniques, and procedures.
- Principles and techniques for working with groups and fostering effective team interaction.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions, including computers and software programs relevant to work performed.

Ability to:

- Interpret, apply, and explain administrative and accounting standards and procedures; applicable federal, state, and local rules and regulations; and District policies and procedures.
- Select, train, supervise, evaluate, mentor, and discipline staff.
- Provide administrative, management, and professional leadership for assigned functions.
- Assist in preparing and administering large and complex budgets.
- Effectively represent the District in meetings with governmental agencies, contractors, vendors, and various businesses, professional, regulatory, and legislative organizations.
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials.
- Conduct complex research projects, evaluate alternatives, make sound recommendations, and prepare effective technical staff reports.
- Manage special projects with contractual agreements and ensure compliance with stipulations.
- Direct the establishment and maintenance of a variety of filing, recordkeeping, and tracking systems.
- Monitor and interpret financial and technical documents; ensure compliance with regulatory requirements; and identify and reconcile errors.
- Evaluate workflow and prioritize multiple tasks, projects, and demands.
- Effectively communicate with diverse audiences in verbal and written English; prepare and use appropriate, user-friendly visual and written materials; make public presentations.
- Review reports and correspondence quickly and accurately.
- Maintain confidentiality.
- Use tact, initiative, prudence, and independent judgment within general policy, and procedural, guidelines.
- Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Equivalent to a bachelor's degree from an accredited college or university with major coursework in accounting, finance, economics, business or public administration, or a closely related field. A master's degree is desirable.

and

Four (4) years of progressively responsible professional-level experience in public sector administrative, budget, and human resources management, including two (2) years of supervisory experience.

Licenses and Certifications:

- Must possess a valid US driver's license upon date of application. Must obtain California driver's license following hire date per California DMV regulations.

PHYSICAL DEMANDS

These physical demands may be performed with or without reasonable accommodation:

- Mobility to work in a standard office setting and use standard office equipment, including a computer.
- Sit at a desk and in meetings on a continuous basis for long periods of time.
- Occasionally stand in work areas and walk between work areas.
- Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard and to operate assigned equipment.
- Perform repetitive keystrokes on a computer keyboard.
- Perform simple gripping, grasping, and fine manipulation to write, use a computer mouse, and operate office equipment.
- Vision to read printed materials and a computer screen with a high degree of productivity and accuracy.
- Hearing and speech to communicate in person and over the telephone.
- Lift, carry, push, and pull materials and objects weighing up to 20 pounds.
- Occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information.
- Intermittently twist and bend to reach equipment in work area.
- Operate a motor vehicle to visit various District sites.

ENVIRONMENTAL CONDITIONS

- Work is performed in an indoor office environment with moderate noise levels, controlled temperature conditions, and natural and florescent lighting.
- Some movement is required from office to office and there is exposure to external environment when going to outlying offices and meeting.
- Occasional exposure to dust, fumes, and/or allergens.
- Employees may interact with upset individuals when interpreting and enforcing departmental or District policies and procedures.

ADDITIONAL REQUIREMENTS

- Some positions may require pre-employment screening measures before an offer of employment can be made (i.e., background screening, physical examination, etc.).

San Mateo County Harbor District

Revised -Effective Date 3/15/2023

| Wage and Salary Schedule Fiscal Year 2022/23 | Hourly Rate per Step | | | | | | | Salary Range | |
|--------------------------------------------------------------------------------|----------------------|----------|----------|----------|----------|----------|----------|-------------------|----------------|
| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Annual- Bottom | Annual- Top |
| Title | | | | | | | | | |
| Management | | | | | | | | | |
| General Manager | | | | | | | | \$ 232,000.00 | \$ 232,000.00 |
| Director of Administrative Services | | | | | | | | \$ 129,855.00 | \$ 162,508.00 |
| Director of Operations | | | | | | | | \$ 129,855.00 | \$ 162,508.00 |
| Deputy Director of Admin Services | | | | | | | | \$ 125,000.00 | \$ 156,000.00 |
| Accounting Manager | | | | | | | | \$ 113,436.00 | \$ 145,674.00 |
| Harbormaster | | | | | | | | \$ 113,436.00 | \$ 145,674.00 |
| | | | | | | | | | |
| Teamsters Union Local No. 856 | | | | | | | | | |
| Accountant | \$ 42.46 | \$ 44.59 | \$ 46.82 | \$ 49.16 | \$ 51.62 | \$ 54.20 | \$ 56.91 | \$ 88,316.80 | \$ 118,372.80 |
| Deputy Secretary | \$ 37.27 | \$ 39.13 | \$ 41.09 | \$ 43.15 | \$ 45.30 | \$ 47.57 | \$ 49.95 | \$ 77,521.60 | \$ 103,896.00 |
| Accounting Tech I/Administrative Assistant II/ Customer Service Coordinator | \$ 32.61 | \$ 34.24 | \$ 35.95 | \$ 37.75 | \$ 39.64 | \$ 41.62 | \$ 43.70 | \$ 67,828.80 | \$ 90,896.00 |
| Administrative Assistant I | \$ 27.05 | \$ 28.40 | \$ 29.82 | \$ 31.31 | \$ 32.87 | \$ 34.52 | \$ 36.24 | \$ 56,264.00 | \$ 75,379.20 |
| Administrative Analyst | \$ 37.27 | \$ 39.13 | \$ 41.09 | \$ 43.15 | \$ 45.30 | \$ 47.57 | \$ 49.95 | \$ 77,521.60 | \$ 103,896.00 |
| | | | | | | | | | |
| Operating Engineers Local Union No. 3 | | | | | | | | | |
| Assistant Harbormaster | \$ 51.85 | \$ 54.45 | \$ 57.17 | \$ 60.03 | | | | \$ 107,848.00 | \$ 124,862.40 |
| DHMB/Training Officer | \$ 43.16 | \$ 45.32 | \$ 47.58 | \$ 49.96 | | | | \$ 89,769.68 | \$ 103,919.63 |
| Deputy Harbormaster B | \$ 40.64 | \$ 42.67 | \$ 44.80 | \$ 47.04 | | | | \$ 84,531.20 | \$ 97,843.20 |
| Deputy Harbormaster A | \$ 35.11 | \$ 36.86 | \$ 38.71 | \$ 40.64 | | | | \$ 73,028.80 | \$ 84,531.20 |
| Harbor Worker B | \$ 24.43 | \$ 25.65 | \$ 26.93 | \$ 28.28 | | | | \$ 50,814.40 | \$ 58,822.40 |



Staff Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services
Boomer Henthorne, Accounting Manager

THRU: James B. Pruett, General Manager

DATE: March 15, 2023

SUBJECT: Second Quarter 2022/23 (Q2-23) Financial Report Spending Authority

Recommendation/Motion:

Information only report.

Policy Implications:

The Budget Appropriation Policy (4.9.2) requires that this Commission receive a quarterly financial report to review and ensure that all expenditures are within the approved appropriations. Quarterly reports are presented at the consolidated level (including Pillar Point Harbor, Oyster Point Marina, and Administration).

Fiscal Implications/Budget Status:

None

Alternatives Considered:

None

Background/Discussion:

The table below presents a comparison between the Board approved FY 2022/23 budget (with revisions) and the actuals for the fiscal year (July 1, 2022, to Dec 31, 2022).

Items to Highlight:

- All spending authority categories are under approved appropriations (Salaries and Benefits, Operating Expenses, and Capital Projects).
- All budget amendments approved by the Board through Dec 31, 2022, are reflected in this report.

- Total Capital Projects expenditures to date are \$1,157,081. Some projects the District worked on this year were:
 - PPH Launch Ramp Dredging
 - PPH Johnson Pier Expansion / H Dock Replacement
 - PPH Retail Center Replacement
 - PPH Retail Center ADA Restroom
 - PPH West Trail Shoreline Protection
 - PPH Surfers Beach Restoration
 - PPH RV Restroom
 - OPM Entrance Navigation Aids
 - OPM East Dock Replacement
 - PPH & OPM BSEE Electronic Equipment
 - Admin Enterprise Resource Planning System
 - Admin Building Water Damage Repair
 - District Master Plan Development

Attachments

- 1) [Second Quarter 2022/23 Financial Report and Budget Category Summary](#)

Second Quarter 2022/23 Financial Report and Budget Category Summary

Revenues

| Revenues | Budget | YTD Actual | % of Budget |
|-----------------------|----------------------|---------------------|-------------|
| Enterprise Revenue | \$ 4,550,000 | \$ 2,368,857 | 52% |
| Non-Operating Revenue | \$ 9,297,000 | \$ 5,410,366 | 58% |
| Total Revenues | \$ 13,847,000 | \$ 7,779,224 | 56% |

Recurring Expenditures

| Budget Category | Budget | YTD Actual | % of Budget |
|---------------------------|------------------------|-----------------------|-------------|
| Salaries and Benefits | \$ (7,231,000) | \$ (2,949,145) | 41% |
| Operating Expenses | \$ (4,538,000) | \$ (1,284,086) | 28% |
| Total Expenditures | \$ (11,769,000) | \$ (4,233,231) | 36% |

One-time/biennial Sources (Uses)

| Budget Category | Budget | YTD Actual | % of Budget |
|---------------------------------|-----------------------|-----------------------|-------------|
| Capital Projects (CIP) | \$ (9,185,231) | \$ (1,157,081) | 13% |
| CIP Grants | \$ 510,000 | \$ - | 0% |
| Election Costs | \$ (745,000) | \$ - | 0% |
| Total Non-Recurring Uses | \$ (9,420,231) | \$ (1,157,081) | 12% |

| | Budget | YTD Actual | % of Budget |
|-----------------------------------------------|-----------------------|---------------------|-------------|
| Recurring Revenues | \$ 13,847,000 | \$ 7,779,224 | 56% |
| Recurring Expenditures | \$ (11,769,000) | \$ (4,233,231) | 36% |
| Subtotal | \$ 2,078,000 | \$ 3,545,993 | 171% |
| Total Non-Recurring Uses | \$ (9,420,231) | \$ (1,157,081) | 12% |
| (Decrease) Increase in Working Capital | \$ (7,342,231) | \$ 2,388,911 | |



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Director of Operations
THRU: James B. Pruet, General Manager

DATE: March 15, 2023

SUBJECT: Monthly Capital Projects Update

Recommendation/Motion:

Receive Monthly Capital Projects update.

Fiscal Implications/Budget Status:

All Capital Projects are budgeted appropriately.

Capital Projects Update: (Yellow Highlighted is Most Recent Activity)

- **PPH Johnson Pier Reconfiguration, DEFGH Dock and Fuel Dock Replacement Project: Initiated Jan. 2017, added DEFG Docks 10/20/21**
 - H-Dock replacement meeting to gain input from public/tenants/stakeholders was held January 23, 2018 at the HMBYC.
 - Public input was addressed in a new drawing and sent with an additional questionnaire to all H-Dock tenants on March 21, 2018.
 - Addressed input gathered at first meeting and from questionnaire for H-Dock replacement. Second public meeting held May 15, 2018 at the HMBYC.
 - Terminus reconfiguration preliminary stakeholder/public meetings held on May 29, 2018 and July 17, 2018 to gather input/ideas on needed alterations.
 - Design/engineering consultant M&N provided a project update at the March 20, 2019 Board meeting, along with proposal to combine Johnson Pier Terminus Reconfiguration so that programmatic permitting can be made most cost efficient.
 - Consultant M&N provided Project update presentation at 12/18/19 Board meeting.

- Consultant M&N worked on condition survey of potentially damaged pier support pilings and crossmembers which were identified in a cursory inspection as a part of the Master Plan. M&N Team conducted boring tests to determine structural integrity on 10/7/21, reports indicated that there is no damage due to overstressing, it was simply spalling caused by corrosion of rebar close to the surface.
 - 11/1/21 M&N submitted final report on observed damage to pilings and crossmembers and suggested actions for repair. M&N will continue working with Calif Grant Consulting in identifying and applying for grant funding opportunities.
 - On 10/20/21 Board approved adding Design & Engineering for replacement of docks DEFG. M&N prepared a Change Order to reflect the additional D&E efforts, which was approved 1/19/22. M&N will continue working on design/engineering and is working to schedule a Bathymetric survey of the inner harbor so the need for an associated dredge episode can be evaluated.
 - 2/4/22 M&N submitted 30% plan drawings, GM and DOO met with M&N to review.
 - 5/25/22 Board considered a Change Order for M&N to add design/engineering of electrical upgrades and to repair the crossmember spalling that was identified in the GHD condition survey.
 - 90% Pier Expansion/Dock Replacement plans complete, final permitting underway. 80% plans complete for electrical upgrades and repair crossmember spalling, permitting underway.
- **PPH West Trail Shoreline Protection Project: Initiated May 2015**
 - Geotech testing, core sampling, took place 11/6/17. CCC issued an Incomplete Filing Status on 1/17/18. Consultant currently revising Project plans and addressing CCC concerns.
 - Met with GHD and their sub-consultant at West Trail on 2/15/18 to discuss soil nail wall construction methods for further submittals to CCC.
 - GHD provided update presentation to Public/Board at April 18, 2018 BoC Meeting.
 - Consultant GHD directed to re-look at beach nourishment alternatives with emphasis on Living Shoreline options per CCC Incomplete Filing Status notification letter.
 - Project consultants GHD/ESA provided a project update and proposal for Board consideration at the April 17, 2019 Board meeting. Proposal was approved, GHD/ESA Team working on design, engineering and permitting.
 - Draft Project site ecology memo from Dr. Peter Baye being reviewed by team. Rookery survey complete and memo being drafted by GHD. Eelgrass survey complete (no eelgrass within our site). Topo/Bathy survey undergoing QC by ESA team, should be available in next month. Evaluating DWR flood protection grant draft guidelines. Drainage options are being formulated and making our way towards a recommended solution.

- GHD/ESA Team provided Project update presentation 11/20/19. Project design/engineering and permitting efforts ongoing.
 - Project update to Board/public occurred on August 19, 2020.
 - Permitting nearing completion. We anticipate CCC hearing CDP application soon, however, USACE, WQCB and NOAA Fisheries are backed up due to COVID-19 challenges. 95% plans complete, bids will be solicited for construction when permitting timeline is determined. Project update to Board/public occurred on November 18, 2020.
 - IFB solicited, bids opened on April 16, 2021, was considered by the Board on May 19, 2021. Staff were directed to reject all bids and re-solicit bids for construction. New IFB Pre-Qualification Forms were due July 7, 2021.
 - IFB Pre-Qualification Forms evaluated and 3 contractors passed criteria. Site Visit with qualified contractors was held 7/29/21.
 - Bids opened 8/10/21, low bidding contractor was approved 8/18/21, final permitting has been completed, Notice to Proceed issued, materials being ordered and actual construction commencement will be scheduled soon.
 - The winning project construction contractor has been issued a full Notice to Proceed. A planned construction kick-off meeting and environmental training was conducted on Dec 20th. Initial equipment staging began Tuesday and construction started, but is suffering from delays due to rain. Signage is being placed and notice of west trail parking lot closures has begun on our website, Social Media and public outreach.
 - Met with CCC team for site visit on 3/1/22, GM spoke to group, all went very well. Project construction is going as planned, sediment stored at the airport for beneficial re-use was removed and being used on site at West Trail. Project completion date is anticipated for mid-April.
 - Construction was completed on 4/27/22, project monitoring will continue for a 5 year period. Planting for soil stabilization has begun, had to wait for rains to wash away residual salt from the transplanted sand/soil. Recent storms have caused significant sand erosion, appears the underlying cobble and large rock fingers held up well. Consultants evaluated effectiveness and made recommendation for West Trail area SW of the project, which sustained storm damage erosion. Contractor will do required maintenance improvement to prevent future erosion from hillside drainage.
- **PPH RV Park Restroom Project: Initiated Nov. 2017**
 - Discussed project with CCC on October 3, 2018.
 - HMB Study Session held Jan 8, 2019.
 - Met with City of Half Moon Bay and RV Park tenant on Jan 25, 2019, discussed public input from Study Session and potential preferred site location.
 - Preferred alternative considered at 6/19/19 Board meeting.
 - RFP for design engineering advertised, Pre-Bid Conference held Sept 20,2019, Proposals due October 7, 2019.
 - RFP proposals evaluated, Board voted on March 15, 2020 to award contract to Questa Engineering. Initial staff design/engineering kick-off meeting was held

5.20.20. First public outreach meeting was held vis Zoom on 10.5.20. Public input being incorporated in design alternatives.

- Meeting with RV Park lessee occurred on 11.3.20.
- Consultant Questa provided presentation/update on preferred plan December 16, 2020. Continuing work on final plans, permitting and IFB package.
- Construction Invitation for Bid solicited, low bid approved by Board Sept 21st . In addition to the \$298k PCA grant already approved, the Coastal Conservancy approved grant award for \$212k. This project includes 2 electric vehicle charging stations, PCE \$15k grant monies awarded. Notice to Proceed issued Jan 9th.
- Pre-construction meeting held on Jan 23, 2023 and construction has begun.

- **Surfers Beach Sand Replenishment Pilot Project: Initiated Oct. 2015**

Project Engineering and Design: The project planning team prepared 30% Plans (permitting level) for the Surfers Beach Project and Eelgrass Mitigation. The team also completed a Preliminary Design Report for the Surfers Beach Project. Currently, the engineering team from ESA is coordinating with consultant Brad Damitz and District staff on revising the plans based on input from permitting agencies and to achieve a more natural beach profile for the constructed beach. We expect the revised (90%) to be completed in February 2023.

Permitting:

All permit applications have been submitted for the project. District staff and consultants have been coordinating with agency staff to respond to requests for additional information. Permit applications for the project were submitted to U.S. Army Corps of Engineers, California Coastal Commission, Regional Water Quality Control Board, and Monterey Bay/Greater Farallones National Marine Sanctuaries. Permit applications were submitted for a volume of up to 100K cy of sand to be placed on Surfers Beach.

Funding and Grants:

Additional funding is actively being sought by the District. The District and its consultants will continue to seek additional opportunities as more grant funds are announced. Applications have been submitted for more than 9 grant opportunities since 2020. Additionally, the project has already been approved for grant funding from California Ocean Protection Council (\$75K), California Division of Boating and Waterways (\$800K), and National Oceanic and Atmospheric Administration (\$125K) for project related costs.

Schedule:

The District is planning for a spring/early summer 2023 timeframe to begin a phased approach, first completing the eelgrass dredging/filling components of the project, followed by surfers beach dredging and beach placement and transplanting of eelgrass several weeks after the mitigation site is constructed,

pending availability of Project funding and permits. Consultant Damitz will provide project update presentation at District regularly scheduled Board meeting April 19.

- **PPH Public ADA Restroom Within, or Adjacent To, Ketch Joanne Restaurant : Initiated February 2019**
 - Project RFP for design/engineering/permitting was advertised 5.27.20.
 - 7 Firms were in attendance for the Pre-Bid Conference, bids due August 19.
 - 3 bids were submitted, Sally Swanson Architects approved by Board September 16th. Initial kick-off site visit with SSA and stakeholders on October 1, 2020.
 - Met with design/engineering team 11.4.20 to discuss initial design alternatives. Engineering estimates for all three alternatives being calculated. Public workshop January 26, 2021 at 5:30pm.
 - Public Workshop was held 1/26/21, positive feedback, good public/stakeholder input. On 2/17/21 project update by SSA and preferred plan brought to Board for approval to progress.
 - SSA working on obtaining necessary geotech, underground utility surveys to prepare final technical specifications for IFB. SSA and sub-consultants visited site on 3/24/21 to determine strategy for required permit surveys.
 - Geo-tech surveys/boring were completed in May, 90% plans submitted to County for permitting approval on July 9th.
 - Tech Specs and permitting completed and IFB was publicly advertised, Bid Opening was 6/30/22. Low bid considered at Board Meeting on 7/20/22.
 - EVRA Construction Inc was determined low bidder and Notice to Proceed was issued 8/9/22, protective fencing was put in place on October 4th and construction is underway.

- **OPM East Dock Replacement Project: Initiated March 2018**
 - Project design/engineering RFP completed. RFP advertised, bids accepted October 1st.
 - Design/engineering RFP proposal recommendation presented to Board for consideration on 11.18.20, Moffatt & Nichols approved for D&E.
 - M&N working on D&E for the replacement of docks 12, 13 and 14. Dredge need areas have been identified after conducting bathymetric bottom survey. Public workshop was held 7/8/21. 7/21/21 Board approved moving forward with Maint Dredging east basin to -8'. M&N teams working on all D&E/permitting and timelines. Design for replacing the gangway landings for docks 1-6 was added to the project as a Change Order on January 19, 2022. Dredging permit being reviewed by BCDC.

- **PPH Retail Center Replacement Project, 2022-01: Initiated January 2022**
 - Request for Proposal was solicited, pre-bid conference was held on 1/27/22. We had an outstanding response with 15 firms in attendance. Proposals opened on 2/14/2022.
 - The proposal found to best meet the District's specific needs for this project by the selection committee was approved by the Board on 5/25/22. PSA was executed. Winning bidder, Goring & Straja, design team made first site visit 6/2/22, hazmat eval 7/12-14/22. Meetings with stakeholders have taken place.
 - A public workshop meeting to explain the project and gather public input took place December 8th at 6pm, 22 people attended. An online poll/survey to gain additional input on preferred location was initiated, results will be tabulated and input considered. A Board/public update for feedback and direction will take place at an upcoming regularly scheduled Board meeting, possibly April 19 if ready.

- **PPH C-1, C-2, C-3 and Launch Ramp Access Road Paving/Resurfacing Project, 2022-05: Initiated September 2022**
 - Invitation for Bid solicited, bids opened 11/29/22, low bid approved by Board on 12/21/22. NTP will be issued in the spring, after CDP is obtained.

- **Admin Bldg Water Damage Repair Project, 2022-04: Initiated May 2022**
 - Invitation for Bid solicited, bid opening occurred 10/5/22, low bid considered at October 19, 2022 regular Board meeting.
 - Construction contract fully executed and NTP issued. Contractor began repair work 12/5/22. Change Order #1 approved by Board 12/21/22.

- **PPH Launch Ramp, Restroom and Boat Rinse Replacement Project, 2023-02: Initiated February 2023**
 - Request for Proposals for design/engineering/permitting was publicized February 1, 2023. Bid opening will occur April 5, 2023.
 - Project put on temporary hold, as we have been notified by DBW that we may be selected in June to receive a grant award for financial assistance with design/engineering/permitting. If so, we will need to modify our RFP with contract changes in accordance with DBW grant requirements.



Staff Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services
Boomer Henthorne, Accounting Manager

DATE: March 15, 2023

SUBJECT: Fiscal Year 2021/22 Audited Basic Financial Statements

Recommendation:

Receive 2021/22 San Mateo County Harbor District Audited Basic Financial Statements.

Policy Implications:

- California Code of Regulations 1131.2 describes minimum audit requirements for Special Districts.
- Harbors and Navigation Code §6062 requires Harbor Districts to complete an annual audit by a licensed certified public accountant.

Fiscal Implications/Budget Status:

None

Alternatives Considered:

None

Background/Discussion:

San Mateo County Harbor District independent auditor Maze & Associates has submitted audited financial statements for the fiscal year ended June 30, 2022 (FY 2021/22). These financial statements were prepared by District staff and audited by Maze & Associates. The audited financials, which include the audit opinion and required communications are provided as attachments to this staff report.

A financial statement audit involves procedures to obtain audit evidence about the amounts and financial disclosures the District makes in its annual financial statements. Our auditors obtain this audit evidence through several ways, including–

- Interviewing District staff to learn about policy changes, changes in staffing, or changes in our process that may have occurred since last fiscal year's audit that could potentially affect our internal controls.
- Talking to us to gain an understanding of our business and the internal controls we have in place to determine if our controls can be relied upon to potentially catch accounting errors, detect, or prevent fraud.
- Reviewing our account balances from this fiscal year and comparing it to last fiscal year to identify material changes and corroborating the reasons for those changes.
- Testing specific accounts at the detailed transaction level to determine if the District recorded them properly and to see if the District is following its policies (like our Purchasing and Procurement policy).

Audit Opinion:

Maze & Associates has provided a “clean” unmodified opinion on the District's financial statements. This means the auditors did not find any material misstatements during their audit, and believe our financial statements fairly represent the District's financial position as of June 30, 2022, in conformity with generally accepted accounting principles in the United States. The audit affirms the continuing stable financial position of the District and the accuracy of our year-end financial statements.

Memorandum of Internal Control:

As a part of the independent audit, Maze & Associates provided a Memorandum of Internal Control to the Board of Commissioners. No new matters were identified. Additionally, our auditors did not find any significant deficiencies or material weaknesses in our internal controls. This means the auditors did not find any large departures from what our policies and processes say we should be doing compared to what we are doing in practice.

Financial Highlights:

- The District's financial statements reflect a net position of \$53,811,196 in FY 2021/22, which was an increase of \$6,590,935 compared to \$47,220,261 in FY 2020/21.
- The District's operating revenues increased by \$170,404 or 4.1% while non-operating revenues increased by \$751,898 or 8.2%.
- The District's operating expenses decreased by \$3,472,158 or 31.3%, due to no election costs in the fiscal year, and a decrease in salaries and wages.
- Aggregate net pension liabilities are \$285,821 and net OPEB (other post-employment benefit) liabilities are \$2,764,384.

The District's auditing firm, Maze & Associates, will be attending the board meeting on March 15, 2023, to answer questions that the Board may have about the report.

Attachments:

- 1) [FY 2021/22 Audited Basic Financial Statements by Maze & Associates](#)
- 2) [Memorandum of Internal Control by Maze & Associates](#)
- 3) [Required Communications by Maze & Associates](#)

San Mateo County Harbor District

Grant Progress Report

March 15, 2023

GRANTS COMPLETED

Bay Area Air Quality Management District: Charge! Grant Program

Submitted on: March 3, 2023

Amount Requested: \$222,023.69

Brief Summary of Grant Request: SMCHD is requesting two charging stations able to serve light-duty vehicles with a gross vehicle weight rating (GVWR) of 8,500 pounds or lighter to shift drivers away from ICE vehicles, while also reducing both petroleum use and air pollution. Requested funds include costs to cover permit fees and installation, including labor, materials (e.g., trenching, wiring, signage, and conduit) and necessary electrical upgrades to meet the demands of the charging station (i.e., electrical panels, and transformers).

GRANTS CURRENTLY IN THE WORKS

Jackie Speier Fund for Community Project Funding

SMCHD POC: Chis Tibbe

Deadline: April 11, 2023

Amount: \$100,000 to \$2 million

Match: No

Eligibility: <https://speier.house.gov/accounts-allowed-for-community-project-funding>

URL: <https://speier.house.gov/community-project-funding>

Summary: Congresswoman Jackie Speier's Appropriations Committee for Community Enhancement Fund improves the lives of families in San Mateo District by advancing infrastructure, creating jobs, and supporting the economy. SMCHD will request at minimum \$1.2 million from the Jackie Speier Fund to help provide the capital needed to support replacing and making improvements to Johnson Pier with a new, modern facility that's much more capable of competently handling vehicles and features enhanced electrical lines with larger amperages. As a result of the rebuilt pier, as estimated 600 jobs will be created (including commercial fishers) and many others saved.

U.S. Department of Transportation/FTA: FY2023 Low or No Emission Vehicle Grant Program

SMCHD POC: Chis Tibbe, Jim Smith

Deadline: April 13, 2023

Amount: Up to \$1,221,350

Match: Yes

Eligibility: State governments, County governments, City or Township governments

URL: <https://grantsforus.io/type-of-eligible-entity/organizations/local-government-agencies/dot-fta-2023-low-or-no-emission-vehicle-program/>

Summary: The purpose of the Low-No Program is to support the transition of the nation's transit fleet to the lowest polluting and most energy efficient transit vehicles. The Low-No Program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities. single application may include both vehicle and facility components, along with associated equipment and workforce development plan.

BayREN: FLEXmarket Area Grant Program

Deadline: Rolling for LOI

Amount: Because incentive payments are based on actual savings, contractors earn more than from traditional rebates.

Match: No

Eligibility: Jurisdictions and business entities located in the Bay Area

URL: www.bayren.org/small-medium-businesses/energy-efficient-upgrades

Summary: BayREN has partnered with Recurve Analytics to bring its FLEXmarket initiative to nine Bay Area counties. The innovative FLEXmarket approach pays contractors for energy efficiency projects that deliver real kWh and therm savings. Whether SMCHD may want to replace an HVAC unit, install LED lights, or make other energy upgrades, this funding opportunity can connect us to a participating contractor who is able to meet our facilities' needs, particularly for its greenspace restroom although there has yet to be issued a formal notice of procurement. This grant's overarching purpose is to help entities save energy by helping award recipients significantly minimize their utility bills while maximizing upgrade opportunities.

UPCOMING GRANTS

Division of Boating and Waterways: Boating Safety & Enforcement Equipment Grant (BSEE)

SMCHD POC: Cary Smith

Deadline: April 28, 2023

Amount: \$12,000 to \$148,000

Match: No

Eligibility: Local government agencies who can demonstrate a need for boating safety and law enforcement equipment pursuant to the application assessment criteria. Grants are for local boating safety and law enforcement only.

URL: https://dbw.parks.ca.gov/?page_id=28778

Summary: Division of Boating and Waterways (DBW) provides grants to local government agencies to purchase boating safety and law enforcement equipment through the Boating Safety and Enforcement Equipment Grant Program (BSEE). Examples of allowable marine patrol enforcement equipment:

- Law Enforcement Patrol Boats
- Marine Patrol Equipment
- Personal Watercraft (PWC)
- Search and Rescue Equipment
- Dive Gear
- Engines, repowers, and replacements

Division of Boating and Waterways: Surrendered and Abandoned Vessel Exchange (SAVE)

SMCHD POC: Kin Yip Chan

Deadline: April 28, 2023

Amount: \$25,000 to \$2.7 million

Match: No

Eligibility: 525 (1)(A) of the Harbors and Navigation Code (HNC) allows DBW to distribute grants to local public agencies that have jurisdiction over navigable waterways in California. Private businesses cannot apply for a SAVE grant; however, they may work through a local public agency that is participating in the SAVE to 1) remove abandoned vessels on their private property, 2) surrender vessels through the Surrendered Vessel Program they have title to, and/or 3) remove navigational hazards.

URL: https://dbw.parks.ca.gov/?page_id=28816

Summary: The SAVE grant program is designed to remove, reduce and prevent abandoned recreational vessels from entering our waterways. Administered by the California State Parks Division of Boating and Waterways (DBW), grants are awarded annually to qualified local public agencies statewide. The SAVE program, formerly called the Abandoned Watercraft Abatement Fund and the Vessel Turn In Program enacted

in 1998 and 2010 respectively, has provided millions of dollars in grants and has successfully removed thousands of vessels.

Carl Moyer Program (CMP): Public Agency and Utility Vehicles

Deadline: May 9, 2023

Amount: Projects must meet the cost-effective threshold of \$34,000 per weighted ton of total reduced emissions, and if applicable, meet the cost-effective threshold of \$522,000 per weighted ton of reduced emissions (for projects that are zero-emission or meet the cleanest certified optional standard).

Match: Yes

Eligibility: Any owner of an eligible heavy-duty on-road or off-road project, public or private, that results in cost-effective NOx, PM and/or ROG emission reductions. The project must not be required by a current regulation or within three years of a regulatory compliance deadline.

URL: <https://grantsforus.io/type-of-eligible-entity/organizations/local-government-agencies/dot-fta-2023-low-or-no-emission-vehicle-program/>

Summary: The Carl Moyer Program funds a wide range of on-road project types including public agency and utility vehicles. Public agency and utility vehicle replacement engines certified to the 2010 emissions standards or cleaner are eligible for Carl Moyer Program funding. While air pollution regulations continue to be the primary means to reduce air pollution emissions, the CMP plays a complementary role to California's regulatory program by providing incentives to obtain early or extra NOx, PM and ROG emission reductions. CMP does not pay for compliance with a regulation - instead, it provides competitive grants for the incremental cost of cleaner-than-required engines, vehicles, and equipment. The program focuses on cleaning the air by replacing older heavy-duty diesels with electric, alternative-fuel, or cleaner diesel technologies. Eligible project types include vehicle replacement and repower/conversion projects; on-road retrofit projects will be considered on a case-by-case basis. Emergency vehicles, including but not limited to prisoner transport buses and fire apparatus, are exempt from CARB regulations and therefore are eligible for CMP funding. All on-road projects must generate surplus emission reductions and be fully compliant with all applicable fleet regulations.

U.S. Department of Transportation: Port Infrastructure Development Grant Program

Deadline: May 15, 2023

Amount: \$1,000,000 to \$11,250,000

Match: The Federal share of the costs of an eligible project carried out using a grant provided under the Port Infrastructure Development Program shall not exceed 80% unless (1) a grant for a project that is located in a rural area; or (2) a grant awarded to a small project at a small port under 46 U.S.C. 54301(b). Applicants should use the following equation when determining the cost share for their project:

(RAISE Grant Request+Other Federal Funds) DIVIDED BY Total Project Cost=Federal Cost Share

Eligibility: An eligible applicant for a FY 2023 PIDP discretionary grant is a port authority, a commission or its subdivision or agent under existing authority, a State or political subdivision of a State or local government, an Indian Tribe, a public agency or publicly chartered authority established by one or more States, a special purpose district with a transportation function, a multistate or multijurisdictional group of entities, or a lead entity described above jointly with a private entity or group of private entities (including the owners or operators of a facility, or collection of facilities, at a port). Federal agencies are not eligible applicants for the FY 2023 PIDP.

URL: <https://www.maritime.dot.gov/PIDPgrants>

Summary: DOT seeks projects that support the following program objectives:

1. Improving the safety, efficiency, or reliability of the loading and unloading of goods, the movement of goods, operational improvements (including projects to improve port resilience), or environmental and emissions mitigation measures.
2. Supporting economic vitality at the national and regional levels.
3. Addressing climate change and environmental justice impacts.
4. Advancing equity and opportunity for all.
5. Leveraging Federal funding to attract non-Federal sources of infrastructure investment.

Consistent with these objectives, the Department seeks to fund projects that reduce greenhouse gas emissions and minimize impacts to the climate and surrounding communities from port operations. Specifically, DOT is looking to award funding for projects that align with greenhouse gas reduction goals, incorporate electrification or zero emission infrastructure for vehicles and locomotives that service a port, increase a port's resilience to climate-related hazards, reduce pollution from port operations, and address environmental justice concerns (particularly for communities that disproportionately experience climate change-related consequences).

Metropolitan Transportation Commission (MTC): One Bay Area Grant Program

Deadline: May 2023

Amount: \$300,000

Match: No

Eligibility: Bay Area cities, counties, transit agencies, federally recognized Tribal governments, and CTAs are eligible to apply for OBAG 3 County & Local Program funds.

URL: <https://mtc.ca.gov/funding/federal-funding/federal-highway-administration-grants/one-bay-area-grant-obag-3>

Summary: The One Bay Area Grant, now in its third iteration, guides how MTC distributes federal transportation funding from the Federal Highway Administration to projects and programs that improve safety, spur economic development, and help the Bay Area meet climate change and air quality improvement goals. Funds will be targeted to address critical climate and focused growth goals of Plan Bay Area 2050, and used to coordinate and deploy strategies that are best suited for regional implementation, such as:

- Climate Initiatives
- Transformational Transit Action Plan near-term investments
- Near-term multimodal operational improvements, such as Bay Bridge Forward
- Priority Development Areas (PDAs), Priority Conservation Areas (PCAs), and other new growth geographies planning and implementation
- Complete Streets Policy and Regional Active Transportation Plan
- Regional Safety/Vision Zero Policy
- Pavement Management Program

California Natural Resources Agency: Environmental Enhancement and Mitigation Grant

Deadline: June 2, 2023

Amount: \$500,000

Match: N/A

Eligibility:

1. Local, state, and federal agencies and 501(c)(3) nonprofit entities may apply for and receive grants. The applicant entity is not required to be transportation- or highway-related organization but must be able to demonstrate adequate charter or enabling authority to carry out the type of project proposed and be eligible for funding under Article XIX of the State Constitution. Partnerships are encouraged; however, a project proposal can only be submitted by one entity.
2. For Development projects, only one project proposal may be submitted per eligible applicant. However, more than one project proposal may be submitted per eligible applicant for Acquisition projects.

URL: <https://grantsforus.io/type-of-eligible-entity/organizations/nonprofits-with-501c3/environmental-enhancement-and-mitigation-grant-program-california/>

<https://resources.ca.gov/grants/environmental-enhancement-and-mitigation-eem/>

Summary: Environmental Enhancement and Mitigation (EEM) projects must contribute to the mitigation of the environmental effects of transportation facilities. Eligible EEM projects must fit one of the following categories:

- **Urban Forestry** – projects designed to offset vehicular emissions of carbon dioxide.

- **Resource Lands** – projects for the acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for transportation improvements.
- **Mitigation Projects Beyond the Scope of the Lead Agency** – projects to mitigate the impact of proposed Transportation Facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the scope of the lead agency responsible for assessing the environmental impact of the proposed transportation improvement.

Division of Boating and Waterways: Pumpout/Dump Station Installation Grant

Deadline: June 30, 2023

Amount: \$6,000

Match: Yes – 25%

Eligibility: Public and private marina owners

URL: https://dbw.parks.ca.gov/?page_id=29090

Summary: The Pumpout Facility Grant Program funds the operation and maintenance of pumpout and dump stations on California’s Waterways.

National Science Foundation: Disaster Resilience Research Grant

Deadline: June 20, 2023 (LOI)

Amount: \$200,000 to \$400,000

Match: No

Eligibility: NSF welcomes proposals on behalf of all qualified scientists, engineers, and educators

URL: https://www.nsf.gov/pubs/policydocs/pappg22_1/nsf22_1.pdf

Summary: With this joint solicitation, the NSF and the U.S Department of Commerce (DOC) National Institute for Standards and Technology (NIST) call for research proposals to advance fundamental knowledge related to disaster resilience. Advances in scientific and engineering methods and tools relevant to resilience are also of interest. Natural hazards that are of interest include, but are not limited to:

- Windstorm events, including hurricanes and tornadoes;
- Water events, including hurricanes, sustained rain, both coastal and inland flood, and tsunamis;
- Wildland-urban interface fires;
- Earthquakes.

Processes associated with disaster resilience that are of interest include, but are not limited to:

- Destructive forces associated with hazards, such as wind forces, seismic forces, water forces, and wildland-urban interface fire-related radiative, convective, or branding forces;
- Performance of structures and infrastructure in natural hazard events;
- Assessment of potential community-level disaster consequences, including characterization of risks, potential failures, and anticipated losses in support of planning and decision making;
- Development or assessment of alternatives for improving resilience that address prevention, preparedness, response, mitigation, or recovery;
- Diffusion, adoption and implementation of measures for resilience of households, organizations, or jurisdictions.

Entities associated with disaster resilience that are of interest include, but are not limited to:

- Structures; Infrastructures/Lifelines;
- Communities/National, State, Local, Tribal Territorial Jurisdictions;
- Households.

Disaster resilience-related policies and practices that are of interest include, but are not limited to:

- Building design practices, codes, and standards; Infrastructure design practices, codes, and standards;
- Community planning and decision making;

SAN MATEO COUNTY HARBOR DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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**SAN MATEO COUNTY HARBOR DISTRICT
 BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022**

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Table of Contents i

Elected Officials and Administrative Personnel ii

FINANCIAL SECTION:

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Basic Financial Statements:

Statements of Net Position 16

Statements of Revenues, Expenses, and Changes in Net Position 17

Statements of Cash Flows 18

Notes to the Basic Financial Statements 19

Required Supplementary Information:

Schedule of Plan's Proportionate Share of the Net Pension Liability and
 Related Ratios as of the Measurement Date 42

Schedule of Contributions 43

Schedule of Changes in the Total OPEB Liability and Related Ratios – Single Employer
 Longevity Health Insurance Premium Payment Program 44

Schedule of Contributions 45

Supplementary Information:

Schedule of Revenues, Expenses, and Changes in Net Position
 Administration 48

Schedule of Revenues, Expenses, and Changes in Net Position
 Pillar Point Harbor 49

Schedule of Revenues, Expenses, and Changes in Net Position
 Oyster Point Marina 50

***Independent Auditor's Report on Internal Control over Financial Reporting
 and on Compliance and Other Matters Based on an Audit of Financial
 Statements Performed in Accordance with Government Auditing Standards*** 51

**BOARD OF COMMISSIONERS
FY 2021-2022**

Virginia Chang-Kiraly - President
Nancy Reyering – Vice-President
Tom Mattusch - Treasurer
William Zemke - Secretary
Edmundo Larenas - Commissioner

**MANAGEMENT
FY 2021-2022**

James B. Pruett –General Manager

Prepared by the
Finance Department

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the
San Mateo County Harbor District
El Granada, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the San Mateo County Harbor District (District), California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the of the District as of June 30, 2022, and the changes in financial positions and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of a Matter - Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement 87, *Leases*, which became effective during the year ended June 30, 2022 and required restatement of certain governmental activities lease-related balances as discussed in Note 9 to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Pleasant Hill, California
March 3, 2023

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Management's Discussion and Analysis

This section of San Mateo County Harbor District's annual financial report presents our discussion and analysis of the District's financial status during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the District's basic financial statements (pages 16 - 18) and the footnotes (pages 19 - 39).

Financial Highlights

- The District's net position was \$53,811,196 on June 30, 2022. This was an increase of \$6,590,935 for the year. The increase is due to an increase in Capital Assets and Construction in Progress and a decrease in Net Pension Liability.
- The District's operating revenues increased by \$170,404, or 4.1%. Operating revenues accounted for 30.47% of all revenues. The increase was due to an increase in berth rental and rent/concession revenue.
- The District's operating expenses decreased by \$3,472,158, or 31.3%, due to no election costs in the fiscal year, a decrease in legal fees, and a decrease in salaries and benefits. See Summary of Expenses section for more information.
- Nonoperating revenues from taxes and investment income was \$9,764,296, or 68.5% of all revenues. Revenues in the form of grants and miscellaneous non-operating revenue total \$159,477 or 1.1% of all revenues.
- Net pension liabilities are \$285,821 and net Other Post Employment Benefit (OPEB) liabilities are \$2,764,384. Net pension liability decreased by \$2,618,522 or 90.2%. OPEB liability decreased \$559,003 or 16.8%. The reason for the pension liability changes were due to favorable market conditions that occurred in fiscal year 2020-2021. See Summary of Expenses section for more information.
- The District implemented GASB 87 in Fiscal Year 2021-2022, which required us to evaluate the leases we manage and record a lease receivable and related Deferred Inflow of Resources, like our pension and OPEB liabilities. The resulting entries also required us to record additional rental income of \$23,000 for the year.

Overview of the Financial Statements

This annual report consists of three parts- Management's Discussion and Analysis (this section), the basic financial statements including notes to the basic financial statements and required supplementary information. The basic financial statements include Proprietary (Enterprise) fund statements which offer short- and long-term financial information about the activities that the District operates as a business.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The basic financial statements consist of three statements:

- The Statement of Net Position presents information on all District assets/deferred outflows, and liabilities/deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that may result in cash flows in future periods.
- The Statement of Cash Flows presents information to show how the District’s cash changed throughout the fiscal year. It shows the sources and uses of cash.

The accounting basis and measurement focus for Proprietary Funds is accrual accounting and economic resources focused. All assets and liabilities, both financial and capital, and short- and long-term are included in the statements. All revenues and expenses are recorded regardless of when cash is received or paid.

Since the District is reported in one fund, an Enterprise Fund, which is one of the Proprietary Fund types, only one set of financial statements is necessary.

Financial Analysis of the District’s Overall Financial Position and Results of Operations

The District’s financial statements provide detailed information about the District’s one fund. Our analysis below focuses on the net position and the changes in net position of District activities in fiscal year ended June 30, 2022, as compared to fiscal year ended June 30, 2021.

| Comparative Statement of Net Position (condensed) | | | | |
|----------------------------------------------------------|----------------------|----------------------|--------------------------------|---------------------------|
| As of June 30, 2022 and 2021 | | | | |
| | <u>2022</u> | <u>2021</u> | <u>Increase (Decrease)</u> | <u>Percent Change</u> |
| Assets and Deferred Outflows of Resources: | | | | |
| Current assets | \$ 21,654,361 | \$ 24,031,636 | \$ (2,377,275) | (9.9)% |
| Non-current assets | 41,123,913 | 32,549,754 | 8,574,159 | 26.3% |
| Deferred Outflows of Resources | <u>1,609,914</u> | <u>2,433,641</u> | <u>(823,727)</u> | (33.8)% |
| Total assets and deferred outflows of resources | <u>64,388,188</u> | <u>59,015,031</u> | <u>5,373,157</u> | 9.1% |
| Liabilities and Deferred Inflows of Resources: | | | | |
| Current liabilities | 987,973 | 1,151,521 | (163,548) | (14.2)% |
| Non-current liabilities | 6,250,624 | 9,499,175 | (3,248,551) | (34.2)% |
| Deferred Inflows of Resources | <u>3,338,395</u> | <u>1,144,074</u> | <u>2,194,321</u> | 191.8% |
| Total liabilities and deferred inflows of resources | <u>10,576,992</u> | <u>11,794,770</u> | <u>(1,217,778)</u> | (10.3)% |
| Net position: | | | | |
| Net investment in capital assets | 39,020,317 | 32,549,754 | 6,470,563 | 19.9% |
| Unrestricted | <u>14,790,879</u> | <u>14,670,507</u> | <u>120,372</u> | 0.8% |
| Total net position | <u>\$ 53,811,196</u> | <u>\$ 47,220,261</u> | <u>\$ 6,590,935</u> | 14.0% |

The above table is a condensed schedule of the District’s Statement of Net Position (page 16). Additionally, the above table shows variance information to illustrate what items changed year over year.

Net position increased \$6,590,935, or 14.0%. Net investment in capital assets increased by \$8,574,159, or 26.3%. This increase was primarily due to our purchase of the Admin office building for \$2.99 million, a \$4.52 million increase in construction in progress during the year and adding a lease receivable of \$2.10 million resulting from the implementation of GASB 87. Non-current liabilities decreased by \$3,248,551 or 34.2% due to decreases in Net pension liability and Other post-employment benefits.

Comparative Statement of Revenues, Expenses, and Changes in Net Position (condensed)
For the years ended June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> | <u>Increase (Decrease)</u> | <u>Percent Change</u> |
|-------------------------------------|----------------------|----------------------|--------------------------------|---------------------------|
| Operating revenues | \$ 4,325,227 | \$ 4,154,823 | \$ 170,404 | 4.1% |
| Non-operating revenues | 9,923,773 | 9,171,875 | 751,898 | 8.2% |
| Total revenues | 14,249,000 | 13,326,698 | 922,302 | 6.9% |
| Operating expenses | 7,604,593 | 11,076,751 | (3,472,158) | (31.3)% |
| Non-operating expenses | 53,472 | 236,588 | (183,116) | (77.4)% |
| Total expenses | 7,658,065 | 11,313,339 | (3,655,274) | (32.3)% |
| Net income before contributions | 6,590,935 | 2,013,359 | 4,577,576 | 227.4% |
| Capital contributions | - | - | - | - |
| Increase (decrease) in net position | 6,590,935 | 2,013,359 | 4,577,576 | 227.4% |
| Net position: | | | | |
| Beginning of fiscal year | 47,220,261 | 45,206,902 | 2,013,359 | 4.5% |
| Prior period adjustment | - | - | - | |
| Beginning of fiscal year | 47,220,261 | 45,206,902 | 2,013,359 | 4.5% |
| End of fiscal year | <u>\$ 53,811,196</u> | <u>\$ 47,220,261</u> | <u>\$ 6,590,935</u> | 14.0% |

The above table is a condensed schedule of the District's Statement of Revenues, Expenses, and Changes in Net Position (page 17). This table shows the nature and source of the changes in our Net Position. Additionally, the above table shows variance information to illustrate what items changed year over year.

Operating revenues are those revenues that are generated from the primary enterprise operations of the District, such as fees collected for berth rent, use of the boat launch ramp and leased property rents. All other revenues are reported as non-operating revenues, such as property taxes or grant revenue received. Operating expenses are all the expenses that are essential to the primary operations of the District, such as salaries and wages, repairs and maintenance, contract services, and utilities. Expenses that are reported as non-operating expenses include costs not related to our harbor operation like payments to other agencies and changes to termination benefit liabilities.

Operating expenses decreased by \$3,472,158 or 31.3% due to decreased salaries and benefits expenses related to the calculation of our net pension liability. Market conditions in fiscal year 2020-2021 were favorable, and for GASB 68 purposes the District is required to record adjustments to lower salaries and benefits expense by about \$2,200,000 in the current fiscal year.

Non-operating expenses decreased by \$183,116 or 77.4%. due to decreased termination benefit expense related to the calculation of our other postemployment benefits (OPEB). Like our net pension liability above, market conditions in fiscal year 2020-2021 were favorable and GASB 75 requires the District to record adjustments to lower our termination benefits expense in the current fiscal year. See the Summary of Expenses section below for more information.

Summary of Revenues
For the Years Ended June 30, 2022 and 2021

| Revenue Source | 2022 | | 2021 | | Increase/ (Decrease) | Percentage Increase/ (Decrease) |
|--------------------------------------------------------------------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|-------------------------|---------------------------------------|
| | Total | Percentage of Total Revenue | Total | Percentage of Total Revenue | | |
| Berth rental/slip fees (berth rental, mooring fees, transient berths and dockage) | \$ 3,401,211 | 23.9% | \$ 3,311,696 | 24.9% | \$ 89,515 | 2.7% |
| Rents and concessions | 689,773 | 4.8% | 578,424 | 4.3% | 111,349 | 19.3% |
| Launching fees | 140,868 | 1.0% | 159,557 | 1.2% | (18,689) | (11.7)% |
| Events and permits | 26,964 | 0.2% | 28,478 | 0.2% | (1,514) | (5.3)% |
| Other operating | 66,411 | 0.5% | 76,668 | 0.6% | (10,257) | (13.4)% |
| Property taxes | 9,576,725 | 67.2% | 8,796,257 | 66.0% | 780,468 | 8.9% |
| Investment earnings | 187,571 | 1.3% | 238,120 | 1.8% | (50,549) | (21.2)% |
| Grants | 31,504 | 0.2% | 131,546 | 1.0% | (100,042) | (76.1)% |
| Miscellaneous | 127,973 | 0.9% | 5,952 | 0.0% | 122,021 | 2050.1% |
| Total revenues | \$ 14,249,000 | 100.0% | \$ 13,326,698 | 100.0% | \$ 922,302 | 6.9% |

The above table lists the District’s major sources of revenue; operating revenues (harbor operations revenue) are shown as well as nonoperating revenue (grant, investment, and property tax revenue). The District records revenue on an accrual basis, meaning the revenues listed above are recognized when services are earned (or billed to customers). Non-cash related transactions, such as a gain/loss on disposition of assets are not shown above. Additionally, the above table shows variance information to illustrate what items changed year over year.

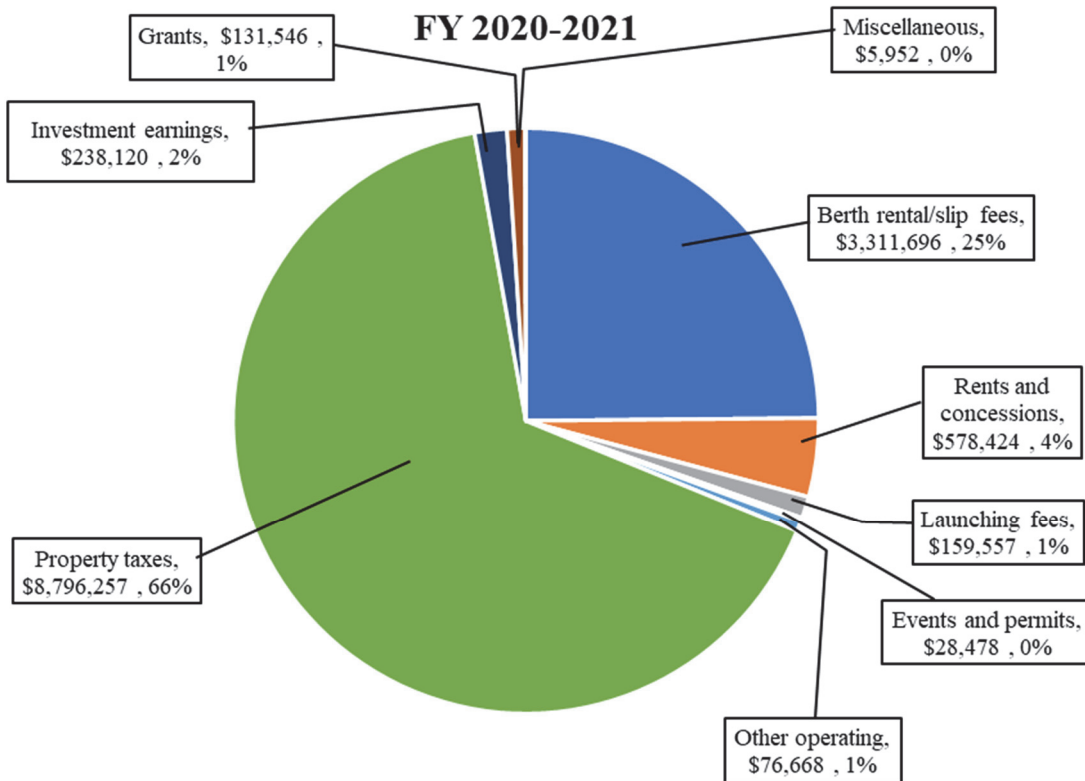
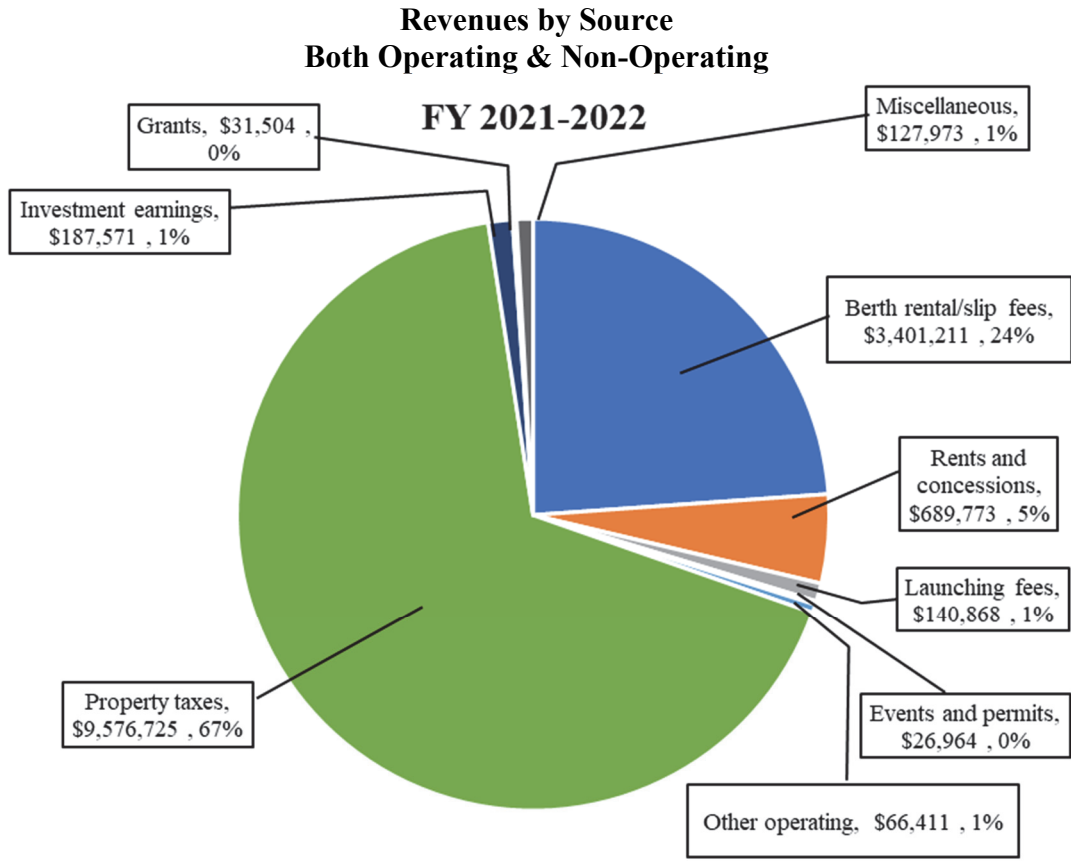
Berth rental/transient fees increased slightly during the year, and as a whole Operating Revenues increased compared to last year. An increase of Rents and concessions increased due to several reasons -

- The District introduced a new Off the Boat Sales program at Pillar Point Harbor which began in January 2022. Under this program, berthers at PPH can apply for a permit which allows them to sell their fish off their boat and remit the District a fee of 2.5% of their gross sales.
- Additionally, the District purchased the Admin office building (504 Avenue Alhambra) we occupied in El Granada which came with three commercially rentable units (not including the District office space), providing additional rental income for the District.

Property taxes consist of 67.2% of the District’s total revenues, and the District saw an increase in property tax revenue from San Mateo County due to rising property values. Investment earnings decreased due to lower interest rates during this fiscal year compared to last. Grant revenue decreased versus last year due to delays in submitting reimbursements for grant monies.

Miscellaneous revenue increased due to a one time receipt of \$122,000 for COVID-19 relief. The funds were received from the State of California and were intended “to provide relief to independent special districts that have not received other forms of COVID-19 fiscal relief directly from the state or federal government, and have incurred revenue losses or unanticipated costs due to the COVID-19 public health emergency.”

The following is a graphic illustration of District revenues by source for the current and previous fiscal years:



Summary of Expenses
For the years ended June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> | <u>Increase (Decrease)</u> | <u>Percent Change</u> |
|----------------------------------------------|---------------------|----------------------|--------------------------------|---------------------------|
| Operating expenses: | | | | |
| Administration | \$ 1,716,072 | \$ 2,793,336 | \$ (1,077,264) | (38.6)% |
| Pillar Point Harbor | 3,087,325 | 4,724,217 | (1,636,892) | (34.6)% |
| Oyster Point Marina | 1,608,073 | 2,421,180 | (813,107) | (33.6)% |
| Depreciation and amortization | <u>1,193,123</u> | <u>1,138,018</u> | <u>55,105</u> | 4.8% |
| Total operating expenses | 7,604,593 | 11,076,751 | (3,472,158) | (31.3)% |
| Non-operating expenses: | | | | |
| Claim settlements | - | - | - | |
| (Gain) loss on disposition of capital assets | - | (7,300) | 7,300 | (100.0)% |
| Termination benefits | (35,182) | 155,307 | (190,489) | (122.7)% |
| Payments to other agencies | <u>88,654</u> | <u>88,581</u> | <u>73</u> | 0.1% |
| Total non-operating expenses | 53,472 | 236,588 | (183,116) | (77.4)% |
| Total expenses | <u>\$ 7,658,065</u> | <u>\$ 11,313,339</u> | <u>\$ (3,655,274)</u> | (32.3)% |

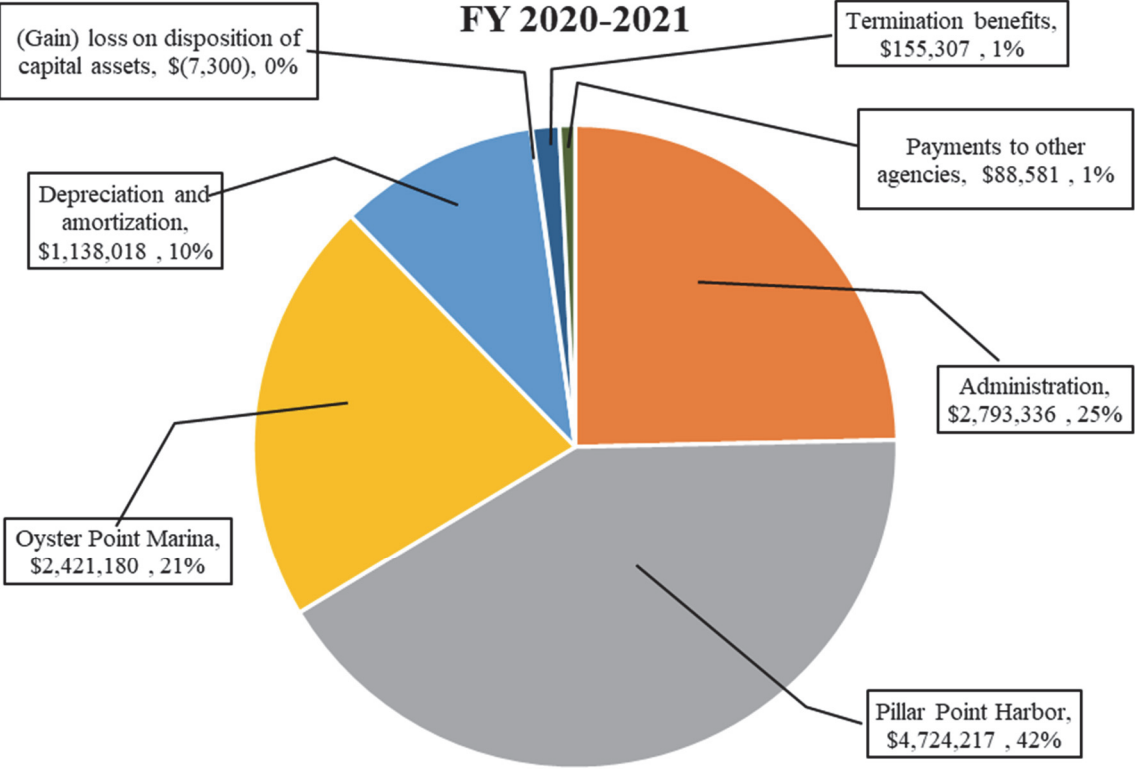
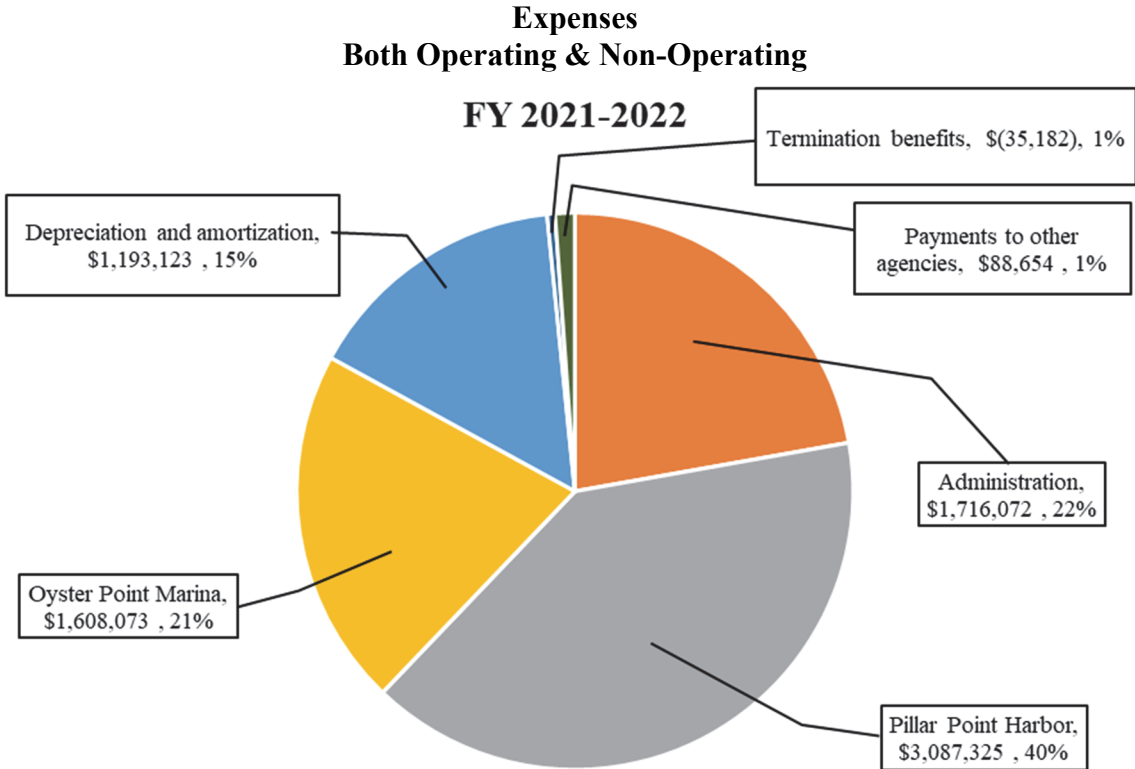
The District's operating expenses experienced overall decreases this year. The main reasons for the decreases were due to decreased Elections cost, Salaries and Wages, and Legal fees. Fiscal Year 2020-2021 was an election year, so the District had an increased cost of about \$437,000. Election expense continues to be one of the District's largest expense items that occurs biennially.

All three departments saw large decreases to Salaries and Wages. A decrease of about \$2,200,000 was due to GASB 68 adjustments, which requires us to lower our salaries and wages expense due to favorable market conditions that occurred in fiscal year 2020-2021 for our CalPERS pension liability. It should be noted that this is a "paper" decrease, and not a decrease in cash paid. The District expects an opposite increase to occur in fiscal year 2023-2024 due to unfavorable market conditions that are presently occurring in the current fiscal year 2022-2023. A portion of the Salaries and Wages decrease was also due to several positions being vacant during the year.

Legal costs decreased by about \$407,000 for Pillar Point Harbor compared to last fiscal year. In fiscal year 2020-2021 the District had higher legal fees than usual due to the JAMS Arbitration with the three lessee fishbuyers. The arbitration has completed and the District was awarded reimbursement of legal costs that will be repaid to the District over time.

A gain on disposition of assets was realized last fiscal year because the District was able to sell salvaged parts from two rescue watercrafts that were destroyed during a search and rescue incident that occurred last year. There were no dispositions of capital assets this fiscal year.

The following is a graphic illustration of District expenses for the current and previous fiscal years:



Capital Assets and Long-Term Debt Activity

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2022, was \$39,020,317. The total increase in net assets from the prior year was 19.9%. This increase was due to the purchase of the Admin office building in June 2022 and the increase in construction in progress during the fiscal year. There were no asset disposals during the year. The table below shows the ending balances of District capital assets, as well as variance information to illustrate what changed year over year.

Comparative Schedule of Capital Assets For the years ended June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> | <u>Increase (Decrease)</u> | <u>Percent Change</u> |
|--------------------------------|----------------------|----------------------|--------------------------------|---------------------------|
| Nondepreciable assets | | | | |
| Land | \$ 14,385,155 | \$ 14,385,155 | \$ - | 0.0% |
| Construction in progress | <u>6,960,322</u> | <u>2,439,389</u> | <u>4,520,933</u> | 185.3% |
| Total nondepreciable assets | 21,345,477 | 16,824,544 | 4,520,933 | 26.9% |
| Autos and trucks | 230,559 | 230,559 | - | 0.0% |
| Boats and radar | 924,271 | 911,707 | 12,564 | 1.4% |
| Breakwater | 12,896,267 | 12,896,267 | - | 0.0% |
| Utilities | 1,155,521 | 1,155,521 | - | 0.0% |
| Launch Ramps | 3,957,424 | 3,957,424 | - | 0.0% |
| Piers | 6,131,836 | 6,131,836 | - | 0.0% |
| Bulkheads | 100,000 | 100,000 | - | 0.0% |
| Buildings and improvements | 9,698,980 | 6,711,217 | 2,987,763 | 44.5% |
| Docks | 11,058,431 | 11,058,431 | - | 0.0% |
| Parking lots | 1,930,860 | 1,930,860 | - | 0.0% |
| Walkways/Paths | 1,772,709 | 1,772,709 | - | 0.0% |
| Machinery and equipment | <u>483,212</u> | <u>340,784</u> | <u>142,428</u> | 41.8% |
| Subtotal | 50,340,070 | 47,197,315 | 3,142,755 | 6.7% |
| Less: Accumulated Depreciation | <u>(32,665,230)</u> | <u>(31,472,105)</u> | <u>(1,193,125)</u> | 3.8% |
| Depreciable assets, net | 17,674,840 | 15,725,210 | 1,949,630 | 12.4% |
| Total Capital Assets | <u>\$ 39,020,317</u> | <u>\$ 32,549,754</u> | <u>\$ 6,470,563</u> | 19.9% |

Construction in progress increased due to many projects progressing during the year, such as West Trail Shoreline Protection (Pillar Point Harbor), Dock H Replacement (Pillar Point Harbor), East Dock Replacement (Oyster Point Marina), Entrance Navigation Aids Project (Oyster Point Marina), and the implementation of our ERP System (Administration). Two projects were completed during the year - the purchase of our new Administration building (504 Avenue Alhambra, El Granada, CA 94018) and the installation of some Boating Safety & Enforcement Equipment on one of our vessels at Pillar Point Harbor. Both were placed in service during the fiscal year.

Economic Factors and Next Year's Budgets and Rates

The District's Fiscal Year 2022-2023 Operating Budget includes estimated Operating Revenues of \$4,550,000 and Non-Operating Revenues of \$9,297,000 for a total of \$13,847,000. The estimated total expenditures for fiscal year 2022-2023 are \$11,529,000 (not including capital expenditures). Budgeted total revenues of \$13,847,000 less budgeted total expenditures of \$11,529,000 provide an estimated \$2,318,000 that may be used for funding of one-time costs including capital project costs.

The District's five-year Capital Improvement Program includes an estimate for 2022-2023 of \$7,921,450 in Capital Improvement expenditures funded by \$800,000 from a Department of Boating and Waterways (State of CA) grant, \$212,000 in a Coastal Conservancy (State of CA) grant, \$298,000 in a Metropolitan Transportation Commission grant, and \$6,611,450 from available Working Capital.

Contacting the District

This financial report is designed to provide our customers and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and is allocated to it. If you have any questions concerning any of the information provided in this report or requests for additional financial information, please contact:

San Mateo County Harbor District
PO Box 1449
El Granada, CA 94018

James Pruett, General Manager

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BASIC FINANCIAL STATEMENTS

SAN MATEO COUNTY HARBOR DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|--------------------------------------------------------------------------|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and investments (Note 2) | \$ 20,896,148 | \$ 23,257,015 |
| Accounts receivables: | | |
| Customers | 527,871 | 590,333 |
| Interest | 55,505 | 54,409 |
| Other | - | 108,842 |
| Prepaid expenses and deposits | 174,837 | 21,037 |
| Total current assets | 21,654,361 | 24,031,636 |
| NON-CURRENT ASSETS | | |
| Lease receivable (Note 9) | 2,103,596 | - |
| Capital assets (Note 3): | | |
| Land | 14,385,155 | 14,385,155 |
| Construction in progress | 6,960,322 | 2,439,389 |
| Depreciable assets | 50,340,070 | 47,197,315 |
| Less accumulated depreciation | (32,665,230) | (31,472,105) |
| Total non-current assets | 41,123,913 | 32,549,754 |
| TOTAL ASSETS | 62,778,274 | 56,581,390 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related (Note 7) | 1,265,065 | 1,882,344 |
| OPEB related (Note 8) | 344,849 | 551,297 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 1,609,914 | 2,433,641 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 64,388,188 | \$ 59,015,031 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 396,036 | \$ 402,854 |
| Accrued payroll | 117,562 | 102,188 |
| Customer deposit | 398,995 | 387,880 |
| Unearned revenue (Note 4) | 75,380 | 258,599 |
| Total current liabilities | 987,973 | 1,151,521 |
| NON-CURRENT LIABILITIES | | |
| Unearned revenue (Note 4) | 2,728,363 | 2,794,909 |
| Compensated absences | 472,056 | 476,536 |
| Net pension liability (Note 7) | 285,821 | 2,904,343 |
| Net OPEB Liability (Note 8) | 2,764,384 | 3,323,387 |
| Total non-current liabilities | 6,250,624 | 9,499,175 |
| TOTAL LIABILITIES | 7,238,597 | 10,650,696 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Lease related (Note 9) | 2,080,050 | - |
| Pension related (Note 7) | 940,971 | 1,144,074 |
| OPEB related (Note 8) | 317,374 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 3,338,395 | 1,144,074 |
| NET POSITION (Note 5) | | |
| Net investment in capital assets | 39,020,317 | 32,549,754 |
| Unrestricted | 14,790,879 | 14,670,507 |
| TOTAL NET POSITION | 53,811,196 | 47,220,261 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 64,388,188 | \$ 59,015,031 |

See accompanying notes to financial statements

SAN MATEO COUNTY HARBOR DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|----------------------------------------------|----------------------|----------------------|
| OPERATING REVENUES | | |
| Berth rental | \$ 3,401,211 | \$ 3,311,696 |
| Launching fees | 140,868 | 159,557 |
| Rents and concessions | 689,773 | 578,424 |
| Events and permits | 26,964 | 28,478 |
| Other operating revenues | 66,411 | 76,668 |
| Total Operating Revenues | 4,325,227 | 4,154,823 |
| OPERATING EXPENSES | | |
| Administration | 1,716,072 | 2,793,336 |
| Pillar Point Harbor | 3,087,325 | 4,724,217 |
| Oyster Point Marina | 1,608,071 | 2,421,180 |
| Depreciation and amortization | 1,193,125 | 1,138,018 |
| Total Operating Expenses | 7,604,593 | 11,076,751 |
| Operating Income (Loss) | (3,279,366) | (6,921,928) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Grants | 31,504 | 131,546 |
| Investment earnings | 187,571 | 238,120 |
| Property taxes | 9,576,725 | 8,796,257 |
| Gain (loss) on disposition of capital assets | - | 7,300 |
| Termination benefits | 35,182 | (155,307) |
| Payments to other agencies | (88,654) | (88,581) |
| Miscellaneous revenue | 127,973 | 5,952 |
| Total Nonoperating Revenues (Expenses) | 9,870,301 | 8,935,287 |
| CHANGES IN NET POSITION | 6,590,935 | 2,013,359 |
| NET POSITION, BEGINNING OF YEAR | 47,220,261 | 45,206,902 |
| NET POSITION, END OF YEAR | \$ 53,811,196 | \$ 47,220,261 |

See accompanying notes to financial statements

**SAN MATEO COUNTY HARBOR DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

| | 2022 | 2021 |
|-------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | \$ 4,471,889 | \$ 4,179,783 |
| Payments to suppliers | (2,810,175) | (3,767,529) |
| Payments to or on behalf of employees | (6,194,012) | (5,804,440) |
| Other receipts and payments | 127,973 | 5,952 |
| Net cash provided (used) by operating activities | (4,404,325) | (5,386,234) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Property taxes net of collection fees | 9,576,725 | 8,796,257 |
| Receipts from grants | 31,504 | 131,546 |
| Payments to other agencies | (88,654) | (88,581) |
| Net cash provided (used) by noncapital financing activities | 9,519,575 | 8,839,222 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisitions and construction on capital assets | (7,663,688) | (945,865) |
| Proceeds from the sale of assets | - | 7,300 |
| Net cash provided (used) by capital and related financing activities | (7,663,688) | (938,565) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received on investments | 187,571 | 238,120 |
| Net cash provided (used) in investing activities | 187,571 | 238,120 |
| Net increase (decrease) in cash and cash equivalents | (2,360,867) | 2,752,543 |
| CASH AND INVESTMENTS: | | |
| Beginning of year | 23,257,015 | 20,504,472 |
| End of year | \$ 20,896,148 | \$ 23,257,015 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (3,279,366) | \$ (6,921,928) |
| Nonoperating income (loss), other than those from financing, capital related, or investing activities | 163,155 | (149,355) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation and amortization expense | 1,193,125 | 1,138,018 |
| Change in assets, liabilities, deferred outflows of resources and deferred inflows of resources: | | |
| Decrease in accounts receivable | 170,208 | 24,960 |
| (Increase) in leases receivable and related deferred inflows | (23,546) | - |
| (Increase) decrease in prepaid expenses | (153,800) | 372,148 |
| (Decrease) in accounts payable and accrued liabilities | (6,818) | (404,546) |
| Increase in accrued payroll | 15,374 | 16,005 |
| (Decrease) in deposits and unearned revenue | (238,650) | (46,374) |
| (Decrease) increase in accrued vacation and sick leave | (4,480) | 102,728 |
| (Decrease) increase in net pension liability and related deferred inflows and outflows | (2,204,346) | 326,803 |
| (Decrease) increase in net OPEB liability and related deferred inflows and outflows | (35,181) | 155,307 |
| Net cash (used) by operating activities | \$ (4,404,325) | \$ (5,386,234) |

See accompanying notes to financial statements

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the San Mateo County Harbor District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District is accounted for as an enterprise fund and applies all applicable GASB pronouncements in its accounting and reporting. The more significant of the District's accounting policies are described below.

The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

A. Description of the Entity and its Programs

The District is organized under the Harbor and Navigation provisions of the general laws of the State of California and is governed by a five-member Board of Commissioners elected at large by the registered voters of the District. The District has three locations: Pillar Point Harbor, located in the unincorporated area of Princeton, Oyster Point Marina, located in South San Francisco, and an Administrative Office located in El Granada. The District serves the entire County of San Mateo.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Commissioners. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, Net Position, revenues, and expenses of the District only.

As defined by GASB Statements No. 14 and 39, *The Financial Reporting Entity*, the District is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, the District is not aware of any entity which would be financially accountable for the District which would result in the District being considered a component of the entity.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting Classification and Basis of Accounting

On the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, business-like activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position.

District funds are classified as enterprise funds, which account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, and cash flow from operations.

C. Cash and Investments

For the purposes of the Statement of Net Position and Statement of Cash Flows, “cash equivalents and investments” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months.

D. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Capital assets are carried at cost or estimated cost if actual cost was not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Depreciation is calculated on a straight-line basis using the following useful life schedule:

| Asset | Useful Life |
|----------------------------|----------------|
| Autos and trucks | 3 to 10 years |
| Boats and radar | 3 to 10 years |
| Signs | 10 years |
| Breakwater | 50 years |
| Utilities | 20 years |
| Channels | 20 years |
| Launch Ramps | 20 years |
| Piers | 25 to 50 years |
| Bulkheads | 50 years |
| Buildings and improvements | 10 to 40 years |
| Docks | 20 to 30 years |
| Parking Lots | 10 to 25 years |
| Walkways/Paths | 25 to 30 years |
| Machinery and Equipment | 3 to 20 years |

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

F. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

G. Property Taxes

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among counties, cities, school districts, and other districts.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes (continued)

San Mateo County assesses, bills for, and collects property taxes as follows:

| | <u>Secured</u> | <u>Unsecured</u> |
|------------------|--------------------------------------------------------|------------------|
| Lien dates | March 1 | March 1 |
| Levy dates | July 1 | July 1 |
| Due dates | 50% on November 1 and 50% on March 1 | July 1 |
| Delinquent as of | December 10 (for November) and April 10 for (March) | August 31 |

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the District and the County of San Mateo (County). The Teeter Plan authorizes the Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the District in three installments, as follows:

| |
|-----------------------------|
| 50% remitted on December 15 |
| 40% remitted on April 15 |
| 10% remitted on June 15 |

H. Accrued Vacation and Sick Leave

The liability for vested vacation (PTO) is recorded as an expense when the hours are earned. When PTO is used it offsets the PTO liability account. For “represented” employees, unused balances of PTO are carried over from year to year but cannot exceed 480 hours. For “management” employees, unused balances of PTO are carried over from year to year but cannot exceed 540 hours. District employees’ sick leave accrues from year to year with no cap. Employees can use their sick leave upon 1) employee’s medical absence, 2) to care for a dependent minor with medical conditions, 3) employee qualifies for State Disability, or 4) employee is eligible for Worker’s Compensation. In addition, during the COVID-19 pandemic, employees may use sick leave for COVID-19 related issues.

I. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until that time.

J. Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

**SAN MATEO COUNTY HARBOR DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government’s financial statements for the year ended June 30, 2021, from which the summarized information was derived. In addition, the balances at June 30, 2021 were not restated for the implementation of GASB 87, *Leases*.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

The District's cash and temporary investments are carried at market, and include the following at June 30:

| | 2022 | 2021 | |
|--------------|---------------|---------------|--|
| Cash in bank | \$ 970,620 | \$ 4,641,519 | |
| Investments | 19,923,390 | 18,613,246 | |
| Cash on hand | 2,138 | 2,250 | |
| | \$ 20,896,148 | \$ 23,257,015 | |

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Authorized Investments

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded.

The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive.

| Authorized Investment Type | Maximum Maturity | Authorized Limit (%) | Minimum Credit Quality |
|----------------------------------------------|---------------------|-------------------------|------------------------------|
| Local Agency Bonds | 5 Years | None | N/A |
| U.S. Treasury Bills, Notes, or Bonds | 5 Years | None | N/A |
| State Warrants | 5 Years | None | N/A |
| Notes & Bonds of other Local Agencies | 5 Years | None | N/A |
| U.S. Agencies | 5 Years | None | N/A |
| Bankers Acceptance | 180 Days | 40% | N/A |
| Prime Commercial Paper | 270 Days | 25% | A1, P1 |
| Negotiable Certificates of Deposit | 5 Years | 30% | N/A |
| Repurchase Agreement (A) | 1 Year | 20% | N/A |
| Medium Term Corporate Notes | 5 Years | 30% | A |
| Money Market Mutual Funds & Mutual Funds (B) | 5 Years | 20% | AAA |
| Collateralized Bank Deposits | 5 Years | None | N/A |
| Mortgage Pass-Through Securities | 5 Years | 20% | AAA |
| Local Agency Investment Fund (LAIF) | N/A | None | N/A |
| County Pooled Investment Funds | N/A | None | N/A |

(A) See California Government Code Section 53601 (I) for limits on the use of Reverse Repurchase Agreements

(B) Mutual Funds maturity may be defined as the weighted average maturity. Under SEC Regulations,

Money Market Mutual funds must have an average maturity of 90 days or less

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity date:

| Investment Type | 12 Months or less | June 30, 2022 | |
|-----------------------------------------|----------------------|----------------------|----------------------|
| | | Total | June 30, 2021 |
| California Local Agency Investment Fund | \$ 7,468 | \$ 7,468 | \$ 7,447 |
| San Mateo County Investment Fund | 19,915,922 | 19,915,922 | 18,605,799 |
| Total Investments | <u>\$ 19,923,390</u> | <u>19,923,390</u> | <u>18,613,246</u> |
| Cash in banks and on hand | | <u>972,758</u> | <u>4,643,769</u> |
| Total Cash and Investments | | <u>\$ 20,896,148</u> | <u>\$ 23,257,015</u> |

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2022 and 2021 these investments matured in an average of 311 and 291 days.

The District invests in the San Mateo County Treasury (County), which sponsors an investment pool to invest funds of the County and external public entities, such as the District. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's Investment Policy, which delegate the County Treasurer to invest in securities issued by the United States, certain corporate bonds and notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, the State of California Local Agency Investment Fund, and securities lending transactions. Participants' equity in the County's investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 2 – CASH AND INVESTMENTS (Continued)

D. Fair Value Hierarchy

The San Mateo County Investment Fund and the Local Agency Investment Fund are exempt from fair value hierarchy.

E. Credit Rate Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's only investments are in the California Local Agency Investment Fund and San Mateo County Investment Fund which are not rated at June 30, 2022 and 2021.

NOTE 3 – CAPITAL ASSETS

Changes in capital assets and depreciation for the years ended June 30, 2022 and 2021 were as follows:

| | Balance June 30, 2021 | Additions | Transfers and Adjustments | Balance June 30, 2022 |
|--------------------------------------------|--------------------------|--------------|------------------------------|--------------------------|
| Capital assets | | | | |
| Nondepreciable | | | | |
| Land | \$ 14,385,155 | \$ - | \$ - | \$ 14,385,155 |
| Construction in progress | 2,439,389 | 4,577,747 | (56,814) | 6,960,322 |
| Total capital assets not being depreciated | 16,824,544 | 4,577,747 | (56,814) | 21,345,477 |
| Depreciable | | | | |
| Autos and Trucks | 230,559 | - | - | 230,559 |
| Boats and radar | 911,707 | 12,564 | - | 924,271 |
| Breakwater | 12,896,267 | - | - | 12,896,267 |
| Utilities | 1,155,521 | - | - | 1,155,521 |
| Launch Ramps | 3,957,424 | - | - | 3,957,424 |
| Piers | 6,131,836 | - | - | 6,131,836 |
| Bulkheads | 100,000 | - | - | 100,000 |
| Buildings and improvements | 6,711,217 | 2,987,763 | - | 9,698,980 |
| Docks | 11,058,431 | - | - | 11,058,431 |
| Parking lots | 1,930,860 | - | - | 1,930,860 |
| Walkways/Paths | 1,772,709 | - | - | 1,772,709 |
| Machinery and equipment | 340,784 | 85,614 | 56,814 | 483,212 |
| Total capital assets being depreciated: | 47,197,315 | 3,085,941 | 56,814 | 50,340,070 |
| Accumulated depreciation | (31,472,105) | (1,193,125) | | (32,665,230) |
| Total depreciable assets (net) | 15,725,210 | 1,892,816 | 56,814 | 17,674,840 |
| Total capital assets | \$ 32,549,754 | \$ 6,470,563 | \$ - | \$ 39,020,317 |

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 3 – CAPITAL ASSETS (Continued)

| | Balance June 30, 2020 | Additions | Transfers and Adjustments | Balance June 30, 2021 |
|--------------------------------------------|--------------------------|--------------|------------------------------|--------------------------|
| Capital assets | | | | |
| Nondepreciable | | | | |
| Land | \$ 14,385,155 | \$ - | \$ - | \$ 14,385,155 |
| Construction in progress | 2,040,225 | 837,704 | (438,540) | 2,439,389 |
| Total capital assets not being depreciated | 16,425,380 | 837,704 | (438,540) | 16,824,544 |
| Depreciable | | | | |
| Autos and Trucks | 230,559 | - | - | 230,559 |
| Boats and radar | 911,707 | - | - | 911,707 |
| Breakwater | 12,896,267 | - | - | 12,896,267 |
| Utilities | 1,155,521 | - | - | 1,155,521 |
| Launch Ramps | 3,957,424 | - | - | 3,957,424 |
| Piers | 6,131,836 | - | - | 6,131,836 |
| Bulkheads | 100,000 | - | - | 100,000 |
| Buildings and improvements | 6,164,516 | 108,161 | 438,540 | 6,711,217 |
| Docks | 11,058,431 | - | - | 11,058,431 |
| Parking lots | 1,930,860 | - | - | 1,930,860 |
| Walkways/Paths | 1,772,709 | - | - | 1,772,709 |
| Machinery and equipment | 340,784 | - | - | 340,784 |
| Total capital assets being depreciated: | 46,650,614 | 108,161 | 438,540 | 47,197,315 |
| Accumulated depreciation | (30,334,087) | (1,138,018) | | (31,472,105) |
| Total depreciable assets (net) | 16,316,527 | (1,029,857) | 438,540 | 15,725,210 |
| Total capital assets | \$ 32,741,907 | \$ (192,153) | \$ - | \$ 32,549,754 |

NOTE 4 – UNEARNED REVENUE

On September 10, 2009, the District entered into an Oyster Point Marina lease agreement with Department of Boating and Waterways (DBW) for a period of fifty-five (55) years. Conditionally, the DBW received a payment in the amount of \$3,660,000 from California Emergency Management Agency on the Water Emergency Transportation Authority's (WETA) behalf. This payment was allocated to the District's outstanding debt principal of the consolidated loan agreement between the District and DBW. The District recognizes income for this payment proportionally over the life of the lease and on an annual basis. As of June 30, 2022, the District's total unearned revenues was \$2,803,743 of which \$2,728,363 was related to WETA.

NOTE 5 – NET POSITION

The District's Reserve Policy requires minimum reserves to equal at least 25% of the Operating Budget Appropriations adjusted to include 50% of biennial appropriations (e.g., election costs) and not include non-recurring appropriations.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 6 – RISK MANAGEMENT

The District insurance, workers’ compensation, and employer’s liability through the Special District Risk Management Authority risk pool (SDRMA). SDRMA is a risk pooling self-insurance authority, created under the provisions of California Government Code Section 6500, et. seq. The purpose of SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. Maximum coverage and deductible amounts are as follows:

| Type of Coverage | Coverage Limit | Retention/Deductible |
|--------------------------------------|------------------|----------------------|
| Property | \$ 1,000,000,000 | \$ 1,000 |
| Boiler & Machinery | 100,000,000 | 1,000 |
| Pollution | 2,000,000 | 1,000 |
| Cyber | Limits on File | 1,000 |
| Mobile Equipment | 800,000,000 | No deductible |
| General Liability | 10,000,000 | 500 |
| Employee/Public Officials Dishonesty | 1,000,000 | No deductible |
| Auto Liability | 10,000,000 | 1,000 |
| Trailer | Limits on File | No deductible |
| Employers' Liability | 5,000,000 | No deductible |
| Workers' Compensation | Statutory | No deductible |

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past five fiscal years.

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS)

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Rate Plan. The District’s Miscellaneous Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA) Assembly Bill 340 is applicable to employees new to CalPERS hired after December 31, 2012.

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

| | <u>Miscellaneous</u> | <u>Miscellaneous PEPRA</u> |
|---------------------------------------------------|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | |
| Benefit formula | 2.5% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 55 | 62 |
| Monthly benefits, as a % of eligible compensation | 2.0-2.5% | 1.0-2.5% |
| Required employee contribution rates | 8.00% | 6.75% |
| Required employer contribution rates | 11.59% | 7.59% |

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$251,696 in fiscal year 2022.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

As of June 30, 2022, the District reported a net pension liability of \$285,821 for its proportionate share of the net pension liability of the Plan as follows:

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District’s proportion of the net pension liability was based on projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

| | Miscellaneous |
|------------------------------|---------------|
| Proportion - June 30, 2020 | 0.06885% |
| Proportion - June 30, 2021 | 0.01505% |
| Change - Increase (Decrease) | -0.05380% |

For the year ended June 30, 2022, the District recognized negative pension expense of \$2,204,345. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 554,340 | \$ - |
| Differences between actual and expected experience | 32,052 | - |
| Changes in assumptions | - | - |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 678,673 | (691,464) |
| Net differences between projected and actual earnings on plan investments | - | (249,507) |
| Total | \$ 1,265,065 | \$ (940,971) |

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

The \$554,340 reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2023 | \$ (30,761) |
| 2024 | (73,695) |
| 2025 | (56,839) |
| 2026 | (68,951) |
| Total | <u>\$ (230,246)</u> |

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The total pension liability for the measurement date June 30, 2021 was based on the following actuarial methods and assumptions:

| | |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | June 30, 2020 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Mortality | Derived using CalPERS' Membership Data for all Funds (1) |
| Post Retirement Benefit Increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter. |

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016 (based on CalPERS demographic data from 1997 to 2015). For more details on this table, please refer to the CalPERS 2017 experience study report available on CalPERS website (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in both valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years)) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rates of return by asset class.

| Asset Class (a) | New Strategic Allocation | Real Return Years 1 - 10(b) | Real Return Years 11+(c) |
|------------------|--------------------------------|--------------------------------|-----------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Fixed Income | 28.0% | 1.00% | 2.62% |
| Inflation Assets | 0.0% | 0.77% | 1.81% |
| Private Equity | 8.0% | 6.30% | 7.23% |
| Real Estate | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| Total | <u>100%</u> | | |

- (a) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.00% used for this period.
- (c) An expected inflation of 2.92% used for this period.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the next pension liability for the Plan calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate at June 30, 2022:

| | Miscellaneous |
|-----------------------|----------------|
| 1% Decrease | 6.15% |
| Net Pension Liability | \$ 3,002,424 |
| Current Discount Rate | 7.15% |
| Net Pension Liability | \$ 285,821 |
| 1% Increase | 8.15% |
| Net Pension Liability | \$ (1,959,956) |

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Reduction of CalPERS Discount Rate – On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

A. General Information about the District’s Post Employment Benefit Plan

Plan Description – Eligible District employees receive Post Employment Benefits through a single employer defined benefit plan upon termination. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2022:

| All San Mateo County Harbor District Employees | |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Eligibility</i> | Employees hired after January 1, 1981 but prior to July 1, 2009, with no less than 12 years of service at the time of termination. Employee must not have been terminated for good cause. |
| <i>Benefit</i> | At the time of termination, the individual and their dependents may continue their then existing health, dental, and vision benefits, and life insurance, at the District's expense. These benefits may only be collected for a period that is equal to half of the time the individual was employed with the District. |

For the year ended June 30, 2022, the District’s contributions to the Plan were \$559,003.

Employee Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2022:

| | |
|--------------------------------------------------------------------------|----|
| Active employees | 11 |
| Inactive employees or beneficiaries currently receiving benefit payments | 9 |
| Total | 20 |

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. Total OPEB Liability

Actuarial Methods and Assumptions – The District’s total OPEB liability was measured as of June 30, 2022 and the total OPEB liability was determined by an actuarial valuation dated July 1, 2020 that was rolled forward using standard update procedures to determine the total liability as of June 30, 2022, based on the following actuarial methods and assumptions:

| | Actuarial Assumptions |
|-----------------------------------------------|---------------------------------------------------------------------------------|
| Valuation Date | July 1, 2020 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Discount Rate | 3.69% |
| Long-Term Expected Return of Plan Investments | 4.00% |
| Payroll Growth | 3.00% |
| Healthcare Trend Rates | 3.00% for 2021-2023; 4.00% for 2024-2069, and 3.00% for 2070 and later years |

The discount rate was based on the Municipal Bond 20-Year High Grade Rate Index.

The underlying mortality assumptions and all other actuarial assumptions used in the July 1, 2021 valuation were based on the results of a plan experience from the 2017 CalPERS Experience Study.

C. Changes in Net OPEB Liability

The changes in the Net OPEB liability follows:

| | Increase (Decrease) | | |
|------------------------------------------------------|-----------------------------|------------------------------------|-------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balance at June 30, 2021 | \$ 3,323,387 | \$ - | \$ 3,323,387 |
| Changes Recognized for the Measurement Period: | | | |
| Service costs | 106,638 | - | 106,638 |
| Interest on the total OPEB liability | 63,189 | - | 63,189 |
| Difference between expected and actual experience | - | - | - |
| Changes of assumptions | (449,613) | - | (449,613) |
| Employer contributions | | 279,217 | (279,217) |
| Benefit payments | (559,003) | (559,003) | - |
| Net Changes | (838,789) | (279,786) | (559,003) |
| Balance at June 30, 2022 | \$ 2,484,598 | \$ (279,786) | \$ 2,764,384 |

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

D. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$35,182. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between actual and expected experience | \$ 96,644 | \$ - |
| Changes of assumptions | 248,205 | (317,374) |
| Differences between projected and actual return on investments | - | - |
| Total | \$ 344,849 | \$ (317,374) |

Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2023 | \$ 74,207 |
| 2024 | 6,164 |
| 2025 | (52,896) |
| Total | \$ 27,475 |

E. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

| Total OPEB Liability/(Asset) | | |
|------------------------------|----------------------------------|------------------------------|
| Discount Rate -1% (2.69%) | Current Discount Rate (3.69%) | Discount Rate +1% (4.69%) |
| \$3,004,976 | \$2,764,384 | \$2,553,964 |

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current healthcare cost trend rates:

| Total OPEB Liability/(Asset) | | |
|-------------------------------------|------------------|------------------------|
| Current Healthcare Cost Trend Rates | | |
| 1% Decrease (2.00%) | Rates (3.00%) | 1% Increase (4.00%) |
| \$2,461,973 | \$2,764,384 | \$3,123,698 |

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – LEASES

A. General

During fiscal year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. As part of the implementation of this Statement, the District has accounted for certain lessor transactions which required the restatement of leases receivable and deferred inflows of resources as of July 1, 2021 of \$2,269,219, with a net impact to net position of \$0. The summarized financial information for fiscal year ended June 30, 2021 were not restated for the recognition of these leases.

The District from time to time engages in lease arrangements allowing the right for others to use various District-owned land and buildings for public benefit. The District recognizes a lease receivable and deferred inflow of resources in the financial statements for any lease with a net present value of at least \$200,000.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

NOTE 9 – LEASES (Continued)

B. Lease Balances

As of June 30, 2022, the lease receivable and related deferred inflows of resources consisted of the following:

| Lessor | Original Lease Date | Expiration Date Including Options | Monthly Revenue as of June 30, 2022 | Lease Receivable Balance at June 30, 2022 | Deferred Inflow of Resources at June 30, 2022 |
|-----------------------------|---------------------|-----------------------------------|-------------------------------------|-------------------------------------------|-----------------------------------------------|
| Ketch Joanne (Restaurant) | 1/1/2022 | 12/31/2030 | \$ 7,028 | \$ 606,855 | \$ 603,179 |
| Pillar Point Harbor RV Park | 10/1/1998 | 10/1/2048 | 2,500 | 487,088 | 480,725 |
| Mavericks Surf Shop, LLC | 1/1/2022 | 12/31/2030 | 2,700 | 233,140 | 231,728 |
| Order At The Corner | 1/1/1981 | 12/31/2031 | 1,981 | 187,577 | 184,728 |
| McHenry's Fisheries | 3/13/2013 | 3/13/2028 | 3,231 | 196,312 | 193,230 |
| Morning Star, LLC | 3/13/2013 | 3/13/2028 | 3,231 | 196,312 | 193,230 |
| Three Captains Seafood | 3/13/2013 | 3/13/2028 | 3,231 | 196,312 | 193,230 |
| | | | <u>\$ 23,902</u> | <u>\$ 2,103,596</u> | <u>\$ 2,080,050</u> |

C. Lease Terms

Ketch Joanne Restaurant

On January 1, 2022, the District began leasing property to the Ketch Joanne Restaurant with fixed monthly payments of \$7,028 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting February 28, until the end of the lease on December 31, 2030. The District recognized \$31,805 in lease revenue and \$10,363 in interest revenue in fiscal year 2022 related to this lease. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

Pillar Point Harbor RV Park

On October 1, 1998, the District began leasing property to Pillar Point Harbor RV Park (previously KN Properties – KN RV Lot) with fixed monthly payments of \$ 2,500 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting August 31, until the end of the lease on October 1, 2048. The District recognized \$11,950 in lease revenue and \$18,050 in interest revenue in fiscal year 2022 related to this lease. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

Mavericks Surf Shop, LLC

On January 1, 2022, the District began leasing property to Mavericks Surf with fixed monthly payments of \$2,700 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting February 28, until the end of the lease on December 31, 2030. The District recognized \$12,219 in lease revenue and \$3,981 in interest revenue in fiscal year 2022 related to this lease. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – LEASES (Continued)

Order At The Counter

On January 1, 1981, the District began leasing property to Order At The Corner with fixed monthly payments of \$1,981 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting August 31, until the end of the lease on December 31, 2031. The District recognized \$16,594 of lease revenue and \$7,172 of interest revenue in fiscal year 2022 related to this lease. Also, the District has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. 1000

McHenry’s Fisheries

On March 13, 2013, the District began leasing property to McHenry’s Fisheries (previously Merva W. Inc. DBA Pillar Point Fisheries) with fixed monthly payments of \$3,231 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting August 31, until the end of the lease on March 13, 2028. The District recognized \$31,018 of lease revenue and \$7,757 of interest revenue in fiscal year 2022 related to this lease. Also, the District has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

Morning Star, LLC

On March 13, 2013, the District began leasing property to Morning Star, LLC (previously Morning Star Fisheries) with fixed monthly payments of \$3,231 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting August 31, until the end of the lease on March 13, 2028. The District recognized \$31,018 of lease revenue and \$7,757 of interest revenue in fiscal year 2022 related to this lease. Also, the District has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

Three Captains Seafood

On March 13, 2013, the District began leasing property to Three Captains Seafood with fixed monthly payments of \$3,231 through the end of the lease term. Lease interest income payments are to be increased by 4% every year starting August 31, until the end of the lease on March 13, 2028. The District recognized \$31,018 of lease revenue and \$7,757 of interest revenue in fiscal year 2022 related to this lease. Also, the District has deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The District is subject to general risk and exposure due to normal operations in the course of business. These risks involve various claims against the District, both asserted and unasserted, all of which management considers to be immaterial to these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

**San Mateo County Harbor District
a Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2022
Last 10 Years***

**Schedule of the Plan's Proportionate Share of
the Net Pension Liability
and Related Ratios as of the Measurement Date
Last 10 Years***

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Plan's proportion of the Net Pension Liability | 0.04848% | 0.13453% | 0.10624% | 0.12714% | 0.12820% |
| Plan's proportionate share of the Net Pension Liability | \$ 3,016,578 | \$ 3,690,808 | \$ 4,497,813 | \$ 5,012,109 | \$ 4,831,494 |
| Plan's Covered Payroll | \$ 2,064,270 | \$ 2,000,338 | \$ 2,022,481 | \$ 2,361,865 | \$ 2,814,510 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 146.13% | 184.51% | 222.39% | 212.21% | 171.66% |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.15% | 79.89% | 75.87% | 75.39% | 75.26% |
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | | |
| Plan's proportion of the Net Pension Liability | 0.06738% | 0.06885% | 0.01505% | | |
| Plan's proportionate share of the Net Pension Liability | \$ 2,698,394 | \$ 2,904,343 | \$ 285,821 | | |
| Plan's Covered Payroll | \$ 2,749,582 | \$ 3,074,857 | \$ 3,581,625 | | |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 98.14% | 94.45% | 7.98% | | |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 75.26% | 75.10% | 98.61% | | |

* Fiscal year 2015 was the 1st year of implementation.

**San Mateo County Harbor District
Cost-Sharing Multiple Employer Defined Pension Plan - Miscellaneous Plans
For the Fiscal Year Ended June 30, 2022**

**Schedule of Contributions
Last 10 Years***

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019**</u> |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Actuarially determined contribution | \$ 376,892 | \$ 409,949 | \$ 474,656 | \$ 543,875 | \$ 598,183 |
| Contributions in relation to the actuarially determined contributions | <u>(376,892)</u> | <u>(409,949)</u> | <u>(464,656)</u> | <u>(543,875)</u> | <u>(2,898,183)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,300,000)</u> |
| | | | | | |
| Covered payroll | <u>\$ 2,000,338</u> | <u>\$ 2,361,865</u> | <u>\$ 2,361,865</u> | <u>\$ 2,814,510</u> | <u>\$ 2,749,582</u> |
| | | | | | |
| Contributions as a percentage of covered payroll | 18.84% | 17.36% | 20.10% | 19.32% | 21.76% |
| | | | | | |
| | <u>2020</u> | <u>2021</u> | <u>2022</u> | | |
| Actuarially determined contribution | \$ 587,323 | \$ 537,760 | \$ 554,340 | | |
| Contributions in relation to the actuarially determined contributions | <u>(587,323)</u> | <u>(537,760)</u> | <u>(554,340)</u> | | |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | |
| | | | | | |
| Covered payroll | <u>\$ 3,074,857</u> | <u>\$ 3,592,149</u> | <u>\$ 3,581,625</u> | | |
| | | | | | |
| Contributions as a percentage of covered payroll | 19.10% | 14.97% | 15.48% | | |

* Fiscal year 2015 was the 1st year of implementation.

** In Fiscal year 2019, the District made a one-time payment of \$2,300,000 to pay down its unfunded accrued liability (UAL).

San Mateo County Harbor District
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 Single Employer Longevity Health Insurance Premium Payment Program
 Last 10 fiscal years*

| Measurement Date | 6/30/18 | 6/30/19 | 6/30/20 | 6/30/21 | 6/30/22 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability (1) | | | | | |
| Service Cost | \$ 79,156 | \$ 81,531 | \$ 89,084 | \$ 93,557 | \$ 106,638 |
| Interest | 88,214 | 88,748 | 83,162 | 78,587 | 63,189 |
| Difference between expected and actual experience | - | - | - | 204,026 | - |
| Changes of assumptions | - | 118,534 | 179,142 | 342,399 | (449,613) |
| Benefit payments | (141,302) | (164,137) | (180,909) | (223,283) | (279,217) |
| Net change in total OPEB liability | <u>26,068</u> | <u>124,676</u> | <u>170,479</u> | <u>495,286</u> | <u>(559,003)</u> |
| Total OPEB liability - beginning | <u>2,506,878</u> | <u>2,532,946</u> | <u>2,657,622</u> | <u>2,828,101</u> | <u>3,323,387</u> |
| Total OPEB liability - ending (a) | <u>\$ 2,532,946</u> | <u>\$ 2,657,622</u> | <u>\$ 2,828,101</u> | <u>\$ 3,323,387</u> | <u>\$ 2,764,384</u> |
| | | | | | |
| Covered-employee payroll | <u>\$ 1,126,238</u> | <u>\$ 1,221,622</u> | <u>\$ 1,212,882</u> | <u>\$ 1,011,382</u> | <u>\$ 859,768</u> |
| | | | | | |
| Total OPEB liability as a percentage of covered-employee payroll | -224.90% | -217.55% | -233.17% | -328.60% | -321.53% |

Notes to Schedule:

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

* Fiscal year 2018 was the first year of implementation.

San Mateo County Harbor District
SCHEDULE OF CONTRIBUTIONS
Single Employer Longevity Health Insurance Premium Payment Program
Last 10 fiscal years*

| Fiscal Year Ended June 30, | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------------------------------------------|--------------|--------------|--------------|--------------|-------------|
| Actuarially required contribution | \$ 141,302 | \$ 164,137 | \$ 180,909 | \$ 223,283 | \$ 559,003 |
| Contributions in relation to the actuarially required contributions | 141,302 | 164,137 | 180,909 | 223,283 | 559,003 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 1,126,238 | \$ 1,221,622 | \$ 1,212,882 | \$ 1,011,382 | \$ 859,768 |
| Contributions as a percentage of covered-employee payroll | 12.55% | 13.44% | 14.92% | 22.08% | 65.02% |

Notes to Schedule:

Valuation Date : July 1, 2020

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTARY INFORMATION

San Mateo County Harbor District
Schedule of Revenues, Expenses, and Changes in Net Position
Administration
For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------------------|---------------------|---------------------|
| OPERATING EXPENSES: | | |
| Advertising and promotion | \$ 2,747 | \$ 9,043 |
| Bank charges | 548 | 460 |
| Contractual services | 62,287 | 49,717 |
| Dues and subscriptions | 15,233 | 17,748 |
| Insurance | 159,254 | 76,635 |
| IT | 123,986 | 90,381 |
| Legal fees | 184,150 | 197,022 |
| Personnel expenses | 970 | 133 |
| Operating expenses | 22,591 | 16,315 |
| Rent | 78,926 | 111,100 |
| Repairs and maintenance | (58,271) | 482 |
| Salaries and wages | 1,308,221 | 1,257,428 |
| Benefits - current employees | (236,707) | 501,332 |
| Benefits - retirees/former employees | 24,778 | 17,953 |
| Training, seminars and professional development | 23,901 | 9,989 |
| Utilities | 3,458 | - |
| Elections | - | 437,598 |
| Miscellaneous expense | - | - |
| Depreciation and amortization | 40,489 | 2,769 |
| Total operating expenses | <u>1,756,561</u> | <u>2,796,105</u> |
| Operating income (loss) | <u>(1,756,561)</u> | <u>(2,796,105)</u> |
| NONOPERATING REVENUES (EXPENSES): | | |
| Investment earnings | 187,571 | 238,120 |
| Property taxes | 9,576,725 | 8,796,257 |
| Termination benefits | 1,441 | 3,597 |
| Rents and concessions | 20,591 | - |
| Payments to other agencies | (88,654) | (88,581) |
| Miscellaneous revenue | 127,973 | 4,944 |
| Total nonoperating revenues (expenses) | <u>9,825,647</u> | <u>8,954,337</u> |
| Net Income | <u>\$ 8,069,086</u> | <u>\$ 6,158,232</u> |

San Mateo County Harbor District
Schedule of Revenues, Expenses, and Changes in Net Position
Pillar Point Harbor
For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

| | 2022 | 2021 |
|---------------------------------------------------------|---------------------|-----------------------|
| OPERATING REVENUES: | | |
| Berth rental, transient fees and dockage | \$ 2,129,263 | \$ 2,082,393 |
| Launching fees | 106,676 | 129,492 |
| Recreational vehicles | - | - |
| Rents and concessions | 550,232 | 460,754 |
| Events and permits | 26,964 | 28,478 |
| Other operating revenues | 47,232 | 49,465 |
| Total operating revenues | 2,860,367 | 2,750,582 |
| OPERATING EXPENSES: | | |
| Advertising and promotion | 12,991 | 5,304 |
| Bad debts (recoveries) | 89,343 | 44,464 |
| Bank charges | 42,283 | 45,994 |
| Contractual services | 111,005 | 216,887 |
| Dues and subscriptions | - | 80 |
| Insurance | 62,491 | 53,451 |
| IT | 87,337 | 73,497 |
| Legal Fees | 20,167 | 427,846 |
| Personnel expenses | 4,720 | 1,104 |
| Operating expenses | 301,454 | 243,623 |
| Repairs and maintenance | 126,005 | 334,570 |
| Salaries and wages | 1,718,019 | 1,727,970 |
| Benefits - current employees | (250,238) | 837,517 |
| Benefits - retirees/former employees | 144,728 | 145,191 |
| Travel, training, seminars and professional development | 30,286 | 17,634 |
| Utilities | 326,330 | 371,426 |
| Vessel destruction | 248,997 | 168,341 |
| Miscellaneous expenses | 11,407 | 9,318 |
| Depreciation and amortization | 520,330 | 506,782 |
| Total operating expenses | 3,607,655 | 5,230,999 |
| Operating income (loss) | (747,288) | (2,480,417) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Grants | 17,732 | 123,509 |
| Gain (loss) on disposition of capital assets | - | 7,300 |
| Termination benefits | 22,255 | (114,896) |
| Total nonoperating revenues (expenses) | 39,987 | 15,913 |
| Net Income | \$ (707,301) | \$ (2,464,504) |

San Mateo County Harbor District
Schedule of Revenues, Expenses, and Changes in Net Position
Oyster Point Marina
For the year ended June 30, 2022
(with comparative totals for the year ended June 30, 2021)

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------------------------|---------------------|-----------------------|
| OPERATING REVENUES: | | |
| Berth rental, transient fees and dockage | \$ 1,271,948 | \$ 1,229,303 |
| Launching fees | 34,192 | 30,065 |
| Rents and concessions | 118,950 | 117,670 |
| Events and permits | - | - |
| Other operating revenues | 19,179 | 27,203 |
| Total operating revenues | <u>1,444,269</u> | <u>1,404,241</u> |
| OPERATING EXPENSES: | | |
| Advertising and promotion | 2,849 | 5,650 |
| Bad debts | 108,775 | 60,195 |
| Bank charges | 28,227 | 30,241 |
| Contractual services | 12,628 | 91,852 |
| Dues and subscriptions | - | - |
| Insurance | 69,220 | 57,204 |
| IT | 76,398 | 53,583 |
| Legal fees | 17,295 | - |
| Personnel expenses | 23,251 | 3,356 |
| Miscellaneous expenses | (567) | 427 |
| Repairs and maintenance | 44,374 | 73,631 |
| Operating expenses | 163,840 | 98,486 |
| Salaries and wages | 974,321 | 1,170,207 |
| Benefits - current employees | (188,579) | 513,195 |
| Benefits - retirees/former employees | 104,811 | 79,183 |
| Travel, training, seminars and professional development | 11,995 | 8,169 |
| Utilities | 150,235 | 165,826 |
| Vessel destruction | 9,000 | 9,975 |
| Depreciation and amortization | 632,304 | 628,467 |
| Total operating expenses | <u>2,240,377</u> | <u>3,049,647</u> |
| Operating income (loss) | <u>(796,108)</u> | <u>(1,645,406)</u> |
| NONOPERATING REVENUES (EXPENSES): | | |
| Grants | 13,772 | 8,037 |
| Termination benefits | 11,486 | (44,008) |
| Miscellaneous revenue | - | 1,008 |
| Total nonoperating revenues (expenses) | <u>25,258</u> | <u>(34,963)</u> |
| Net Income | <u>\$ (770,850)</u> | <u>\$ (1,680,369)</u> |

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners of the
San Mateo County Harbor District
El Granada, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the San Mateo County Harbor District (District), El Granada, California, as of and for the year ended June 30, 2022 and the related notes to the financial statements, and have issued our report thereon dated March 3, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control date March 3, 2023 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
March 3, 2023

- Household planning and decision making;
- Land-use planning and decision making

Peninsula Clean Energy: Distributed Solar + Storage for Public Facilities Grant Program

Deadline: NOI due July 15, 2023; Full Proposal due August 1, 2023

Amount: Up to \$45,000

Match: No

Eligibility: Qualified applicants are public facilities and companies located within San Mateo County who are interested in procuring, installing, or maintaining solar photovoltaic and solar photovoltaic that can be paired with battery energy storage systems.

URL: <https://www.peninsulacleanenergy.com/solicitation/publicfacilitiesrfp/>

Summary: Peninsula Clean Energy is seeking proposals from qualified companies to procure, install, commission, and maintain solar photovoltaic (solar) and solar photovoltaic paired with battery energy storage systems (solar + storage) for a portfolio of 15 public facilities in San Mateo County and Los Banos. Peninsula Clean Energy, in conjunction with a solar engineering and design firm, has undertaken significant project development activities to develop solar and solar + storage designs for these facilities along with city council resolutions from each jurisdiction supporting the projects and authorizing city staff to execute a Power Purchase Agreement (PPA) directly with Peninsula Clean Energy. All eligible applications must fall into **one or both** of the following categories:

1. **EPC contractors** that will procure, install, commission, and maintain the systems for a specified price and do not monetize the tax benefits, which PCEA does independently.
2. **Bundled Master PPA providers** that will procure, install, commission, operate, and maintain the systems (via their own EPC contractor) and can provide Peninsula Clean Energy a 20-year Master PPA with pricing that reflects a share of the tax benefits.

Division of Boating and Waterways: Boating Infrastructure Grant

Deadline: August 2, 2023

Amount: \$200,000 to \$1.5 million

Eligibility: These federal grants are for boating infrastructure improvements that serve transient recreational vessels at least 26 feet in length. Transient vessels are those “passing through”, staying 15-days or less.

URL: https://dbw.parks.ca.gov/?page_id=28821

Summary: BIG is a two-tiered Grant Program intended to

- Enhance access to recreational, historic, cultural and scenic resources
- Strengthen community ties to the water’s edge and economic benefits
- Promote public/private partnerships and entrepreneurial opportunities
- Provide continuity of public access to the shore
- Promote awareness of transient boating opportunities

California Coastal Conservancy: Prop 68 Grant Program

Deadline: Ongoing

Amount: \$200,000 to \$5 million

Match: Not required

Eligibility:

- Public Agencies, including Joint Power Authorities and Federally Recognized Indian Tribes
- Nonprofit organizations with 501(c)(3) status
- Other community-based organizations and non-federally recognized tribes may apply with a 501(c)(3) fiscal sponsor

URL: <https://scc.ca.gov/grants/current-grant-opportunities/>

Summary: The purposes of Prop 68 include creating parks, enhancing river parkways, and protecting coastal forests and wetlands. Prop 68 also provides funding for outdoor access, lower cost coastal accommodations

and climate adaptation. For most Prop 68 grants, the Conservancy will use a pre-proposal process. Pre-proposals will be accepted on an ongoing basis. Eligible projects include, but aren't limited to:

- Developing plans and permits for projects that meet Prop 68 funding priorities
- Implement projects that meet Prop 68 funding priorities
- Acquire property that furthers Prop 68 funding priorities



Staff Report

TO: Board of Harbor Commissioners

FROM: James Pruett, General Manager
Julie van Hoff, Director of Administrative Services

DATE: March 15, 2023

SUBJECT: “First Look” Fiscal Year 2023/24 Operating Budget and Capital Improvement Program

Recommendation/Motion:

Recommendation: Review and comment on “First Look” Fiscal Year 2023/24 Operating Budget and Capital Improvement Program.

Policy Implications:

Harbors and Navigation Code 6093 (et. seq.) provides statutory requirements for budget development. Policy 4.9.1 provides the process for preparing the Budget and Policy 4.9.2 establishes the level of appropriation authority (see page xx of attached document for further detail).

Fiscal Implications:

The District’s annual budget is the main fiscal planning tool used throughout the year. This is the first look at the 2023/24 budget and includes an estimate of \$14.686 million in revenues and \$10.789 million in operating expenditures. Revenues less expenditures equals \$3.897 million, which represents the estimated amount to be added to the available working capital balance.

The Five-Year Capital Improvement Program includes estimated Fiscal Year 2023/24 capital expenditures of \$4.290 million. There are sufficient cash balances to fund the 2023/24 fiscal year capital expenditures and provide funding for identified priority projects.

The working capital balance as of June 30, 2022 was \$20.666 million of which \$2.768 million is required to be set aside in a reserve fund per District policy.

Background/Discussion:

Staff has prepared the “First Look” at the 2023/24 Budget based on information that is readily available at this time. On March 3, 2023, at a publicly noticed Finance Committee, Chair Mattusch and Commissioner Slater-Carter reviewed and made recommendations to improve the Budget Document which have been incorporated.

Items which are in highlighted in yellow will be updated as part of the 2023/24 Preliminary Budget and will be presented on April 19, 2023 for consideration of Board adoption. Also, additional Board recommendations will be incorporated into the Preliminary Budget.

Public Process:

The Preliminary Budget will be presented for adoption at the April Board Meeting. Following adoption, the Preliminary Budget will be noticed and available to the public for input until the Final Budget is approved at the June Board meeting. If warranted, there will also be an additional opportunity for Commissioners and the public to comment on the budget at the May Board Meeting.

Attachments:

- 1) [First Look” Fiscal Year 2023/24 Operating Budget and Capital Improvement Program](#)

Draft

Operating Budget and Five-Year Capital Improvement Program

FY 2023/24

BOARD OF HARBOR COMMISSIONERS

William Zemke, President

Tom Mattusch, Vice President

George Domurat, Secretary

Kathryn Slater-Carter, Treasurer

Virginia Chang Kiraly, Commissioner

SAN MATEO COUNTY HARBOR DISTRICT





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|-----------------------------------------------------------------------|----|
| INTRODUCTION | 3 |
| Executive Summary | 5 |
| Budget Process | 8 |
| Budget Report Presentation | 9 |
| Priorities and Performance Goals | 9 |
| About Us | 13 |
| Where is San Mateo County Harbor District?..... | 14 |
| Our History | 15 |
| San Mateo County Harbor District Today | 16 |
| SECTION ONE- 2023/24 OPERATING BUDGET | 18 |
| Operating Budget at a Glance | 19 |
| Budgetary Highlights..... | 20 |
| Short-Term Factors Influencing Decisions | 22 |
| Public and Enterprise Services | 23 |
| Organizational Chart- to be updated | 25 |
| Staffing Authorization..... | 26 |
| Budget Schedules | 27 |
| Basis of Budgeting vs. Accounting | 28 |
| Three-Year Comparative Financial Schedule..... | 29 |
| District Revenue | 30 |
| District Expenditures | 31 |
| Budget by Department..... | 32 |
| Department Summaries | 33 |
| Administration Department..... | 33 |
| Pillar Point Harbor Department | 39 |
| Oyster Point Marina Department..... | 42 |
| SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM | 44 |
| Five-Year Forecasts..... | 45 |
| Five-Year CIP Detail- Fully Funded and Partially Funded Projects..... | 48 |
| Five-Year CIP Detail- Funded in FY 2022/23 | 65 |
| CIP Appropriations..... | 66 |
| SECTION THREE- POLICIES & DEFINITIONS | 67 |
| District Policies and Guidelines | 68 |
| Debt Management Policy, Capacity, and Issuance | 69 |
| Definitions & Abbreviations | 70 |



INTRODUCTION

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**San Mateo County Harbor District
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to San Mateo County Harbor District, California for its annual budget for the fiscal year beginning July 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Executive Summary

Dear Members of the Harbor Commission Board:

I am both pleased and proud to present the Fiscal Year (FY) 2023/24 Budget for the San Mateo County Harbor District (District). This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. The basic purpose of the budgetary process is to determine the District's activities and projects to be undertaken and to identify resources and revenues available to fund them. As the District's policy makers, you play a critical role in making decisions with respect to the budget and capital improvement program that will direct the Harbor District in FY 2023/24.

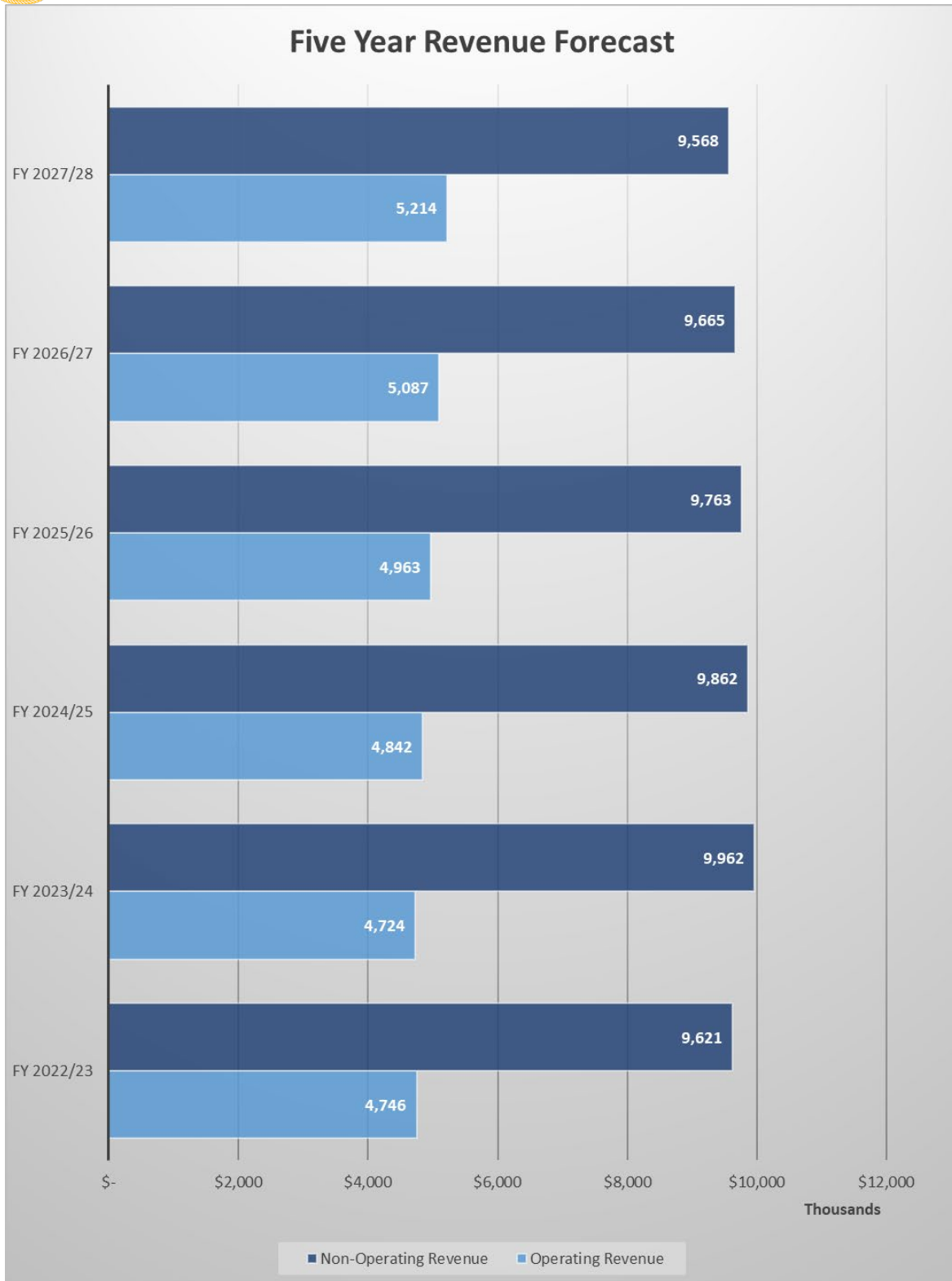
In addition, the budget is more than just a financial document. The budget represents a process through which District pursuits for the ensuing year are established. Financial control is the traditional function of a budget. This comprehensive budget also contains a vast amount of information including staffing requirements, equipment needs, and programs and services being provided. This level of detail provides you an opportunity to identify all the resources needed to accomplish the District's goals and objectives. The budget also serves as a guide for policy implementation, making it a thorough and valuable document.

The District has received its third Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for FY 2022/23. We will also submit the FY 2023/24 Budget for consideration of the GFOA budget award.

The Harbor District's mission is to provide fiscally and environmentally responsible stewardship of its maritime resources, emergency response, and public access. The Harbor Commission adopted a strategic plan and a master plan and continues to work toward the development of other long-range plans including an infrastructure restoration plan, training plan, and communications plan.

The District is providing information to the general public and constituents on the District's role in stewardship of Pillar Point Harbor and Oyster Point Marina through the implementation of a social media presence and outreach programs. The District received a "Transparency Certificate of Excellence" from the Special District Leadership Foundation (SDLF) in recognition of its outstanding efforts to promote transparency and good governance.

The goal of the District's Budget Document is to ensure a compliant and transparent process that will promote stakeholder confidence and trust. The District's financial decisions consider sustainability and fiscal responsibility to anticipate and prepare for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events.



This year, the District is fortunate to present an operating budget that includes sufficient revenue to fund the 2023/24 Fiscal Year (July 1, 2023 to June 30, 2024) expenditures and provide \$3,897,000 toward increasing the Working Capital balance. The Working Capital balance provides funds for the District’s Capital Improvement Program and funds a reserve account set

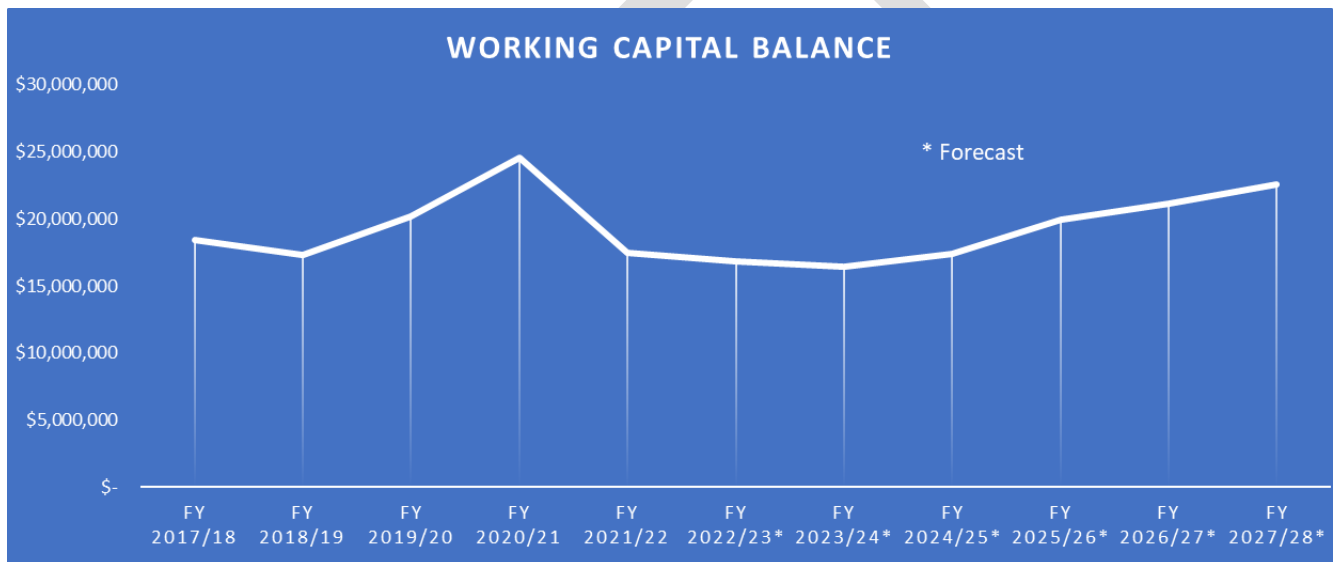


aside to provide for cash flow needs, and funding for unforeseen and unexpected emergencies, disasters, and other events.

The District updates the five-year CIP annually. This five-year plan presents projects and associated funding for assets including construction, preventative maintenance needs, and replacement of vessels and vehicles. The estimated Working Capital Balance available to fund the CIP on June 30, 2023 is \$14,065,657 (\$16,833,157 less required reserve of \$ 2,767,500); plus, over the next five years, an additional \$13,004,000 from revenues expected to exceed expenditures.

{Insert comparative information for Preliminary Budget versus Final Budget in May}

The District’s total funding needs for identified projects, including unfunded projects, for July 1, 2023 through June 30, 2028 is estimated at \$84,890,000. This budget document prioritizes CIP projects based on available funding and the benefit the project provides to the safety, security, environmental, and public interest. Some projects that are currently approved will be postponed pending additional funding.



The District paid off its debt in Fiscal Year 2015/16 and has remained debt free.

Additional highlights and detailed explanations are available in the departmental sections of the budget.

CONCLUSION

We are proud of the many accomplishments achieved through the guidance of the Harbor Commission and effort of District staff. We look forward to successfully achieving the District’s goals and objectives for the 2023/24 Fiscal Year.

Sincerely,

James B. Pruet
General Manager



Budget Process

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

Policy 4.9.1 outlines the District's process for preparing the annual budget. The preparation begins mid-year (fiscal year) for the succeeding year's budget. District Finance staff begins the current fiscal year's mid-year performance to budget analysis. The Harbor Commission reviews the mid-year budget report in February. Having reviewed the current year's performance and identified budget issues and goals for the next fiscal year, staff prepares a first draft preliminary budget which is introduced to the Harbor Commission at a public meeting in March. A final preliminary budget is adopted in April. The Harbor Commission publishes a notice pursuant to Section 6061 of the Government Code stating that the adopted preliminary budget is available for public review. The public has at least 30 days to review and provide comment prior to the adoption of the final budget. The final budget is adopted in June.

Policy 4.9.2 establishes the level of appropriations authority for the District for a fiscal year. An appropriation authorizes the District to spend District resources. The Harbor Commissioners' approval of appropriations places a maximum limit of the amount of money that can be spent in any given Fiscal Year within the following expenditure classifications: 1) Salary and Benefits, 2) Operating Expenditures, 3) Non-Operating Expenditures, and 4) Capital Projects.

| BUDGET CALENDAR | | | |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------|
| With Harbor Commissioners and Finance Committee | | | |
| FY 2023/24 | | | |
| Date | Description | Time | Location |
| March 3, 2023 | Finance Committee will review and comment on "First Look" of Budget and receive public input | 10:00 AM | Hybrid meetings in the District office at 504 Avenue Alhambra, 2nd Floor El Granada, CA and on Zoom |
| March 15, 2023 | Board of Harbor Commissioners will review and comment on "First Look" of Operating & CIP Budget and receive public input | 1:00 PM | |
| tbd | Finance Committee will review and comment on Preliminary Budget and receive public input | tbd | |
| April 19, 2023 | Board of Harbor Commissioners will receive public input and adopt the Preliminary Budget | 1:00 PM | |
| June 21, 2023 | Board of Harbor Commissioners will hold a Public Hearing and Adopt Final Budget | 1:00 PM | |

Policy 4.9.2 also allows for adjustments to appropriations throughout the fiscal year with Harbor Commission approval. Capital Improvement Project costs are appropriated when the District enters a contract with project management, design, and engineering firms, and when bids are



accepted for construction. When operating expenditures are expected to exceed appropriations due to unforeseen circumstances, the Harbor Commission may approve adjustments to the appropriations.

The District is exempt from preparing a Board approved appropriation limit, set forth in the provisions of the California Constitutional Article XIII B, due to the provisions of Section 9 (c); “this section shall not apply to a district which existed on January 1, 1978, and that did not as of the 1977/78 Fiscal Year levy an ad valorem tax on property in excess of twelve and one-half cents (\$0.125) per one hundred dollars of assessed value.”

Budget Report Presentation

The District has two distinct sections of the Budget Document: 1) the Operating Budget; and 2) the CIP. The Operating Budget presents on-going activities of the District for the Fiscal Year period. The CIP presents a plan for current and future capital asset costs and associated funding. Capital Improvements are typically carried out and paid for over several years. Consequently, a scheduling tool is required that forecasts anticipated needs and available funding several years into the future. District Policy 4.7.1 defines capital assets as assets with a cost of \$10,000 or greater and with a useful life of five (5) years or more.

Capital projects, grant-funded projects, or one-time funded multi-year projects automatically rollover any open purchase orders (encumbrances) and appropriations associated with those projects.

The District’s accounts and transactions are tracked on an accrual basis, which is the basis of accounting under generally accepted accounting principles (GAAP) for Enterprise Funds. Many other government entities track some or all accounts and transactions on a modified accrual basis under GAAP for Governmental Funds. Enterprise Fund financial statements report Net Position and focus on long-term economic resources while Governmental Fund financial statements report Fund Balance and focus on current economic resources. While the District’s budget focuses on current economic resources, Fund Balance is not reported in the District’s financial system because it does not use a Governmental Fund. To clarify and track the appropriate resources available, the nomenclature in the budget document refers to Working Capital. See page 48 for detail regarding Working Capital and the minimum Reserve Balance required per District Policy 4.4.3.

The District receives a portion of the property tax revenue collected in the County of San Mateo. The property tax revenue funds the Administration Department, public services provided by Pillar Point Harbor and Oyster Point Marina, and capital assets & capital improvement projects (page xx).

Priorities and Performance Goals

The Mission Statement of San Mateo County Harbor District is: “The Harbor District provides fiscally and environmentally responsible stewardship of its maritime resources, emergency response, and public access.” A strategic plan was adopted on December 18, 2019 and outlines the following goals in support of the mission:



1. Comprehensive, Long-Range Planning Guides District Actions and Decision-Making,



2. Infrastructure Improvements Are Guided by Comprehensive Long-Term Planning,



3. Provide Excellent Customer Service,



4. Enhance Public Safety,



5. Ensure That the Public Is Well Informed About the District,



6. Ensure Good Governance and Administration,











7. Ensure Fiscal Responsibility (Strong Finances and Financial Management), and
















8. Environmental Stewardship

The icons associated with each of these strategic goals are used again in the Fiscal Year 2023/24 Department Objectives, Department Performance Measures, the Capital Improvement Program section, and below on the District Accomplishments to help the reader identify which strategic goal(s) each objective, accomplishment, and performance measure addresses.

For the 2022/23 Fiscal Year, the District worked towards the following Goals and Objectives:

- 1)  Water Quality at the Beaches of Pillar Point (Strategic Goal 5 and 8): Continue relationship with the San Mateo County Resource Conservation District to address bacteria densities on the beaches and waters of Pillar Point Harbor, with an emphasis on reducing enterococcus counts.
 - a. Develop and execute comprehensive plan to identify and eliminate any source of pollutants entering, or has the potential to enter, the waters of Pillar Point Harbor from sources within the Harbor.
 - b. Work with local agencies and organizations to address and reduce overall pollution sources causing elevated values of enterococcus.
 - c. Comply with and report out on efforts to meet the requirements set by the San Francisco Bay Water Board for water quality within Pillar Point Harbor.
- 2)    Real Property Leases (Strategic Goal 3, 6, 7):
 - a. Amend RV Park Lease to reflect the RV Park Restroom and Green Space Project.
 - b. Obtain and maintain maximum occupancy of 504 Avenue Alhambra (Administration Building) and negotiate leases.
- 3)    Earn a “Clean” Unmodified Opinion on the District’s Financial Statements for Fiscal Year 2021/2022. (Strategic Goal 5, 6, and 7): An unmodified opinion demonstrates the District’s financial statements are free of material misstatement and fairly represent the District’s financial position, results of operations, and cash flows in conformity with generally accepted accounting principles in the United States.
- 4)  Create Plans: (Strategic Goal 6) including:
 - a. Training Plan: Complete a comprehensive training plan/policy.
 - b. Communications Plan: Complete comprehensive communications and outreach plan.
 - c. Cyber Plan: Complete comprehensive cyber policy and cyber security training plan.



- 5)  Complete Negotiations of Operating Engineers and Teamsters Memorandum of Understanding.
- 6) Capital Improvement Projects:
 - a.   Tenant Row ADA Public Restroom Project (Strategic Goal 2 and 3): Complete the project.
 - b.   RV Park Restroom and Greenspace Improvements (Strategic Goal 2 and 3): Begin construction.
 - c.    Oyster Point Marina Dock 1 through 6 and 11 Landing Replacement Project (Strategic Goal 1, 2, 3).
 - d.      East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan (Strategic Goal 1, 2, 3, 4 and 8): Execute eelgrass mitigation plan.

In addition, the Board approved the funding for the Pillar Point Harbor repair of the parking lots and launch ramp access roads, and the Launch Ramp Restroom and Boat Wash Project.

For the 2023/24 Fiscal Year, the District will work towards the following Goals and Objectives. Additional Department Objectives and Department Performance Measures are in the “Budget by Department” section (pages 32-43).

Goal 1: Improve availability to provide maritime search and rescue/and maritime assists.

Identifying additional funding sources for the purchase of a new vessel and replacing the existing vessel (\$3.5 million) and \$950,000 ongoing funding to hire additional staff, provide training and ensure proper boat maintenance. (Strategic Goal 6 and 7)

Goal 2: Identify new sources of income.

Improve collection of overdue slip fees and collection of percentage rents. Seek out and develop new revenue streams such as additional Commercial Activity Permits, additional commercial space, additional lease revenue, parking fees, and additional marinas/slips. (Strategic Goal 7)

Goal 3: Improve Collection of Fees.

Reduce the number of accounts in arrears by at least 75% and obtain on time lease and percentage rent/sales. (Strategic Goal 7)

Goal 4: Identify funding for the Johnson Pier Expansion/Dock Replacement.

The estimated cost for construction is currently \$50 million and requires a funding strategy. (Strategic Goal 1, 2, 3, 4, 5, & 8)

Goal 5: Make Progress on Capital Improvement Projects approved by the Board.

Move forward with the following (Strategic Goal 1, 2, 3, 4, 5, 8)

- 1) Expand Coastal Trail from the Launch Ramp sidewalk to Johnson Pier Road (ADA compliant).
- 2) Complete Design/Engineering and Permitting of the Pillar Point Harbor Launch Ramp Restroom and Boat Launch.
- 3) Complete Design/Engineering and Permitting of the Pillar Point Harbor Retail Center.
- 4) Complete Design/Engineering and Permitting and Begin Construction of Oyster Point Marina Entrance Ramps for Docks 1-6 and 11.



Goal 6: Improve the environment of Pillar Point Harbor.

Continue to work with District partners to identify and control, eliminate, or treat sources of bacteria entering the Harbor. Identify and eliminate the source of fats, oil, and greases in the sewage system. (Strategic Goal 8)

Goal 7: Develop and implement wildlife protection plan for Pillar Point Harbor.

(Strategic Goal 8)

Goal 8: Re-negotiate 2018 Oyster Point Marina Agreement with the City of South San Francisco.

(Strategic Goal 3, 4, 5, 8)

Goal 9: Develop and execute plan to update District Policies.

Include Foundation Policies, Administrative Policies, Policies applicable to Commissioners, Finance/Account Policies, Operations Policies and Personnel Policies. (Strategic Goal 6)

Goal 10: Develop a comprehensive dredging plan for Pillar Point Harbor.

(Strategic Goal 2, 8)

Goal 11: Publish a quarterly newsletter.

(Strategic Goal 5, 6)

Goal 12: Maintain Special District Leadership Foundation Transparency Certificate of Excellence.

(Strategic Goal 6)

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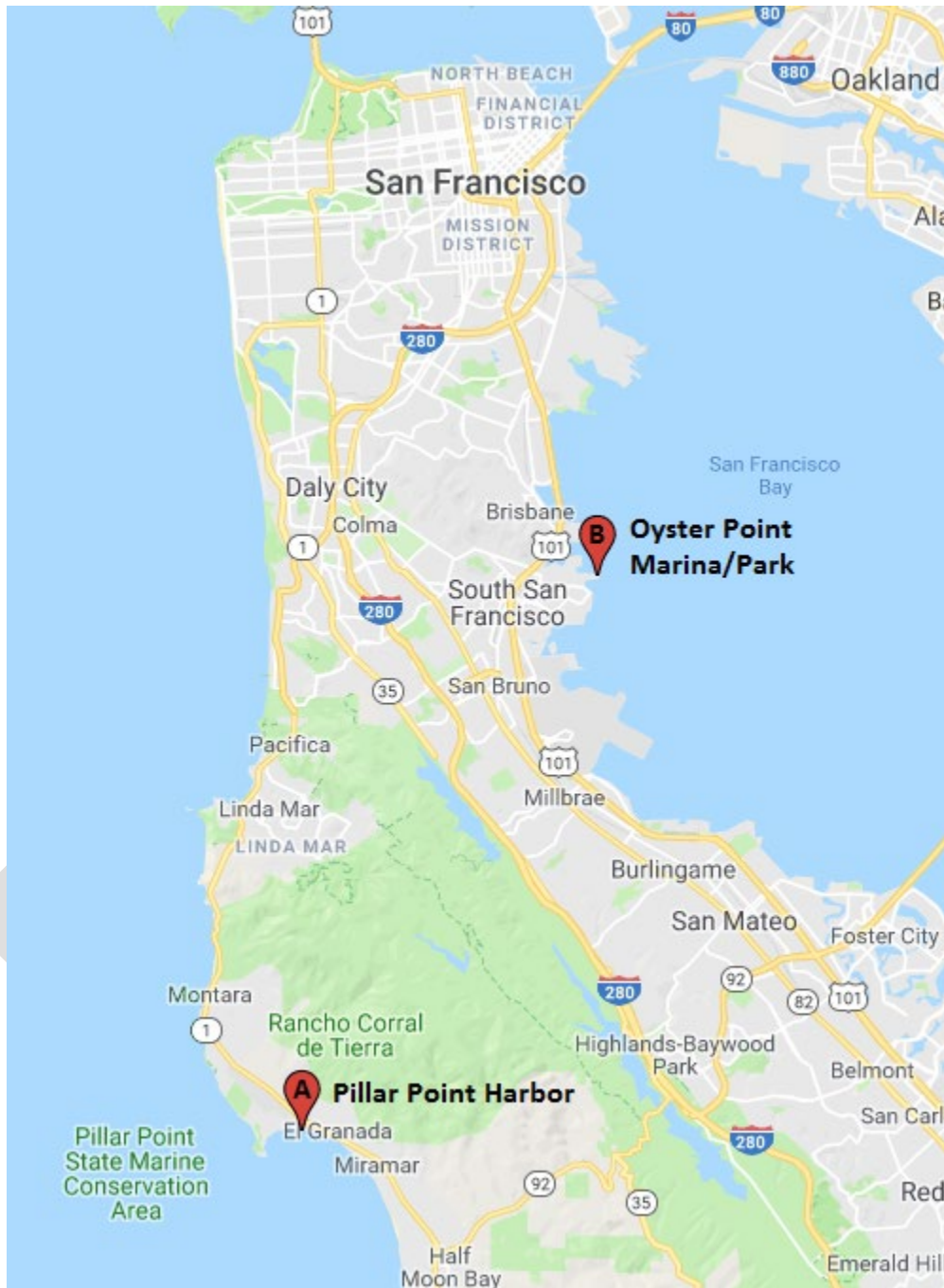
About Us

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Where is San Mateo County Harbor District?

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





Our History

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

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



1943 Aerial View of Pillar Point Harbor



Pillar Point Harbor in 1970

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



San Mateo County Harbor District Today

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



Oyster Point Marina/Park consists of a 408-berth recreational marina, public beach, and bayside park located in the City of South San Francisco. The District operates Oyster Point Marina/Park under a 2018 Memorandum of Understanding with South San Francisco, which owns the facility.





The San Mateo County Harbor District is governed by five elected Harbor Commissioners that reside in San Mateo County and are voted in by the residents of the County. Harbor Commissioners serve four-year staggered terms. Historically, the Harbor Commissioners were elected county-wide. In 2018, the Harbor Commission created five distinct districts and beginning in November 2020 the Harbor District held its first districted election for three of the five (1,4 and 5) newly created districts. In November 2022, the Harbor District held an election for the other two districts (2 and 3).

San Mateo County is 455 square miles with 20 cities that range from highly populated to semi-rural towns. The population of 744,662 residents is diverse with more than 1 in 3 residents born outside the United States. The County is home to big tech companies including Facebook. The second largest tech company with headquarters in the County, Oracle, announced in December 2020 that it is moving its headquarters to Austin, Texas. The County is also home to biotechnology firms including Genentech and Gilead Sciences.

| Company | Business Type | # in 2021 |
|--------------------------------------------------------------------------|----------------------------------|------------------|
| Facebook | Social Network | 15,407 |
| Genentech | Biotechnology | 12,000 |
| Oracle | Hardware & Software | 9,149 |
| United Airlines | Airline | 7,894 |
| County of San Mateo | Government | 5,705 |
| Gilead Sciences | Biotechnology | 4,190 |
| YouTube | Online Video Streaming | 2,384 |
| Sony Interactive Entertainment | Interactive Entertainment | 1,855 |
| Robert Half International Inc. | Personnel Services | 1,642 |
| Alaska Airlines | Airline | 1,591 |
| Electronic Arts Inc. | Video Game Developer & Publisher | 1,478 |
| <i>Source: County of San Mateo Comprehensive Annual Financial Report</i> | | |

San Mateo County ranks as the second healthiest of California’s 58 counties, according to a 2022 report by the Robert Wood Johnson Foundation. The rates for adult smoking, adult obesity, teen births and other key indicators for a community’s overall health were below national statewide averages. The report, however, found that one out of every four households (24 percent) in San Mateo County faced a severe housing problem: overcrowding, high housing costs, lack of a kitchen or lack of plumbing.

The State of California continues to have affordable housing and homeless issues. Lack of affordable housing may affect the District’s ability to attract and retain qualified candidates. According to the 2021 State Department of Housing and Urban Development report, \$104,400 for a single individual is categorized as low income for the San Francisco Metro Area.



SECTION ONE- 2023/24 OPERATING BUDGET

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Operating Budget at a Glance

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Budgetary Highlights

The District's revenue streams for Fiscal Year (FY) 2023/24 are expected to exceed on-going expenditures (not including biennial election costs) by \$3,897,000. This is a 18.59% decrease from the FY 2022/23 projection of \$4,787,000. These amounts increase the District's working capital balance and are used to fund the Capital Improvement Program as well as unforeseen and unexpected emergencies, disasters, and other events.

| | 2022/23 | | |
|--------------------------------------------|-----------------------|-----------------------------|----------|
| | Projection | 2023/24 'First Look' Budget | |
| Operating Revenues | \$ 4,746,000 | \$ 4,724,000 | -0.46% |
| Non-Operating Revenues | 9,621,000 | 9,962,000 | 3.54% |
| Total Revenues | 14,367,000 | 14,686,000 | 2.22% |
| Salaries/Wages/Benefits Expenditures | 6,058,000 | 7,277,000 | 20.12% |
| Non-Personnel Expenditures | 3,522,000 | 3,512,000 | -0.28% |
| Total Expenditures | 9,580,000 | 10,789,000 | 12.62% |
| Total Revenues less Expenditures | 4,787,000 | 3,897,000 | -18.59% |
| Election Costs | (745,000) | - | -100.00% |
| Capital Contributions | 1,310,000 | - | -100.00% |
| Capital Expenditures | (9,185,231) | (4,290,000) | -53.29% |
| Working Capital (Decrease) Increase | \$ (3,833,231) | \$ (393,000) | -89.75% |
| Beginning Working Capital Balance | \$ 20,666,388 | \$ 16,833,157 | -18.55% |
| Required Reserves | 2,767,500 | 2,697,250 | -2.54% |
| Remaining Working Capital Balance | \$ 14,065,657 | \$ 13,742,907 | -2.29% |

- Operating Revenues are budgeted to decrease by .46% due to a projected decrease in Surrendered and Abandoned Vessel Exchange (SAVE) Grant offset by a projected inflationary increase in fees of 4.9%.
- Non-Operating Revenues are budgeted to increase by 3.54% due to a projected increase in Property Tax of 4.79%, partially offset by lower estimated interest expense due to a projected decrease in cash balances and the elimination of COVID-19 grant of \$77,000.
- Salaries/Wages and Benefit Expenditures are projected to increase by 20.12% due to an estimated salary/wage and benefit cost increase, along with anticipation of being fully staffed for FY 2023/24. There are currently four vacancies that the District is in the process of filling. In addition, Workers' Compensation Insurance Costs are expected to increase by \$102,000 due to claims filed in 2022.
- Non-Personnel Expenditures are budgeted to decrease by .28%. For FY 2023/24 there is an anticipated increase costs of approximately 5% due to inflationary increases offset by a projected decrease in Vessel Destruction costs. Vessel Destruction costs are expected to be higher than normal in FY 2022/23 due to a more aggressive collection process.
- The FY 2022/23 projection includes \$745,000 in biennial election costs. The FY 2023/24 budget does not anticipate any one-time or biennial expenditures.
- Capital Expenditures and associated Capital Contributions are expected to decrease due to more projects being completed in 2022/23 such as the Pillar Point Harbor Public Restroom at Surfers' Beach and the Retail Center, Pillar Point Harbor Parking Lot Improvements, Design & Engineering for Pillar Point Harbor Johnson Pier & Docks Reconfiguration, Oyster Point Marina Navigational Aids Replacement, Design & Engineering for Pillar Point Harbor Surfers' Beach Restoration & Dredge Project, Design & Engineering for Oyster Point Marina East Dock Replacement, and Design & Engineering for Pillar Point Harbor Retail Center Replacement. Capital Projects expected to be funded



in 2023/24 include Design & Engineering for the Pillar Point Harbor Launch Ramp Restroom and Boat Rinse, Construction for Surfers' Beach Restoration & Dredge Project, Pillar Point Harbor Habitat Restoration, Oyster Point Marina Access Ramps for Docks 1-6 & 11, Oyster Point Marina East Side Parking Lot Repair/Resurface, and Pillar Point Harbor Rock Slope Restoration.

The following table summarizes the 2022/23 Revised Budget versus the 2022/23 Projected Results.

| | 2022/23 Projection | | 2022/23 Revised Budget | |
|--------------------------------------------|-----------------------|-----------------------|------------------------|----------------|
| Operating Revenues | \$ 4,746,000 | \$ 4,550,000 | | 4.31% |
| Non-Operating Revenues | 9,621,000 | 9,297,000 | | 3.48% |
| Total Revenues | 14,367,000 | 13,847,000 | | 3.76% |
| Salaries/Wages/Benefits Expenditures | 6,058,000 | 7,205,000 | | -15.92% |
| Non-Personnel Expenditures | 3,522,000 | 3,793,000 | | -7.14% |
| Total Expenditures | 9,580,000 | 10,998,000 | | -12.89% |
| Total Revenues less Expenditures | 4,787,000 | 2,849,000 | | 68.02% |
| Election Costs | (745,000) | (745,000) | | 0.00% |
| Capital Contributions | 1,310,000 | 1,310,000 | | 0.00% |
| Capital Expenditures | (9,185,231) | (9,185,231) | | 0.00% |
| Working Capital (Decrease) Increase | \$ (3,833,231) | \$ (5,771,231) | | -33.58% |

- Operating Revenues are expected to be above the revised budget by 4.31%. The slip/berth rentals at Oyster Point Marina are tracking above budget due to the influx of Oyster Cove Marina patrons who were displaced due to closure of the marina.
- Non-Operating Revenues are expected to exceed the revised budget by 3.48% due to the District higher than expected Property Tax Revenues (\$125,000), receiving a COVID-19 grant for additional costs incurred related to the pandemic (\$77,000), and a higher than expected rate of return on investments (\$121,000).
- Salaries/Wages and Benefit Expenditures are expected to be below budget by 15.92% due to vacancies and leaves of absences.
- Non-Personnel Expenditures are anticipated to be 7.14% below budget primarily due to lower-than-expected legal costs (\$122,000), and the elimination of night security at Oyster Point Marina (\$87,000).
- The Working Capital Balance is expected to decrease less than anticipated by \$1,938,000 due to the expected increase in Operating Revenues of \$196,000, increase in Non-Operating Revenue of \$324,000, decrease in Salaries/Wages/Benefits Expenditures of \$1,147,000 and a decrease in Non-Personnel Expenditures of \$271,000 as described above.



Short-Term Factors Influencing Decisions

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

Economic Factors:

This budget has been forecasted during economic uncertainty. According to the Federal Reserve forecasts for 2023, Gross Domestic Products (GDP) are expected to increase by .5%. Nationally, the unemployment rate is expected to increase to 4.6% through 2024. The California Employment Development Department reported an unemployment rate of 1.9% on December 1, 2022 in San Mateo County which is the lowest in the state. This low unemployment rate is despite technology sector layoffs.

The Public Employees' Pension is managed by California Public Employees' Retirement System (CalPERS). As of June 30, 2022, the District reported a net pension liability (NPL) of \$285,821 compared to June 30, 2021 NPL of \$2,904,343. The decrease was primarily due to an increase in investment earnings. Multiple variables (e.g. expected rate of return on investments, expected inflationary rates, average life-span, and expected number of vested employees) impact the calculation of the NPL. It is difficult to predict the impact that economic and market conditions may have on the NPL and future retirement costs of the District. The District will continue to monitor the NPL and consider earlier paydown when it determines it is feasible to do so. A 1% decrease in the discount rate results in an increase in the NPL of approximately \$3 million. The District budgeted a 5% increase in retirement costs.

Previous District and Board Actions

The following actions continue to result in reduced costs to the District.

On June 30, 2020, the District reported a net pension liability (NPL) of \$2,698,394 compared to June 30, 2019 NPL of \$4,831,495. The decrease was due to a pre-payment of the District's long-term liability of \$2,300,000 made in FY 2018/19.

In FY 2015/16 the District made a payment to California Department of Boating and Waterways to pay off a \$5,933,269 loan balance. Since then the District has not issued any debt or borrowed money and has essentially remained debt free.

State & Federal Budgets & Actions:

The County of San Mateo allocates property tax to Cities and Special Districts using formulas determined by the State of California. In 1978, Proposition 13 was voted in to limit the increase of property tax assessments to 1% of market value; and the assessment can increase by a maximum of 2% per year. If properties are sold below the current assessed market value, property tax revenue decreases. The five-year projection of property tax revenues anticipates a 1% decrease in property values starting in Fiscal Year 2024/25. This assumption is made due to uncertainty involving commercial properties and

The Federal Reserve continues to increase rates to slow inflation. In addition, trade tensions may have an ongoing negative impact on business investments and in turn negatively impact economic growth. Economists are predicting a recession and current economic indicators are headed in this direction.



Environmental Issues:

The District is investigating, developing, and advocating for the implementation of strategies to mitigate the impacts of climate change on District-managed properties. Projects that are included in the Five-Year Capital Improvement Program section (pages 44-66) and are associated with climate change include East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan.

Other Factors:

The District's Infrastructure is aging and will require replacement. For fiscal year ended June 30, 2022 the District had approximately \$50.3 million in depreciable assets with accumulated depreciation of \$32.7 million. About 65% of the District's total assets have been depreciated. In FY 2020/22 the District recorded \$1,193,125 in depreciation expense in its Audited Financial Statements. The five-year CIP section of this budget document includes a plan to replace a portion of the District's infrastructure. A few of the projects in the CIP section do not have identified funding for construction costs. The District is temporarily deferring unfunded projects until revenues increase, expenditures decrease, and/or other funding sources are identified.

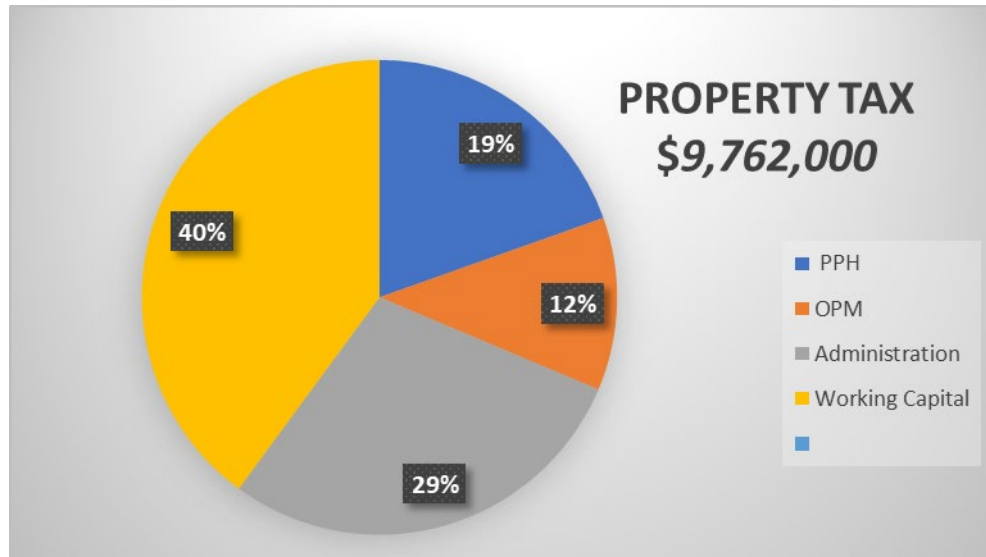
In 2018, the District entered into a Memorandum of Understanding (MOU) with the City of South San Francisco (SSF), replacing a Joint Powers Agreement, to manage the Oyster Point Marina property owned by SSF. The MOU's initial term is fifteen years. The MOU will automatically renew for two additional periods of ten years each unless notice is given by the District to SSF to discontinue the MOU. The MOU requires that the District make significant Capital Improvements during specified timelines. These projects are included in the Capital Improvement Program Section (pages 44-66).

Public and Enterprise Services

The District's transactions are accounted for in an Enterprise Fund which includes three departments- Administration, Pillar Point Harbor (PPH), and Oyster Point Marina (OPM). PPH and OPM generate operating revenue from berth rentals, liveaboard fees, boat launch fees, property rentals and permit fees. This revenue is used to offset costs associated with these activities.

All District property is for the enjoyment of the public. In addition to providing the public with boating facilities, the District provides coastal trail access and maintenance, beach access, public fishing piers, park and landscape maintenance, public parking, trash removal, bay trail access and maintenance, search and rescue operations, toxic environmental clean-up, public restrooms and public outreach and education. These public services and activities serve a broad segment of San Mateo County's population and visitors.

The District receives Property Tax Revenue from San Mateo County property owners. Property Tax Revenue is used to fund the Administration Department, any operating deficits associated with the costs of providing public services at PPH and OPM, and a portion of the Capital Improvement Program. For FY 2023/24, the District estimates that \$1,150,000 will be used for OPM public operations, \$1,911,000 for PPH public operations, \$2,804,000 for administrative functions (\$200,000 of administrative functions funded by interest income and \$72,000 by lease income), and \$3,897,000 towards funding the Capital Improvement Program for a total of \$9,762,000 of anticipated Property Tax Revenue.

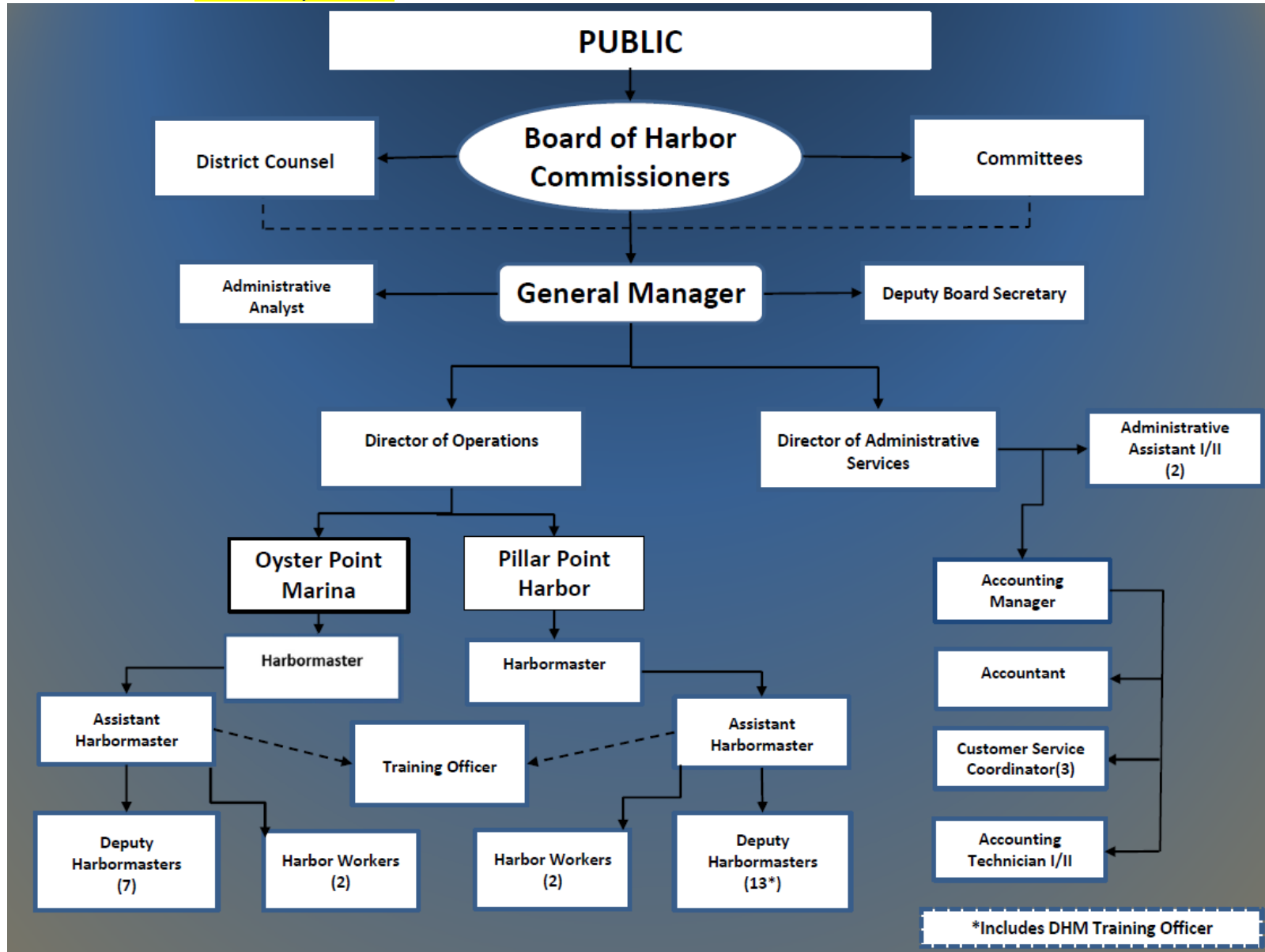


For Fiscal Year 2023/24 the Capital Asset projected costs of \$4,290,000 (detail on pages 44-66) are funded by Working Capital Balances that consist of accumulated property tax revenues from previous fiscal years. All projects are for the benefit of the public such as additional ADA public restroom facilities, and East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan.

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Organizational Chart- to be updated





Staffing Authorization

| <u>Classification/Position Title</u> | <u>Actual 2021/22</u> | <u>Revised Budget 2022/23</u> | <u>Draft Budget 2023/24</u> | <u>*Status as of 2/28/2023</u> |
|---------------------------------------------|---------------------------|---------------------------------------|-------------------------------------|------------------------------------|
| <u>Administration Department</u> | | | | |
| General Manager | 1 | 1 | 1 | Active |
| Director of Operations | 1 | 1 | 1 | Active |
| Director of Admin. Services | 1 | 1 | 1 | Active |
| Assistant Director of Admin. Services | - | - | 1 | Vacant |
| Accountant | 1 | 1 | 1 | Active |
| Accounting Tech I & II | 1 | 1 | 1 | Active |
| Accounting Manager | 1 | 1 | 1 | Active |
| Admin. Analyst- Communications | 1 | - | - | Deleted |
| Administrative Analyst | - | 1 | - | Deleted |
| Administrative Assistant I & II | 2 | 2 | 2 | Active |
| Deputy Secretary | 1 | 1 | 1 | Active |
| Customer Service Coordinator | - | 0.6 | 0.6 | Active |
| Planner Analyst | 1 | - | - | Deleted |
| Total Administration | 11 | 10.6 | 10.6 | |
| <u>Pillar Point Harbor</u> | | | | |
| Harbormaster | 1 | 1 | 1 | Active |
| Assistant Harbormaster | 1 | 1 | 1 | Active |
| Deputy Harbormaster A&B | 12 | 12 | 12 | Active |
| Deputy Harbormaster/Training Officer | 1 | 1 | 1 | Active |
| Harbor Worker B | 2 | 4 | 4 | Active |
| Customer Service Coordinator | 1 | 1.4 | 1.4 | Active |
| Total Pillar Point Harbor | 18 | 20.4 | 20.4 | |
| <u>Oyster Point Marina</u> | | | | |
| Harbormaster | 1 | 1 | 1 | Active |
| Assistant Harbormaster | 1 | 1 | 1 | Active |
| Deputy Harbormaster A&B | 7 | 7 | 7 | Active |
| Harbor Worker B | 2 | 3 | 3 | 1 Active/1 Vacant |
| Customer Service Coordinator | 1 | 1 | 1 | Active |
| Total Oyster Point Marina | 12 | 13 | 13 | |
| Total Full-Time Equivalent Positions | 41 | 44 | 44 | |

* Active positions are funded and filled. Vacant positions are funded but not filled.
Deleted positions are not funded and not filled.



Budget Schedules

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Basis of Budgeting vs. Accounting

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

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

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

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

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

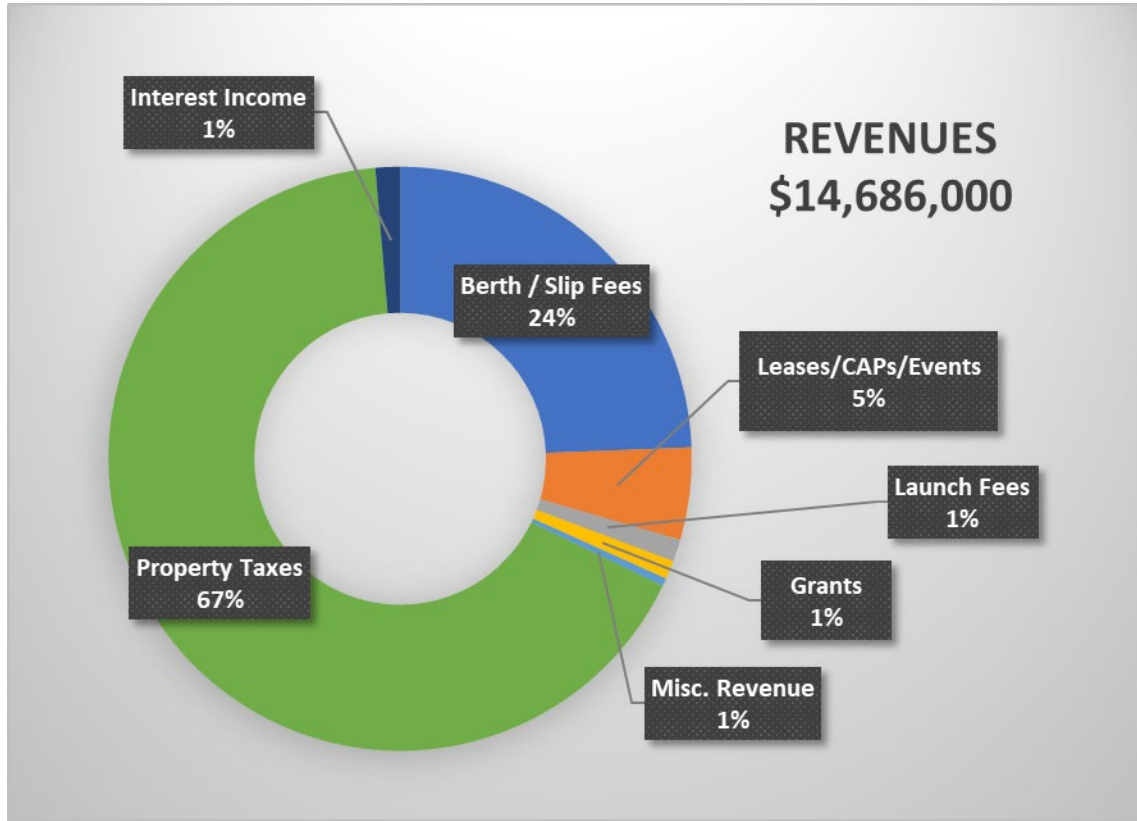


Three-Year Comparative Financial Schedule

| | Fiscal Year 2021/22 | | Fiscal Year 2022/23 | | Fiscal Year 2023/24 |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | Revised Budget | Actual | Revised Budget | Projection | Draft Budget |
| Operating Revenues: | | | | | |
| Berth / Slip Fees | \$ 3,472,000 | \$ 3,401,211 | \$ 3,482,000 | \$ 3,533,000 | \$ 3,580,000 |
| Leases and CAPs | 567,000 | 645,635 | 693,000 | 689,000 | 721,000 |
| Launch Fees | 147,000 | 140,868 | 126,000 | 166,000 | 180,000 |
| Events | 29,000 | 26,964 | 29,000 | 11,000 | 29,000 |
| Grants & Reimbursements | 150,000 | 31,191 | 150,000 | 286,000 | 150,000 |
| Other Operating Revenue | 74,000 | 66,407 | 70,000 | 61,000 | 64,000 |
| Total Operating Revenues | 4,439,000 | 4,312,276 | 4,550,000 | 4,746,000 | 4,724,000 |
| Non-Operating Revenues: | | | | | |
| Property Taxes | 8,163,000 | 9,576,725 | 9,191,000 | 9,316,000 | 9,762,000 |
| Interest Income | 251,000 | 187,571 | 106,000 | 227,000 | 200,000 |
| Misc. Rev./Exp. | - | 128,286 | - | 78,000 | - |
| Total Non-Operating Revenues | 8,414,000 | 9,892,582 | 9,297,000 | 9,621,000 | 9,962,000 |
| Total Revenues | \$ 12,853,000 | \$ 14,204,858 | \$ 13,847,000 | \$ 14,367,000 | \$ 14,686,000 |
| Operating Expenditures: | | | | | |
| Salaries/Wages/Benefits Expenditures | | | | | |
| Salaries & Wages | \$ 4,492,000 | \$ 4,000,559 | \$ 5,012,000 | \$ 4,146,000 | \$ 5,045,000 |
| Benefits-Current Employees | 1,625,000 | 1,528,820 | 1,908,000 | 1,610,000 | 1,906,000 |
| Benefits-Retired/Former Emp | 223,000 | 274,317 | 285,000 | 302,000 | 326,000 |
| Salary/Wages/Benefits Sub-total | 6,340,000 | 5,803,696 | 7,205,000 | 6,058,000 | 7,277,000 |
| Non-Personnel Expenditures | | | | | |
| Payments to Other Agencies | 84,000 | 88,654 | 88,000 | 88,000 | 92,000 |
| Utilities | 452,000 | 476,567 | 499,000 | 560,000 | 590,000 |
| Contract Services | 324,000 | 185,920 | 340,000 | 253,000 | 266,000 |
| Legal | 300,000 | 221,613 | 315,000 | 193,000 | 203,000 |
| Property/Liability Insurance | 291,000 | 290,964 | 317,000 | 411,000 | 422,000 |
| Repairs & Maint- Routine | 393,000 | 112,108 | 568,000 | 492,000 | 516,000 |
| Office/Equipment Rentals | 125,000 | 78,926 | 20,000 | 20,000 | 21,000 |
| Information Technology | 312,000 | 321,122 | 362,000 | 335,000 | 352,000 |
| Financial Service Fees | 74,000 | 71,058 | 77,000 | 83,000 | 87,000 |
| Operating Expenses | 362,000 | 487,881 | 403,000 | 428,000 | 449,000 |
| Travel and Training | 182,000 | 66,183 | 190,000 | 92,000 | 116,000 |
| Advertising and Promotion | 46,000 | 18,585 | 48,000 | 10,000 | 17,000 |
| Personnel Administration | 12,000 | 28,941 | 19,000 | 12,000 | 14,000 |
| Vessel Destruction | 190,000 | 257,997 | 200,000 | 336,000 | 150,000 |
| Memberships & Subscriptions | 25,000 | 15,233 | 26,000 | 16,000 | 18,000 |
| Claims Settlement | 100,000 | - | 105,000 | - | - |
| Bad Debts | 192,000 | 198,118 | 201,000 | 187,000 | 192,000 |
| Miscellaneous Expend. | 8,000 | 10,840 | 15,000 | 6,000 | 7,000 |
| Non-Personnel Expend Sub-total | 3,472,000 | 2,930,710 | 3,793,000 | 3,522,000 | 3,512,000 |
| Total Operating Expenditures | \$ 9,812,000 | \$ 8,734,406 | \$ 10,998,000 | \$ 9,580,000 | \$ 10,789,000 |
| Revenues less Expenditures | \$ 3,041,000 | \$ 5,470,452 | \$ 2,849,000 | \$ 4,787,000 | \$ 3,897,000 |
| One-time Revenues(Expenditures) | | | | | |
| Election Costs (every other year) | \$ - | \$ - | \$ (745,000) | \$ (745,000) | \$ - |
| Capital Grants & Reimbursements | - | - | 1,310,000 | 1,310,000 | - |
| Capital Expenditures | (10,160,464) | (8,362,785) | (9,185,231) | (9,185,231) | (4,290,000) |
| Increase(Decrease) to Working Capital | \$ (7,119,464) | \$ (2,892,333) | \$ (5,771,231) | \$ (3,833,231) | \$ (393,000) |



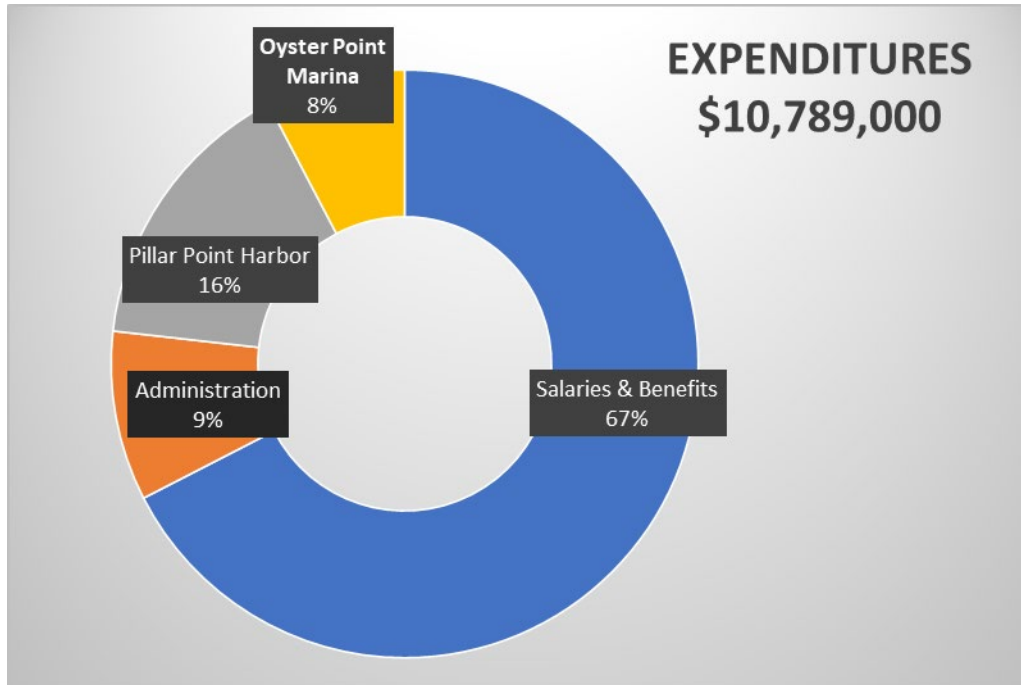
District Revenue



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District Expenditures



The above chart shows the percentage of expenditures spent on Salaries/Wages & Benefits, Non-Personnel Expenditures for each of the three District departments and Election Costs.

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Budget by Department



Department Summaries

Administration Department

The Administration Department includes five elected Harbor Commissioners and 11 full-time positions and are responsible for the following duties and tasks:

Elected Harbor Commissioners:

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

General Manager:

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

Administration & Operations:


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

Operations:





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




The following table describes the Administration Department's Goals, Objectives, and Performance Indicators for Fiscal Year 2023/24 along with 2022/23 results.

| Strategic Goal | Objective | Measure | FY 2022/23 Goal | FY 2022/23 Actual | FY 2023/24 Goals | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------|-------------------------------|
|  | Develop and Implement a Communications Plan | Social Media Program to support each of the Strategic Goals | Six Strategic Goals supported | | | |
| | Develop and Implement a Training Plan | Coordinate one training per month | Six employee trainings | Exceeded Goal, eleven trainings | Coordinate one training per month | |
| | | Maximize Insurance Credits for trainings | Obtain 5% credit | Achieved 5% credit | Obtain 5% credit or above | |
| | Automate Business Processes & Ensure that Computer Hardware is in good working condition | Manage replacement of outdated equipment and extend warranties | Replacement of workstations and copier/scanner; Implement new antivirus scanner | Replaced workstations and new antivirus scanner | Replaced workstations and new antivirus scanner | Replace outdated workstations |
| | | Implement Enterprise Resource Planning System | Work with Tyler Tech to implement full web-based version | Not expected to be completed | Work with Tyler Tech to implement full web-based version | |
| | | Investigate most cost-effective options | Prepare cost analysis of different Public Record request software | | n.a. | |
| | Ensure permittees, lessees and slip holders are in compliance with agreements | Create & Track compliance with Commercial Activity Permits (CAPs) | Send notices to request renewals by October 31 | | | |
| | | | Send notices to request renewals by October 31 | | | |
| | | | Once renewal request is completed, issue permission to renew within 5 days | | | |
| | | | New CAPs issued within 60 days of application | | | |



| | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------|
| | | | Cancellation of CAP for non-compliance after 60 days | | |
| | | Track compliance with Lease Agreements | 100% Compliance or letter to cure default | In progress- expected to be 100% by 6/30/23 | 100% Compliance or letter to cure default |
| | | Ensure that collection efforts for past due accounts are timely | Percentage in overdue Accounts Receivables over 120 days is less than 40% at PPH and 50% at OPM | | |
|  | Ensure financial information is accurately recorded and internal controls are in place | Prepare timely monthly bank reconciliation | 3 of 4 accounts Completed by the 10th of each month | | 3 of 4 accounts Completed by the 10th of each month |
| | | Ensure minimal payroll adjustments | Less than 6 per year | | Less than 6 per year |
| | | Prepare timely and accurate payroll tax returns | No penalties or corrections | | No penalties or corrections |
| | | Prepare accurate and timely financial statements | No management comments | Goal achieved | No management comments |
| | Enhance revenues and decrease expenditures | Review Fees and Rates | Increase rates and fees where applicable | | Increase rates and fees where applicable |
| | | Successfully negotiate longer term leases to replace month-to-month agreements | Negotiate 3 rd Party Lease for vacant space in Admin Building | Completed | n.a. |
|    | Enable and enhance transparency of Public Records | Ensure timely response to Public Record Act (PRA) requests | 100% of PRA requests processed within 10-day period or 14-day extension letter sent | | 100% of PRA requests processed within 10-day period or 14-day extension letter sent |
| | | Manage legal fees | Decrease expenditures | Expected to be achieved and be \$28,613 below 2021/22 | Decrease expenditures |



| | | | | | |
|------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| | <p>and compile Permanent Records</p> | <p>Create Electronic Permanent Records files</p> | <p>Complete population of financial records</p> | <p>In progress</p> | <p>Complete population of financial records</p> |
| | | | <p>Complete population of claims and investigations</p> | <p>Not started</p> | <p>Complete population of claims and investigations</p> |
| | | | <p>Complete population of Board agendas, minutes and resolutions</p> | <p>In progress</p> | <p>Complete population of Board agendas, minutes and resolutions</p> |
| | | <p>Create checklist for permanent Human Resource records and organize paper records</p> | <p>Complete organization of all current employee records</p> | <p>In progress</p> | <p>Complete organization of all current employee records</p> |
|  | <p>Ensure a highly productive and team-oriented workforce</p> | <p>Improve Human Resource (HR) functions with support of ERP automation</p> | <p>Low turnover excluding retirement</p> | <p>x resignations or x%</p> | <p>Low turnover excluding retirement</p> |
| | | | <p>Update 25% of HR Policies</p> | <p>Updated x% of HR Policies</p> | <p>Update 25% of HR Policies</p> |
| | | | <p>Begin comprehensive classification study and salary analysis</p> | <p>Updated job descriptions expected to be completed.</p> | <p>n.a.</p> |
| | | | <p>Average number of days from close of recruitment to conditional offer is less than 30 days</p> | <p>Goal achieved-x days</p> | <p>Average number of days from close of recruitment to conditional offer is less than 30 days</p> |
| | | | <p>Average service years is greater than 4</p> | <p>Goal achieved-x average years</p> | <p>Average service years is greater than 4</p> |



Administration Department

| | Fiscal Year 2021/22 | | Fiscal Year 2022/23 | | Fiscal Year 2023/24 |
|----------------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Revised Budget | Actual | Revised Budget | Projection | Draft Budget |
| Operating Revenues: | | | | | |
| Leases and CAPs | \$ - | \$ 20,592 | \$ 68,000 | \$ 70,000 | \$ 72,000 |
| Total Operating Revenues | \$ - | \$ 20,592 | \$ 68,000 | 70,000 | \$ 72,000 |
| Non-Operating Revenues: | | | | | |
| Property Taxes | 8,163,000 | 9,576,725 | 9,191,000 | 9,316,000 | 9,762,000 |
| Interest Income | 251,000 | 187,571 | 106,000 | 227,000 | 200,000 |
| Miscellaneous Revenues | - | 127,973 | - | 77,000 | - |
| Total Non-Operating Revenues | 8,414,000 | 9,892,269 | 9,297,000 | 9,620,000 | 9,962,000 |
| Total Revenues | \$ 8,414,000 | \$ 9,912,861 | \$ 9,365,000 | \$ 9,690,000 | \$ 10,034,000 |
| Operating Expenditures: | | | | | |
| Salaries/Wages/Benefits Expenditures | | | | | |
| Salaries & Wages | \$ 1,311,000 | \$ 1,308,219 | \$ 1,330,000 | \$ 1,332,000 | \$ 1,533,000 |
| Benefits-Current Employees | 447,000 | 444,434 | 456,000 | 485,000 | 509,000 |
| Benefits-Retired/Former Emp | 19,000 | 24,778 | 44,000 | 26,000 | 27,000 |
| Salary/Benefits Sub-total | 1,777,000 | 1,777,431 | 1,830,000 | 1,843,000 | 2,069,000 |
| Non-Personnel Expenditures | | | | | |
| Payments to Other Agencies | 84,000 | 88,654 | 88,000 | 88,000 | 92,000 |
| Utilities | - | 3,458 | 24,000 | 39,000 | 41,000 |
| Contract Services | 68,000 | 62,287 | 71,000 | 71,000 | 75,000 |
| Legal | 200,000 | 184,151 | 210,000 | 113,000 | 119,000 |
| Property/Liability Insurance | 123,000 | 159,254 | 141,000 | 204,000 | 207,000 |
| Repairs & Maint- Routine | - | (58,271) | 155,000 | 155,000 | 163,000 |
| Office/Equipment Rentals | 125,000 | 78,926 | 20,000 | 20,000 | 21,000 |
| Information Technology | 122,000 | 157,387 | 163,000 | 163,000 | 171,000 |
| Financial Service Fees | 1,000 | 548 | 1,000 | 1,000 | 1,000 |
| Operating Expenses | 35,000 | 22,591 | 37,000 | 37,000 | 39,000 |
| Travel and Training | 108,000 | 23,902 | 113,000 | 50,000 | 53,000 |
| Advertising and Promotion | 16,000 | 2,745 | 17,000 | 5,000 | 5,000 |
| Personnel Administration | 6,000 | 970 | 6,000 | 3,000 | 3,000 |
| Memberships & Subscriptions | 22,000 | 15,233 | 23,000 | 16,000 | 17,000 |
| Claims Settlement | 100,000 | - | 105,000 | - | - |
| Non-Personnel Expend Sub-total | 1,010,000 | 741,835 | 1,174,000 | 965,000 | 1,007,000 |
| Total Expenditures | \$ 2,787,000 | \$ 2,519,266 | \$ 3,004,000 | \$ 2,808,000 | \$ 3,076,000 |
| Revenues less Expenditures | \$ 5,627,000 | \$ 7,393,595 | \$ 6,361,000 | \$ 6,882,000 | \$ 6,958,000 |
| One-time Revenues(Expenditures) | | | | | |
| Election Costs (every other year) | \$ - | \$ - | \$ (745,000) | \$ (745,000) | \$ - |
| Capital Expenditures | (3,820,676) | (3,765,507) | (534,939) | (534,939) | (200,000) |
| Increase(Decrease) to Working Capital | \$ 1,806,324 | \$ 3,628,088 | \$ 5,081,061 | \$ 5,602,061 | \$ 6,758,000 |



Pillar Point Harbor Department and Oyster Point Marina Department-

The Pillar Point Harbor Department includes 20.4 full-time positions and the Oyster Point Marina Department includes 13 full-time positions and are responsible for the following at their respective locations:

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




The Pillar Point Harbor averages at 98% occupancy while Oyster Point Marina averages at 78% occupancy.

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Pillar Point Harbor Department

The following table describes Pillar Point Harbor Department's Goals, Objectives and Performance Indicators for Fiscal Year 2023/24 along with 2022/23 results.

| Strategic Goal | Objective | Measure | 2022/23 Goals | FY 2022/23 Actual FY | 2023/24 Goals |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|  | Ensure that District facilities for berthers/slip holders are in excellent condition | Improve electrical grid and phased replacement of fingers and docks | Continue to search for funding | Funding applied for through California Grant writers | Continue to search for funding |
|  | All customers receive excellent service | Customers are satisfied and there are minimal complaints | On-going customer facing training | Completed x trainings | On-going customer facing training |
|  | Educate the public toward water and environmental safety | Require registration for kayak and paddleboard users | Contact and issued registration for every kayaker willing and encountered | Continue engagement with Kayakers and Stand-up paddle boarders. | Contact and issued registration for every kayaker willing and encountered |
| | | Personal flotation device awareness through hosting of youth group | 8 groups of high school students were presented with education and materials. | 5 groups | 8 groups of high school students were presented with education and materials. |
| | Educate tenants and berth/slip renters of prohibition of parking and driving on Johnson Pier | Maintain access for emergency response vehicles and ensure safety of users of Johnson Pier | Increase compliance with parking rules | Goal achieved | Continue to increase compliance with parking rules |
| | | Designate areas for tote bins and at least 16' of space for Emergency vehicles access. | Maintain 100% compliance | Enforced Pier safety plan and achieved compliance for bins and access through education and enforcement | xxxxx |
| | Ensure staff is trained in rescue/aid activities | Respond to rescue/aid requests | Average 130 rescues/aids | Approximately 180 through March. | Average 130 rescues/aids |



| | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|---------------------------|
|   | Ensure that District resources are protected and environmental issues are addressed | Address issues with derelict vessels, conduct lien sales and vessel destruction activities | Remove at least 5 vessels | Goal achieved, removed 14 vessels | Remove at least 5 vessels |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|---------------------------|

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Pillar Point Harbor

| | Fiscal Year 2021/22 | | Fiscal Year 2022/23 | | Fiscal Year 2023/24 |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Revised Budget | Actual | Revised Budget | Projection | Draft Budget |
| Operating Revenues: | | | | | |
| Berth / Slip Fees | \$ 2,233,000 | \$ 2,129,263 | \$ 2,203,000 | \$ 2,133,000 | \$ 2,238,000 |
| Leases and CAPs | 442,000 | 526,685 | 500,000 | 518,000 | 543,000 |
| Launch Fees | 125,000 | 106,676 | 104,000 | 150,000 | 157,000 |
| Events | 29,000 | 26,964 | 29,000 | 10,000 | 29,000 |
| Grants & Reimbursements | 99,000 | 17,732 | 113,000 | 211,000 | 75,000 |
| Other Operating Revenue | 48,000 | 47,230 | 44,000 | 41,000 | 43,000 |
| Total Operating Revenues | 2,976,000 | 2,854,550 | 2,993,000 | 3,063,000 | 3,085,000 |
| Non-Operating Revenues: | | | | | |
| Miscellaneous Revenues | - | - | - | 1,000 | - |
| Total Non-Operating Revenues | - | - | - | 1,000 | - |
| Total Revenues | \$ 2,976,000 | \$ 2,854,550 | \$ 2,993,000 | \$ 3,064,000 | \$ 3,085,000 |
| Operating Expenditures: | | | | | |
| Salaries/Wages/Benefits Expenditures | | | | | |
| Salaries & Wages | \$ 1,866,000 | \$ 1,718,019 | \$ 2,147,000 | \$ 1,767,000 | \$ 2,254,000 |
| Benefits-Current Employees | 726,000 | 732,899 | 917,000 | 750,000 | 900,000 |
| Benefits-Retired/Former Emp | 133,000 | 144,728 | 159,000 | 150,000 | 167,000 |
| Salary/Benefits Sub-total | 2,725,000 | 2,595,646 | 3,223,000 | 2,667,000 | 3,321,000 |
| Non-Personnel Expenditures | | | | | |
| Utilities | 312,000 | 326,332 | 328,000 | 376,000 | 395,000 |
| Contract Services | 173,000 | 111,005 | 182,000 | 182,000 | 191,000 |
| Legal | 100,000 | 20,167 | 105,000 | 50,000 | 53,000 |
| Property/Liability Insurance | 80,000 | 62,491 | 84,000 | 107,000 | 115,000 |
| Repairs & Maint- Routine | 273,000 | 126,005 | 287,000 | 287,000 | 301,000 |
| Information Technology | 127,000 | 87,337 | 133,000 | 92,000 | 97,000 |
| Financial Service Fees | 46,000 | 42,283 | 48,000 | 44,000 | 46,000 |
| Operating Expenses | 209,000 | 301,453 | 242,000 | 242,000 | 254,000 |
| Travel and Training | 47,000 | 30,286 | 49,000 | 32,000 | 34,000 |
| Advertising and Promotion | 22,000 | 12,991 | 23,000 | 4,000 | 4,000 |
| Personnel Administration | 1,000 | 4,720 | 8,000 | 6,000 | 6,000 |
| Vessel Destruction | 139,000 | 248,997 | 146,000 | 261,000 | 75,000 |
| Memberships & Subscriptions | 2,000 | - | 2,000 | - | - |
| Bad Debts | 103,000 | 89,343 | 108,000 | 94,000 | 99,000 |
| Miscellaneous Expend. | 6,000 | 11,407 | 13,000 | 5,000 | 5,000 |
| Non-Personnel Expend Sub-total | 1,640,000 | 1,474,817 | 1,758,000 | 1,782,000 | 1,675,000 |
| Total Expenditures | \$ 4,365,000 | \$ 4,070,463 | \$ 4,981,000 | \$ 4,449,000 | \$ 4,996,000 |
| Revenues less Expenditures | \$ (1,389,000) | \$ (1,215,913) | \$ (1,988,000) | \$ (1,385,000) | \$ (1,911,000) |
| One-time Revenues(Expenditures) | | | | | |
| Capital Grants & Reimbursen | - | - | 1,310,000 | 1,310,000 | - |
| Capital Expenditures | (5,123,685) | (3,381,175) | (7,868,543) | (7,868,543) | (2,640,000) |
| Increase(Decrease) to Working Capital | \$ (6,512,685) | \$ (4,597,088) | \$ (8,546,543) | \$ (7,943,543) | \$ (4,551,000) |



Oyster Point Marina Department

The following table describes Oyster Point Marina Department's Goals, Objectives and Performance Indicators for Fiscal Year 2023/24 along with 2022/23 results.

| Strategic Goal | Objective | Measure | FY 2022/23 Goals | FY 2022/23 Actual | FY 2023/24 Goals |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|   | Ensure that District facilities for berthers/slip holders are in excellent condition | Work with the City of South San Francisco, developers, and contractors on upgrades to docks | Complete Design & Engineering Docks 12-14 | Completed | Replace restroom/shower doors in east basin and replace shop doors |
| | | Perform Maintenance Activities | Landscape maintenance including tree replacement | SSF is in process of design and replacing landscape | Continue landscape/maintenance improvements Include shop yard asphalt replacement Slurry seal and restripe Launch Ramp Parking Lot |
| | | | Repair cleats and replace rub rails | Several rub rails replaced, and cleat repairs completed | Continue to repair cleats and replace rub rails |
|  | All customers receive excellent service | Customers are satisfied and there are minimal complaints | Staff completes customer facing training | Conducted quarterly round table trainings | On-going customer facing training |
|  | Ensure staff is trained in rescue/aid activities | Respond to rescue/aid requests | Average 50 rescues/aids per year | Approximately 60 Rescues/aids Per year | Average 50 rescues/aids per year |
|   | Ensure that District resources are protected and environmental issues are addressed | Address issues with derelict vessels, conduct lien sales and vessel destruction activities | Remove at least 5 vessels | 10 vessels removed | Remove at least 8 vessels |



Oyster Point Marina

| | Fiscal Year 2021/22 | | Fiscal Year 2022/23 | | Fiscal Year 2023/24 |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | Revised Budget | Actual | Revised Budget | Projection | Draft Budget |
| Operating Revenues: | | | | | |
| Berth / Slip Fees | \$ 1,239,000 | \$ 1,271,948 | \$ 1,279,000 | \$ 1,400,000 | \$ 1,342,000 |
| Leases and CAPs | 125,000 | 118,950 | 125,000 | 101,000 | 106,000 |
| Launch Fees | 22,000 | 34,192 | 22,000 | 16,000 | 23,000 |
| Events | - | - | - | 1,000 | - |
| Grants & Reimbursements | 51,000 | 13,459 | 37,000 | 75,000 | 75,000 |
| Other Operating Revenue | 26,000 | 19,177 | 26,000 | 20,000 | 21,000 |
| Total Operating Revenues | 1,463,000 | 1,457,726 | 1,489,000 | 1,613,000 | 1,567,000 |
| Non-Operating Revenues: | | | | | |
| Misc. Rev./(Exp.) | - | 313 | - | - | - |
| Total Non-Operating Revenues | - | 313 | - | - | - |
| Total Revenues | \$ 1,463,000 | \$ 1,458,039 | \$ 1,489,000 | \$ 1,613,000 | \$ 1,567,000 |
| Operating Expenditures: | | | | | |
| Salaries/Wages/Benefits Expenditures | | | | | |
| Salaries & Wages | \$ 1,315,000 | \$ 974,321 | \$ 1,535,000 | \$ 1,047,000 | \$ 1,258,000 |
| Benefits-Current Employees | 452,000 | 351,487 | 535,000 | 375,000 | 497,000 |
| Benefits-Retired/Former Emp | 71,000 | 104,811 | 82,000 | 126,000 | 132,000 |
| Salary/Benefits Sub-total | 1,838,000 | 1,430,619 | 2,152,000 | 1,548,000 | 1,887,000 |
| Non-Personnel Expenditures | | | | | |
| Utilities | 140,000 | 150,235 | 147,000 | 145,000 | 154,000 |
| Contract Services | 83,000 | 12,628 | 87,000 | - | - |
| Legal | - | 17,295 | - | 30,000 | 31,000 |
| Property/Liability Insurance | 88,000 | 69,219 | 92,000 | 100,000 | 100,000 |
| Repairs & Maint- Routine | 120,000 | 44,374 | 126,000 | 50,000 | 52,000 |
| Information Technology | 63,000 | 76,398 | 66,000 | 80,000 | 84,000 |
| Financial Service Fees | 27,000 | 28,227 | 28,000 | 38,000 | 40,000 |
| Operating Expenses | 118,000 | 163,837 | 124,000 | 149,000 | 156,000 |
| Travel and Training | 27,000 | 11,995 | 28,000 | 10,000 | 29,000 |
| Advertising and Promotion | 8,000 | 2,849 | 8,000 | 1,000 | 8,000 |
| Personnel Administration | 5,000 | 23,251 | 5,000 | 3,000 | 5,000 |
| Vessel Destruction | 51,000 | 9,000 | 54,000 | 75,000 | 75,000 |
| Memberships & Subscriptions | 1,000 | - | 1,000 | - | 1,000 |
| Bad Debts | 89,000 | 108,775 | 93,000 | 93,000 | 93,000 |
| Miscellaneous Expend. | 2,000 | (567) | 2,000 | 1,000 | 2,000 |
| Non-Personnel Expend Sub-total | 822,000 | 717,516 | 861,000 | 775,000 | 830,000 |
| Total Expenditures | \$ 2,660,000 | \$ 2,148,135 | \$ 3,013,000 | \$ 2,323,000 | \$ 2,717,000 |
| Revenues less Expenditures | \$ (1,197,000) | \$ (690,096) | \$ (1,524,000) | \$ (710,000) | \$ (1,150,000) |
| One-time Revenues(Expenditures) | | | | | |
| Capital Grants & Reimbursement | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Expenditures | (1,216,103) | (540,419) | (781,749) | (781,749) | (1,450,000) |
| Increase(Decrease) to Working Capital | \$ (2,413,103) | \$ (1,230,515) | \$ (2,305,749) | \$ (1,491,749) | \$ (2,600,000) |



SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

DRAFT



Five-Year Forecasts

| CIP COST ESTIMATES | | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2027/28 |
|-------------------------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Pillar Point Harbor | | \$ 7,868,543 | \$ 2,640,000 | \$ 1,210,000 | \$ 160,000 | \$ 160,000 | \$ 160,000 |
| Oyster Point Marina | | 781,749 | 1,450,000 | 300,000 | 50,000 | 50,000 | 50,000 |
| Administration | | 534,939 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| TOTAL | | \$ 9,185,231 | \$ 4,290,000 | \$ 1,710,000 | \$ 410,000 | \$ 410,000 | \$ 410,000 |
| FUNDING SOURCES | | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2027/28 |
| DBW Grant | | \$ 800,000 | \$ - | \$ - | - | - | - |
| Coastal Conservency | | 212,000 | - | - | - | - | - |
| MTC Grant | | 298,000 | - | - | - | - | - |
| Working Capital | | 7,875,231 | 4,290,000 | 1,710,000 | 410,000 | 410,000 | 410,000 |
| TOTAL | | \$ 9,185,231 | \$ 4,290,000 | \$ 1,710,000 | \$ 410,000 | \$ 410,000 | \$ 410,000 |
| SOURCES (USES) | | FY 2022/23 | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2027/28 |
| Working Capital- Beginning Balance | | \$ 20,666,388 | \$ 16,833,157 | \$ 16,440,157 | \$ 17,373,157 | \$ 19,976,157 | \$ 21,167,157 |
| Operating Revenue | | 4,746,000 | 4,724,000 | 4,842,000 | 4,963,000 | 5,087,000 | 5,214,000 |
| Non-Operating Revenue | | 9,621,000 | 9,962,000 | 9,862,000 | 9,763,000 | 9,665,000 | 9,568,000 |
| Salaries/Wages & Benefits | | (6,058,000) | (7,277,000) | (7,641,000) | (8,023,000) | (8,624,000) | (9,055,000) |
| Non-Personnel Expenditures | | (3,522,000) | (3,512,000) | (3,600,000) | (3,690,000) | (3,782,000) | (3,877,000) |
| One-Time/Biennial | | (745,000) | - | (820,000) | - | (745,000) | - |
| Annual Increase in Working Capital | | 4,042,000 | 3,897,000 | 2,643,000 | 3,013,000 | 1,601,000 | 1,850,000 |
| Working Capital used for CIP | | (7,875,231) | (4,290,000) | (1,710,000) | (410,000) | (410,000) | (410,000) |
| TOTAL ENDING WORKING CAPITAL | | \$ 16,833,157 | \$ 16,440,157 | \$ 17,373,157 | \$ 19,976,157 | \$ 21,167,157 | \$ 22,607,157 |
| MINIMUM REQUIRED RESERVES | | \$ 2,767,500 | \$ 2,697,250 | \$ 3,220,250 | \$ 2,928,250 | \$ 3,474,000 | \$ 3,233,000 |

Working Capital

The five-year Working Capital projection assumes the following after Fiscal Year 2023/24: 1) Operating Revenues will increase by 2.5% for each of the next five years, 2) Non-Operating Revenues will decrease due to expected drop in interest income and decrease in Property Tax Revenue of 1% due to recessionary concerns 3) Salary/Wages and Benefits are expected to increase by 5% per year.; and 4) Non-Personnel Expenditures will increase 2.5% each year.

The FY 2022/23, FY 2024/25, and FY 2026/27 include estimates of the biennial election costs. The cost in FY 2024/25 is expected to be more than the other two years due to the District holding elections for three districts instead of two districts shown in the other two years.


The Capital Improvement Projects Cost Estimates include \$200,000 in General Manager (GM) Projects that are within the GM's authority of below \$25,000 individually.



CAPITAL IMPROVEMENT PROJECTS






In FY2020/21 and FY2021/22, the San Mateo County Harbor District Capital Improvement Projects were prioritized by the Board of Harbor Commission based on the following considerations: 1) Is the project required by legal obligations or other agreements? 2) Does the project have high public or environmental benefit? 3) Does the project enhance safety or provide district-wide benefits? 4) cost of project. This fiscal year, the 2019 Strategic Plan as well as the District's 2022 Master Plan were also considered. The 2022 Master Plan, in determining project priority also considered: 1) Existing Facility Condition, 2) Funding Status, 3) Community Support, 4) User Value and Benefits, 5) Sea Level Rise, and 6) Estimated Costs. Taking into consideration



the above inputs, the Board of Harbor Commissions have prioritized projects as follows, listed in order starting from the highest priority project:


- 1)  **Pillar Point Harbor Johnson Pier Reconfiguration***
 - a. Project Includes:
 - i. Expansion of Johnson Pier
 - ii. Support Piles and Bent repair and/or replacement
 - iii. Fuel Dock Replacement, and
 - iv. Dock D, E, F, G and H Replacement
 - v. Electrical Upgrades
 - b. Project is currently in Design, Engineering and Permitting Phase.


*Design, Engineering, Permitting is funded. Construction costs of approximately \$50 million remain unfunded.
- 2)  **Pillar Point Harbor Tenant Row ADA Public Restroom Project**
 - a. Project is currently in Design, Engineering and Permitting Phase.
- 3)  **Pillar Point Harbor R/V Park Public Restroom/Greenspace Project at Surfers Beach**
 - a. Project completed Design, Engineering and Permitting Phase and is in the construction phase.
- 4)  **Oyster Point Marina Replace Docks 12, 13 & 14***
 - a. Project is currently in Design, Engineering and Permitting Phase.

*Design, Engineering, Permitting is funded. Construction costs of \$18 million remains unfunded.
- 5)  **Pillar Point Harbor East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan**
 - a. Project is currently in Design, Engineering and Permitting Phase.
- 6)  **Oyster Point Marina Access Ramps for Docks 1 through 6 & 11**
 - a. Project is currently in Design, Engineering and Permitting Phase.
- 7)  **Pillar Point Inner Harbor Shoreline Rock Slope Restoration**
 - a. Project has not begun. No estimate on completion date.
- 8)  **Pillar Point Harbor Launch Ramp Parking Lot and Roadway Repair**
 - a. Project has not begun. No estimate on completion date.
- 9)  **Oyster Point Marina Eastside Lower Parking Lot Repair/Resurface**
 - a. Project has not begun. No estimate on completion date.





- 10)  **Pillar Point Habitat Restoration**
 - a. Project has not begun. No estimate on completion date.


- 11)  **Pillar Point Harbor Launch Ramp Restroom/ Boat Wash**
 - a. Project has not begun. No estimate on completion date.

- 12)  **Oyster Point Marina- Marina Boulevard from Boat Launch Ramp to Trailer Parking Lot Repair/Resurface**
 - a. Project has not begun. No estimate on completion date.

- 13)  **Replacement of Vessels and Vehicles**

- 14)  **Signage/Wayfinding Program**
 - a. Project has not begun.

- 15)  **Pillar Point Harbor Retail Center Replacement***
 - a. . The Project is in the Design/Engineering and Permitting phase.
*Design, Engineering, Permitting is funded. Construction costs of approximately \$6 million remain unfunded.

- 20)  **Oyster Point Marina 40,000 Square Foot Parcel Building***
 - a. *Design, Engineering, Permitting and Construction costs of approximately \$3.6 million remain unfunded.



Five-Year CIP Detail- Fully Funded and Partially Funded Projects

Funds are encumbered when a contract is entered into with a third-party. The estimated Working Capital Balance available to fund the CIP on June 30, 2023 is \$14,065,657 (\$16,833,157 less required reserve of \$ \$2,767,500), plus over the next five years an additional \$13,004,000 from revenues expected to exceed expenditures. The total amount of estimated funding needed for funded projects over the next five-fiscal years is \$7,230,000 being funded by available Working Capital. The following list of projects is fully funded unless otherwise specified.

- 1) Pillar Point Harbor Johnson Pier Reconfiguration, Fuel Dock Replacement, and Docks D,E,F & H (construction not funded \$50 million)
- 2) Pillar Point Harbor Tenant Row ADA Public Restroom Project
- 3) Pillar Point Harbor R/V Park Public Restroom/Greenspace Project at Surfers Beach
- 4) Oyster Point Marina Replace Docks 12, 13 & 14 (construction not funded \$18 million)
- 5) Pillar Point Harbor East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan
- 6) Oyster Point Marina Access Ramps for Docks 1 through 6 & 11
- 7) Pillar Point Inner Harbor Shoreline Rock Slope Restoration
- 8) Pillar Point Harbor Launch Ramp Parking Lot and Roadway Repair
- 9) Oyster Point Marina Eastside Lower Parking Lot Repair/Resurface
- 10) Pillar Point Habitat Restoration
- 11) Pillar Point Harbor Launch Ramp Restroom/ Boat Wash
- 12) Oyster Point Marina- Marina Boulevard from Boat Launch Ramp to Trailer Parking Lot Repair/Resurface
- 13) Replace Vehicles and Vessels
- 14) Signage/Wayfinding Program
- 15) Pillar Point Harbor Retail Center Replacement (construction not funded \$6 million)
- 16) Oyster Point Marina 40,000 Square Foot Building (not funded \$3.6 million)

Detail of the above listed projects is provided on the next 16 pages.



PROJECT TITLE: JOHNSON PIER RECONFIGURATION, D,F,G, & H-DOCK, & FUEL DOCK REPLACEMENT

| | | | |
|------------------------------|----------------------------|------------------------|---------------------------------|
| Project Location: | Pillar Point Harbor | Status: | Design/Engineering & Permitting |
| Initial Funding: | 3/15/2017 | Account Number: | 912-003 |
| Estimated Completion: | based on available funding | | |

DESCRIPTION:

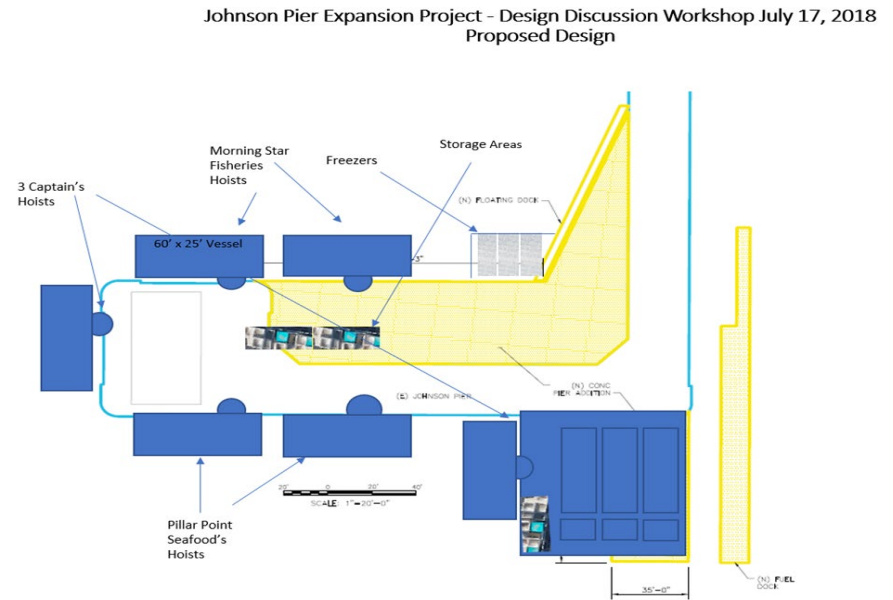
Replace & Expand Johnson Pier & D,E,F,G,H-Dock and reconfigure fuel dock.

JUSTIFICATION:

To achieve the goals of safety and to efficiently operate the pier terminus for the benefit of the commercial fishing industry and its customers, the docks have exceeded their useful service life and need to be replaced. In addition, PPH operates at 98% of its capacity and the plan would add 21 additional slips to H-Dock. The fuel dock would need to be reconfigured for the expansion.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
 - 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
- Expected to increase revenues as shown below.*



| Expenditures | Prior Years | To Be Determined Based on Funding | | | | | | Total ALL FY |
|--------------------|---------------------|-----------------------------------|-------------|----------------------|---------------------|-------------|-------------|----------------------|
| | | | | | | | | |
| Design/Engineering | \$ 1,873,015 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,873,015 |
| Construction | - | - | - | 25,000,000 | 25,000,000 | - | - | 50,000,000 |
| TOTAL | \$ 1,873,015 | \$ - | \$ - | \$ 25,000,000 | \$25,000,000 | \$ - | \$ - | \$ 51,873,015 |

| Source(s) of Funds | | | | | | | | |
|------------------------------|---------------------|-------------|-------------|----------------------|---------------------|------------------|------------------|----------------------|
| Additional Revenue Generated | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 137,000 | \$ 141,000 | \$ 278,000 |
| Working Capital | 1,873,015 | - | - | - | - | - | - | 1,873,015 |
| Not Funded | - | - | - | 25,000,000 | 25,000,000 | (137,000) | (141,000) | 49,722,000 |
| TOTAL | \$ 1,873,015 | \$ - | \$ - | \$ 25,000,000 | \$25,000,000 | \$ - | \$ - | \$ 51,873,015 |



PROJECT TITLE: TENANT ROW ADA PUBLIC RESTROOM

| | | | |
|------------------------------|---------------------|------------------------|--------------------|
| Project Location: | Pillar Point Harbor | Status: | Construction Phase |
| Initial Funding: | 9/16/2020 | Account Number: | 941-000 |
| Estimated Completion: | Summer 2023 | | |

DESCRIPTION:
 Replace restrooms to be ADA compliant.

JUSTIFICATION:
 To provide adequate public restroom facilities.

STRATEGIC GOAL/OPERATING IMPACT:
 1) Comprehensive Long-Range Planning Guides District
 2) Infrastructure Improvements are Guided by
Not expected to increase operating costs.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|---------------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Design/ Engineering | \$ 180,300 | \$ 50,500 | \$ - | \$ - | | \$ - | \$ - | \$ 230,800 |
| Construction | - | 824,780 | - | | - | | | 824,780 |
| TOTAL | \$ 180,300 | \$ 875,280 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,055,580 |
| Source(s) of Funds | | | | | | | | |
| Working Capital | \$ 180,300 | \$ 875,280 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,055,580 |
| TOTAL | \$ 180,300 | \$ 875,280 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,055,580 |



PROJECT TITLE: R/V PARK PUBLIC RESTROOM/GREEN SPACE PROJECT AT SURFERS BEACH

| | | | |
|------------------------------|---------------------|------------------------|--------------------|
| Project Location: | Pillar Point Harbor | Status: | Began Construction |
| Initial Funding: | 4/11/2019 | Account Number: | 920-000 |
| Estimated Completion: | Summer 2023 | | |

DESCRIPTION:
 Build a public restroom, outdoor shower, and ADA parking adjacent to Surfers' Beach and K&N RV lot. The addition of a public restroom, along with other improvements, will allow the District to secure a CDP for the RV lot. Design plans have been submitted for permitting. This project includes 2 electric vehicle charging stations. It also includes improvement of the portion of the Coastal Trail that goes through District property.

JUSTIFICATION:
 This project will provide needed public restrooms and other amenities.

STRATEGIC GOAL/OPERATING IMPACT:
 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making
 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
Expected to increase operating costs.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|------------------------------|-------------------|---------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| Design/Engineering | \$ 343,757 | \$ 452,750 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 796,507 |
| Construction | - | 3,169,300 | - | - | - | - | - | 3,169,300 |
| Maintenance & Operating Cost | - | - | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 50,000 |
| TOTAL | \$ 343,757 | \$ 3,622,050 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 4,015,807 |

| Source(s) of Funds | | | | | | | | |
|---------------------|-------------------|---------------------|------------------|------------------|------------------|------------------|------------------|---------------------|
| MTC Grant | \$ - | \$ 298,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 298,000 |
| Coastal Conservancy | - | 212,000 | - | - | - | - | - | 212,000 |
| Working Capital | 343,757 | 3,112,050 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 3,505,807 |
| TOTAL | \$ 343,757 | \$ 3,622,050 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 4,015,807 |



PROJECT TITLE: REPLACE DOCK 12, 13 & 14

| | | | |
|------------------------------|----------------------------|------------------------|----------------------------------------|
| Project Location: | Oyster Point Marina | Status: | Design, Engineering & Permitting Phase |
| Initial Funding: | 11/18/2020 | Account Number: | 935-003 |
| Estimated Completion: | based on available funding | | |

DESCRIPTION:
 The City of South San Francisco entered into an agreement with the District to manage the OPM. As part of the agreement, the District must replace docks 12, 13, & 14 by 12/31/2024. District is seeking funding sources.

JUSTIFICATION:
 Docks are over 30 years old and need to be replaced.

STRATEGIC GOAL/OPERATING IMPACT:
 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.

Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | To Be Determined Based on Funding | | | | | | Total ALL FY |
|------------------------|-------------------|-----------------------------------|---------------------|-------------|-------------|-------------|-------------|----------------------|
| Design/ Engineering | \$ 786,037 | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 786,037 |
| Construction | - | - | 18,000,000 | - | - | - | - | 18,000,000 |
| TOTAL | \$ 786,037 | \$ - | \$18,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 18,786,037 |

| Source(s) of Funds | | | | | | | | |
|--------------------|-------------------|-------------|---------------------|-------------|-------------|-------------|-------------|----------------------|
| Working Capital | \$ 786,037 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Not Funded | | | 18,000,000 | | | | | 18,000,000 |
| TOTAL | \$ 786,037 | \$ - | \$18,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 18,000,000 |



PROJECT TITLE: EAST OUTER HARBOR DREDGE PROJECT TO INCLUDE SURFERS BEACH REPLENISHMENT AND EELGRASS MITIGATION PLAN

| | | | |
|------------------------------|---------------------|------------------------|------------------------------------------|
| Project Location: | Pillar Point Harbor | Status: | Technical Specs & Permitting in Progress |
| Initial Funding: | 11/16/2017 | Account Number: | 912-500 |
| Estimated Completion: | Summer 2023 | | |

DESCRIPTION:

This project will provide uniform depth in the East Outer Harbor increasing navigational safety. The project will also allow for the beneficial reuse of sand dredged from inside Pillar Point Harbor to replenish Surfers Beach with clean and compatible sand providing increased coastal resiliency.

JUSTIFICATION:

Sediment is building up inside the outer breakwater and needs to be moved; simultaneously coastal erosion is occurring to the adjacent Surfers Beach area outside of the breakwater. Securing permitting to move the sand would be beneficial to both areas.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
 - 2) Environmental Stewardship
- Not expected to impact operating costs/revenues.*



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|-----------------------|--------------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| Design/Engineering | \$ 391,120 | \$ 21,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 412,530 |
| Eel Grass Remediation | - | 1,800,000 | | - | - | - | - | 1,800,000 |
| Construction | - | 2,900,000 | | - | - | - | - | 2,900,000 |
| TOTAL | \$ 391,120 | \$ 4,721,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,112,530 |

Source(s) of Funds

| | | | | | | | | |
|-----------------|-------------------|---------------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| OPC Grant | \$ 75,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 75,000 |
| DBW Grant | - | 800,000 | | - | - | - | - | 800,000 |
| Working Capital | 316,120 | 3,921,410 | - | - | - | - | - | 4,237,530 |
| TOTAL | \$ 391,120 | \$ 4,721,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,112,530 |



PROJECT TITLE: ACCESS RAMPS FOR DOCKS 1-6 & 11

| | | | |
|------------------------------|---------------------|------------------------|----------------------|
| Project Location: | Oyster Point Marina | Status: | Design & Engineering |
| Initial Funding: | 11/18/2020 | Account Number: | 912-005 |
| Estimated Completion: | Summer 2024 | | |

DESCRIPTION:

The City of South San Francisco entered into an agreement with the District to manage the OPM. Ramps to docks are impacted by tides and need to be replaced.

JUSTIFICATION:

Ramps need to be elevated to provide access during high tides.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making; .
- 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning

Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|--------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Design/Engineering | \$ 191,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 191,800 |
| Construction | - | - | 1,200,000 | - | - | - | - | 1,200,000 |
| TOTAL | \$ 191,800 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,391,800 |

| Source(s) of Funds | | | | | | | | |
|--------------------|-------------------|-------------|---------------------|-------------|-------------|-------------|-------------|---------------------|
| Working Capital | \$ 191,800 | \$ - | \$ 1,200,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,391,800 |
| TOTAL | \$ 191,800 | \$ - | \$ 1,200,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,391,800 |



PROJECT TITLE: ROCK SLOPE RESTORATION

| | | | |
|------------------------------|---------------------|------------------------|-------------|
| Project Location: | Pillar Point Harbor | Status: | Not Started |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | Summer 2024 | | |

DESCRIPTION:

Failed rock slope protection identified through the Master Plan process.

JUSTIFICATION:

Observed to be in critical condition.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
 - 2) Environmental Stewardship
- Not expected to impact operating costs/revenues.*



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|--------------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------|---------------------|
| Design/Engineering | \$ - | \$ - | \$ 80,000 | \$ - | \$ - | \$ - | \$ - | \$ 80,000 |
| Construction | - | - | 1,000,000 | - | - | - | - | 1,000,000 |
| TOTAL | \$ - | \$ - | \$ 1,080,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,080,000 |

Source(s) of Funds

| | | | | | | | | |
|-----------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------|---------------------|
| Working Capital | - | - | 1,080,000 | - | - | - | - | 1,080,000 |
| TOTAL | \$ - | \$ - | \$ 1,080,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,080,000 |



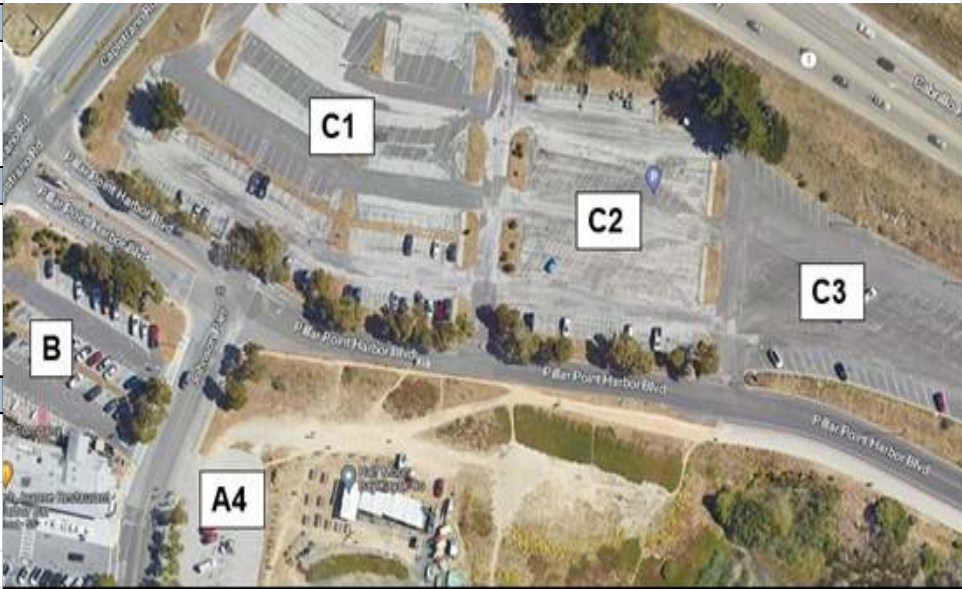
PROJECT TITLE: PARKING LOT IMPROVEMENTS

| | | | |
|------------------------------|---------------------|------------------------|-------------|
| Project Location: | Pillar Point Harbor | Status: | Not Started |
| Initial Funding: | n.a. | Account Number: | 909-000 |
| Estimated Completion: | Summer 2023 | | |

DESCRIPTION:
Slurry & stripe parking Lots A4, B, C1, and C2. C3 and the Road include estimated costs for resurfacing. Also include additional crosswalks and installation of EV stations.

JUSTIFICATION:
Maintenance on parking lots will extend the life of the asphalt, added crosswalks will improve pedestrian safety, and EV stations will provide a public service & support climate friendly traffic.

STRATEGIC GOAL/OPERATING IMPACT:
1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
3) Environmental Stewardship
Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|--------------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Design/Engineering | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Construction | - | 800,655 | - | - | - | - | - | 800,655 |
| TOTAL | \$ - | \$ 800,655 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 800,655 |

| Source(s) of Funds | | | | | | | | |
|--------------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Working Capital | \$ - | \$ 800,655 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 800,655 |
| TOTAL | \$ - | \$ 800,655 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 800,655 |



PROJECT TITLE: EASTSIDE LOWER PARKING LOT REPAIR/RESURFACE

| | | | |
|------------------------------|---------------------|------------------------|-------------|
| Project Location: | Oyster Point Marina | Status: | Not Started |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | Summer 2024 | | |

DESCRIPTION:

Slurry, stripe, resurface east lower parking lot.

JUSTIFICATION:

Maintenance on parking lots will extend the life of the asphalt.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
- 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.

Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|---------------------|--------------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| Design/Engineering | \$ - | \$ - | \$ 25,000 | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| Construction | - | - | 175,000 | - | - | - | - | 175,000 |
| TOTAL | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 200,000 |

Source(s) of Funds

| | | | | | | | | |
|-----------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| Working Capital | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 200,000 |
| TOTAL | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 200,000 |



PROJECT TITLE: HABITAT RESTORATION

| | | | |
|------------------------------|---------------------|------------------------|-------------|
| Project Location: | Pillar Point Harbor | Status: | Not started |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | Summer 2024 | | |

DESCRIPTION:

Planting of drought tolerant native species.

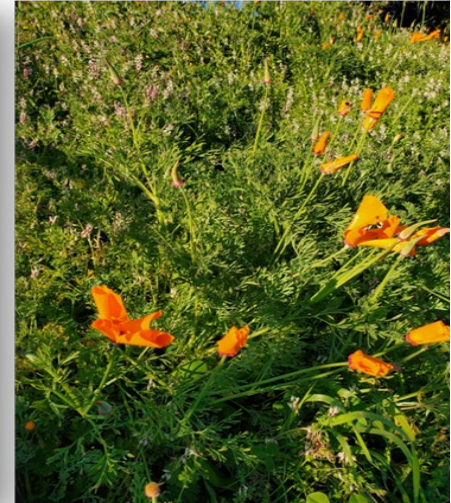
JUSTIFICATION:

Environmentally responsible, drought tolerant, positive impact to ecosystem.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
- 2) Environmental Stewardship.

Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|------------------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| Design/ Engineering | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |
| Construction | - | - | 350,000 | - | - | - | - | 350,000 |
| TOTAL | \$ - | \$ - | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ 400,000 |

Source(s) of Funds

| | | | | | | | | |
|--------------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| Working Capital | \$ - | \$ - | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ 400,000 |
| TOTAL | \$ - | \$ - | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ 400,000 |



PROJECT TITLE: LAUNCH RAMP RESTROOM/BOAT WASH

| | | | |
|------------------------------|---------------------|------------------------|------|
| Project Location: | Pillar Point Harbor | Status: | n.a. |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | Spring 2025 | | |

DESCRIPTION:
 Replace the public restroom at the boat launch area and the boat wash. The District plans on applying for a grant with DBW to fund this project.

JUSTIFICATION:
 The restrooms are over 20 years old and are in poor condition.

STRATEGIC GOAL/OPERATING IMPACT:
 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|--------------------|-------------|-------------|-------------------|-------------------|-------------|-------------|-------------|---------------------|
| Design/Engineering | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | | \$ - | \$ 200,000 |
| Construction | - | - | - | 800,000 | - | - | - | 800,000 |
| TOTAL | \$ - | \$ - | \$ 200,000 | \$ 800,000 | \$ - | \$ - | \$ - | \$ 1,000,000 |

| Source(s) of Funds | | | | | | | | |
|--------------------|-------------|-------------|-------------------|-------------------|-------------|-------------|-------------|---------------------|
| Working Capital | \$ - | \$ - | \$ 200,000 | \$ 800,000 | \$ - | \$ - | \$ - | \$ 1,000,000 |
| TOTAL | \$ - | \$ - | \$ 200,000 | \$ 800,000 | \$ - | \$ - | \$ - | \$ 1,000,000 |



PROJECT TITLE: MARINA BOULEVARD FROM BOAT LAUNCH RAMP TO TRAILER PARKING LOT REPAIR/RESURFACE

| | | | |
|------------------------------|---------------------|------------------------|-------------|
| Project Location: | Oyster Point Marina | Status: | Not Started |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | Summer 2025 | | |

DESCRIPTION:

Slurry, stripe and resurface parking lot.

JUSTIFICATION:

Maintenance on parking lots will extend the life of the asphalt.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
- 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.

Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|---------------------|--------------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|---------------------|
| Design/Engineering | \$ - | | \$ - | \$ 25,000 | \$ - | \$ - | \$ - | \$ 25,000 |
| Construction | - | - | | 175,000 | - | - | - | 175,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ 200,000 |

Source(s) of Funds

| | | | | | | | | |
|-----------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------------|
| Working Capital | \$ - | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ 200,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ 200,000 |



PROJECT TITLE: VESSEL & VEHICLE REPLACEMENT

| | | | |
|------------------------------|-----------|------------------------|------|
| Project Location: | PPH & OPM | Status: | n.a. |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | on-going | | |

DESCRIPTION:

Replacement of Vehicles, Vessels and Other Equipment.

JUSTIFICATION:

Replacement or major maintenance or repowering of assets are necessary once an asset has reached its useful life.

STRATEGIC GOAL/OPERATING IMPACT:

1) Comprehensive, Long-Range Planning Guides District Actions and Decision Making.

Not expected to impact operating costs/revenues.



| Expenditures | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|---------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Vehicles | \$ - | \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ 200,000 |
| Vessels/ Electronics | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| Golf/Dump Cart/ Trash Compactor | 25,000 | 140,000 | - | - | - | - | - | 165,000 |
| TOTAL | \$ 25,000 | \$ 140,000 | \$ 200,000 | \$ 400,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 1,365,000 |

Source(s) of Funds

| | | | | | | | | |
|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Working Capital | 25,000 | 140,000 | 200,000 | 400,000 | 200,000 | 200,000 | 200,000 | 1,365,000 |
| TOTAL | \$ 25,000 | \$ 140,000 | \$ 200,000 | \$ 400,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 1,365,000 |



PROJECT TITLE: SIGNAGE/WAYFINDING PROGRAM

| | | | |
|------------------------------|-------------|------------------------|-------------|
| Project Location: | OPM & PPH | Status: | not started |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | Spring 2025 | | |

DESCRIPTION:
 Programmatic plan for new aesthetically pleasing interpretive signage/wayfinding consistent with ADA guidelines. This will be in accordance with the Master Plan.

JUSTIFICATION:
 Wayfinding Signage that is clear, consistent, aesthetically pleasing, and ADA compliant.

- STRATEGIC GOAL/OPERATING IMPACT:**
- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making
 - 2) Provide Excellent Customer Service
 - 3) Environmental Stewardship

Not expected to impact operating costs/revenues.



| Expenditures | Prior Years | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | Total ALL FY |
|-----------------------------------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------------|
| Design/ Engineering/ Construction | \$ - | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |

| Source(s) of Funds | | | | | | | | |
|--------------------|------|------|------|------------|------|------|------|------------|
| Working Capital | \$ - | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |



PROJECT TITLE: RETAIL CENTER REPLACEMENT

| | | | |
|------------------------------|----------------------------|------------------------|--------------------|
| Project Location: | Pillar Point Harbor | Status: | Design/Engineering |
| Initial Funding: | n.a. | Account Number: | 942-000 |
| Estimated Completion: | based on available funding | | |

DESCRIPTION:

Replacement of existing retail center or new retail center. One or two story building which is approximately 7,000 square feet.

JUSTIFICATION:

To provide adequate services for the public including but not limited to retail and food services.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making
 - 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
- Not expected to increase operating costs.*

SITE OPTION OVERVIEW



| Expenditures | Prior Years | FY 21-22 | To Be Determined Based on Funding | | | | | Total ALL FY |
|--------------------|-------------|-------------------|-----------------------------------|---------------------|-------------|-------------|-------------|---------------------|
| Design/Engineering | \$ - | \$ 595,369 | \$ - | \$ - | | \$ - | \$ - | \$ 595,369 |
| Debt Issuance | - | - | - | 60,000 | - | - | - | 60,000 |
| Construction | - | - | - | 6,000,000 | - | - | - | 6,000,000 |
| TOTAL | \$ - | \$ 595,369 | \$ - | \$ 6,060,000 | \$ - | \$ - | \$ - | \$ 6,655,369 |

| Source(s) of Funds | | | | | | | | |
|--------------------|-------------|-------------------|-------------|---------------------|-------------|-------------|-------------|---------------------|
| Working Capital | \$ - | \$ 595,369 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 595,369 |
| Not Funded | - | - | - | 6,060,000 | | | | 6,060,000 |
| TOTAL | \$ - | \$ 595,369 | \$ - | \$ 6,060,000 | \$ - | \$ - | \$ - | \$ 6,655,369 |



PROJECT TITLE: 40,000 SQUARE FOOT LOCATION

| | | | |
|------------------------------|---------------------|------------------------|-------------|
| Project Location: | Oyster Point Marina | Status: | Not started |
| Initial Funding: | n.a. | Account Number: | n.a. |
| Estimated Completion: | n.a. | | |

DESCRIPTION:

40,000 square foot location will be defined as part of the District's Master Plan and will direct development.

JUSTIFICATION:

Generate revenue and provide the public with marine/recreational amenities.

STRATEGIC GOAL/OPERATING IMPACT:

- 1) Comprehensive Long-Range Planning Guides District Actions and Decision-Making.
- 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
This will more than likely increase revenues and will be defined at board direction in accordance with the master plan.



| Expenditures | Prior Years | To Be Determined Based on Funding | | | | | | Total ALL FY |
|--------------------|-------------|-----------------------------------|-------------|-------------------|---------------------|-------------|-------------|---------------------|
| Design/Engineering | \$ - | \$ - | \$ - | \$ 600,000 | \$ - | | \$ - | \$ 600,000 |
| Construction | - | - | - | | 3,000,000 | - | | 3,000,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ 600,000 | \$ 3,000,000 | \$ - | \$ - | \$ 3,600,000 |

| Source(s) of Funds | | | | | | | | |
|--------------------|-------------|-------------|-------------|-------------------|---------------------|-------------|-------------|---------------------|
| Unfunded | \$ - | \$ - | \$ - | \$ 600,000 | \$ 3,000,000 | \$ - | \$ - | \$ 3,600,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ 600,000 | \$ 3,000,000 | \$ - | \$ - | \$ 3,600,000 |



Five-Year CIP Detail- Funded in FY 2022/23

The following projects were funded in Fiscal Year 2022/23.

1. Pillar Point Harbor Public Restroom at Surfers' Beach and the Retail Center
2. Pillar Point Harbor Parking Lot Improvements
3. Design & Engineering for Pillar Point Harbor Johnson Pier & Docks Reconfiguration
4. Oyster Point Marina Navigational Aids Replacement
5. Design & Engineering for Pillar Point Harbor Surfers' Beach Restoration & Dredge Project
6. Design & Engineering for Oyster Point Marina East Dock Replacement
7. Design & Engineering for Pillar Point Harbor Retail Center Replacement



CIP Appropriations

Capital Improvement Projects typically take longer than one fiscal period to complete. The Harbor Commission approves capital project contracts for design/engineering services and construction throughout the fiscal year. Finance staff sets aside District resources to fund the contract by entering an encumbrance (purchase order) into the accounting system. At the end of a fiscal year there are open contracts for projects that have not been completed. These balances are automatically available in the District's newly implemented ERP system and no further action by the Harbor Commission is necessary. Prior to FY 2022/23 and in the District's old financial system the Harbor Commission approved reappropriation of the encumbered balances at year end.



SECTION THREE- POLICIES & DEFINITIONS



District Policies and Guidelines

Reserve Policy

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

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

The District will maintain a minimum of 25% of annual operating budget appropriations, adjusted to include 50% of biennial appropriations (e.g. election costs) or \$2,697,250 for 2023/24 Budget Year per Reserve Policy 4.4.3.

Investment Policy

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

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



Debt Management Policy, Capacity, and Issuance

The District adopted Debt Policy 4.3.2 on April 21, 2021. The Debt Policy establishes guidelines for the issuance and management of the District's debt and borrowing and confirms the commitment of the District Harbor Commission, management, and staff to adhere to sound financial management practices. The Debt Policy is intended to comply with Government Code Section 8855(i), effective January 1, 2017, and shall govern all debt incurred by the District. The Harbors and Navigation Code Section 6090-6094 also provides regulations specific to Harbor Districts.

The types of debt that may be issued include any debt which is allowed under federal and state law including but not limited to general obligation bonds, certificates of participation, revenue bonds, assessment district bonds, special tax bonds, tax increment bonds, revenue anticipation notes, and conduit financings.

The decision to incur new indebtedness is integrated into the Capital Improvement Program (CIP) Budget adopted by District Harbor Commission on an annual basis. The CIP is a plan for the community's long-term capital improvement needs and incorporates District Harbor Commission adopted goals and priorities.

The District's long-term financial planning objectives are to:

- Minimize debt service and issuance costs;
- Maintain access to cost-effective borrowing;
- Achieve the highest possible credit rating while maintaining operational flexibility and reasonable tax and rate burdens;
- Achieve full and timely repayment of debt;
- Ensure compliance with applicable State and Federal laws.

Debt proceeds will be used for the intended purposes identified in the debt documents and proceeds will be spent in the time frames identified in the tax certificate. The Debt Policy includes internal control procedures that the District has implemented or will implement to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

California Government Code Section 43605 states the District shall not incur bonded indebtedness payable from the proceeds of property tax which exceeds 15 percent of the assessed value of all real and personal property within the District. This provision, however, was enacted when assessed valuation was based upon 25 percent of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). In order to reflect the intent of the debt limit stipulation in Section 43605, the 15 percent has been adjusted to one-fourth of that level, or 3.75 percent of the assessed value of all real and personal property within the District. Since the District's boundaries are the same as the San Mateo County's boundaries, the District uses the County's gross assessed value of property for July 1, 2022 through June 30, 2023, of about \$277.2 billion (per County's Tax Rate Book), making the debt limit approximately \$10.4 billion.

The cumulative annual debt service of all debt issues supported by the District is restricted to no more than 25 percent of annual Revenue. For FY 2023/24 revenue is \$14,686,000, which would allow the District to issue debt with combined principal and interest payments of no more than \$3,671,500.

The District does not have any outstanding debt. However, the District has \$2,764,384 in net Other Post Employment Benefit (OPEB) Liabilities and \$285,821 in net Pension Liabilities as of June 30, 2022.



Definitions & Abbreviations

Accrual Accounting: A method of accounting that recognizes expenses when incurred and revenues when earned, rather than when payment is made or received.

Adopted Budget: The budget that is approved and enacted by the Harbor Commission on or before June 30th.

Americans with Disability Act (ADA): A federal law designed to prohibit discrimination against any "qualified individual with a disability".

Appropriation: The allocation of funding for Salaries/Wages & Benefits expenditures, Non-Personnel expenditures, and for Capital Project expenditures. A budgetary term used for Harbor Commission approved expenditures.

Balanced Budget: A balanced budget exists when total projected revenues are equal to, or greater than, total projected operating expenditures.

California Coastal Commission (CCC): California State agency with regulatory oversight over land use and public access in the California coastal zone.

California Coastal Development Permit (CDP): A development permit issued by the CCC in the coastal zone.

California Division of Boating and Waterways (DBW): A division of the State of California Parks Department which provides funding for Harbor and Marina activities.

California Office of Emergency Services (CalOES): California Governor's Office agency that oversees and coordinates emergency preparedness, response, recovery, and homeland security activities within the state.

California Public Employees' Retirement System (CalPERS): The nation's largest public pension fund that delivers retirement and health care benefits to the District employees, retirees, and their beneficiaries.

Capital Asset: Assets such as land, structures, improvements, furniture and/or equipment, vehicles, vessels that are expected to last and/or be used for more than one year. The District defines capital assets as a value of \$10,000 or more and a useful life of 5 years or more.

Capital Expenditures: Money spent to buy, extend, or improve the life of a Capital Asset.

Capital Improvement Program (CIP): The District's plan for current and future projects related to the acquisition, expansion, or rehabilitation of land, buildings, equipment, and other public infrastructure.

Depreciation: Depreciation Expense is recorded in the District's Audited Financial Reports on an annual basis. This amount represents an allocation of an asset's original cost over the life of the asset. Accumulated depreciation is the accumulation of annual expense of an asset from the time the asset was acquired up to a single point in the asset's useful life.

Federal Aviation Administration (FAA): A federal government agency that regulates all aspects of civil aviation in the nation.

Federal Emergency Management Agency (FEMA): A part of the U.S. Department of Homeland Security that provides funding to help people before, during, and after disasters.

Generally Accepted Accounting Principles (GAAP): GAAP is a combination of authoritative standards (set by policy boards) and the commonly accepted ways of recording and reporting accounting information. GAAP improves the clarity of the communication of financial information.



Governmental Fund: Funds generally used to account for tax-supported activities. The District records property tax revenue in the Enterprise Fund.

Encumbrances: Commitments related to unfilled contracts for goods and services including purchase orders.

Encumbrance Accounting: Purpose is to prevent further expenditure of funds in light of commitments already made.

Enterprise Funds: Funds to account for services that are provided to the public on a user charge basis, similar to the operation of a commercial business. The District accounts for financial transactions in an Enterprise Fund. Focuses on long-term economic resources.

ERAF: Education Revenue Augmentation Fund is a mechanism enacted in July of 1992 by the State Legislature to shift local property tax revenues from cities, counties, and special districts to an Educational Revenue Augmentation Fund. These funds are allocated by the State to schools to help meet minimum funding requirements.

Expenditures: Term used for money going out from a governmental entity to pay for the services or functions and facilities that the entity provides to the public. It is used for modified accrual accounting while the term Expense is used for full accrual accounting.

Fiscal Year (FY): A 12-month period of time to which the annual budget applies. The District's fiscal year begins on July 1st and ends on June 30th.

Memorandum of Understanding (MOU): Generally used to describe a written agreement between two government entities or between a government entity and an employee union.

Metropolitan Transportation Commission (MTC): Bay Area metropolitan planning organization for nine-counties designated by the Federal Government and regional transportation planning agency designated by the State Government. Provides funding for capital improvement projects.

Net Pension Liability (NPL): The amount by which the total pension liability exceeds the pension plan's net assets.

Net Position: The residual of all other financial statement elements presented in a statement of financial position.

Operating Budget: Focuses on one fiscal year and on-going activities of the District.

Oyster Point Marina (OPM): A recreational marina, public beach, and bayside park located in the City of South San Francisco. The District operates OPM under a Memorandum of Understanding with South San Francisco, which owns the facility.

Pillar Point Harbor (PPH): A commercial fishing harbor that also supports sport fishing and recreational boating located in and adjacent to the Pacific Ocean. PPH is owned and operated by the District.

Special District Leadership Foundation (SDLF): A California 501 (c) (3) organization formed to promote and recognize excellence in the governance and management of special districts.

Vehicle License Fee (VLF): A tax on vehicle ownership and a longstanding source of revenue for cities and counties.

Working Capital: Working Capital is an Enterprise Fund's functional equivalent of unrestricted fund balance in a Governmental Fund. Working Capital is calculated as Current Assets minus Current Liabilities equals Working Capital.