

Preliminary Operating Budget and Five-Year Capital Improvement Program

FY 2022/23

BOARD OF HARBOR COMMISSIONERS

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SAN MATEO COUNTY HARBOR DISTRICT





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INTRODUCTION

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget
Presentation Award*

PRESENTED TO

**San Mateo County Harbor District
California**

For the Fiscal Year Beginning

July 01, 2021

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, 2021. 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) 2022/23 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 2022/23. 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.

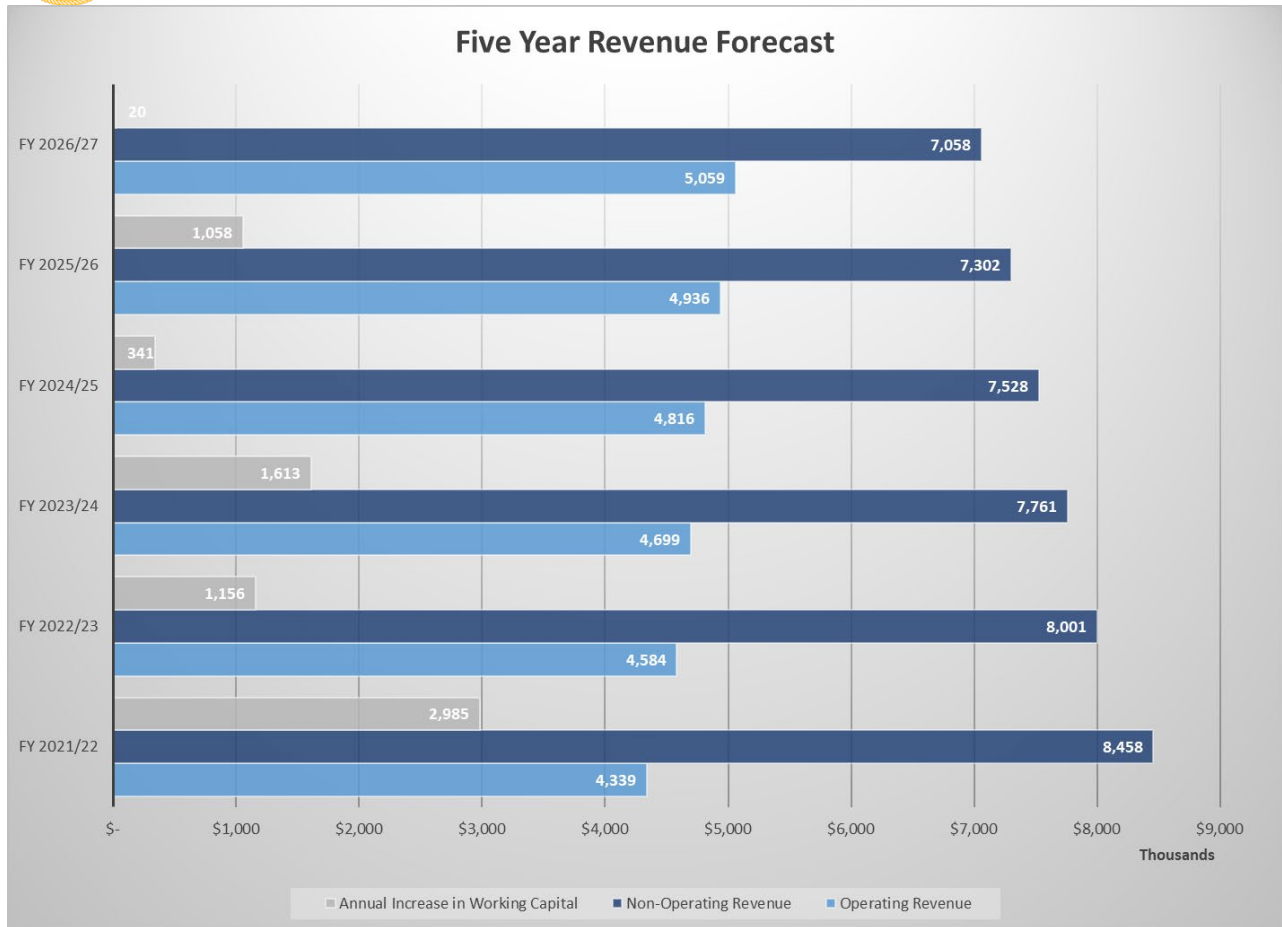
The District has received its second Government Finance Officers Association (GFOA) "Distinguished Budget Presentation Award" for FY 2021/22. We will also submit the FY 2022/23 Budget for consideration of the GFOA budget award.

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 continues to work toward the development of other long-range plans including an infrastructure restoration plan, master 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.

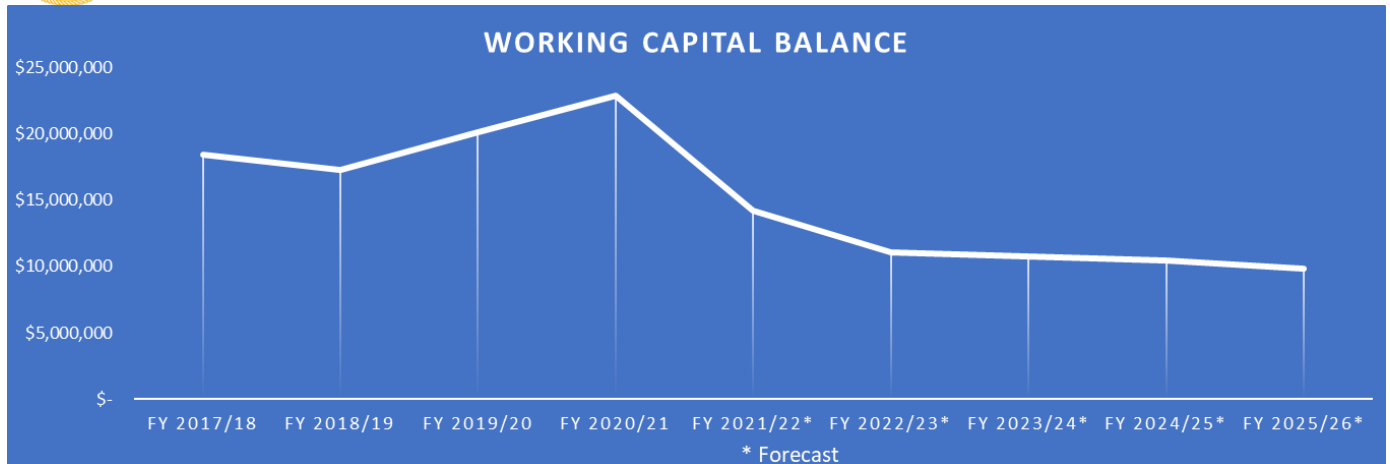
The goal of the District's Budget Document is to ensure a compliant and transparent process that will promote stakeholder confidence and trust. The District's financial decisions consider sustainability and fiscal responsibility to anticipate and prepare for future funding requirements as well as unforeseen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

It is anticipated that the National State of Emergency due to the COVID-19 pandemic will cease to impact the budget. The 2022/23 Operating Budget and the five-year Capital Improvement Program (CIP) does not incorporate assumptions regarding potential negative financial impacts due to the COVID-19 pandemic.



This year, the District is fortunate to present an operating budget that includes sufficient revenue to fund the 2022/23 Fiscal Year (July 1, 2022 to June 30, 2023) expenditures and provide \$1,156,000 toward increasing the Working Capital balance. The Working Capital balance provides funds for the District’s Capital Improvement Program and funds a reserve account set aside to provide for cash flow needs, and funding for unforeseen and unexpected emergencies, disasters, and other events.

The District updates the five-year CIP annually. This five-year plan presents projects and associated funding for assets including land acquisition, construction, purchase of software, preventative maintenance needs, and replacement of vessels and vehicles. The estimated Working Capital Balance available to fund the CIP on June 30, 2022 is \$11,205,211 (\$14,248,711 less required reserve of \$ \$3,043,500) plus over the next five years an additional **\$3,565,328** from revenues expected to exceed expenditures for a total of **\$14,770,539**. The District’s total funding needs for identified projects, including unfunded projects, for July 1, 2022 through June 30, 2027 is estimated at **\$88,880,295**. 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 2022/23 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 2022/23			
Date	Description	Time	Location
March 11, 2022	Finance Committee will review and comment on "First Look" of Budget and receive public input	10:00 AM	Remote Public Meeting
March 16, 2022	Board of Harbor Commissioners will review and comment on "First Look" of Operating & CIP Budget and receive public input	1:00 PM	Remote Public Meeting
March 28, 2022	Finance Committee will review and comment on Preliminary Budget and receive public input	11:00 AM	Remote Public Meeting
April 20, 2022	Board of Harbor Commissioners will receive public input and adopt the Preliminary Budget	1:00 PM	Remote Public Meeting
June 15, 2022	Board of Harbor Commissioners will hold a Public Hearing and Adopt Final Budget	1:00 PM	Remote or Hybrid Public Meeting

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

Capital projects, grant-funded projects, or one-time funded multi-year projects automatically rollover any open purchase orders (encumbrances) and appropriations associated with those projects. The Capital Improvement Program section of this budget includes June 30, 2022 estimated encumbrance balances to be re-appropriated (page 78). The actual amount re-appropriated versus the estimated amount will vary.

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 47 for detail regarding Working Capital and the minimum Reserve Balance required per District Policy 4.4.3.

The District receives a portion of the property tax revenue collected in the County of San Mateo. The property tax revenue funds the Administration Department, public services provided by Pillar Point Harbor and Oyster Point Marina, and capital assets & capital improvement projects (page 24).

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:



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



Infrastructure Improvements Are Guided by Comprehensive Long-Term Planning,



Provide Excellent Customer Service,



Enhance Public Safety,



Ensure That the Public Is Well Informed About the District,



Ensure Good Governance and Administration,

























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








Environmental Stewardship

The icons associated with each of these strategic goals are used again in the Fiscal Year 2022/23 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.





The District completed the following projects/programs for Fiscal Year 2021/22 in support of the above goals.

- 1)  Continued to ensure the safety of the public and employees during the COVID-19 Pandemic as the Harbor and Marina continue to operate and provide essential services.
- 2)      West Trail Shoreline Protection Project is in the construction stage and is expected to be completed by April 2022.
- 3)      R/V Park Public Restroom/Greenspace Project at Surfers Beach is in the final stages of design and permitting.
- 4)   Tenant Row ADA Public Restroom Project is in the final stages of design and permitting.
- 5)      East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan is in the final stages of design and permitting.
- 6)   District Master Plan (Strategic Goal 1 and 2): The District approved the Final Master Plan on April 20, 2022. (verify at meeting)
- 7)   Completed and Implemented a Comprehensive Johnson Pier Operational and Safety Plan (Strategic Goal 3 and 4).








- 8)  Real Property Leases (Strategic Goal 3, 6, 7):
 - a. Completed Real Property Lease for Ketch Joanne Restaurant and Harbor Bar.
 - b. Completed Real Property Lease for Mavericks Surf Shop.
- 9)  Enterprise Resource Planning System (Strategic Goal 3, 5, 6, and 7): Implemented a new integrated cloud-based system which includes Human Resources, Finance, Payroll, Records Management, and ability to allow Customers to make On-line Payments.
- 10)  The District received a “clean” unmodified opinion on the District’s financial statements for Fiscal Year 2020/21. The financial statements were found to be 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.
- 11)  The Government Finance Officers Association awarded the District the Distinguished Budget Presentation Award for our 2021/22 budget.
- 12)  Maintained the Special District Leadership Foundation District Transparency Certificate of Excellence.

For the 2022/23 Fiscal Year, the District will work towards the following Goals and Objectives. Additional Department Objectives and Department Performance Measures are in the “Budget by Department” section (pages 32-43)

- 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 exceed 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.
 - 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.
 - b.  RV Park Restroom and Greenspace Improvements (Strategic Goal 2 and 3): Begin construction.
 - c.  Oyster Point Marina Dock Replacement Project (Docks 12, 13 & 14) (Strategic Goal 1, 2, 3): **Complete Preliminary Engineering and Design Phase.**
 - 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.

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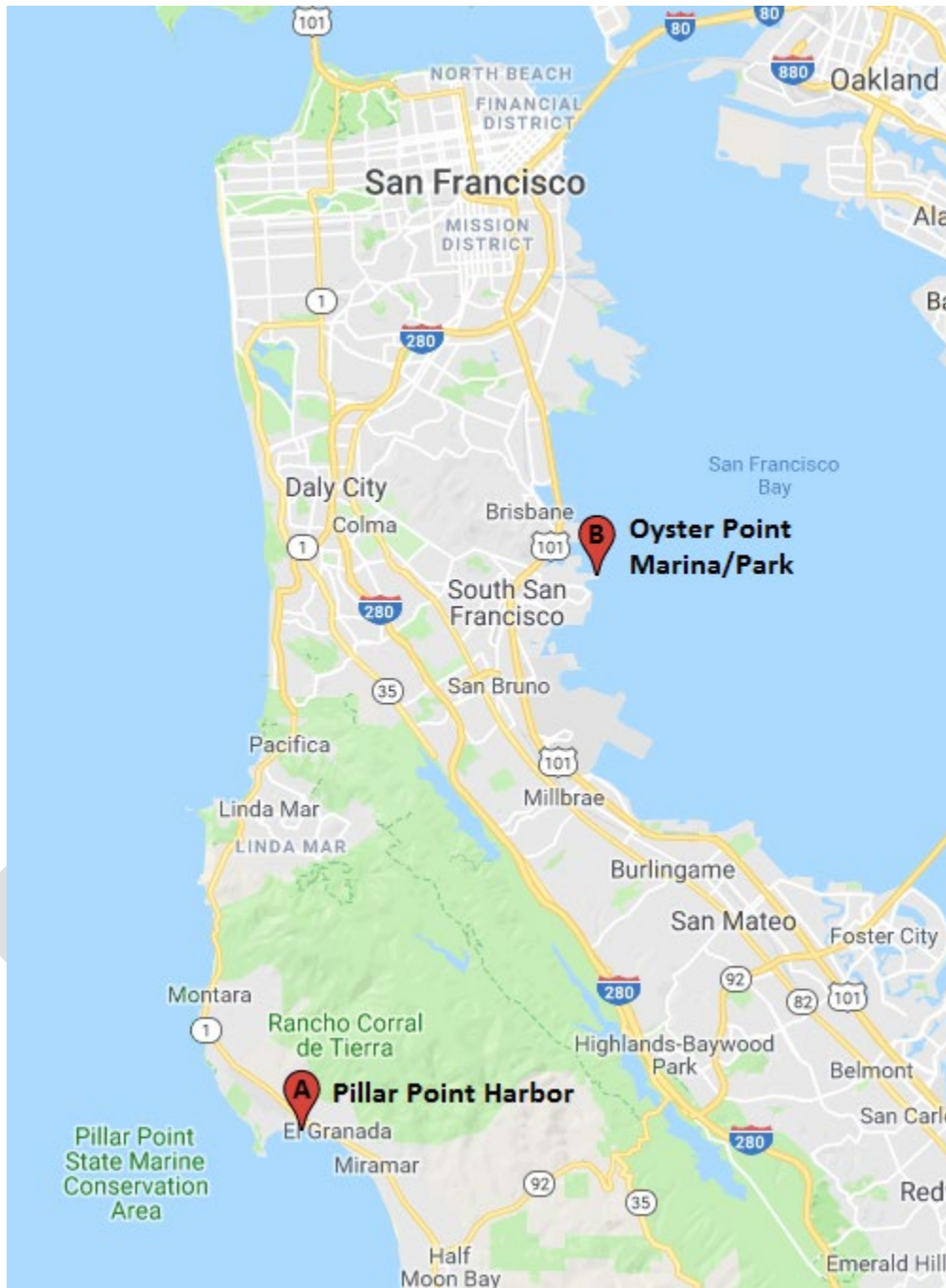
About Us

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Where is San Mateo County Harbor District?

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

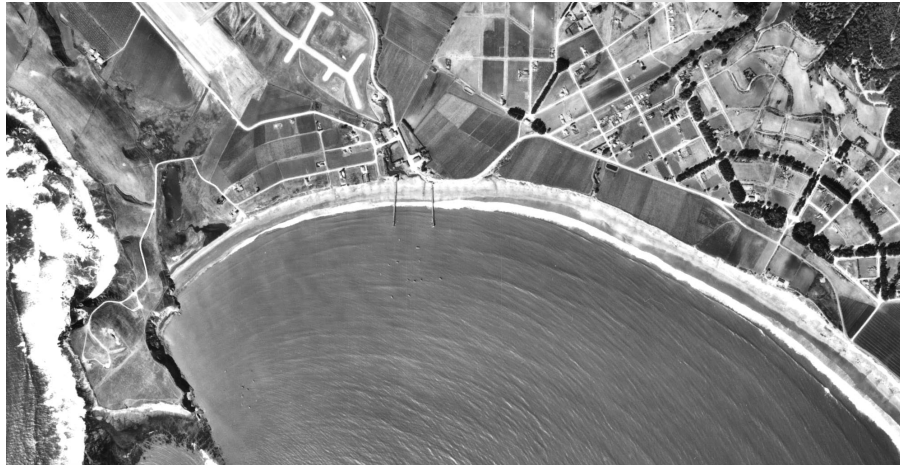




Our History

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

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



1943 Aerial View of Pillar Point Harbor



Pillar Point Harbor in 1970

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



San Mateo County Harbor District Today

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



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





The San Mateo County Harbor District is governed by five elected Harbor Commissioners that reside in San Mateo County and are voted in by the residents of the County. Harbor Commissioners serve four-year staggered terms. Historically, the Harbor Commissioners were elected county-wide. In 2018, the Harbor Commission created five distinct districts and beginning in November 2020 the Harbor District held its first districted election for three of the five (1,4 and 5) newly created districts. In November 2022, the Harbor District will hold 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 765,245 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 2020
Facebook	Social Network	17,000
Genentech	Biotechnology	12,000
United Airlines	Airline	7,894
Oracle	Hardware & Software	7,656
County of San Mateo	Government	5,683
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
<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 March 2019 report by the Robert Wood Johnson Foundation. The rates for adult smoking, adult obesity, teen births and other key indicators for a community's overall health were below national statewide averages. The report, however, found that one out of every four households (24 percent) in San Mateo County faced a severe housing problem: overcrowding, high housing costs, lack of a kitchen or lack of plumbing. Nearly 50% of renters in the County pay 30% or more of their income on housing.

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, \$102,450 for a single individual is categorized as low income for the San Francisco Metro Area. Housing costs continued to increase. The increase throughout the area was approximately 10% from 2021 to 2022.



SECTION ONE- 2022/23 OPERATING BUDGET

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Operating Budget at a Glance

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Budgetary Highlights

The District's revenue streams for Fiscal Year (FY) 2022/23 are expected to exceed on-going expenditures (not including biennial election costs) by \$1,901,000. This is a 36.31% decrease from the FY 2021/22 projection of \$2,985,000. 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 Budget Summary		Comparison to 2021/22 Projection	
Operating Revenues	\$ 4,584,000	\$ 4,339,000		5.65%
Non-Operating Revenues	8,001,000	8,458,000		-5.40%
Total Revenues	12,585,000	12,797,000		-1.66%
Salaries/Wages/Benefits Expenditures	6,975,000	6,340,000		10.02%
Non-Personnel Expenditures	3,709,000	3,472,000		6.83%
Total Expenditures	10,684,000	9,812,000		8.89%
Total Revenues less Expenditures	1,901,000	2,985,000		-36.31%
Election Costs	(745,000)	-		n.a.
Working Capital (Decrease) Increase	\$ 1,156,000	\$ 2,985,000		-61.27%

- Operating Revenues are budgeted to increase by 5.65% primarily due to 1) an anticipated inflationary increase (3.2%) in fees and rents, 2) additional income from Commercial Activity Permits (\$8,000), and 3) rental income of the Administration Building (\$68,000).
- Non-Operating Revenues are budgeted to decrease by 5.40%. The State Department of Finance released a proposed law to change the Vehicle Licensing Fee (VLF) Law which would allow the State to use the County's Excess Educational Revenue Augmentation Fund (ERAF) to fund school district shortfalls. If passed, the District is estimated to lose \$350,000 in Excess ERAF funds (see State & Federal Budget Actions on page 22 below for further description).
- Salaries/Wages and Benefit Expenditures are projected to increase by 10.02% due to an estimated 5% salary/wage and benefit cost increase, along with anticipation of being fully staffed for FY 2022/23. There are currently five vacancies that the District is in the process of filling.
- Non-Personnel Expenditures are budgeted to increase by 6.83%. For FY 2022/23 there is an anticipated increase in utilities, property insurance premiums, and repairs and maintenance due to the purchase of an Administration building which is partially offset by the elimination of rents paid for the building. In addition, costs are expected to increase by approximately 5% due to inflationary increases.
- The FY 2022/23 budget includes \$745,000 in biennial election costs. The FY 2021/22 projection does not anticipate any one-time or biennial expenditures.



The following table summarizes the 2021/22 Revised Budget versus the 2021/22 Projected Results.

	2021/22 Projection		2021/22 Revised Budget		
Operating Revenues	\$	4,339,000	\$	4,439,000	-2.25%
Non-Operating Revenues		8,458,000		8,414,000	0.52%
Total Revenues		12,797,000		12,853,000	-0.44%
Salaries/Wages/Benefits Expenditures		6,340,000		6,340,000	0.00%
Non-Personnel Expenditures		3,472,000		3,472,000	0.00%
Total Expenditures		9,812,000		9,812,000	0.00%
Total Revenues less Expenditures		2,985,000		3,041,000	-1.84%
Election Costs		-		-	
Working Capital (Decrease) Increase	\$	2,985,000	\$	3,041,000	-1.84%

- Operating Revenues are expected to be below the revised budget by 2.25%. The slip/berth rentals at Pillar Point Harbor are tracking slightly below budget. This is due to a slight increase in vacancy rates (0% on June 30, 2021 versus 2% on February 28, 2021) along with a decrease in anchor out revenue.
- Non-Operating Revenues are expected to slightly exceed the revised budget by .52% due to the District receiving a one-time COVID-19 grant for additional costs incurred related to the pandemic (\$125,000) which is partially offset by lower than expected rate of return on investments (\$81,000).
- Salaries/Wages and Benefit Expenditures are expected to be on budget. Salary savings due to vacant positions are expected to be offset by the increase in overtime costs.
- Non-Personnel Expenditures are anticipated to be as budgeted.
- The Working Capital Increase is expected to be \$56,000 below the revised budget due to the decrease in Operating Revenues.



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 in an unprecedented emergence from a State of Emergency due to the COVID-19 pandemic. According to the Federal Reserve forecasts for 2022, Gross Domestic Products (GDP) are expected to increase by 4.0%. Nationally, the unemployment rate is expected to stay at 3.5% through 2024. The California Employment Development Department reported an unemployment rate of 2.8% on December 1, 2021 in San Mateo County.

The Public Employees' Pension is managed by California Public Employees' Retirement System (CalPERS). As of June 30, 2021, the District reported a net pension liability (NPL) of \$2,904,343 compared to June 30, 2020 NPL of \$2,698,394. The increase was primarily due to an increase in reportable wages. CalPERS annual retirement costs for FY 2021/22 decreased by \$13,939 or 1.6%. 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 \$2,613,023 or 90%. The District budgeted a 5% increase in retirement costs.

The District was successful in negotiating the two month-to-month leases into longer-term three year leases with an option to extend for two additional three years terms. One lease is for a restaurant and the other lease is for a retail store in the "tenant row" building at Pillar Point. In addition, the lease payments will increase each year to be more in line with current market rates.

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 leveling off of property values in Fiscal Year 2022/23.

In Fiscal Year 1991/92 the State shifted property tax revenues from Counties, Cities, and Special Districts to School Districts by implementing an Educational Revenue Augmentation Fund (ERAF). San Mateo is unique and has excess ERAF which is distributed back to municipalities within the County. Currently, the State of California is in talks with Counties who have excess



ERAF. The State is in the process of requesting changes to the Vehicle Licensing Fee (VLF) Tax law. The changes would in effect negatively impact the future of excess ERAF revenues. The 2022/23 Budget anticipates the passage of the law as proposed by the State and a reduction of \$350,000 in Excess ERAF revenues for the District. The reduction in Excess ERAF revenues is expected to continue to grow to \$1.4 million dollars by Fiscal Year 2026/27.

The economy, on a federal level, was recovering slowly yet unevenly from the 2008 recession due to expansionary monetary policies. This included holding interest rates at lower bounds by buying large amounts of financial assets to increase the money supply (quantitative easing). Inflation increased significantly last year with the price index for personal consumption expenditures rising 5.8 percent from December 2021 to December 2022. It is anticipated that the Federal Reserve will increase rates. In addition, trade tensions may have an ongoing negative impact on business investments and in turn negatively impact economic growth.

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 46-78) and are associated with climate change include the West Trail Shoreline Protection and 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, 2021 the District had approximately \$47 million in depreciable assets with accumulated depreciation of \$31 million. About 67% of the District's total assets have been depreciated. In FY 2020/21 the District recorded \$1,138,018 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 46-78).

Public and Enterprise Services

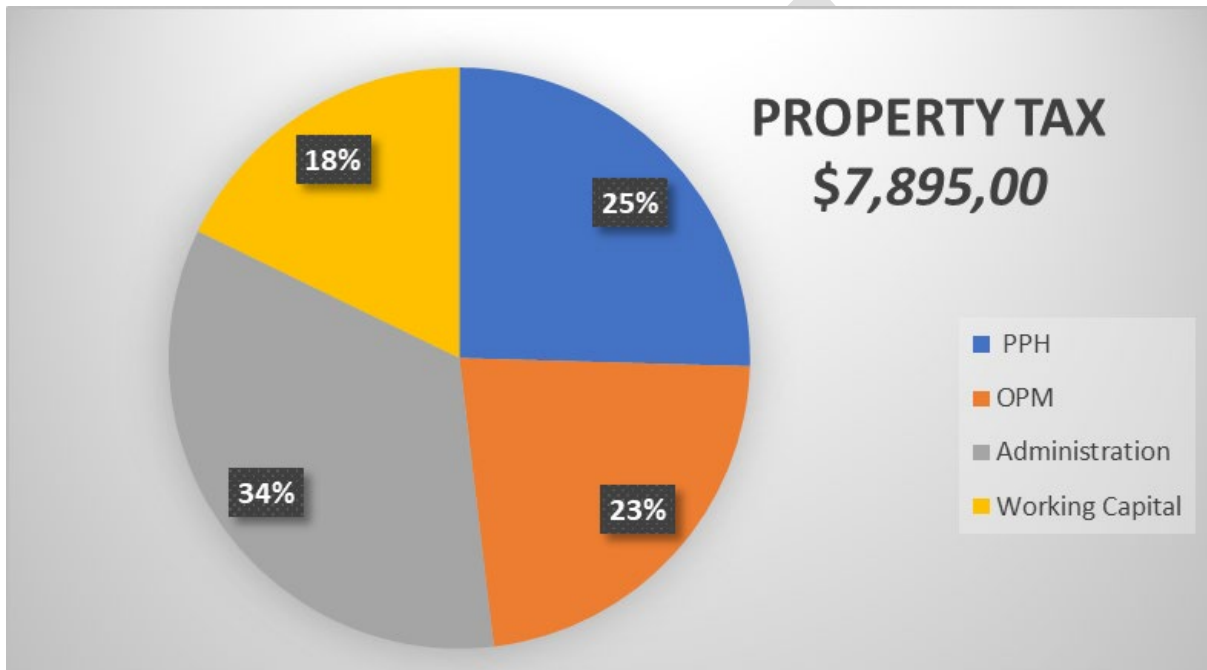
The District's transactions are accounted for in an Enterprise Fund which includes three departments- Administration, Pillar Point Harbor (PPH), and Oyster Point Marina (OPM). PPH and OPM generate operating revenue from berth rentals, liveaboard fees, boat launch fees, property rentals and permit fees.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

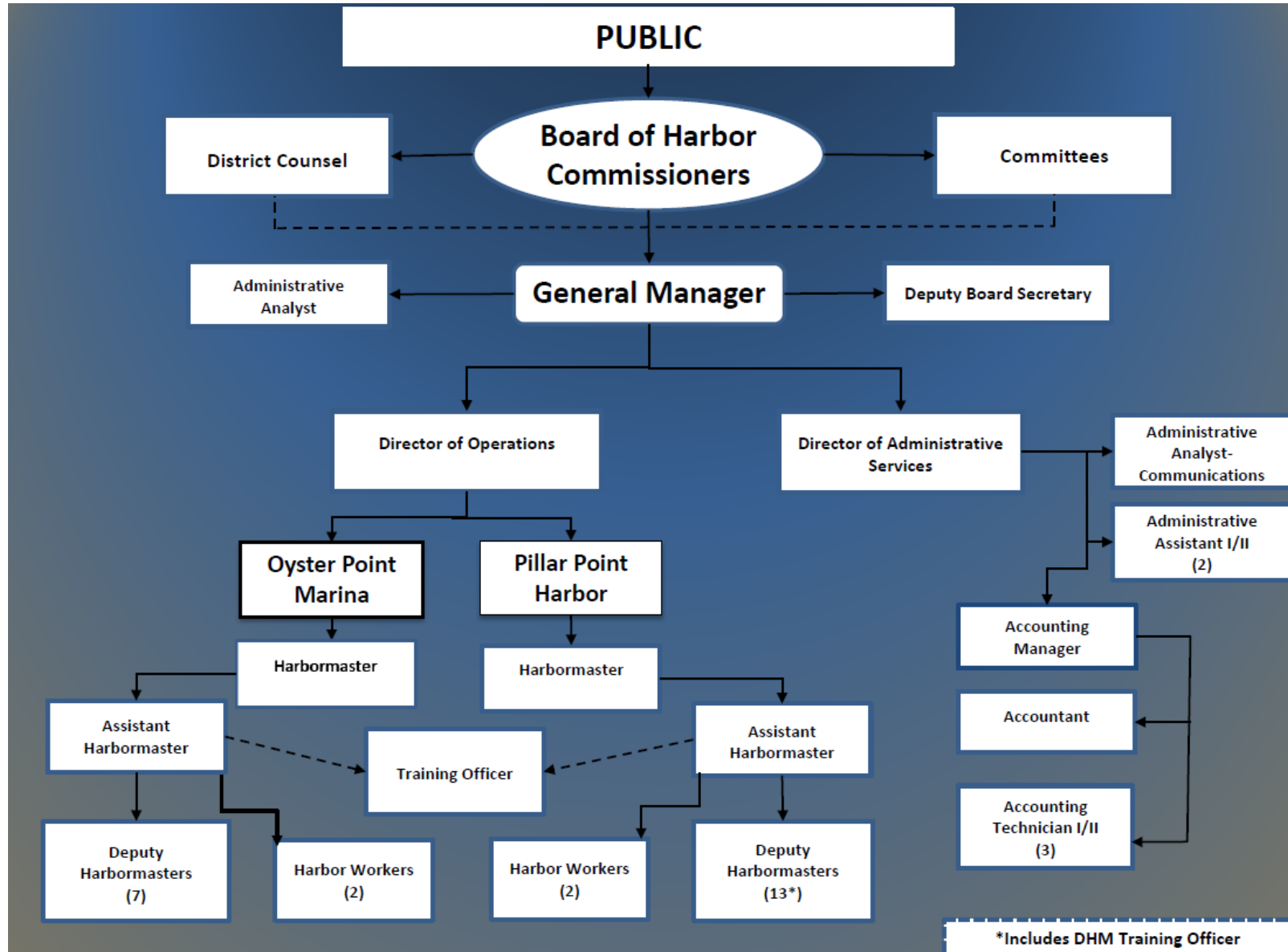
The District receives Property Tax Revenue from San Mateo County property owners. Property Tax Revenue is used to fund the Administration Department, any operating deficits associated with the costs of providing public services at PPH and OPM, and a portion of the Capital Improvement Program. For FY 2022/23, the District estimates that \$1,464,000 will be used for OPM public operations, \$1,658,000 for PPH public operations, \$3,617,000 for administrative functions (\$106,000 of administrative functions funded by interest income and \$68,000 by lease income), and \$1,156,000 towards funding the Capital Improvement Program for a total of \$7,895,000 of anticipated Property Tax Revenue.



For Fiscal Year 2022/23 the Capital Asset projected costs of **\$5,833,450** (detail on pages 46-78) are funded by Working Capital Balances that consist of accumulated property tax revenues from previous fiscal years and **\$1,310,000** in Capital Grants. All projects are for the benefit of the public such as, West Trail shoreline protection, 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 2021/22	Proposed Budget 2022/23	*Status as of 3/2/2022
<u>Administration Department</u>				
General Manager	1	1	1	Active
Director of Operations	1	1	1	Active
Director of Admin. Services	1	1	1	Active
Accountant	1	1	1	Active
Accounting Tech I & II	1	1	1	Active
Accounting Manager	1	1	1	Active
Admin. Analyst- Communications	1	1	1	Active
Administrative Analyst	-	-	1	Vacant
Administrative Assistant I & II	2	2	2	Active
Deputy Secretary	1	1	1	Active
Planner Analyst	1	1	-	Deleted
Total Administration	11	11	11	
<u>Pillar Point Harbor</u>				
Harbormaster	1	1	1	Active
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	12	12	12	Active
Deputy Harbormaster/Training Officer	1	1	1	Active
Harbor Worker B	2	2	2	Active
Accounting Tech I & II	1	1	1	Active
Total Pillar Point Harbor	18	18	18	
<u>Oyster Point Marina</u>				
Harbormaster	1	1	1	Active
Assistant Harbormaster	1	1	1	Vacant
Deputy Harbormaster A&B	7	7	7	6 Active/1 Vacant
Harbor Worker B	2	2	2	1 Active/1 Vacant
Accounting Tech I & II	1	1	1	Vacant
Total Oyster Point Marina	12	12	12	
Total Full-Time Equivalent Positions	41	41	41	

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



Budget Schedules

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Basis of Budgeting vs. Accounting

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

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

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

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

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

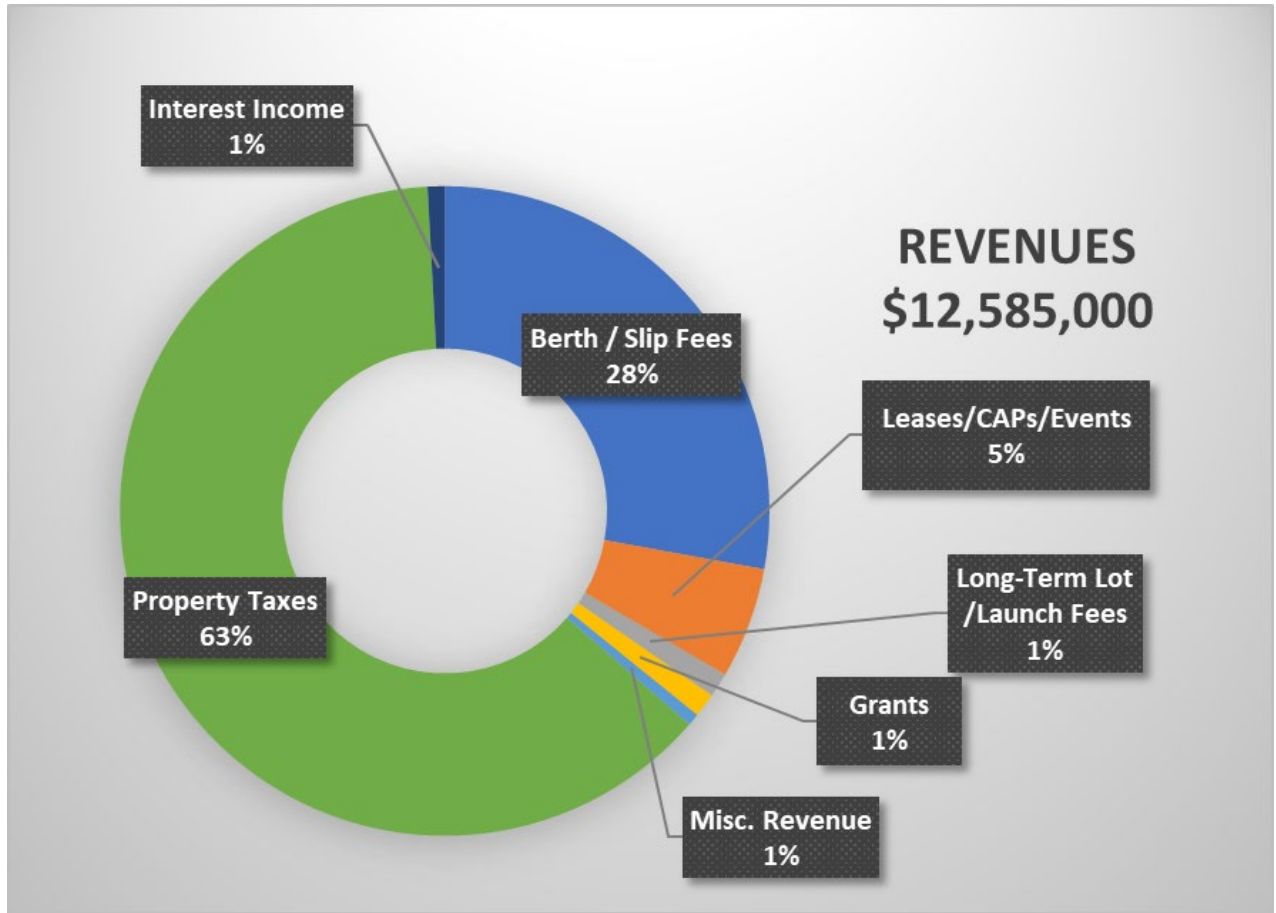


Three-Year Comparative Financial Schedule

	Fiscal Year 2020/21		Fiscal Year 2021/22		Fiscal Year 2022/23
	Revised Budget	Actual	Revised Budget	Projection	Preliminary Budget
Operating Revenues:					
Berth / Slip Fees	\$ 3,254,000	\$ 3,311,696	\$ 3,472,000	\$ 3,399,000	\$ 3,508,000
Leases and CAPs	521,000	578,424	567,000	567,000	667,000
Long-Term Lot /Launch Fees	133,000	159,557	147,000	147,000	152,000
Events	28,000	28,478	29,000	29,000	30,000
Grants & Reimbursements	92,000	120,740	150,000	123,000	150,000
Other Operating Revenue	86,000	76,668	74,000	74,000	77,000
Total Operating Revenues	4,114,000	4,275,563	4,439,000	4,339,000	4,584,000
Non-Operating Revenues:					
Property Taxes	7,789,000	8,796,257	8,163,000	8,163,000	7,895,000
Interest Income	155,000	238,120	251,000	170,000	106,000
Misc. Rev./Exp.	-	13,252	-	125,000	-
Total Non-Operating Revenues	7,944,000	9,047,629	8,414,000	8,458,000	8,001,000
Total Revenues	\$ 12,058,000	\$ 13,323,192	\$ 12,853,000	\$ 12,797,000	\$ 12,585,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 4,477,000	\$ 4,153,605	\$ 4,492,000	\$ 4,492,000	\$ 4,870,000
Benefits-Current Employees	2,068,000	1,854,044	1,625,000	1,625,000	1,856,000
Benefits-Retired/Former Emp	273,000	242,327	223,000	223,000	249,000
Salary/Wages/Benefits Sub-total	6,818,000	6,249,976	6,340,000	6,340,000	6,975,000
Non-Personnel Expenditures					
Payments to Other Agencies	77,000	88,581	84,000	84,000	88,000
Utilities	497,000	537,253	452,000	452,000	487,000
Contract Services	371,000	358,456	324,000	324,000	340,000
Legal	364,000	624,868	300,000	300,000	315,000
Property/Liability Insurance	184,000	187,290	291,000	291,000	317,000
Repairs & Maint- Routine	421,000	349,002	393,000	393,000	568,000
Office/Equipment Rentals	118,000	111,100	125,000	125,000	20,000
Information Technology	211,000	217,461	312,000	312,000	327,000
Financial Service Fees	79,000	76,695	74,000	74,000	77,000
Operating Expenses	314,000	358,426	362,000	362,000	380,000
Travel and Training	174,000	35,793	182,000	182,000	190,000
Advertising and Promotion	44,000	19,998	46,000	46,000	48,000
Personnel Administration	47,000	4,593	12,000	12,000	12,000
Vessel Destruction	92,000	178,316	190,000	190,000	200,000
Memberships & Subscriptions	24,000	17,828	25,000	25,000	26,000
Claims Settlement	100,000	-	100,000	100,000	105,000
Bad Debts	264,000	104,659	192,000	192,000	201,000
Miscellaneous Expend.	4,000	9,743	8,000	8,000	8,000
Non-Personnel Expend Sub-total	3,385,000	3,280,062	3,472,000	3,472,000	3,709,000
Total Operating Expenditures	\$ 10,203,000	\$ 9,530,038	\$ 9,812,000	\$ 9,812,000	\$ 10,684,000
Revenues less Expenditures	\$ 1,855,000	\$ 3,793,154	\$ 3,041,000	\$ 2,985,000	\$ 1,901,000
One-time Revenues(Expenditures)					
Election Costs (every other year)	\$ (1,129,000)	\$ (437,598)	\$ -	\$ -	\$ (745,000)
Capital Grants & Reimbursements	9,955	10,380	-	-	1,310,000
Capital Expenditures	(2,347,852)	(1,585,725)	(9,848,463)	(11,616,404)	(5,833,450)
Increase(Decrease) to Working Capital	\$ (1,611,897)	\$ 1,780,211	\$ (6,807,463)	\$ (8,631,404)	\$ (3,367,450)



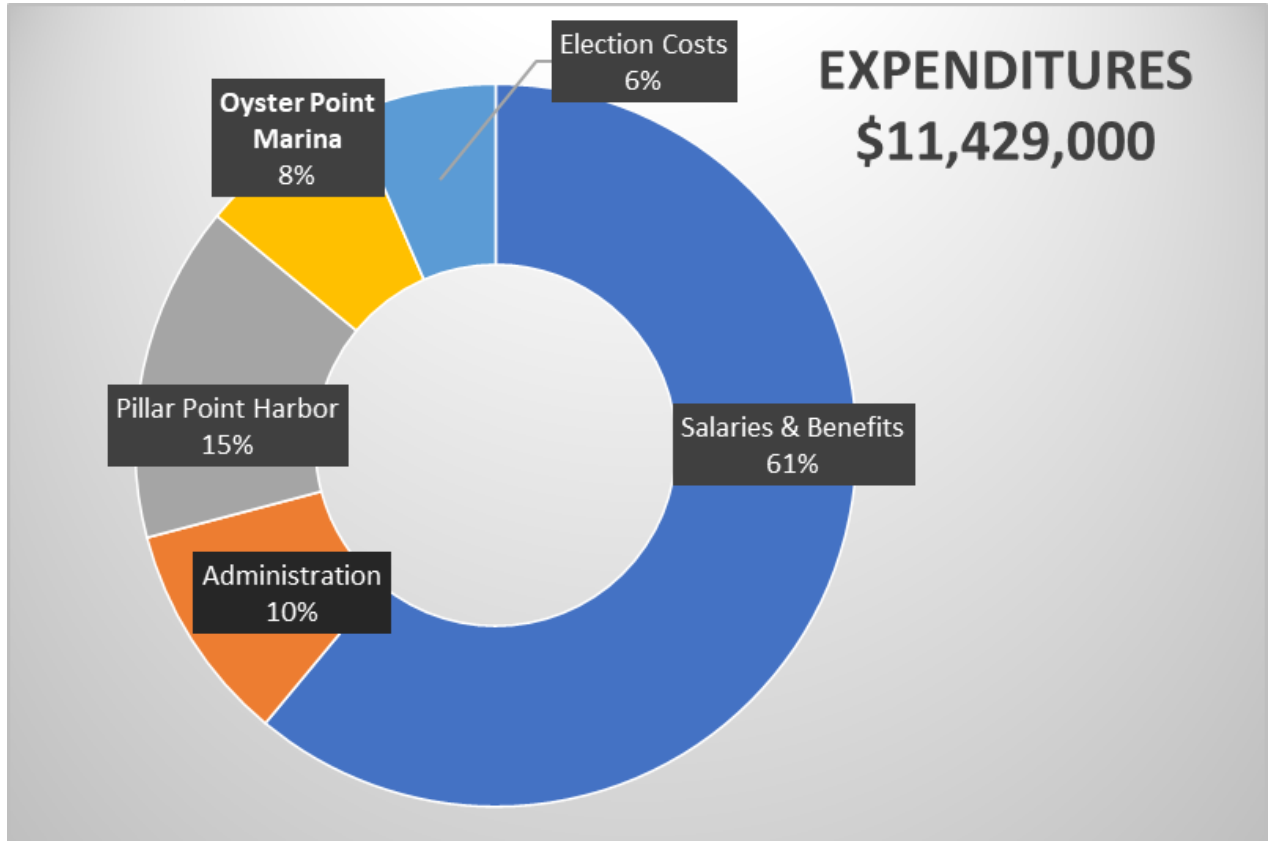
District Revenue



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District Expenditures



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



Budget by Department



Department Summaries

Administration Department

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

Elected Harbor Commissioners:

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

General Manager:

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

Administration & Operations:


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

Operations:


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






The following table describes the Administration Department's Goals, Objectives and Performance Indicators for Fiscal Year 2022/23 along with 2021/22 results. Ability to reach 2021/22 measures was impacted by an employee leave, an employee resignation and implementation of the Enterprise Resource Planning system.

Strategic Goal	Objective	Measure	FY 2021/22 Projected	FY 2021/22 Actual	FY 2022/23 Goals
	Develop and Implement a Communications Plan	Social Media Program to support each of the Strategic Goals	Six Strategic Goals supported	Goal Achieved	Six Strategic Goals supported
		Create communication guide templates	Five messaging templates created	Goal exceeded-created seven messaging templates	n.a.
	Develop and Implement a Training Plan	Coordinate one training per month	Six employee trainings	Coordinated One employee training	Six employee trainings
		Maximize Insurance Credits for trainings	Obtain 5% credit	Obtained approximately ½ of target to date	Obtain 5% credit
	Automate Business Processes & Ensure that Computer Hardware is in good working condition	Manage replacement of outdated equipment and extend warranties	Replacement of server, and workstations	Replaced workstations, firewalls, cabling, network devices, Implemented Zoom Room	Replacement of workstations and copier/scanner; Implement new antivirus scanner
		Implement Enterprise Resource Planning System	Supports all District Business Processes	Expected to be Completed	Work with Tyler Tech to implement full web-based version
			Implementation and Deployment are completed within Budget	Expected to be obtained	n.a.
		Investigate most cost-effective options	Prepare cost analysis of different Public Record request software	Not expected to be completed	Prepare cost analysis of different Public Record request software
	Ensure permittees,	Create & Track compliance with Commercial	100% compliance of 25 CAPs or cancelation	100% compliance	n.a.





	lessees and slip holders are in compliance with agreements	Activity Permits (CAPs)	n.a.	n.a.	Send notices to request renewals by October 31
			n.a.	n.a.	Once renewal request is completed, issue permission to renew within 5 days
			n.a.	n.a.	New CAPs issued within 60 days of application
			n.a.	n.a.	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 6/30/22	100% Compliance or letter to cure default
Ensure that collection efforts for past due accounts are timely	Percentage of overdue accounts in Accounts Receivables over 120 days is less than 40%	Percentage obtained is 44% at PPH and 60% at OPM	Percentage in overdue Accounts Receivables over 120 days is less than 40% at PPH and 50% at OPM		
	Ensure financial information is accurately recorded and internal controls are in place	Prepare timely monthly bank reconciliation	Completed by the 10 th of each month	Achieved except for 1 account because Bank Statement is regularly mailed after the 10th	3 of 4 accounts Completed by the 10th of each month
		Ensure minimal payroll adjustments	Less than 6 per year	Goal achieved	Less than 6 per year
		Prepare timely and accurate payroll tax returns	n.a.	n.a.	No penalties or corrections
		Prepare accurate and timely financial statements	No management comments	Goal achieved	No management comments
		Prepare timely accounts receivable reconciliation	Completed by the 3 rd business day of each month	Goal achieved	No longer needed; automated by ERP system



	Enhance revenues and decrease expenditures	Review Fees and Rates	Increase rates and fees where applicable	Increased fees for Off the Boat Sales, Public Hoist and Wharfage	Increase rates and fees where applicable
		Successfully negotiate longer term leases to replace month-to-month agreements	Complete restaurant lease	Completed	n.a.
			Complete retail lease	Completed	n.a.
			n.a.	n.a.	Negotiate 3 rd Party Lease for vacant space in Admin Building
  	Enable and enhance transparency of Public Records and compile Permanent 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	In progress	100% of PRA requests processed within 10-day period or 14-day extension letter sent
		Manage legal fees	Decrease expenditures	Expected to be achieved and be \$325,000 below 2020/21	Decrease expenditures
		Create Electronic Permanent Records files	Populate financial records	In progress	Complete population of financial records
			Populate claims and investigations	Not started	Complete population of claims and investigations
			Populate 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 process-expected to be 50% complete	Complete organization of all current employee records
Ensure a highly productive and		Low turnover excluding retirement	Three resignations or 7%	Low turnover excluding retirement	
		Update 25% of HR Policies	Updated 2% of HR Policies	Update 25% of HR Policies	



 	team oriented workforce	Improve Human Resource (HR) functions with support of ERP automation	Begin comprehensive classification study and salary analysis	Expected to begin in June 2022	Complete study by June 2023
			Average number of days from close of recruitment to conditional offer is less than 30 days	Goal achieved- 8 days	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- 6.76 average years	Average service years is greater than 4

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Administration Department

	Fiscal Year 2020/21		Fiscal Year 2021/22		Fiscal Year 2022/23
	Revised Budget	Actual	Revised Budget	Projection	Preliminary Budget
Operating Revenues:					
Leases and CAPs	\$ -	\$ -	\$ -	\$ -	\$ 68,000
Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ 68,000
Non-Operating Revenues:					
Property Taxes	\$ 7,789,000	\$ 8,796,257	\$ 8,163,000	\$ 8,163,000	\$ 7,895,000
Interest Income	155,000	238,120	251,000	170,000	106,000
Miscellaneous Revenues	-	4,944	-	125,000	-
Total Non-Operating Revenues	7,944,000	9,039,321	8,414,000	8,458,000	8,001,000
Total Revenues	\$ 7,944,000	\$ 9,039,321	\$ 8,414,000	\$ 8,458,000	\$ 8,069,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,301,000	\$ 1,257,428	\$ 1,311,000	\$ 1,311,000	\$ 1,430,000
Benefits-Current Employees	576,000	501,331	447,000	447,000	469,000
Benefits-Retired/Former Emp	27,000	17,953	19,000	19,000	20,000
Salary/Benefits Sub-total	1,904,000	1,776,712	1,777,000	1,777,000	1,919,000
Non-Personnel Expenditures					
Payments to Other Agencies	77,000	88,581	84,000	84,000	88,000
Utilities	-	-	-	-	12,000
Contract Services	100,000	49,717	68,000	68,000	71,000
Legal	190,000	197,022	200,000	200,000	210,000
Property/Liability Insurance	85,000	76,635	123,000	123,000	141,000
Repairs & Maint- Routine	4,000	482	-	-	155,000
Office/Equipment Rentals	118,000	111,100	125,000	125,000	20,000
Information Technology	98,000	90,381	122,000	122,000	128,000
Financial Service Fees	1,000	460	1,000	1,000	1,000
Operating Expenses	33,000	16,315	35,000	35,000	37,000
Travel and Training	103,000	9,989	108,000	108,000	113,000
Advertising and Promotion	15,000	9,043	16,000	16,000	17,000
Personnel Administration	21,000	133	6,000	6,000	6,000
Memberships & Subscriptions	21,000	17,748	22,000	22,000	23,000
Claims Settlement	100,000	-	100,000	100,000	105,000
Non-Personnel Expend Sub-total	966,000	667,606	1,010,000	1,010,000	1,127,000
Total Expenditures	\$ 2,870,000	\$ 2,444,318	\$ 2,787,000	\$ 2,787,000	\$ 3,046,000
Revenues less Expenditures	\$ 5,074,000	\$ 6,595,003	\$ 5,627,000	\$ 5,671,000	\$ 5,023,000
One-time Revenues(Expenditures)					
Election Costs (every other year)	\$ (1,129,000)	\$ (437,598)	\$ -	\$ -	\$ (745,000)
Capital Expenditures	(573,745)	(103,069)	(3,820,676)	(3,808,676)	(301,450)
Increase(Decrease) to Working Capital	\$ 3,371,255	\$ 6,054,336	\$ 1,806,324	\$ 1,862,324	\$ 3,976,550



Pillar Point Harbor Department and Oyster Point Marina Department-

The Pillar Point Harbor Department includes 18 full-time positions and the Oyster Point Marina Department includes 12 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 76% occupancy.

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Pillar Point Harbor Department

The following table describes Pillar Point Harbor Department's Goals, Objectives and Performance Indicators for Fiscal Year 2022/23 along with 2021/22 results.

Strategic Goal	Objective	Measure	FY 2021/22 Projected	FY 2021/22 Actual FY	2022/23 Goals
	Ensure that District facilities for berthers/slip holders are in excellent condition	Improve electrical grid and phased replacement of fingers and docks	Search and apply for Business Interruption Grant (BIG)	Grant not completed	Continue to search for funding
	All customers receive excellent service	Customers are satisfied and there are minimal complaints	Staff completes customer facing training.	Completed two trainings	On-going customer facing training
 	Automate Business Processes	Assist in implementation of Enterprise Resource Planning System	Implementation of on-line customer services	Anticipated to be completed in April	n.a.
	Educate the public toward water and environmental safety	Require registration for kayak and paddleboard users	Contact 60% of users	Goal achieved- contacted approximately 100% of user group	
		Personal flotation device awareness through hosting of youth group	5 groups	1 group on-line due to COVID-19 restrictions	5 groups
	Educate tenants and berth/slip renters of prohibition of parking and driving on Johnson Pier	Maintain access for emergency response vehicles and ensure safety of users of Johnson Pier	Increase compliance with parking rules	Goal achieved	Continue to increase compliance with parking rules
		Designate areas for tote bins and at least 16' of space for Emergency vehicles access.	Written agreement with Fish Buyers	Written agreement completed	Maintain 100% compliance
	Ensure staff is trained in rescue/aid activities	Respond to rescue/aid requests	Average 200 rescues/aids	Approximately 97 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 15 vessels	Remove at least 5 vessels
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Pillar Point Harbor

	Fiscal Year 2020/21		Fiscal Year 2021/22		Fiscal Year 2022/23
	Revised Budget	Actual	Revised Budget	Projection	Preliminary Budget
Operating Revenues:					
Berth / Slip Fees	\$ 2,009,000	\$ 2,082,393	\$ 2,233,000	\$ 2,160,000	\$ 2,229,000
Leases and CAPs	402,000	460,754	442,000	442,000	470,000
Long-Term Lot /Launch Fees	107,000	129,492	125,000	125,000	129,000
Events	28,000	28,478	29,000	29,000	30,000
Grants & Reimbursements	41,000	118,106	99,000	103,000	113,000
Other Operating Revenue	56,000	49,465	48,000	48,000	50,000
Total Operating Revenues	2,643,000	2,868,688	2,976,000	2,907,000	3,021,000
Non-Operating Revenues:					
Miscellaneous Revenues	-	7,300	-	-	-
Total Non-Operating Revenues	-	7,300	-	-	-
Total Revenues	\$ 2,643,000	\$ 2,875,988	\$ 2,976,000	\$ 2,907,000	\$ 3,021,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,877,000	\$ 1,727,972	\$ 1,866,000	\$ 1,866,000	\$ 1,959,000
Benefits-Current Employees	907,000	837,515	726,000	726,000	852,000
Benefits-Retired/Former Emp	151,000	145,191	133,000	133,000	147,000
Salary/Benefits Sub-total	2,935,000	2,710,678	2,725,000	2,725,000	2,958,000
Non-Personnel Expenditures					
Utilities	297,000	371,427	312,000	312,000	328,000
Contract Services	173,000	216,887	173,000	173,000	182,000
Legal	100,000	427,846	100,000	100,000	105,000
Property/Liability Insurance	46,000	53,451	80,000	80,000	84,000
Repairs & Maint- Routine	303,000	274,889	273,000	273,000	287,000
Information Technology	68,000	73,497	127,000	127,000	133,000
Financial Service Fees	48,000	45,994	46,000	46,000	48,000
Operating Expenses	199,000	243,625	209,000	209,000	219,000
Travel and Training	45,000	17,635	47,000	47,000	49,000
Advertising and Promotion	21,000	5,304	22,000	22,000	23,000
Personnel Administration	22,000	1,104	1,000	1,000	1,000
Vessel Destruction	41,000	168,341	139,000	139,000	146,000
Memberships & Subscriptions	2,000	80	2,000	2,000	2,000
Bad Debts	180,000	44,464	103,000	103,000	108,000
Miscellaneous Expend.	2,000	9,316	6,000	6,000	6,000
Non-Personnel Expend Sub-total	1,547,000	1,953,860	1,640,000	1,640,000	1,721,000
Total Expenditures	\$ 4,482,000	\$ 4,664,538	\$ 4,365,000	\$ 4,365,000	\$ 4,679,000
Revenues less Expenditures	\$ (1,839,000)	\$ (1,788,550)	\$ (1,389,000)	\$ (1,458,000)	\$ (1,658,000)
One-time Revenues(Expenditures)					
Capital Grants & Reimbursemen	4,978	5,403	-	-	1,310,000
Capital Expenditures	(1,044,923)	(753,472)	(4,811,684)	(6,399,824)	(5,407,000)
Increase(Decrease) to Working Capital	\$ (2,878,945)	\$ (2,536,619)	\$ (6,200,684)	\$ (7,857,824)	\$ (5,755,000)





Oyster Point Marina Department

The following table describes Oyster Point Marina Department's Goals, Objectives and Performance Indicators for Fiscal Year 2022/23 along with 2021/22 results.

Strategic Goal	Objective	Measure	FY 2021/22 Projected	FY 2021/22 Actual FY	2022/23 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	Issue construction contract for replacement of Docks 12-14	Design, Engineering and Permitting still underway	Complete Design & Engineering Docks 12-14
		Perform maintenance activities	Replace electrical panel on dock 13	Completed	n.a.
			Replace channel navigational aids	Estimated completion June 2022	n.a.
			Landscape maintenance including tree replacement	Installed two new trees and coordinating with City of SSF on landscaping of east land side area.	Continue landscape/maintenance improvements
			Repair cleats and replace rub rails	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	Staff completes customer facing training
 	Automate Business Processes	Assist in implementation of Enterprise Resource Planning System	Implementation of on-line customer services	Anticipated to be completed in April	n.a.
	Ensure staff is trained in rescue/aid activities	Respond to rescue/aid requests	Average 125 rescues/aids per year	Expected to be about 60-65 rescues	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	Two vessels removed through March	Remove at least 5 vessels
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Oyster Point Marina

	Fiscal Year 2020/21		Fiscal Year 2021/22		Fiscal Year 2022/23
	Revised Budget	Actual	Revised Budget	Projection	Preliminary Budget
Operating Revenues:					
Berth / Slip Fees	\$ 1,245,000	\$ 1,229,303	\$ 1,239,000	\$ 1,239,000	\$ 1,279,000
Leases and CAPs	119,000	117,670	125,000	125,000	129,000
Long-Term Lot /Launch Fees	26,000	30,065	22,000	22,000	23,000
Grants & Reimbursements	51,000	2,634	51,000	20,000	37,000
Other Operating Revenue	30,000	27,203	26,000	26,000	27,000
Total Operating Revenues	1,471,000	1,406,875	1,463,000	1,432,000	1,495,000
Non-Operating Revenues:					
Misc. Rev./(Exp.)	-	1,008	-	-	-
Total Non-Operating Revenues	-	1,008	-	-	-
Total Revenues	\$ 1,471,000	\$ 1,407,883	\$ 1,463,000	\$ 1,432,000	\$ 1,495,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,299,000	\$ 1,168,205	\$ 1,315,000	\$ 1,315,000	\$ 1,481,000
Benefits-Current Employees	585,000	515,198	452,000	452,000	535,000
Benefits-Retired/Former Emp	95,000	79,183	71,000	71,000	82,000
Salary/Benefits Sub-total	1,979,000	1,762,586	1,838,000	1,838,000	2,098,000
Non-Personnel Expenditures					
Utilities	200,000	165,826	140,000	140,000	147,000
Contract Services	98,000	91,852	83,000	83,000	87,000
Legal	74,000	-	-	-	-
Property/Liability Insurance	53,000	57,204	88,000	88,000	92,000
Repairs & Maint- Routine	114,000	73,631	120,000	120,000	126,000
Information Technology	45,000	53,583	63,000	63,000	66,000
Financial Service Fees	30,000	30,241	27,000	27,000	28,000
Operating Expenses	82,000	98,486	118,000	118,000	124,000
Travel and Training	26,000	8,169	27,000	27,000	28,000
Advertising and Promotion	8,000	5,651	8,000	8,000	8,000
Personnel Administration	4,000	3,356	5,000	5,000	5,000
Vessel Destruction	51,000	9,975	51,000	51,000	54,000
Memberships & Subscriptions	1,000	-	1,000	1,000	1,000
Bad Debts	84,000	60,195	89,000	89,000	93,000
Miscellaneous Expend.	2,000	427	2,000	2,000	2,000
Non-Personnel Expend Sub-total	872,000	658,596	822,000	822,000	861,000
Total Expenditures	\$ 2,851,000	\$ 2,421,182	\$ 2,660,000	\$ 2,660,000	\$ 2,959,000
Revenues less Expenditures	\$ (1,380,000)	\$ (1,013,299)	\$ (1,197,000)	\$ (1,228,000)	\$(1,464,000)
One-time Revenues(Expenditures)					
Capital Grants & Reimbursement	\$ 4,977	\$ 5,403	\$ -	\$ -	\$ -
Capital Expenditures	(729,184)	(149,004)	(1,216,103)	(1,407,904)	(125,000)
Increase(Decrease) to Working Capital	\$ (2,104,207)	\$ (1,156,900)	\$ (2,413,103)	\$ (2,635,904)	\$(1,589,000)



SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

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Five-Year Forecasts

CIP COST ESTIMATES	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Pillar Point Harbor	\$ 6,312,324	\$ 5,195,000	\$ 1,560,000	\$ 110,000	\$ 1,146,000	\$ 510,000
Oyster Point Marina	1,320,404	125,000	200,000	200,000	-	-
Administration	3,983,676	301,450	254,023	256,724	259,560	262,538
TOTAL	\$ 11,616,404	\$ 5,621,450	\$ 2,014,023	\$ 566,724	\$ 1,405,560	\$ 772,538
FUNDING SOURCES	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2024/25	FY 2025/26
DBW Grant	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ -
Coastal Conservancy	-	212,000	-	-	-	-
MTC Grant	-	298,000	-	-	-	-
Working Capital	11,616,404	4,311,450	2,014,023	566,724	1,405,560	772,538
TOTAL	\$ 11,616,404	\$ 5,621,450	\$ 2,014,023	\$ 566,724	\$ 1,405,560	\$ 772,538
SOURCES (USES)	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Working Capital- Beginning Balance	\$ 22,880,115	\$ 14,248,711	\$ 11,093,261	\$ 10,753,238	\$ 10,447,514	\$ 9,873,954
Operating Revenue	4,339,000	4,584,000	4,699,000	4,816,000	4,936,000	5,059,000
Non-Operating Revenue	8,458,000	8,001,000	7,761,000	7,528,000	7,302,000	7,058,328
Salaries/Wages & Benefits	(6,340,000)	(6,975,000)	(7,184,000)	(7,400,000)	(7,622,000)	(7,851,000)
Non-Personnel Expenditures	(3,472,000)	(3,709,000)	(3,602,000)	(3,692,000)	(3,784,000)	(3,879,000)
One-Time/Biennial	-	(745,000)	-	(991,000)	-	(745,000)
Annual Increase in Working Capital	2,985,000	1,156,000	1,674,000	261,000	832,000	(357,672)
Working Capital used for CIP	(11,616,404)	(4,311,450)	(2,014,023)	(566,724)	(1,405,560)	(772,538)
Encumbrances						
Encumbrances Released						
TOTAL ENDING WORKING CAPITAL	\$ 14,248,711	\$ 11,093,261	\$ 10,753,238	\$ 10,447,514	\$ 9,873,954	\$ 8,743,744
MINIMUM REQUIRED RESERVES	\$ 2,453,000	\$ 3,043,500	\$ 2,696,500	\$ 3,268,500	\$ 2,851,500	\$ 3,305,000

Working Capital

The five-year Working Capital projection assumes the following after Fiscal Year 2022/23: 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 due to the potential change in the VLF law 3) In order to have sufficient funds, Salary/Wages and Benefits are capped at a 3% increase each year beginning FY 2023/24. This is 2% below the 2022/23 Budget forecast increase and can be adjusted in the event that the VLF law does not get passed as proposed; and 4) Non-Personnel Expenditures will increase 2.5% each year. In FY 2023/24, the District is expected to decrease certain budgetary line items by \$200,000 which will offset the 2.5% increase and provide an additional \$107,000 towards Working Capital.

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 Projects that are below \$25,000 each for FY 2022/23-2026/27.

Encumbrances are a reserve of funds set aside for a particular contract. See page 78 for details. [to be updated with Final Budget Document]



CAPITAL IMPROVEMENT PROJECTS

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

1)      **Pillar Point Harbor Johnson Pier Reconfiguration***

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

*Design, Engineering, Permitting is funded. Construction costs of approximately \$50 million remain unfunded.

2)    **Pillar Point Harbor Tenant Row ADA Public Restroom Project**

- a. Project is currently in Design, Engineering and Permitting Phase.





3)      **Pillar Point Harbor R/V Park Public Restroom/Greenspace Project at Surfers Beach**

- a. Project is currently in Design, Engineering and Permitting Phase.

4)    **Oyster Point Marina Replace Docks 12, 13 & 14**

- a. Project is currently in Design, Engineering and Permitting Phase.

*Design, Engineering, Permitting is funded. Construction costs of \$18 million remains unfunded.

5)      **Pillar Point Harbor East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan**

- a. Project is currently in Design, Engineering and Permitting Phase.

*Design, Engineering, Permitting is funded. Construction costs and Eel Grass Mitigation is funded for \$3.5 million. Approximately \$1.2 million remains unfunded.




6)      **Pillar Point West Trail Shoreline Protection Project**





- a. Project is currently under construction, expected to be completed in April 2022.



- 7)  **Oyster Point Marina Replace Navigational Aids**
 - a. Project is currently under construction, expected to be completed in June 2022.
- 8)  **Enterprise Planning Resource System**
 - a. Project is currently under development, expected to be completed in May 2022.
- 9)  **Oyster Point Marina Survey Docks 1-6**
 - a. Project has not begun, expected completion December 2023.
- 10)  **Purchase of 504 Avenue Alhambra**
 - a. Purchased March 2022
- 11)  **Oyster Point Marina Access Ramps for Docks 1 through 6 & 11***
 - a. Project is currently in Design, Engineering and Permitting Phase.
*Design, Engineering and Permitting are funded. Construction costs of approximately \$1,200,000 remain unfunded.
- 12)  **Pillar Point Inner Harbor Shoreline Rock Slope Restoration**
 - a. Project has not begun. No estimate on completion date.
- 13)  **Pillar Point Harbor Launch Ramp Parking Lot and Roadway Repair**
 - a. Project has not begun. No estimate on completion date.
- 14)  **Oyster Point Marina Eastside Lower Parking Lot Repair/Resurface**
 - a. Project has not begun. No estimate on completion date.
- 15)  **Pillar Point Habitat Restoration**
 - a. Project has not begun. No estimate on completion date.
- 16)  **Pillar Point Harbor Launch Ramp Restroom/ Boat Wash**
 - a. Project has not begun. No estimate on completion date.
- 17)  **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.
- 18)  **Replacement of Vessels and Vehicles**
- 19)  **Master Plan**
 - a. Project is expected to be completed April 2022.



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

- 21)     **Pillar Point Harbor Retail Center Replacement**
 - a. . Request for Proposal for Design/Engineering and Permitting was advertised and proposals are under review.
*Design, Engineering, Permitting is funded. Construction costs of approximately \$6 million remain unfunded.

The following project was completed in Fiscal Year 2021/22 and is included to show estimated costs for Fiscal Year 2021/22. This project has no impact to the five-year CIP.

- 1)      **Launch Ramp Dredge** (completed before FY 2021/22 except cost to store sand)

The following project has not been approved to proceed.

- 1)    **Oyster Point Marina 40,000 Square Foot Parcel Building**
(Not funded \$2.1 million)

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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, 2022 is \$11,205,211 (\$14,248,711 less required reserve of \$ \$3,043,500), plus over the next five years an additional **\$3,565,328** from revenues expected to exceed expenditures for a total of **\$14,770,539**. The total amount of estimated funding needed for funded projects over the next five-fiscal years is **\$10,380,295**, of which \$1,310,000 is expected to come from grants with the balance of **\$9,070,295** being funded by available Working Capital. The following list of projects is fully funded unless otherwise specified.

- 1) [Pillar Point Harbor Johnson Pier Reconfiguration, Fuel Dock Replacement, and Dock H](#) (construction not funded \$26 million)
- 2) [Pillar Point Harbor Replace Docks D, E, F, and G](#) (construction not funded **\$24** million)
- 3) [Pillar Point Harbor Tenant Row ADA Public Restroom Project](#)
- 4) [Pillar Point Harbor R/V Park Public Restroom/Greenspace Project at Surfers Beach](#)
- 5) [Oyster Point Marina Replace Docks 12, 13 & 14](#) (construction not funded **\$18** million)
- 6) [Pillar Point Harbor East Outer Harbor Dredge Project to include Surfers Beach Replenishment and Eelgrass Mitigation Plan](#) (construction/eel grass remediation funded for \$3.5 million, \$1.2 million not funded)
- 7) [Pillar Point Harbor West Trail Shoreline Protection Project](#)
- 8) [Oyster Point Marina Replace Navigational Aids](#)
- 9) [Enterprise Planning Resource System](#)
- 10) [Oyster Point Marina Survey Docks 1-6](#)
- 11) [Purchase of 504 Avenue Alhambra](#)
- 12) [Oyster Point Marina Access Ramps for Docks 1 through 6 & 11](#) (construction not funded \$1.2 million)
- 13) [Pillar Point Inner Harbor Shoreline Rock Slope Restoration](#)
- 14) [Pillar Point Harbor Launch Ramp Parking Lot and Roadway Repair](#)
- 15) [Oyster Point Marina Eastside Lower Parking Lot Repair/Resurface](#)
- 16) [Pillar Point Habitat Restoration](#)
- 17) [Pillar Point Harbor Launch Ramp Restroom/ Boat Wash](#)
- 18) [Oyster Point Marina- Marina Boulevard from Boat Launch Ramp to Trailer Parking Lot Repair/Resurface](#)
- 19) [Replace Vehicles and Vessels](#)
- 20) [Master Plan](#)
- 21) [Signage/Wayfinding Program](#)
- 22) [Pillar Point Harbor Retail Center Replacement](#) (construction not funded \$6 million)

Detail of the above listed projects is provided on the next 22 pages.



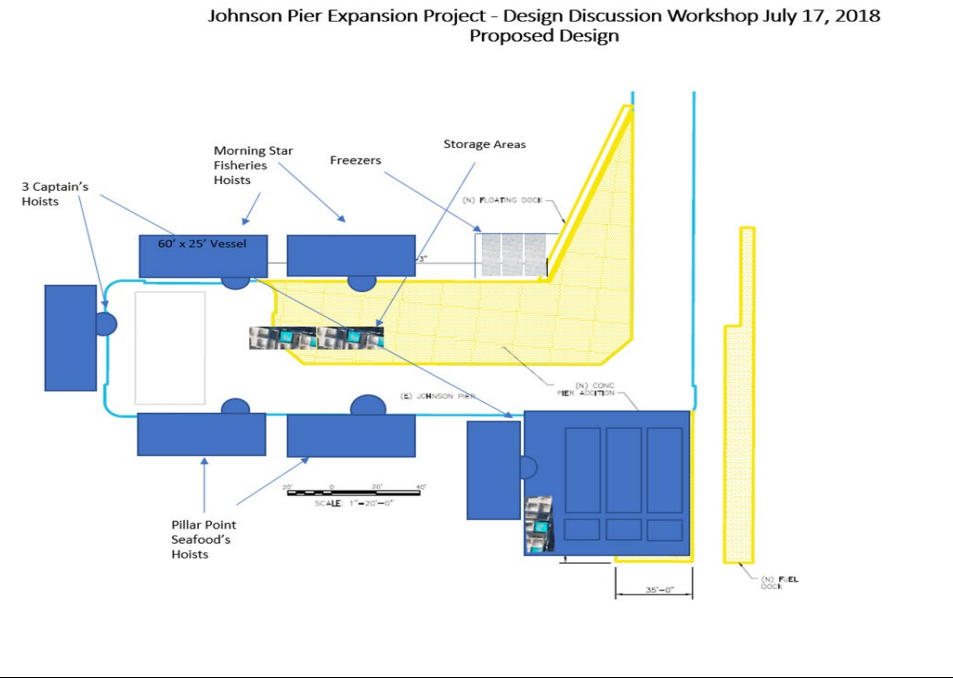
PROJECT TITLE: JOHNSON PIER RECONFIGURATION, H-DOCK, & FUEL DOCK REPLACEMENT

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 & 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, H-Dock has exceeded its service life and needs replacement. In addition, PPH operates at 98% of its capacity and the plan would add 21 additional slips to H-Dock. The fuel dock would need to be reconfigured for the expansion.

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



Expenditures	Prior Years	FY 21-22	To Be Determined Based on Funding					Total ALL FY
Design/Engineering	\$ 231,749	\$ 1,232,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463,815
Construction	-	-	-	13,000,000	13,000,000	-	-	26,000,000
TOTAL	\$ 231,749	\$ 1,232,066	\$ -	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -	\$ 27,463,815

Source(s) of Funds								
Additional Revenue Generated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,000	\$ 141,000	\$ 278,000
Working Capital	231,749	1,232,066	-	-	-	-	-	1,463,815
Not Funded	-	-	-	13,000,000	13,000,000	(137,000)	(141,000)	25,722,000
TOTAL	\$ 231,749	\$ 1,232,066	\$ -	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -	\$ 27,463,815



PROJECT TITLE: REPLACE DOCKS D,E,F,G

Project Location:	Pillar Point Harbor	Status:	Design & Engineering Phase
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	based on available funding		

DESCRIPTION:
Docks have exceeded their service life and need to be replaced. There is currently available funding for one of the three docks.

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.

Expenditures	Prior Years	FY 21-22	To Be Determined Based on Funding					Total ALL FY
Design/Engineering	\$ -	\$ 312,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,000
Construction	-	-	-	-	-	24,000,000	-	24,000,000
TOTAL	\$ -	\$ 312,000	\$ -	\$ -	\$ -	\$ 24,000,000	\$ -	\$ 24,312,000

Source(s) of Funds								
Not Funded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000,000	\$ -	\$ 24,000,000
Working Capital	-	312,000	-	-	-	-	-	312,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000,000	\$ -	\$ 24,312,000



PROJECT TITLE: TENANT ROW ADA PUBLIC RESTROOM

Project Location:	Pillar Point Harbor	Status:	Design/Engineering Phase
Initial Funding:	9/16/2020	Account Number:	941-000
Estimated Completion:	Summer 2022		

DESCRIPTION:

Replace restrooms to be ADA compliant.

JUSTIFICATION:

To provide adequate public restroom facilities.

STRATEGIC GOAL/OPERATING IMPACT:

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

Not expected to increase operating costs.



Expenditures	Prior Years	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/ Engineering	\$ 14,425	\$ 87,590	\$ 27,785	\$ -		\$ -	\$ -	\$ 129,800
Construction	-	-	673,205		-			673,205
TOTAL	\$ 14,425	\$ 87,590	\$ 700,990	\$ -	\$ -	\$ -	\$ -	\$ 803,005

Source(s) of Funds

Working Capital	\$ 14,425	\$ 87,590	\$ 700,990	\$ -	\$ -	\$ -	\$ -	\$ 803,005
TOTAL	\$ 14,425	\$ 87,590	\$ 700,990	\$ -	\$ -	\$ -	\$ -	\$ 803,005



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

Project Location:	Pillar Point Harbor	Status:	Design/Engineering & Permitting
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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/Engineering	\$ 284,003	\$ 59,754	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 368,757
Construction	-	-	1,287,000	-	-	-	-	1,287,000
Maintenance & Operating Cost	-	-	-	10,000	10,000	10,000	10,000	40,000
TOTAL	\$ 284,003	\$ 59,754	\$ 1,312,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,695,757

Source(s) of Funds								
MTC Grant	\$ -	\$ -	\$ 298,000	\$ -	\$ -	\$ -	\$ -	\$ 298,000
Coastal Conservancy	-	-	212,000	-	-	-	-	212,000
Working Capital	284,003	59,754	802,000	10,000	10,000	10,000	10,000	1,185,757
TOTAL	\$ 284,003	\$ 59,754	\$ 1,312,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,695,757



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.

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	FY 21-22	To Be Determined Based on Funding					Total ALL FY
Design/ Engineering		\$ 701,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,317
Construction	-	-	18,000,000	-	-	-	-	18,000,000
TOTAL	\$ -	\$ 701,317	\$18,000,000	\$ -	\$ -	\$ -	\$ -	\$ 18,701,317

Source(s) of Funds

Working Capital	\$ -	\$ 701,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,317
Not Funded			18,000,000					18,000,000
TOTAL	\$ -	\$ 701,317	\$18,000,000	\$ -	\$ -	\$ -	\$ -	\$ 18,701,317



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:	based on available funding		

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 21-22	To Be Determined Based on Funding					Total ALL FY
Design/ Engineering	\$ 242,668	\$ 148,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,120
Eel Grass Remediation	-	-	1,800,000	-	-	-	-	1,800,000
Construction	-	-	2,900,000	-	-	-	-	2,900,000
TOTAL	\$ 242,668	\$ 148,452	\$ 4,700,000	\$ -	\$ -	\$ -	\$ -	\$ 5,091,120

Source(s) of Funds								
OPC Grant	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
DBW Grant	-	-	800,000	-	-	-	-	800,000
Not Funded			1,200,000					1,200,000
Working Capital	167,668	148,452	2,700,000	-	-	-	-	3,016,120
TOTAL	\$ 242,668	\$ 148,452	\$ 4,700,000	\$ -	\$ -	\$ -	\$ -	\$ 5,091,120



PROJECT TITLE: WEST TRAIL SHORELINE PROTECTION

Project Location:	Pillar Point Harbor	Status:	Under Construction
Initial Funding:	4/4/2016	Account Number:	930-200
Estimated Completion:	April 2022		

DESCRIPTION:

Evaluate alternatives to prevent further trail erosion with an emphasis on a Living Shoreline with minimal hard armoring, re-line concrete swale, and stabilize adjacent hillside with planting of native vegetation.

JUSTIFICATION:

The West Trail and adjacent bluffs have sustained substantial erosion.

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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/ Engineering	\$ 1,166,900	\$ 979,032						\$ 2,145,932
Construction	-	2,277,095	-	-	-	-	-	2,277,095
TOTAL	\$ 1,166,900	\$ 3,256,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,423,027

Source(s) of Funds								
Working Capital	\$ 1,166,900	\$ 3,256,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,423,027
TOTAL	\$ 1,166,900	\$ 3,256,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,423,027



PROJECT TITLE: NAVIGATIONAL AID REPLACEMENT

Project Location:	OPM	Status:	Design, Engineering & Permitting
Initial Funding:	11/18/2020	Account Number:	912-004
Estimated Completion:	June 2022		

DESCRIPTION:
Replace two Navigational Aids.



JUSTIFICATION:
Navigational Aids are 22 years old and have exceeded their 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	Prior Years	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/Engineering	\$ 53,889	\$ 28,507		\$ -	\$ -	\$ -	\$ -	\$ 82,396
Construction	-	373,780		-	-	-	-	373,780
TOTAL	\$ 53,889	\$ 402,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 456,176

Source(s) of Funds								
Working Capital								
Capital	-	402,287		-	-	-	-	402,287
TOTAL	\$ -	\$ 402,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,287



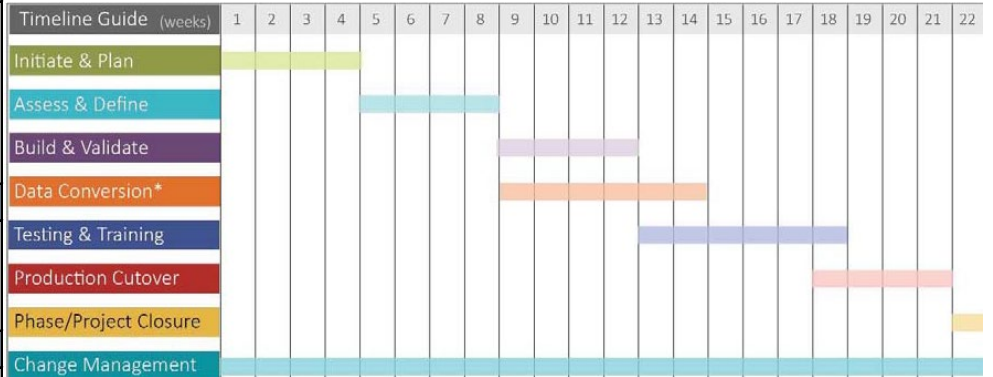
PROJECT TITLE: ENTERPRISE RESOUC E PLANNING SYSTEM

Project Location:	District-wide	Status:	Production Cutover (Billing- Data Conversion
Initial Estimate:	1/5/2021	Account Number:	100-103-922000
Estimated Completion:	May 2022		

DESCRIPTION:
 Replace District's financial systems for improved business processes and automation. In addition, current A/R system is on an operating system that is no longer supported. Includes temporary employees and equipment.

JUSTIFICATION:
 The District's current financial systems are antiquated and need to be replaced with a more robust and automated system(s).

STRATEGIC GOAL(S)/OPERATING IMPACT:
 1) Ensure That the Public is Well Informed About the District
 2) Ensure Good Governance and Administration
 3) Ensure Fiscal Responsibility.
Expected to increase operating costs.



Expenditures	Prior Years	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 24-25	FY 25-26	Total ALL FY
Software	\$ -	\$ 49,000	\$ 51,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 62,538	\$ 333,294
Temp Employees & Misc.	-	350,000	50,000	-	-	-	-	400,000
Tyler Tech Contract	-	190,636	-	-	-	-	-	190,636
TOTAL	\$ -	\$ 589,636	\$ 101,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 62,538	\$ 923,930

Source(s) of Funds								
Working Capital	\$ -	\$ 589,636	\$ 101,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 62,538	\$ 923,930
TOTAL	\$ -	\$ 589,636	\$ 101,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 62,538	\$ 923,930



PROJECT TITLE: EVALUATE DOCKS 1-6

Project Location:	Oyster Point Marina	Status:	Not started
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	December 2023		

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 evaluate dock 16.

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

STRATEGIC GOAL/OPERATING IMPACT:
 1) Comprehensive Long-Range Planning Guides District
 2) Infrastructure Improvements are Guided by



Not expected to impact operating costs/revenues.

Expenditures	Prior Years	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Evaluation Cost	\$ -	\$ -	\$ -	\$ 100,000		\$ -	\$ -	\$ 100,000
TOTAL	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

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



PROJECT TITLE: PURCHASE OF ADMINISTRATION BUILDING

Project Location:	El Granada	Status:	Reviewing Closing Documents
Initial Funding:	6/16/2021	Account Number:	918.050
Estimated Completion:	Spring 2022		

DESCRIPTION:
Purchase current Administrative Office Building at 504 Avenue Alhambra, El Granada

JUSTIFICATION:
Create permanent presence and eliminate lease payments.

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.
Utilities, Insurance & Maintenance Costs are expected to be offset by previous lease payments and lease revenue.



Expenditures	Prior Years	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Purchase Price	\$ -	\$ 2,988,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,988,000
Utilities	-	-	12,000	12,000	12,000	12,000	12,000	60,000
Insurance	-	-	12,000	12,000	12,000	12,000	12,000	60,000
Maintenance	-	-	155,000	155,000	155,000	155,000	155,000	775,000
TOTAL	\$ -	\$ 2,988,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 3,883,000

Source(s) of Funds								
Working Capital	\$ -	\$ 2,988,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,988,000
Decrease in Lease Payments	-	-	111,000	111,000	111,000	111,000	111,000	555,000
Rent Revenue	-	-	68,000	68,000	68,000	68,000	68,000	340,000
TOTAL	\$ -	\$ 2,988,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000	\$ 3,883,000



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

Project Location:	Oyster Point Marina	Status:	Not started
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	based on available funding		

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:
 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	FY 20-21	FY 21-22	FY 22-23	To Be Determined Based on Funding			Total ALL FY
Design/Engineering	\$ -	\$ -	\$ -	\$ 191,800	\$ -	\$ -	\$ -	\$ 191,800
Construction	-	-	-	-	1,200,000	-	-	1,200,000
TOTAL	\$ -	\$ -	\$ -	\$ 191,800	\$ 1,200,000	\$ -	\$ -	\$ 1,391,800

Source(s) of Funds								
Working Capital	\$ -	\$ -	\$ -	\$ 191,800	\$ -	\$ -	\$ -	\$ 191,800
Not Funded	-	-	-		1,200,000	-	-	1,200,000
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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/Engineering				\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Construction	-	-		700,000	-	-	-	700,000
TOTAL	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000

Source(s) of Funds								
Working Capital				750,000	-	-	-	750,000
TOTAL	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000



PROJECT TITLE: PARKING LOT IMPROVEMENTS

Project Location:	Pillar Point Harbor	Status:	Not Started
Initial Funding:	n.a.	Account Number:	909-000
Estimated Completion:	Spring 2024		

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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/ Engineering	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Construction	-	-	-	800,000	-	-	-	800,000
TOTAL	\$ -	\$ -	\$ 80,000	\$ 800,000	\$ -	\$ -	\$ -	\$ 880,000

Source(s) of Funds								
Working								
Capital	\$ -	\$ -	\$ 80,000	\$ 800,000	\$ -	\$ -	\$ -	\$ 880,000
TOTAL	\$ -	\$ -	\$ 80,000	\$ 800,000	\$ -	\$ -	\$ -	\$ 880,000



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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	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 2023		

DESCRIPTION:
Removal of invasive species and planting of 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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	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:	Winter 2026		

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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/ Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Construction	-	-	-	-	-	-	500,000	500,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 500,000	\$ 700,000

Source(s) of Funds

Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 500,000	\$ 700,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 500,000	\$ 700,000



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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vessels/ Electronics	49,871	-	-	-	-	936,000	-	985,871
Golf/Dump Cart/ Trash Compactor	-	25,000	140,000	-	-	-	-	165,000
TOTAL	\$ 49,871	\$ 25,000	\$ 140,000	\$ -	\$ -	\$ 936,000	\$ -	\$ 1,150,871

Source(s) of Funds	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
BSEE Grant	\$ 4,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,978
Working Capital	44,893	25,000	140,000	-	-	936,000	-	1,145,893
TOTAL	\$ 49,871	\$ 25,000	\$ 140,000	\$ -	\$ -	\$ 936,000	\$ -	\$ 1,150,871



PROJECT TITLE: MASTER PLAN

Project Location:	District-wide	Status:	In Progress
Initial Funding:	2/17/2021	Account Number:	918.000
Estimated Completion:	Spring 2022		

DESCRIPTION:
 Develop a comprehensive Master Plan to guide future capital improvement projects and development of land and water.

JUSTIFICATION:
 To balance resource protection, coastal access, sustainable development, coastal dependent business, active and passive public recreation.

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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/Engineering	\$ 103,069	\$ 280,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,109
TOTAL	\$ 103,069	\$ 280,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,109

Source(s) of Funds								
Working Capital	\$ 103,069	\$ 280,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,109
TOTAL	\$ 103,069	\$ 280,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,109



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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	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
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000



PROJECT TITLE: RETAIL CENTER REPLACEMENT

Project Location:	Pillar Point Harbor	Status:	Design/Engineering RFP Issued
Initial Funding:	n.a.	Account Number:	n.a.
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.*



Expenditures	Prior Years	FY 21-22	To Be Determined Based on Funding					Total ALL FY
Design/Engineering	\$ -	\$ 500,000	\$ -	\$ -		\$ -	\$ -	\$ 500,000
Debt Issuance	-	60,000	-	-	-	-	-	60,000
Construction	-	-	-	6,000,000	-	-	-	6,000,000
TOTAL	\$ -	\$ 560,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,560,000

Source(s) of Funds								
Working Capital	\$ -	\$ 560,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,000
Not Funded	-	-	-	6,000,000				6,000,000
TOTAL	\$ -	\$ 560,000	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,560,000



Projects Postponed - Funding To Be Identified

The following Capital Improvement Project will be completed once funding sources are identified. This project is postponed until such funding is secured. Funding sources may include grants, debt issuance and/or additional available Working Capital.

- 1) Oyster Point Marina 40,000 Square Foot Parcel Building (not funded \$2.1 million)



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:	based on available funding		

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	FY 21-22	To Be Determined Based on Funding				Total ALL FY	
Design/ Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
Construction	-	-	-	-	-	-	2,000,000	2,000,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 2,000,000	\$ 2,100,000

Source(s) of Funds								
Not Funded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 2,000,000	\$ 2,100,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 2,000,000	\$ 2,100,000



Five-Year CIP Detail- Completed in FY 2021/22

The following project was completed in Fiscal Year 2021/22 and is included to show estimated costs for Fiscal Year 2021/22. This project will have minimal impact to the five-year CIP.

- 1) Launch Ramp Dredge (completed except for cost to store sand)



PROJECT TITLE: LAUNCH RAMP DREDGE

Project Location:	Pillar Point Harbor	Status:	Completed
Initial Funding:	1/18/2017	Account Number:	940-089
Completed:	January 2022		

DESCRIPTION:

A severe storm event in 2017 caused part of the boat launch ramps to be covered in sand very rapidly. The cost of the removal of debris/sediment and storage of the sand to be used to replenish Surfers Beach/West Trail was deemed to be qualified for FEMA/CalOES funding.

JUSTIFICATION:

The Boat Launch Ramp contains six lanes. The sand accumulation caused two of the six lanes to become nonoperational. This has led to long waiting periods to launch boats.

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 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	Total ALL FY
Design/Engineering	\$ 120,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,658
Dredging	342,866	-	-	-	-	-	-	342,866
Storage	111,288	42,935	-	-	-	-	-	154,223
TOTAL	\$ 574,812	\$ 42,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,747

Source(s) of Funds								
Working Capital	\$ 164,528	\$ 42,935	-	-	-	-	-	\$ 207,463
FEMA/ CalOES	410,284	-	-	-	-	-	-	410,284
TOTAL	\$ 410,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,747



CIP Appropriations & Estimated Encumbrance Re-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. The last column of the following list represents the **estimated** outstanding balance for each of the projects/contractors listed. Upon adoption of the Final Capital Improvement Program, **the Harbor Commission approves the re-appropriation of the actual encumbrance amount outstanding.**

For example, the design/engineering phase of the West Trail Shoreline Protection Project may be completed by June 30, 2022 and the actual open amount may be \$0 instead of \$500,000. The Harbor Commission's approval for re-appropriation of encumbrances for this project in FY 2020/21 would be \$0.

In addition, **with the adoption of the CIP, the Harbor Commission approves appropriations of \$200,000.** The appropriations will be used at the discretion of the General Manager of any contracts or purchase of vehicles/vessels that meet the definition of a Capital Asset and are within the General Manager's purchasing authority of \$25,000.

All other CIP appropriations will be approved when the Harbor Commission approves a CIP contract.

Estimated Encumbrances to be Re-appropriated-[To Be Updated in June for Final Budget]

Project	Approval Date(s)	Contractor	Original Contract	Change Orders	Total Contract	Estimated Spending thru 6/30/21	Estimated Encumbrance Re-appropriation
West Trail Shoreline Protection	04/04/16 11/01/17 04/17/19 11/18/20	GHD, Inc	\$184,086	\$249,722 \$618,145 \$114,904	\$1,666,857	\$1,166,857	\$500,000
Surfers Beach Replenishment	11/07/15 04/17/19 04/15/20	Damitz	\$50,000	\$56,000 \$64,500	\$170,500	\$148,600	\$21,900
Surfers Beach Replenishment	09/19/18 10/21/20	Environmental Science	\$105,000	\$121,400	\$226,400	\$135,000	\$91,400
Surfers Beach Replenishment	10/9/18 04/11/19	Kinetic Labs	\$24,800	\$15,080	\$39,880	\$35,543	\$4,337
ERP Project	1/5/21	Tyler Tech	\$190,636		\$190,636	\$5,000	\$185,636
OPM Navigation	11/18/20	Foth, Van Dyke & Assoc	\$82,396		\$82,396	\$66,000	\$16,396
Master Plan	2/17/21	Dudek	\$348,281		\$348,281	\$83,109	\$265,172
TOTAL ESTIMATED RE-APPROPRIATION							\$1,084,841



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 \$3,043,500 for 2022/23 Budget Year per Reserve Policy 4.4.3.

Investment Policy

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

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



Debt Management Policy, Capacity, and Issuance

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

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

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

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

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

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

California Government Code Section 43605 states the District shall not incur bonded indebtedness payable from the proceeds of property tax which exceeds 15 percent of the assessed value of all real and personal property within the District. This provision, however, was enacted when assessed valuation was based upon 25 percent of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). In order to reflect the intent of the debt limit stipulation in Section 43605, the 15 percent has been adjusted to one-fourth of that level, or 3.75 percent of the assessed value of all real and personal property within the District. Since the District's boundaries are the same as the San Mateo County's boundaries, the District uses the County's gross assessed value of property for July 1, 2021 through June 30, 2022, of about \$258.1 billion (per County's Tax Rate Book), making the debt limit approximately \$9.7 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 2022/23 revenue is \$ \$12,585,000, which would allow the District to issue debt with combined principal and interest payments of no more than \$3,146,250.

The District does not have any outstanding debt. However the District has \$3,323,387 in net Other Post Employment Benefit (OPEB) Liabilities and \$2,904,343 in net Pension Liabilities.



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.