

Final Operating Budget and Five-Year Capital Improvement Program

FY 2023/24

BOARD OF HARBOR COMMISSIONERS

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SAN MATEO COUNTY HARBOR DISTRICT





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INTRODUCTION



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 pleased 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. As the District's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2023/24. 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.

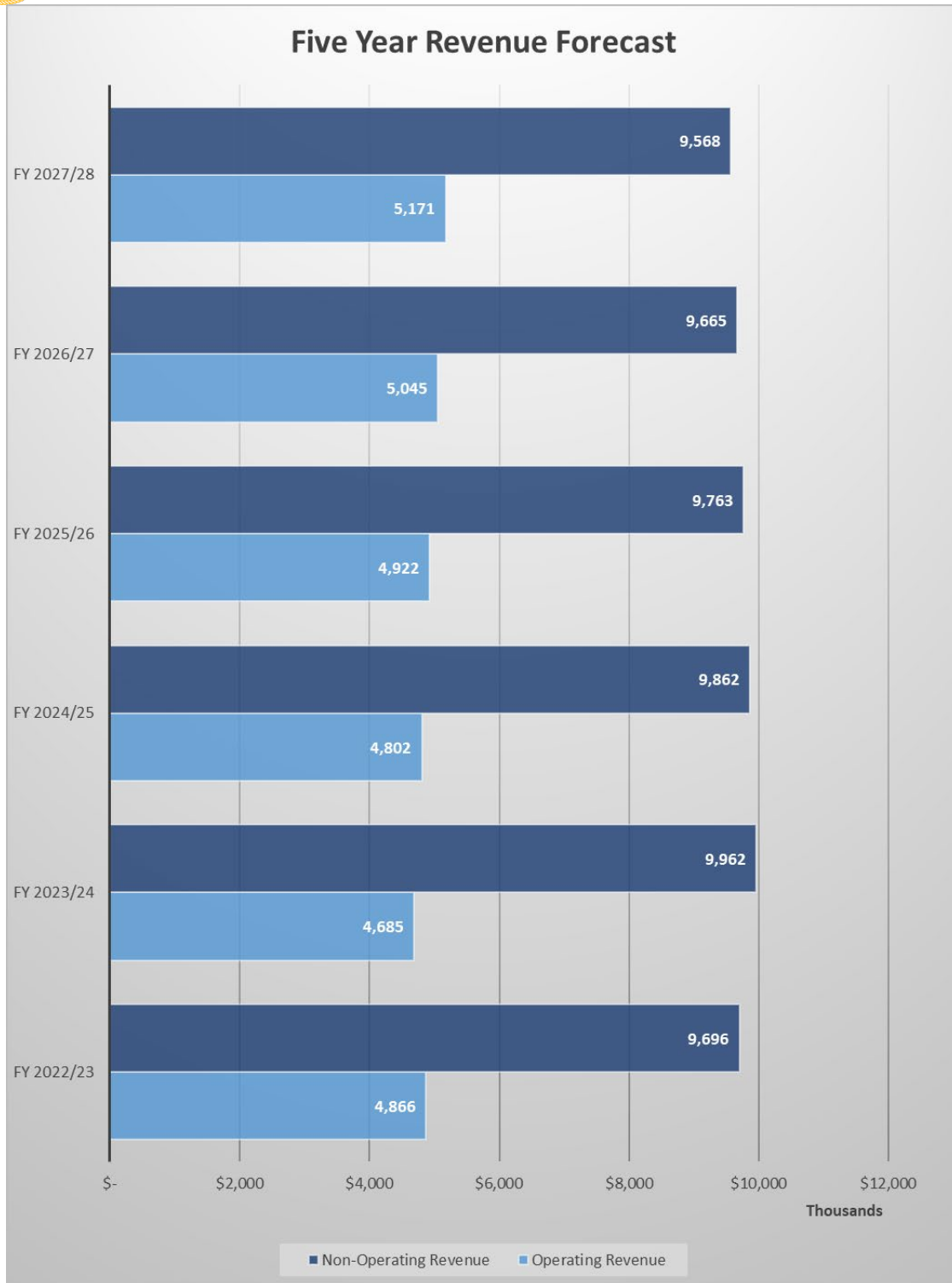
In addition, the budget is more than just a financial document. The budget represents a process through which District pursuits for the ensuing year are established. Financial control is the traditional function of a budget. This comprehensive budget also contains a vast amount of information including manpower 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.

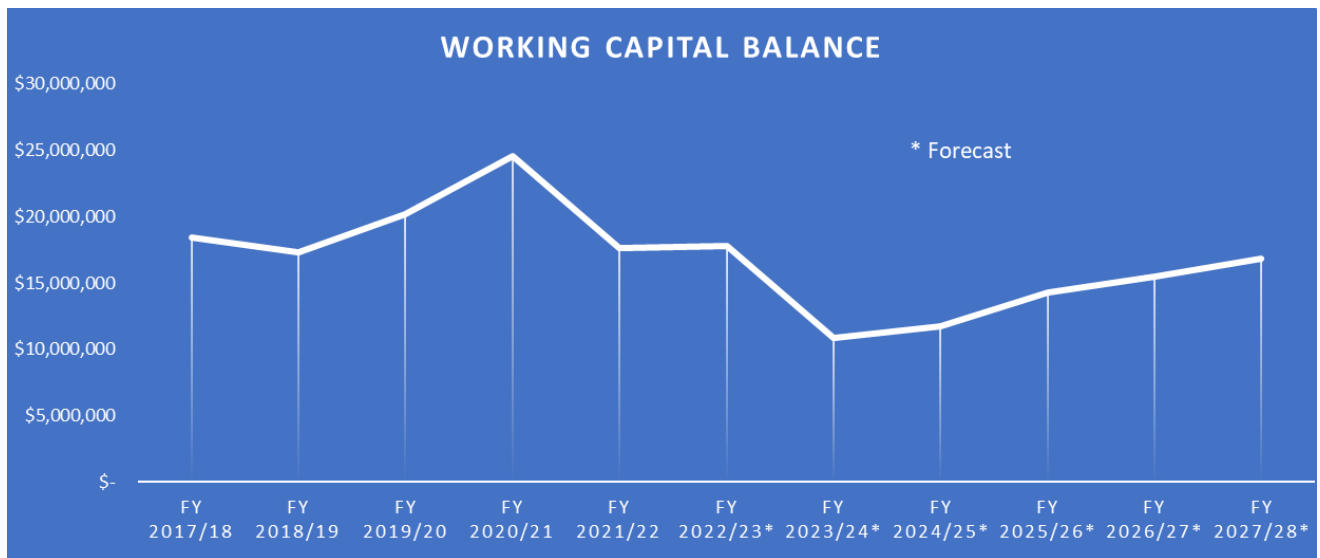


This year, the District is fortunate to present an operating budget that includes sufficient revenue to fund the 2023/24 Fiscal Year (July 1, 2023 to June 30, 2024) expenditures and provide \$3,850,000 toward increasing the Working Capital balance. The Working Capital balance provides funds for the District's Capital Improvement Program (CIP) 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 \$15,030,442 (\$17,805,942 less required reserve of \$ \$2,775,500); plus, over the next five years, an additional \$12,799,000 from revenues expected to exceed expenditures.

The District's total funding needs for identified projects, including unfunded projects, for July 1, 2023 through June 30, 2028 is estimated at \$85,282,404. 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 during the past year through the combined efforts of District staff and the Harbor Commissioners. We look forward to successfully achieving the District's goals and objectives for the 2023/24 Fiscal Year.

Sincerely,

James B. Pruett
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 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	
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 into 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 Capital Improvement Program (CIP). The Operating Budget presents on-going activities of the District for the Fiscal Year (FY) 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 69 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.

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): Ongoing relationship with Resource Conservation District to address bacteria densities in the waters of the beaches in Pillar Point Harbor. The numeric water quality objectives for enterococcus, which are types of bacteria that indicate the potential for fecal contamination and an elevated risk of pathogen-induced illness to people, are often times exceeded.
 - a. Develop and execute comprehensive plan to identify and eliminate any source of pollutants entering, or has the potential to enter, the Harbor from sources within the Harbor.
 - b. Work with local agencies and organizations to address overall pollution sources causing elevated values of enterococcus.
 - c. Develop and respond to San Francisco Bay Water Board Total Maximum Daily Limit (TMDL) standards.
- 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 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. ([see page 51](#))
 - b.  RV Park Restroom and Greenspace Improvements (Strategic Goal 2 and 3): Begin construction. ([see page 52](#))
 - c.  Oyster Point Marina Dock Replacement Project (Dock 12, 13 & 14) (Strategic Goal 1, 2, 3): Complete Preliminary Engineering and Design Phase. ([see page 53](#))
 - 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, obtain permits. ([see page 54](#))


In addition, the Board approved the funding for the Pillar Point Harbor repair of the parking lots and launch ramp access roads. ([see page 57](#))

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 33-44).

 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.
Funding for electrical upgrades and replacement of beams & pilings estimated at \$2.7 million will be from available working capital. The unfunded estimated cost for construction is currently \$37 million and requires a funding strategy. (Strategic Goal 1, 2, 3, 4, 5, & 8) ([see page 50](#))

 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). ([see page 52](#); part of R/V Park Public Restroom Project)
- 2) Complete Design/Engineering and Permitting of the Pillar Point Harbor Launch Ramp Restroom and Boat Launch. ([see page 60](#))
- 3) Complete Design/Engineering and Permitting of the Pillar Point Harbor Retail Center. ([see page 64](#))
- 4) Complete Design/Engineering and Permitting and Begin Construction of Oyster Point Marina Entrance Ramps for Dock 1-6 and 11. ([see page 55](#))



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/Accounting 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)

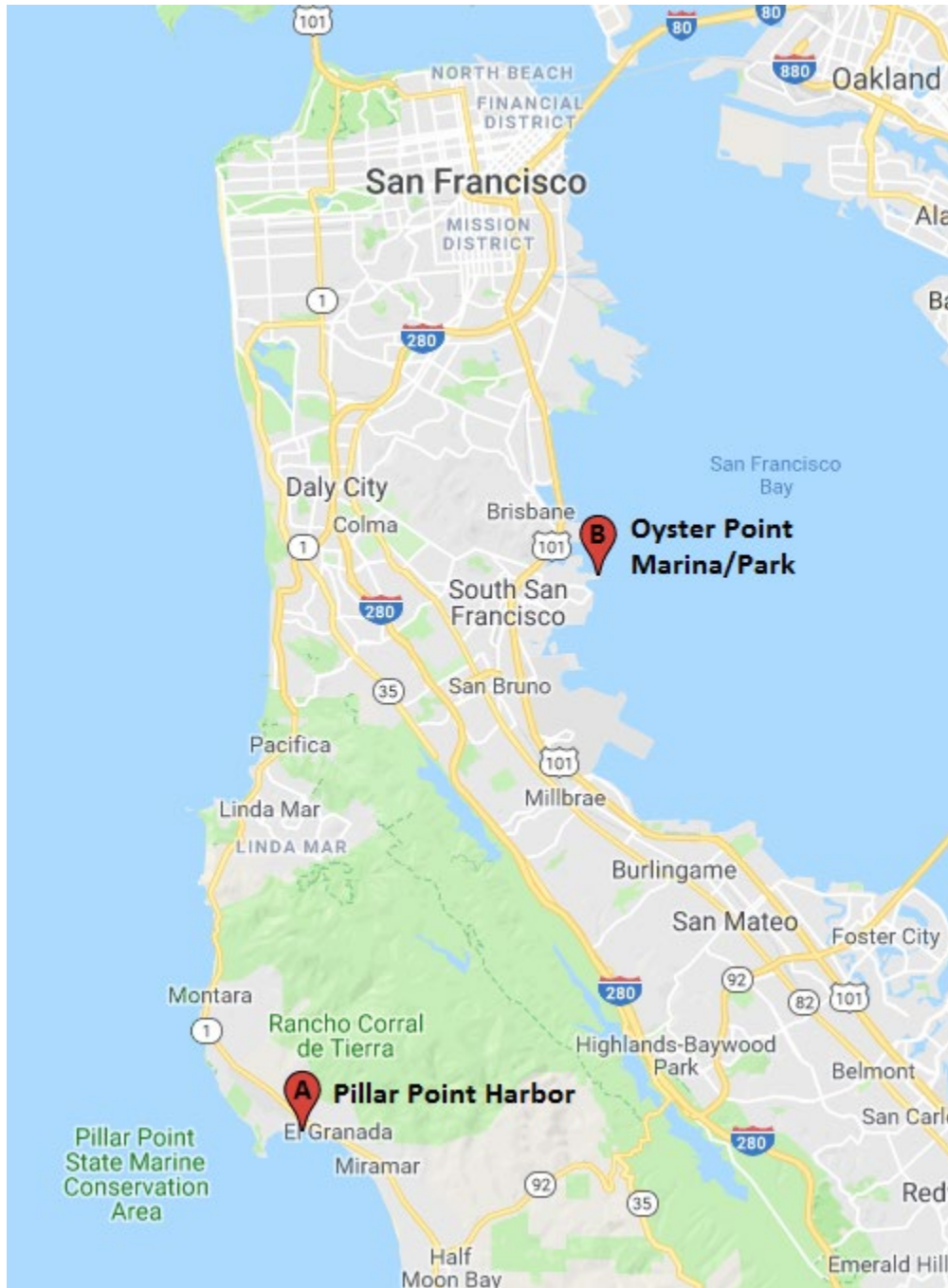


About Us



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.

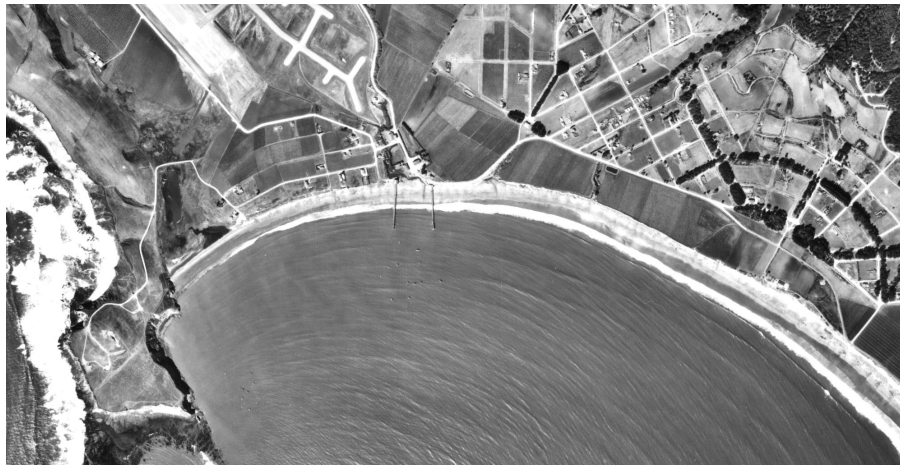




Our History

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 rate 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



Operating Budget at a Glance



Budgetary Highlights

The Adopted Preliminary Budget for Fiscal Year (FY) 2023/24 estimates equal the 2023/24 Final Budget estimates except for Operating Revenues, Capital Contributions and Capital Expenditures.

	2023/24 Final Budget		2023/24 Preliminary Budget
Operating Revenues	\$ 4,685,000	\$ 4,724,000	-0.83%
Non-Operating Revenues	9,962,000	9,962,000	0.00%
Total Revenues	14,647,000	14,686,000	-0.27%
Salaries/Wages/Benefits Expenditures	7,277,000	7,277,000	0.00%
Non-Personnel Expenditures	3,512,000	3,512,000	0.00%
Total Expenditures	10,789,000	10,789,000	0.00%
Total Revenues less Expenditures	3,858,000	3,897,000	-1.00%
Capital Contributions	800,000	-	n/a
Capital Expenditures	(11,631,404)	(4,290,000)	37%
Working Capital (Decrease) Increase	\$ (6,973,404)	\$ (393,000)	1674.40%

- Operating Revenues are projected to be slightly below the 2023/24 Preliminary Budget. The Preliminary Budget forecasted a 4.9% increase in rates and fees versus the Final Budget Estimates of 2.8% increase in Berth rental rates and 5.6% increase in all other rates and fees which is equal to the published annual increase of the Consumer Price Index of the Bay Area.
- Capital Expenditures increased by approximately \$7.3 million primarily due to:
 - \$2.7 million for funding electric upgrades and beam/piling replacement at Pillar Point Harbor.
 - \$4.7 million for East Outer Harbor Dredge Project & Surfers' Beach Replenishment was postponed from FY 2022/23 to 2023/24.

The District's revenue streams for Fiscal Year (FY) 2023/24 are expected to exceed on-going expenditures (not including biennial election costs) by \$3,858,000. This is a 22.06% decrease from the FY 2022/23 projection of \$4,950,000. 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		2023/24 Final Budget
	Projection		
Operating Revenues	\$ 4,866,000	\$ 4,685,000	-3.72%
Non-Operating Revenues	9,696,000	9,962,000	2.74%
Total Revenues	14,562,000	14,647,000	0.58%
Salaries/Wages/Benefits Expenditures	6,058,000	7,277,000	20.12%
Non-Personnel Expenditures	3,554,000	3,512,000	-1.18%
Total Expenditures	9,612,000	10,789,000	12.25%
Total Revenues less Expenditures	4,950,000	3,858,000	-22.06%
Election Costs	(745,000)	-	-100.00%
Capital Contributions	510,000	800,000	56.86%
Capital Expenditures	(7,575,446)	(11,631,404)	53.54%
Working Capital (Decrease) Increase	\$ (2,860,446)	\$ (6,973,404)	143.79%
Beginning Working Capital Balance	\$ 20,666,388	\$ 17,805,942	-13.84%
Required Reserves	2,775,500	2,697,250	-2.82%
Remaining Working Capital Balance	\$ 15,030,442	\$ 8,135,288	-45.87%



- Operating Revenues are budgeted to decrease by 3.72% due to a projected decrease in Surrendered and Abandoned Vessel Exchange (SAVE) Grant offset by a projected inflationary increase in fees of 2.8% for berth rental rates and 5.6% for all other rates and fees.
- Non-Operating Revenues are budgeted to increase by 2.74% 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 two 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 1.18%. For FY 2023/24 there is an anticipated increase in 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 increase. Projects expected to be completed in FY 2022/23 include Pillar Point Harbor Public Restroom at Surfers Beach, Pillar Point Harbor Parking Lot Improvements, Design & Engineering for Pillar Point Harbor Johnson Pier & Dock 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 John Pier & Dock Electrical Upgrades and Beam/Pile Replacement, 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 Dock 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	\$	4,866,000	\$	4,550,000	6.95%
Non-Operating Revenues		9,696,000		9,297,000	4.29%
Total Revenues		14,562,000		13,847,000	5.16%
Salaries/Wages/Benefits Expenditures		6,058,000		7,205,000	-15.92%
Non-Personnel Expenditures		3,554,000		3,793,000	-6.30%
Total Expenditures		9,612,000		10,998,000	-12.60%
Total Revenues less Expenditures		4,950,000		2,849,000	73.75%
Election Costs		(745,000)		(745,000)	0.00%
Capital Contributions		510,000		510,000	0.00%
Capital Expenditures		(7,575,446)		(7,575,446)	0.00%
Working Capital (Decrease) Increase	\$	(2,860,446)	\$	(4,961,446)	-42.35%



- Operating Revenues are expected to be above the revised budget by 6.95%. 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 and Coyote Point patrons who were temporarily displaced due to weather damage to facilities.
- Non-Operating Revenues are expected to exceed the revised budget by 4.29% due to the 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 (\$194,000).
- 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 6.30% 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 \$2,101,000 due to the expected increase in Operating Revenues of \$316,000, increase in Non-Operating Revenue of \$399,000, decrease in Salaries/Wages/Benefits Expenditures of \$1,147,000 and a decrease in Non-Personnel Expenditures of \$239,000 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 2.8% on March 1, 2023 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.

The Federal Reserve continues to increase the federal funds target rate 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 45-67) 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 2021/22 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.

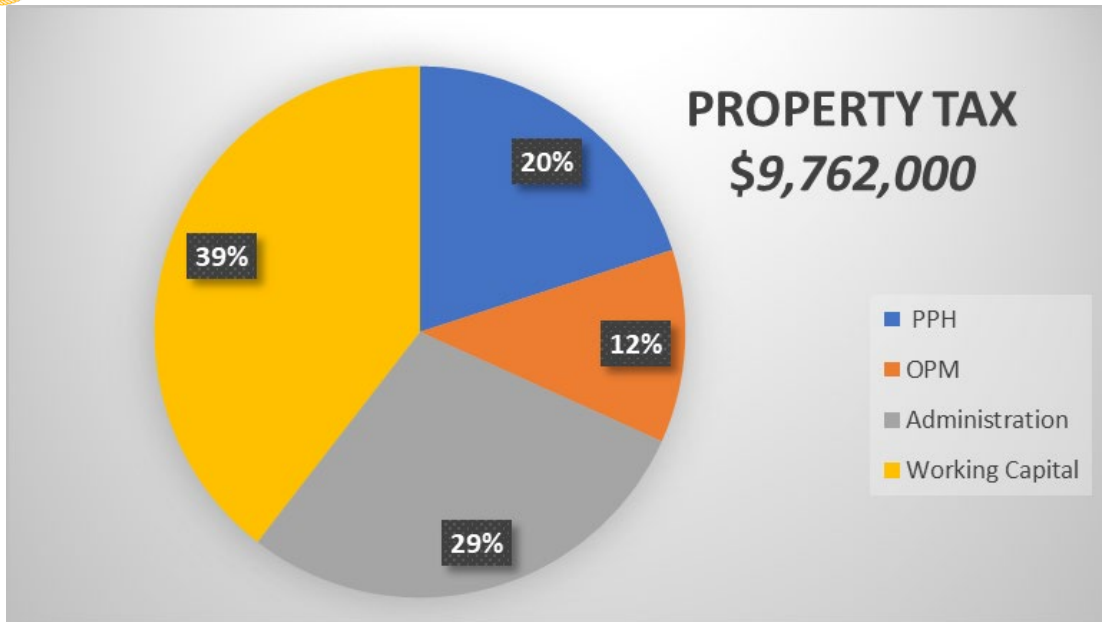
In 2018, the District entered into a Memorandum of Understanding (MOU) with the City of South San Francisco (SSF), replacing a Joint Powers Agreement, to manage the Oyster Point Marina property owned by SSF. The MOU's initial term is fifteen years. The MOU will automatically renew for two additional 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 45-67).

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.

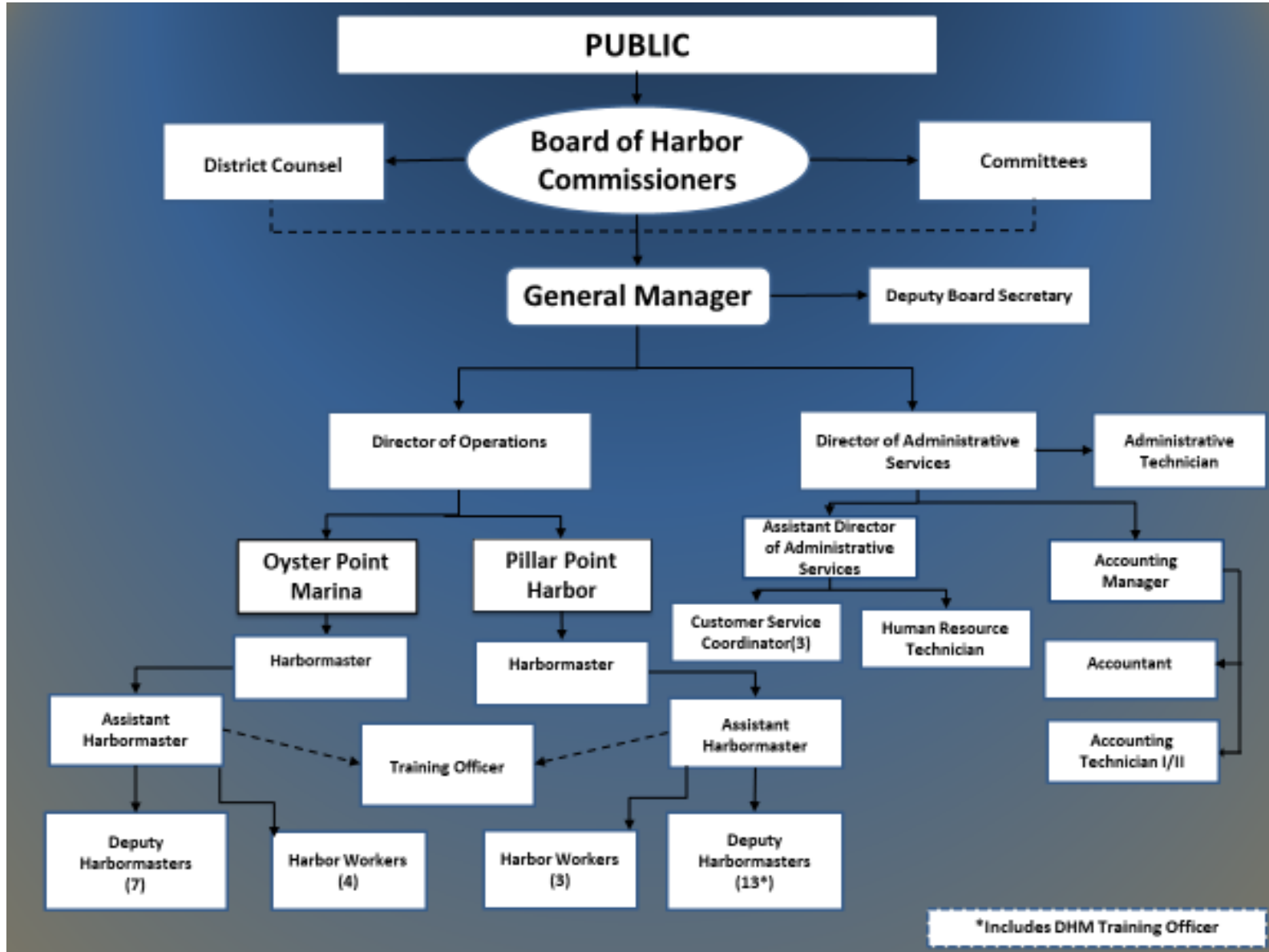
The District receives Property Tax Revenue from San Mateo County property owners. Property Tax Revenue is used to fund the Administration Department, any operating deficits associated with the costs of providing public services at PPH and OPM, and a portion of the Capital Improvement Program. For FY 2023/24, the District estimates that \$1,148,000 will be used for OPM public operations, \$1,953,000 for PPH public operations, \$2,803,000 for administrative functions (\$200,000 of administrative functions funded by interest income and \$73,000 by lease income), and \$3,858,000 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 \$11,631,404 (detail on pages 45-67) are funded by Working Capital Balances that consist of accumulated property tax revenues from previous fiscal years and \$800,000 from a grant. 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.



Organizational Chart





Staffing Authorization

Classification/Position Title	Actual 2021/22	Revised Budget 2022/23	Final Budget 2023/24	*Status as of 6/6/2023
Administration Department				
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	
Pillar Point Harbor				
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	3 Active/1 Vacant
Customer Service Coordinator	1	1.4	1.4	Active
Total Pillar Point Harbor	18	20.4	20.4	
Oyster Point Marina				
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	2 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



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

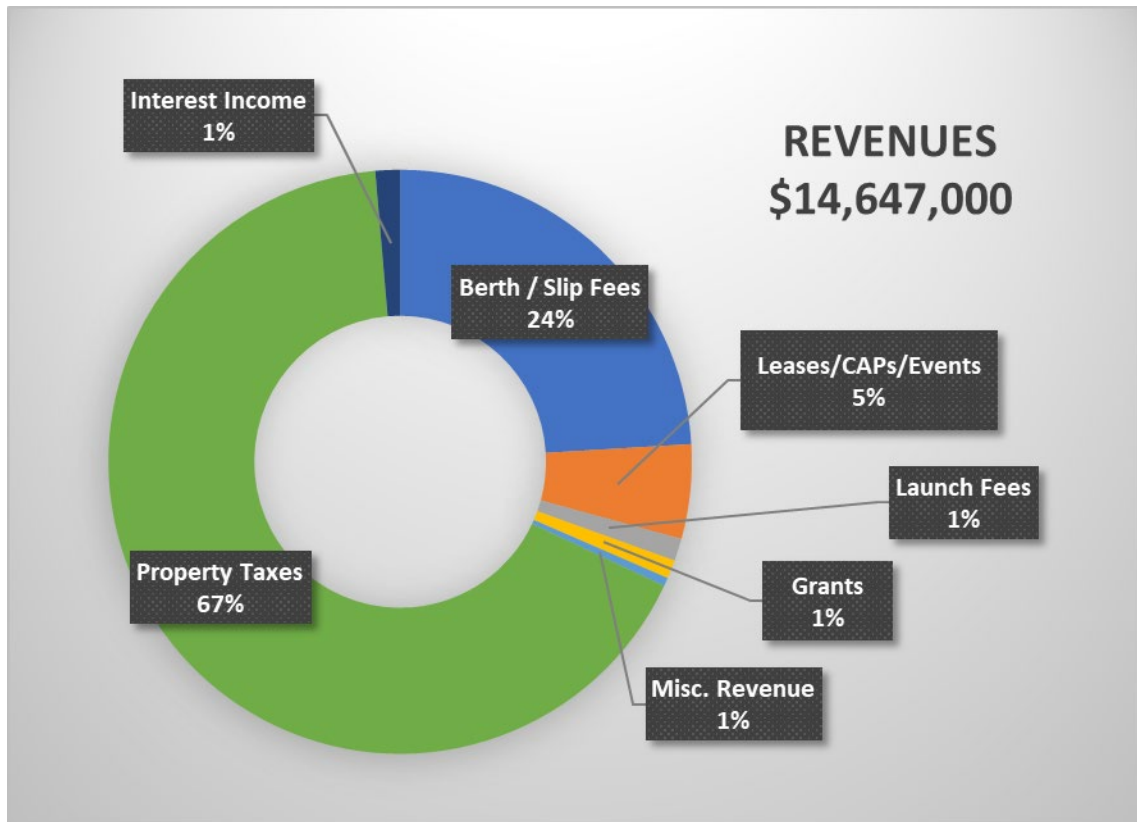


Three-Year Comparative Financial Schedule

	Fiscal Year 2021/22		Fiscal Year 2022/23		Fiscal Year 2023/24	
	Revised Budget	Actual	Revised Budget	Projection	Preliminary Budget	Final Budget
Operating Revenues:						
Berth / Slip Fees	\$ 3,472,000	\$ 3,401,211	\$ 3,482,000	\$ 3,663,000	\$ 3,580,000	\$ 3,521,000
Leases and CAPs	567,000	645,635	693,000	656,000	721,000	736,000
Launch Fees	147,000	140,868	126,000	185,000	180,000	181,000
Events	29,000	26,964	29,000	11,000	29,000	29,000
Grants & Reimbursements	150,000	31,191	150,000	286,000	150,000	150,000
Other Operating Revenue	74,000	66,407	70,000	65,000	64,000	68,000
Total Operating Revenues	4,439,000	4,312,276	4,550,000	4,866,000	4,724,000	4,685,000
Non-Operating Revenues:						
Property Taxes	8,163,000	9,576,725	9,191,000	9,316,000	9,762,000	9,762,000
Interest Income	251,000	187,571	106,000	300,000	200,000	200,000
Misc. Rev./Exp.	-	128,286	-	80,000	-	-
Total Non-Operating Revenues	8,414,000	9,892,582	9,297,000	9,696,000	9,962,000	9,962,000
Total Revenues	\$ 12,853,000	\$ 14,204,858	\$ 13,847,000	\$ 14,562,000	\$ 14,686,000	\$ 14,647,000
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 4,492,000	\$ 4,000,559	\$ 5,012,000	\$ 4,146,000	\$ 5,045,000	\$ 5,045,000
Benefits-Current Employees	1,625,000	1,528,820	1,908,000	1,610,000	1,906,000	1,906,000
Benefits-Retired/Former Emp	223,000	274,317	285,000	302,000	326,000	326,000
Salary/Wages/Benefits Sub-total	6,340,000	5,803,696	7,205,000	6,058,000	7,277,000	7,277,000
Non-Personnel Expenditures						
Payments to Other Agencies	84,000	88,654	88,000	88,000	92,000	92,000
Utilities	452,000	476,567	499,000	512,000	590,000	590,000
Contract Services	324,000	185,920	340,000	253,000	266,000	266,000
Legal	300,000	221,613	315,000	193,000	203,000	203,000
Property/Liability Insurance	291,000	290,964	317,000	448,000	422,000	422,000
Repairs & Maint- Routine	393,000	112,108	568,000	525,000	516,000	516,000
Office/Equipment Rentals	125,000	78,926	20,000	20,000	21,000	21,000
Information Technology	312,000	321,122	362,000	335,000	352,000	352,000
Financial Service Fees	74,000	71,058	77,000	83,000	87,000	87,000
Operating Expenses	362,000	487,881	403,000	428,000	449,000	449,000
Travel and Training	182,000	66,183	190,000	102,000	116,000	116,000
Advertising and Promotion	46,000	18,585	48,000	10,000	17,000	17,000
Personnel Administration	12,000	28,941	19,000	12,000	14,000	14,000
Vessel Destruction	190,000	257,997	200,000	336,000	150,000	150,000
Memberships & Subscriptions	25,000	15,233	26,000	16,000	18,000	18,000
Claims Settlement	100,000	-	105,000	-	-	-
Bad Debts	192,000	198,118	201,000	187,000	192,000	192,000
Miscellaneous Expend.	8,000	10,840	15,000	6,000	7,000	7,000
Non-Personnel Expend Sub-total	3,472,000	2,930,710	3,793,000	3,554,000	3,512,000	3,512,000
Total Operating Expenditures	\$ 9,812,000	\$ 8,734,406	\$ 10,998,000	\$ 9,612,000	\$ 10,789,000	\$ 10,789,000
Revenues less Expenditures	\$ 3,041,000	\$ 5,470,452	\$ 2,849,000	\$ 4,950,000	\$ 3,897,000	\$ 3,858,000
One-time Revenues(Expenditures)						
Election Costs (every other year)	\$ -	\$ -	\$ (745,000)	\$ (745,000)	\$ -	\$ -
Capital Grants & Reimbursements	-	-	510,000	510,000	-	800,000
Capital Expenditures	(10,160,464)	(8,362,785)	(7,575,446)	(7,575,446)	(4,290,000)	(11,631,404)
Increase(Decrease) to Working Capital	\$ (7,119,464)	\$ (2,892,333)	\$ (4,961,446)	\$ (2,860,446)	\$ (393,000)	\$ (6,973,404)

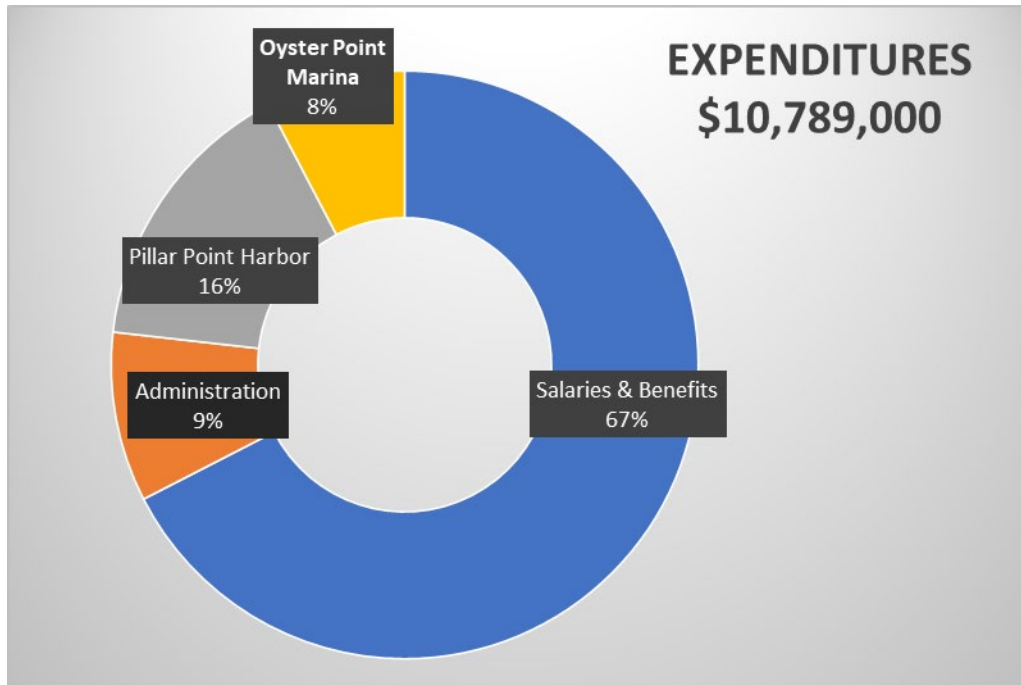


District Revenue





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.



Budget by Department



Department Summaries

Administration Department

The Administration Department includes five elected Harbor Commissioners and 10.6 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	This project has been postponed	n.a.
	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	Replace outdated workstations
		Implement Enterprise Resource Planning System	Work with Tyler Tech to implement full web-based version	Work is expected to begin in June	Work with Tyler Tech to implement full web-based version
		Investigate most cost-effective options	Prepare cost analysis of different Public Record request software	Goal expected to be achieved	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	Sent notices by December 31	Send notices to request renewals by October 31
			Once renewal request is completed, issue permission to renew within 5 days	Goal achieved	Once renewal request is completed, issue permission to renew within 5 days
			New CAPs issued within 60 days of application	Goal achieved	New CAPs issued within 60 days of application
			Cancellation of CAP for non-compliance after 60 days	Goal achieved	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	This goal is expected to be achieved by the end of the Fiscal Year (June 30)	Percentage in overdue Accounts Receivables over 120 days is less than 20% at PPH and 20% 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	Goal is expected to be achieved	3 of 4 accounts Completed by the 10th of each month
		Ensure minimal payroll adjustments	Less than 6 per year	Goal is expected to be achieved	Less than 6 per year
		Prepare timely and accurate payroll tax returns	No penalties or corrections	Tax returns filed accurately and correctly, but due to implementation issue with ERP system a penalty was paid to the IRS.	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	Goal expected to be achieved by June 30	Increase rates and fees where applicable
		Successfully negotiate leases for vacant premises	Negotiate 3 rd Party Lease for vacant space in Admin Building	Completed	Negotiate leases for restaurant space.
	 	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	Goal achieved
Manage legal fees			Decrease expenditures	Expected to be achieved and be \$28,613 below 2021/22	Manage costs to not exceed a 5% inflationary increase



	and compile Permanent Records	Create Electronic Permanent Records files	Complete population of financial records	In progress	Complete population of financial records
			Complete population of claims and investigations	Not started	Complete population of claims and investigations
			Complete population of Board agendas, minutes and resolutions	In progress	Complete population of Board agendas, minutes and resolutions
		Create checklist for permanent Human Resource records and organize paper records	Complete organization of all current employee records	In progress	Complete organization of all current employee records
 	Ensure a highly productive and team-oriented workforce	Improve Human Resource (HR) functions with support of ERP automation	Low turnover excluding retirement	2 resignations or 4.5%	Low turnover excluding retirement
			Update 25% of HR Policies	Updated 4 HR Policies or 7%	Update 25% of HR Policies
			Begin comprehensive classification study and salary analysis	Updated job descriptions expected to be completed.	n.a.
			Average number of days from close of recruitment to conditional offer is less than 30 days	Did not meet goal; ratings of candidates and availability of interviewers contributed to delay	Average number of days from close of recruitment to conditional offer is less than 30 days
			Average service years is greater than 4	Goal achieved- 6.23 average years	Average service years is greater than 4



Administration Department

	Fiscal Year 2021/22		Fiscal Year 2022/23		Fiscal Year 2023/24	
	Revised Budget	Actual	Revised Budget	Projection	Preliminary Budget	Final Budget
Operating Revenues:						
Leases and CAPs	\$ -	\$ 20,592	\$ 68,000	\$ 70,000	\$ 72,000	\$ 73,000
Total Operating Revenues	\$ -	\$ 20,592	\$ 68,000	70,000	\$ 72,000	73,000
Non-Operating Revenues:						
Property Taxes	8,163,000	9,576,725	9,191,000	9,316,000	9,762,000	9,762,000
Interest Income	251,000	187,571	106,000	300,000	200,000	200,000
Miscellaneous Revenues	-	127,973	-	79,000	-	-
Total Non-Operating Revenues	8,414,000	9,892,269	9,297,000	9,695,000	9,962,000	9,962,000
Total Revenues	\$ 8,414,000	\$ 9,912,861	\$ 9,365,000	\$ 9,765,000	\$ 10,034,000	\$ 10,035,000
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 1,311,000	\$ 1,308,219	\$ 1,330,000	\$ 1,332,000	\$ 1,533,000	\$ 1,533,000
Benefits-Current Employees	447,000	444,434	456,000	485,000	509,000	509,000
Benefits-Retired/Former Emp	19,000	24,778	44,000	26,000	27,000	27,000
Salary/Benefits Sub-total	1,777,000	1,777,431	1,830,000	1,843,000	2,069,000	2,069,000
Non-Personnel Expenditures						
Payments to Other Agencies	84,000	88,654	88,000	88,000	92,000	92,000
Utilities	-	3,458	24,000	39,000	41,000	41,000
Contract Services	68,000	62,287	71,000	71,000	75,000	75,000
Legal	200,000	184,151	210,000	113,000	119,000	119,000
Property/Liability Insurance	123,000	159,254	141,000	204,000	207,000	207,000
Repairs & Maint- Routine	-	(58,271)	155,000	183,000	163,000	163,000
Office/Equipment Rentals	125,000	78,926	20,000	20,000	21,000	21,000
Information Technology	122,000	157,387	163,000	163,000	171,000	171,000
Financial Service Fees	1,000	548	1,000	1,000	1,000	1,000
Operating Expenses	35,000	22,591	37,000	37,000	39,000	39,000
Travel and Training	108,000	23,902	113,000	50,000	53,000	53,000
Advertising and Promotion	16,000	2,745	17,000	5,000	5,000	5,000
Personnel Administration	6,000	970	6,000	3,000	3,000	3,000
Memberships & Subscriptions	22,000	15,233	23,000	16,000	17,000	17,000
Claims Settlement	100,000	-	105,000	-	-	-
Non-Personnel Expend Sub-total	1,010,000	741,835	1,174,000	993,000	1,007,000	1,007,000
Total Expenditures	\$ 2,787,000	\$ 2,519,266	\$ 3,004,000	\$ 2,836,000	\$ 3,076,000	\$ 3,076,000
Revenues less Expenditures	\$ 5,627,000	\$ 7,393,595	\$ 6,361,000	\$ 6,929,000	\$ 6,958,000	\$ 6,959,000
One-time Revenues(Expenditures)						
Election Costs (every other year)	\$ -	\$ -	\$ (745,000)	\$ (745,000)	\$ -	\$ -
Capital Expenditures	(3,820,676)	(3,765,507)	(250,352)	(250,352)	(200,000)	(200,000)
Increase(Decrease) to Working Capital	\$ 1,806,324	\$ 3,628,088	\$ 5,365,648	\$ 5,933,648	\$ 6,758,000	\$ 6,759,000



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.





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 multiple related 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 maintain space for Emergency vehicles access as designated by the Fire Marshall.	Maintain 100% compliance	Enforced Pier safety plan and achieved compliance for bins and access through education and enforcement	Maintain 100% compliance
	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	Preliminary Budget	Final Budget
Operating Revenues:						
Berth / Slip Fees	\$ 2,233,000	\$ 2,129,263	\$ 2,203,000	\$ 2,133,000	\$ 2,238,000	\$ 2,192,000
Leases and CAPs	442,000	526,685	500,000	475,000	543,000	546,000
Launch Fees #	125,000	106,676	104,000	150,000	157,000	158,000
Events	29,000	26,964	29,000	10,000	29,000	29,000
Grants & Reimbursements	99,000	17,732	113,000	211,000	75,000	75,000
Other Operating Revenue	48,000	47,230	44,000	41,000	43,000	43,000
Total Operating Revenues	2,976,000	2,854,550	2,993,000	3,020,000	3,085,000	3,043,000
Non-Operating Revenues:						
Miscellaneous Revenues	-	-	-	1,000	-	-
Total Non-Operating Revenues	-	-	-	1,000	-	-
Total Revenues	\$ 2,976,000	\$ 2,854,550	\$ 2,993,000	\$ 3,021,000	\$ 3,085,000	\$ 3,043,000
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 1,866,000	\$ 1,718,019	\$ 2,147,000	\$ 1,767,000	\$ 2,254,000	\$ 2,254,000
Benefits-Current Employees	726,000	732,899	917,000	750,000	900,000	900,000
Benefits-Retired/Former Emp	133,000	144,728	159,000	150,000	167,000	167,000
Salary/Benefits Sub-total	2,725,000	2,595,646	3,223,000	2,667,000	3,321,000	3,321,000
Non-Personnel Expenditures						
Utilities	312,000	326,332	328,000	328,000	395,000	395,000
Contract Services	173,000	111,005	182,000	182,000	191,000	191,000
Legal	100,000	20,167	105,000	50,000	53,000	53,000
Property/Liability Insurance	80,000	62,491	84,000	144,000	115,000	115,000
Repairs & Maint- Routine	273,000	126,005	287,000	287,000	301,000	301,000
Information Technology	127,000	87,337	133,000	92,000	97,000	97,000
Financial Service Fees	46,000	42,283	48,000	44,000	46,000	46,000
Operating Expenses	209,000	301,453	242,000	242,000	254,000	254,000
Travel and Training	47,000	30,286	49,000	32,000	34,000	34,000
Advertising and Promotion	22,000	12,991	23,000	4,000	4,000	4,000
Personnel Administration	1,000	4,720	8,000	6,000	6,000	6,000
Vessel Destruction	139,000	248,997	146,000	261,000	75,000	75,000
Memberships & Subscriptions	2,000	-	2,000	-	-	-
Bad Debts	103,000	89,343	108,000	94,000	99,000	99,000
Miscellaneous Expend.	6,000	11,407	13,000	5,000	5,000	5,000
Non-Personnel Expend Sub-total	1,640,000	1,474,817	1,758,000	1,771,000	1,675,000	1,675,000
Total Expenditures	\$ 4,365,000	\$ 4,070,463	\$ 4,981,000	\$ 4,438,000	\$ 4,996,000	\$ 4,996,000
Revenues less Expenditures	\$ (1,389,000)	\$ (1,215,913)	\$ (1,988,000)	\$ (1,417,000)	\$ (1,911,000)	\$ (1,953,000)
One-time Revenues(Expenditures)						
Capital Grants & Reimbursemen	-	-	510,000	510,000	-	800,000
Capital Expenditures	(5,123,685)	(3,381,175)	(6,902,169)	(6,902,169)	(2,640,000)	(9,981,404)
Increase(Decrease) to Working Capital	\$ (6,512,685)	\$ (4,597,088)	\$ (8,380,169)	\$ (7,809,169)	\$ (4,551,000)	\$ (11,134,404)



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 Dock 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	Preliminary Budget	Final Budget
Operating Revenues:						
Berth / Slip Fees	\$ 1,239,000	\$ 1,271,948	\$ 1,279,000	\$ 1,530,000	\$ 1,342,000	\$ 1,329,000
Leases and CAPs	125,000	118,950	125,000	111,000	106,000	117,000
Launch Fees	# 22,000	34,192	22,000	35,000	23,000	23,000
Events	-	-	-	1,000	-	-
Grants & Reimbursements	51,000	13,459	37,000	75,000	75,000	75,000
Other Operating Revenue	26,000	19,177	26,000	24,000	21,000	25,000
Total Operating Revenues	1,463,000	1,457,726	1,489,000	1,776,000	1,567,000	1,569,000
Non-Operating Revenues:						
Misc. Rev./(Exp.)	-	313	-	-	-	-
Total Non-Operating Revenues	-	313	-	-	-	-
Total Revenues	\$ 1,463,000	\$ 1,458,039	\$ 1,489,000	\$ 1,776,000	\$ 1,567,000	\$ 1,569,000
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 1,315,000	\$ 974,321	\$ 1,535,000	\$ 1,047,000	\$ 1,258,000	\$ 1,258,000
Benefits-Current Employees	452,000	351,487	535,000	375,000	497,000	497,000
Benefits-Retired/Former Emp	71,000	104,811	82,000	126,000	132,000	132,000
Salary/Benefits Sub-total	1,838,000	1,430,619	2,152,000	1,548,000	1,887,000	1,887,000
Non-Personnel Expenditures						
Utilities	140,000	150,235	147,000	145,000	154,000	154,000
Contract Services	83,000	12,628	87,000	-	-	-
Legal	-	17,295	-	30,000	31,000	31,000
Property/Liability Insurance	88,000	69,219	92,000	100,000	100,000	100,000
Repairs & Maint- Routine	120,000	44,374	126,000	55,000	52,000	52,000
Information Technology	63,000	76,398	66,000	80,000	84,000	84,000
Financial Service Fees	27,000	28,227	28,000	38,000	40,000	40,000
Operating Expenses	118,000	163,837	124,000	149,000	156,000	156,000
Travel and Training	27,000	11,995	28,000	20,000	29,000	29,000
Advertising and Promotion	8,000	2,849	8,000	1,000	8,000	8,000
Personnel Administration	5,000	23,251	5,000	3,000	5,000	5,000
Vessel Destruction	51,000	9,000	54,000	75,000	75,000	75,000
Memberships & Subscriptions	1,000	-	1,000	-	1,000	1,000
Bad Debts	89,000	108,775	93,000	93,000	93,000	93,000
Miscellaneous Expend.	2,000	(567)	2,000	1,000	2,000	2,000
Non-Personnel Expend Sub-total	822,000	717,516	861,000	790,000	830,000	830,000
Total Expenditures	\$ 2,660,000	\$ 2,148,135	\$ 3,013,000	\$ 2,338,000	\$ 2,717,000	\$ 2,717,000
Revenues less Expenditures	\$ (1,197,000)	\$ (690,096)	\$ (1,524,000)	\$ (562,000)	\$(1,150,000)	\$(1,148,000)
One-time Revenues(Expenditures)						
Capital Grants & Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	(1,216,103)	(540,419)	(422,925)	(422,925)	(1,450,000)	(1,450,000)
Increase(Decrease) to Working Capital	\$ (2,413,103)	\$ (1,230,515)	\$ (1,946,925)	\$ (984,925)	\$(2,600,000)	\$(2,598,000)



SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM



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		\$ 6,902,169	\$ 9,981,404	\$ 1,200,000	\$ 150,000	\$ 150,000	\$ 150,000
Oyster Point Marina		422,925	1,450,000	300,000	50,000	50,000	50,000
Administration		250,352	200,000	200,000	200,000	200,000	200,000
TOTAL		\$ 7,575,446	\$ 11,631,404	\$ 1,700,000	\$ 400,000	\$ 400,000	\$ 400,000
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		7,065,446	10,831,404	1,700,000	400,000	400,000	400,000
TOTAL		\$ 7,575,446	\$ 11,631,404	\$ 1,700,000	\$ 400,000	\$ 400,000	\$ 400,000
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	\$ 17,805,942	\$ 10,832,538	\$ 11,735,538	\$ 14,307,538	\$ 15,466,538
Operating Revenue		4,866,000	4,685,000	4,802,000	4,922,000	5,045,000	5,171,000
Non-Operating Revenue		9,696,000	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		(3,554,000)	(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		4,205,000	3,858,000	2,603,000	2,972,000	1,559,000	1,807,000
Working Capital used for CIP		(7,065,446)	(10,831,404)	(1,700,000)	(400,000)	(400,000)	(400,000)
TOTAL ENDING WORKING CAPITAL		\$ 17,805,942	\$ 10,832,538	\$ 11,735,538	\$ 14,307,538	\$ 15,466,538	\$ 16,873,538
MINIMUM REQUIRED RESERVES		\$ 2,775,500	\$ 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. Electrical Upgrades of \$1 million and Beam/Pile replacement of \$1.7 million are expected to be funded in FY2023/24 Construction costs of approximately \$37million 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 Dock 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 Dock 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 \$12.1 million remain unfunded.

- 16)  **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 \$15,030,442 (\$17,805,942 less required reserve of \$2,775,500), plus over the next five years an additional \$12,799,000 from revenues expected to exceed expenditures. The total amount of estimated funding needed for funded projects over the next five fiscal years is \$14,531,404. These projects are being funded by available Working Capital and a grant of \$800,000. The following list of projects are fully funded unless otherwise specified.

- 1) Pillar Point Harbor Johnson Pier Reconfiguration, Fuel Dock Replacement, and Dock D,E,F & H (construction partially funded \$2.7 million; \$37 million not funded)
- 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 Dock 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 Dock 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 \$12.151 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,E,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.

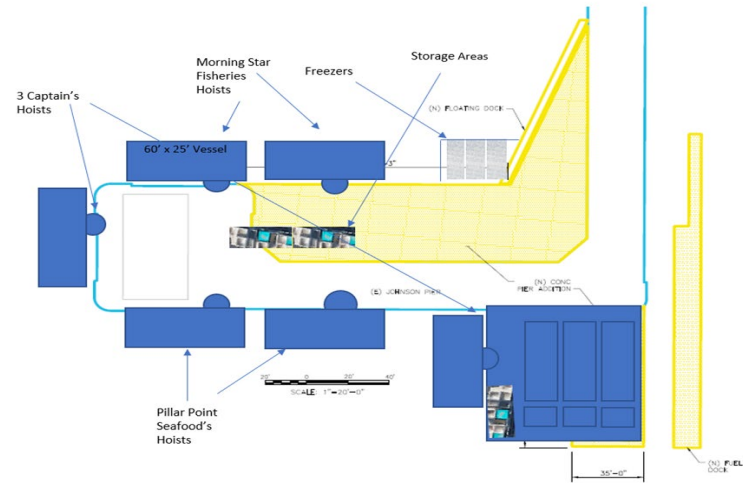
JUSTIFICATION:

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.*

Johnson Pier Expansion Project - Design Discussion Workshop July 17, 2018
Proposed Design



Expenditures	Prior Years	FY 22-23	FY 23-24	To Be Determined Based on Funding				Total ALL FY
Design/Engineering	\$ 1,873,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,873,015
Electric Upgrades	-	-	1,000,000	-	-	-	-	1,000,000
Beams/Piling Replacement	-	-	1,700,000	-	-	-	-	1,700,000
Construction	-	-	-	37,000,000	-	-	-	37,000,000
TOTAL	\$ 1,873,015	\$ -	\$ 2,700,000	\$ 37,000,000	\$ -	\$ -	\$ -	\$ 41,573,015

Source(s) of Funds								
Additional Revenue Generated	\$ -	\$ -	\$ -	\$ -	\$ 137,000	\$ 141,000	\$ 145,000	\$ 423,000
Working Capital	1,873,015	-	2,700,000	-	-	-	-	4,573,015
Not Funded	-	-	-	37,000,000	(137,000)	(141,000)	(145,000)	36,577,000
TOTAL	\$ 1,873,015	\$ -	\$ 2,700,000	\$ 37,000,000	\$ -	\$ -	\$ -	\$ 41,573,015



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 Actions and Decision-Making
 2) Infrastructure Improvements are Guided by Comprehensive Long-Term Planning.
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	-	967,780	-		-			967,780
TOTAL	\$ 180,300	\$ 1,018,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,198,580

Source(s) of Funds								
Working Capital	\$ 180,300	\$ 1,018,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,198,580
TOTAL	\$ 180,300	\$ 1,018,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,198,580



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 2024		

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	\$ 319,457	\$ 116,146	\$ 100,582	\$ -	\$ -	\$ -	\$ -	\$ 536,185
Eel Grass Remediation	-	-	1,800,000	-	-	-	-	1,800,000
Construction	-	-	2,900,000	-	-	-	-	2,900,000
TOTAL	\$ 319,457	\$ 116,146	\$ 4,800,582	\$ -	\$ -	\$ -	\$ -	\$ 5,236,185

Source(s) of Funds

OPC Grant	\$ 75,000	\$ -	\$ 100,582	\$ -	\$ -	\$ -	\$ -	\$ 175,582
DBW Grant	-	-	800,000	-	-	-	-	800,000
Working Capital	244,457	116,146	4,000,582	-	-	-	-	4,361,185
TOTAL	\$ 319,457	\$ 116,146	\$ 4,901,164	\$ -	\$ -	\$ -	\$ -	\$ 5,336,767



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



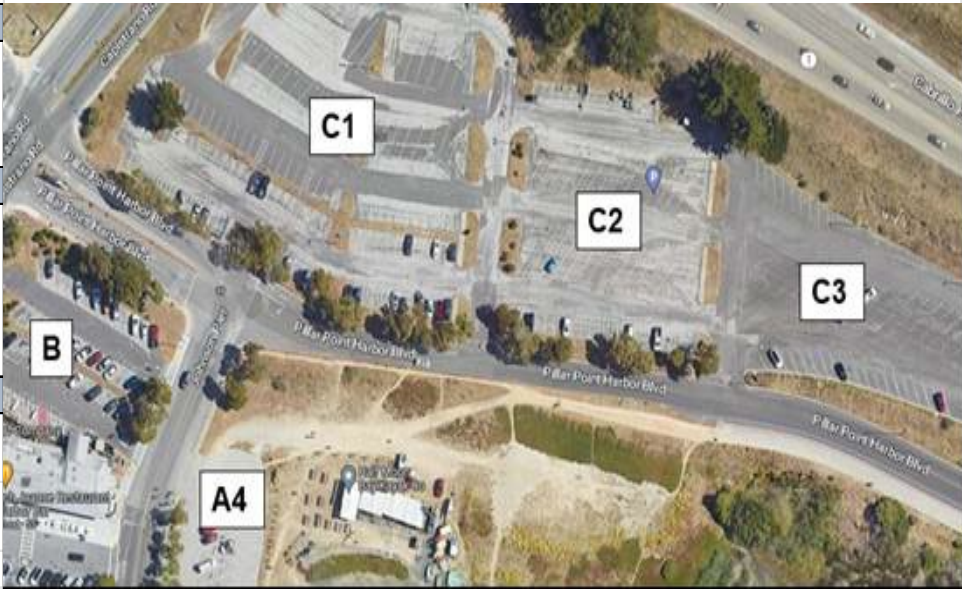
PROJECT TITLE: PARKING LOT IMPROVEMENTS

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.

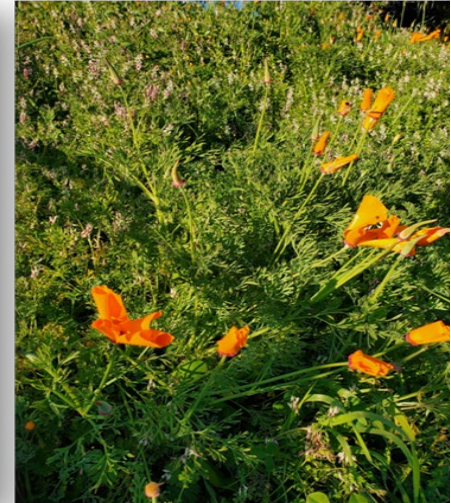
JUSTIFICATION:

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.

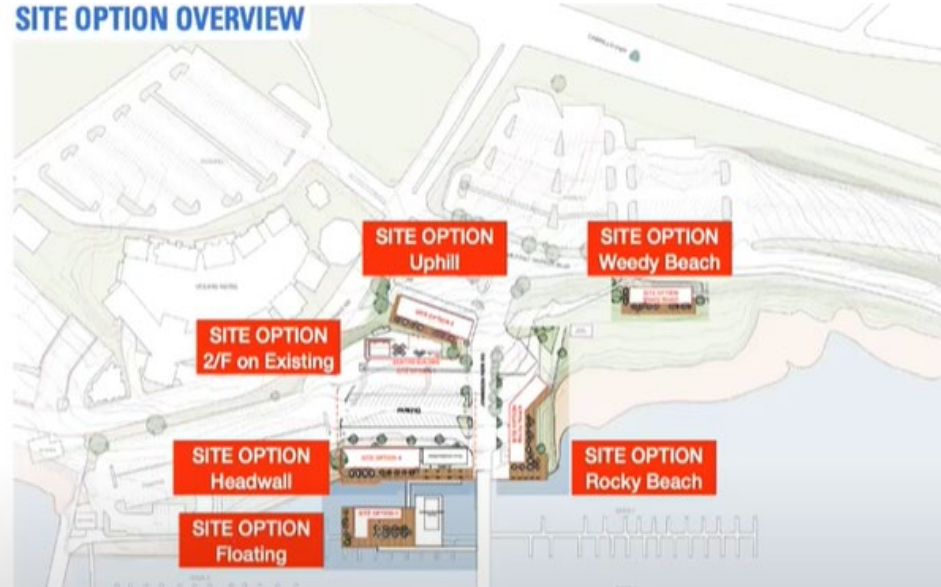
JUSTIFICATION:

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 22-23	To Be Determined Based on Funding					Total ALL FY
Design/Engineering	\$ -	\$ 595,369	\$ -	\$ -		\$ -	\$ -	\$ 595,369
Construction	-	-	-	12,151,000	-	-	-	12,151,000
TOTAL	\$ -	\$ 595,369	\$ -	\$ 12,151,000	\$ -	\$ -	\$ -	\$ 12,746,369

Source(s) of Funds								
Working Capital	\$ -	\$ 595,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,369
Not Funded	-	-	-	12,151,000				12,151,000
TOTAL	\$ -	\$ 595,369	\$ -	\$ 12,151,000	\$ -	\$ -	\$ -	\$ 12,746,369



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 & Dock 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 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 \$14,647,000, which would allow the District to issue debt with combined principal and interest payments of no more than \$3,661,750.

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.