

Preliminary Operating Budget and Five-Year Capital Improvement Program

FY 2021/22

BOARD OF HARBOR COMMISSIONERS

Virginia Chang Kiraly, President

Nancy Reyerling, Vice President

Tom Mattusch, Treasurer

William Zemke, Secretary

Ed Larenas, Commissioner

SAN MATEO COUNTY HARBOR DISTRICT





INTRODUCTION	3
Executive Summary	5
Budget Process	8
Budget Report Presentation	9
Priorities and Performance Goals	9
About Us	13
Where is San Mateo County Harbor District?	14
Our History	15
San Mateo County Harbor District Today	16
SECTION ONE- 2021/22 OPERATING BUDGET	18
Operating Budget at a Glance	19
Budgetary Highlights	20
Short-Term Factors Influencing Decisions	22
Public and Enterprise Services	23
Organizational Chart	25
Staffing Authorization	26
Budget Schedules	27
Basis of Budgeting vs. Accounting	28
Three-Year Comparative Financial Schedule	29
District Revenue	30
District Expenditures	31
Budget by Department	32
Department Summaries	33
Administration Department	33
Pillar Point Harbor Department	37
Oyster Point Marina Department	40
SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM	42
Five-Year Forecasts	43
Five-Year CIP Detail- Funded Projects	46
Projects Postponed - Funding To Be Identified	58
Five-Year CIP Detail- Completed in FY 2020/21	68
CIP Appropriations & Estimated Encumbrance Re-appropriations	72
SECTION THREE- POLICIES & DEFINITIONS	74
District Policies and Guidelines	75
Debt Management Policy, Capacity, and Issuance	76
Definitions & Abbreviations	77



INTRODUCTION



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**San Mateo County Harbor District
California**

For the Fiscal Year Beginning

July 1, 2020

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, 2020. 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) 2021/22 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 2021/22. 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.

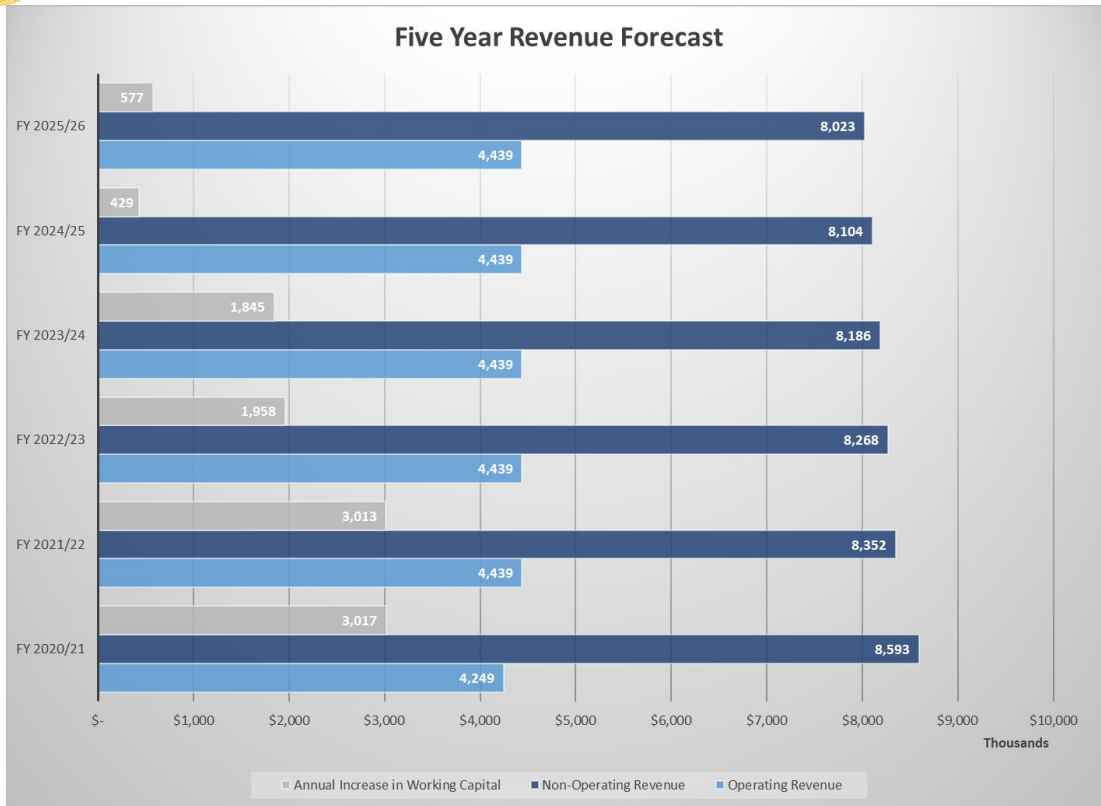
The District has received its first Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award for FY 2020/21. We will also submit the FY 2021/22 Budget for consideration of the GFOA budget award.

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. On March 16, 2018 and again on May 26, 2020 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.

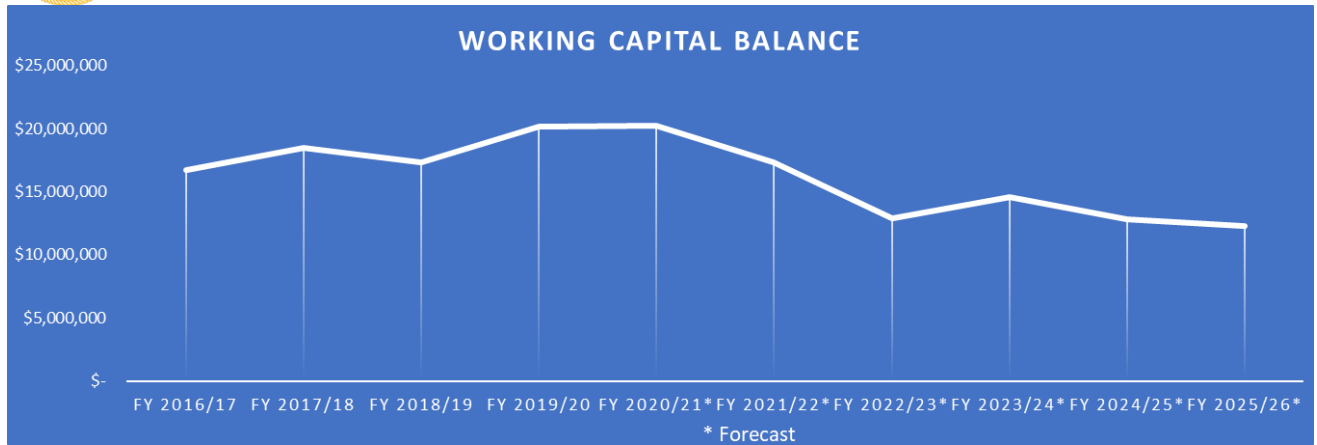
The goal of the District's Budget Document is to ensure a compliant and transparent process that will promote stakeholder confidence and trust. The District's financial decisions consider sustainability and fiscal responsibility to anticipate and prepare for future funding requirements as well as unforeseen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

It is anticipated that the National State of Emergency due to the COVID-19 pandemic will reduce projected revenues for the foreseeable future. The 2021/22 Operating Budget and the five-year Capital Improvement Program (CIP) incorporates assumptions that revenues will decrease over the next five years. This assumption is based on historical financial information from the last recession, which encompassed the period between 2008-2013.



This year, the District is fortunate to present an operating budget that includes sufficient revenue to fund the 2021/22 Fiscal Year (July 1, 2021 to June 30, 2022) expenditures and provide \$3,013,000 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 flows 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, 2021 is \$17,778,525 (\$20,223,025 less required reserve of \$2,444,500) plus over the next five years an additional \$7,822,000 from revenues expected to exceed expenditures for a total of \$25,600,525. The District’s total funding needs for identified projects, including unfunded projects, for July 1, 2021 through June 30, 2026 is estimated at \$46,782,959. 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 goals and objectives for the 2021/22 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 2021/22			
Date	Description	Time	Location
March 9, 2021	Finance Committee will review and comment on "First Look" of Budget and receive public input	1:00 PM	Remote Public Meeting
March 17, 2021	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
April 8, 2021	Finance Committee will review and comment on Preliminary Budget and receive public input	10:00 AM	Remote Public Meeting
April 21, 2021	Board of Harbor Commissioners will receive public input and adopt the Preliminary Budget	1:00 PM	Remote Public Meeting
tbd	Finance Committee will review and comment on Final Budget and receive public input	xx	To Be Decided
June 16, 2021	Board of Harbor Commissioners will hold a Public Hearing and Adopt Final Budget	1:00 PM	To Be Decided

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, 2021 estimated encumbrance balances to be re-appropriated (page 72-73). 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 44 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 25).

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 on the Fiscal Year 2021/22 Department Objectives, Department Performance Measures, 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 2020/21 in support of the above goals.

- 1)  Implemented procedures to ensure the safety of the public during the COVID-19 Pandemic as the Harbor and Marina continue to operate and provide essential services.
- 2)  Authorized use of the Pillar Point Parking Lots for evacuees of the CZU Lighting Fire.
- 3)   Completed the Public Fishing Pier Project at Pillar Point Harbor: The pier is now fully ADA compliant and open to all members of the public.
- 4)   Harbor Master's Office Renovation Project: Made several significant upgrades, including ensuring compliance with ADA standards.
- 5)  Johnson Pier Timber Piling Platform Repair.
- 6)  St. Augustine Stormwater Pipe Project. The District, working with the San Mateo Resource Conservation District, completed the installation of an access point to the St. Augustine Stormwater Pipe that runs below the parking lot at Pillar Point Harbor. The access enabled the District to complete a comprehensive inspection and cleanout of the stormwater pipe of all debris, oils, fats, and greases. All for the goal of improved water quality in the Harbor.













- 7)  West Trail Project is in the final stages of planning and working through the permitting process.
- 8)  R/V Park Public Restroom/Greenspace Project at Surfers Beach is in the final stages of design.
- 9)  Ketch Joanne Restaurant and Harbor Bar Project is in the final stages of design.
- 10)  Surfers Beach Replenishment Project is in the final planning stages and working towards obtaining the required permits. The project will 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.
- 11)  Eelgrass Survey of Pillar Point Harbor: A comprehensive eelgrass survey has been contracted to determine the status of eelgrass in the Harbor as well as a mitigation plan to allow for dredging. The eelgrass mitigation will impact and allow for the Surfers Beach Replenishment Project to continue as well as being a foundational document to develop a comprehensive dredging program for Pillar Point.
- 12)  Installation of warning signs for the breakwater.
- 13)  Installation of wildlife informational signs.
- 14)  Completed several electrical upgrades at Oyster Point Marina.
- 15)  Completed non-skid decking on several of the docks at Oyster Point Marina, greatly increasing the safety on the docks.
- 16)  The District received a “clean” unmodified opinion on the District’s financial statements for Fiscal Year 2019/20. 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.
- 17)  The Government Finance Officers Association awarded the District the Distinguished Budget Presentation Award for our 2020/21 budget.
- 18)  Maintained the Special District Leadership Foundation District Transparency Certificate of Excellence.

For the 2021/22 Fiscal Year, the District will work towards the following Goals and Objectives. Additional Department Objectives and Department Performance Measures

- 1)  Complete District Master Plan (Strategic Goal 1 and 2): The District has entered into a contract with a consultant to coordinate preparation, public outreach and completion of the plan.
- 2)  Complete and Implement a Comprehensive Johnson Pier Safety Plan (Strategic Goal 3 and 4): The volume of users of Johnson Pier has greatly increased and has overwhelmed the limited space on the pier. A comprehensive safety plan is required to address safety on the pier to include parking, operations, pedestrian traffic, off the boat sales, commercial fish sales, commercial fish offloads.
- 3)  Water Quality at the Beaches of Pillar Point (Strategic Goal 5 and 8): 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.
- 4)  Real Property Leases (Strategic Goal 3, 6, 7):
- a. Complete Real Property Lease for Ketch Joanne Restaurant and Harbor Bar.
 - b. Complete Real Property Lease for Mavericks Surf Shop.
 - c. Amend RV Park Lease to reflect the RV Park Restroom and Green Space Project.
- 5)  Earn a “Clean” Unmodified Opinion on the District’s Financial Statements for Fiscal Year 2020/2021. (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.
- 6)  Enterprise Resource Planning System (Strategic Goal 3, 5, 6, and 7): Implement a new integrated cloud-based system which will include Human Resources, Finance, Payroll, Records Management, and ability to allow Customers to make On-line Payments. The District’s current systems are labor intensive and outdated.
- 7)  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 training plan.
- 8) Capital Improvement Projects: The Board of Harbor Commissioners, in the 2020/2021 Budget and Capital Improvement Plan, with the input received from the public gained through a Virtual Community Forum and an online survey determined the following projects to be highest priority for the District and within budgetary constraints:
- a.  Ketch Joanne Accessible Restrooms (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): Issue contract.
 - d.  Surfers Beach Restoration/Harbor Dredge Project (Strategic Goal 1, 2, 3, 4 and 8): Complete eelgrass study and mitigation plan, obtain permits.
 - e.  West Trail Shoreline Protection Project (Strategic Goal 1, 2, 3, 4 and 8): Begin/complete construction.
 - f.  Construction of Administration Building (Added after passage of the FY 2020/21 budget) (Strategic Goal 1, 2 and 7): Complete RFP Process and contract for Design and Engineering.

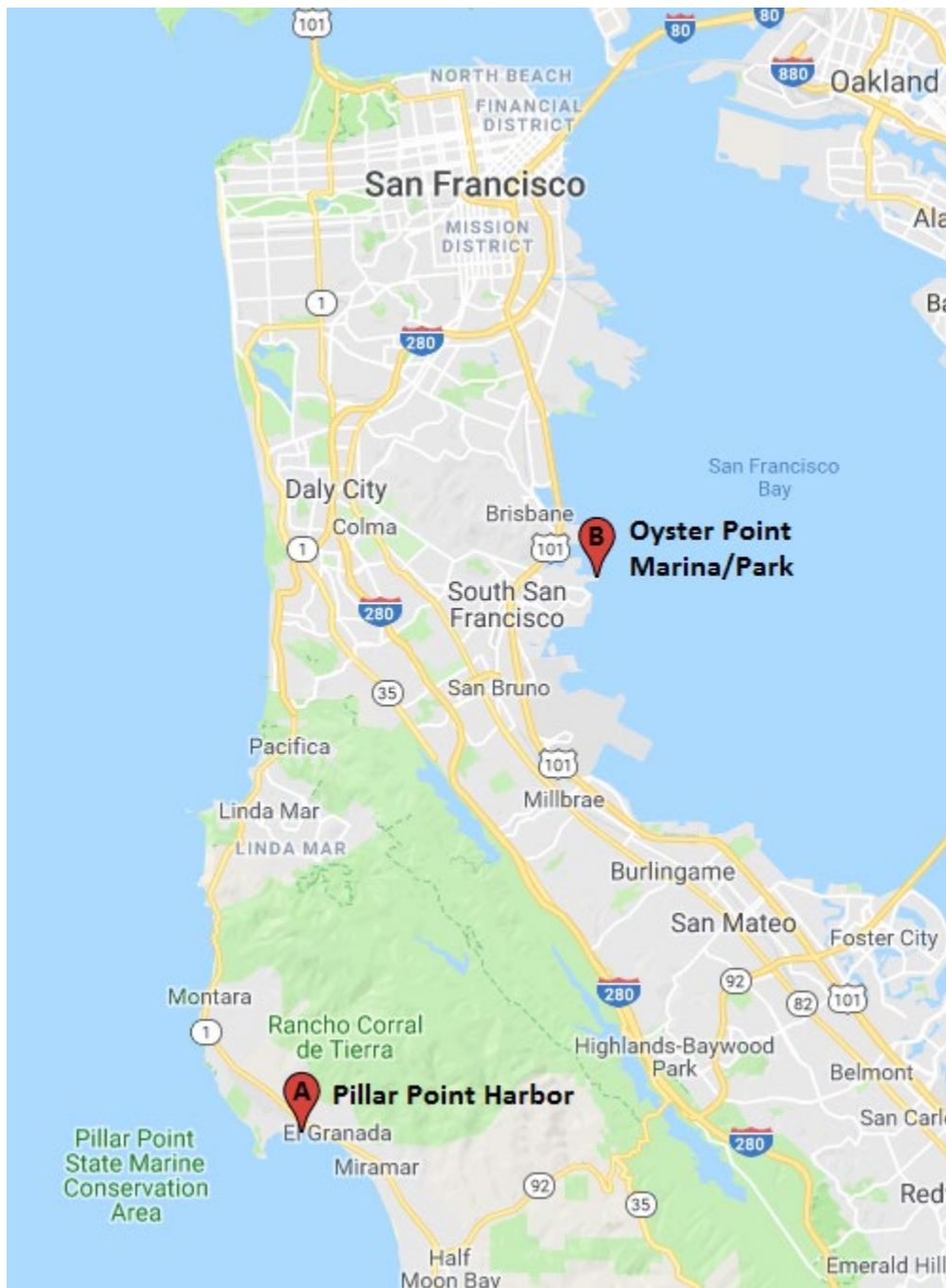


About Us



Where is San Mateo County Harbor District?

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

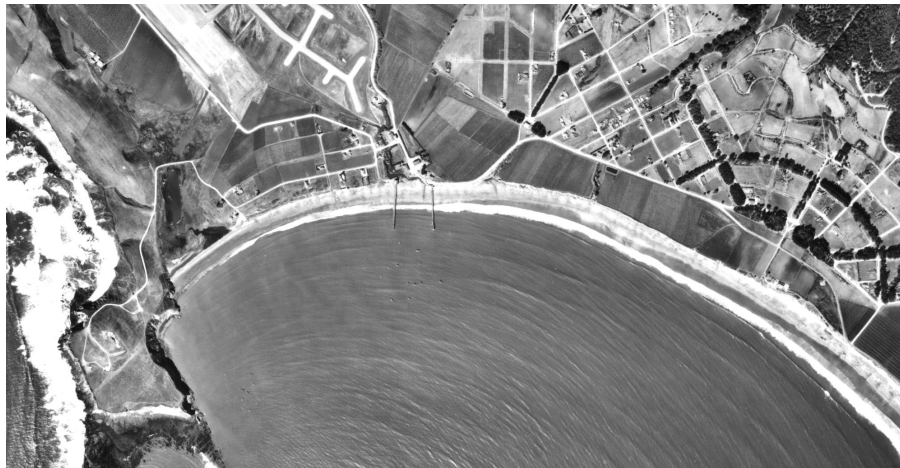




Our History

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

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



1943 Aerial View of Pillar Point Harbor



Pillar Point Harbor in 1970

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



San Mateo County Harbor District Today

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



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





The San Mateo County Harbor District is governed by five elected Harbor Commissioners that reside in San Mateo County and are voted in by the residents of the County. Harbor Commissioners serve four-year staggered terms. Historically, the Harbor Commissioners were elected county-wide. In 2018, the Harbor Commission created five distinct districts and beginning in November 2020 the Harbor District held its first districted election for three of the five (1,4 and 5) newly created districts. In November 2022, the Harbor District 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 744,155 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.

PRINCIPAL EMPLOYERS		
Company	Business Type	# in 2019
Facebook	Social Network	15,407
Genentech	Biotechnology	10,023
Oracle	Hardware & Software	7,656
County of San Mateo	Government	5,640
Gilead Sciences	Biotechnology	3,900
YouTube	Online Video Streaming	2,384
Sony Interactive Entertainment	Interactive Entertainment	1,650
Robert Half International Inc.	Personnel Services	1,642
Electronic Arts Inc.	Interactive Entertainment	1,478
SRI International	Nonprofit Research Institute	1,418
<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 2020 State Department of Housing and Urban Development report, \$97,600 for a single individual is categorized as low income. Housing costs continued to increase throughout the area through March 2021. It is difficult to predict the impact that the COVID-19 pandemic will have on affordable housing and homeless issues. There is currently a prohibition against eviction proceedings which is set to expire on June 30, 2021. Once this is lifted, the homeless population may grow.



SECTION ONE- 2021/22 OPERATING BUDGET



Operating Budget at a Glance



Budgetary Highlights

The District's revenue streams for Fiscal Year (FY) 2021/22 are expected to exceed on-going expenditures by \$3,013,000. This is a 12.79% decrease from the FY 2020/21 projection of \$3,455,000, not including biennial election costs. 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.

	2021/22 Budget Summary		Comparison to 2020/21 Projection	
Operating Revenues	\$ 4,439,000	\$ 4,249,000		4.47%
Non-Operating Revenues	8,352,000	8,593,000		-2.80%
Total Revenues	12,791,000	12,842,000		-0.40%
Salaries/Wages/Benefits Expenditures	6,340,000	5,977,000		6.07%
Non-Personnel Expenditures	3,438,000	3,410,000		0.82%
Total Expenditures	9,778,000	9,387,000		4.17%
Total Revenues less Expenditures	3,013,000	3,455,000		-12.79%
Election Costs	-	(438,000)		n.a.
Working Capital (Decrease) Increase	\$ 3,013,000	\$ 3,017,000		-0.13%

- Operating Revenues are budgeted to increase by 4.47% primarily due to an anticipated increase in fees and rents offset by a decrease in operating revenues at Oyster Point Marina caused by a large adjacent development project. The District expects to increase fees and rents by 5% which is a combination of: 1) 3.3% inflationary increase from FY 20/21 which was postponed due to an anticipated economic downturn caused by the COVID-19 pandemic, and 2) a 1.7% inflationary increase for FY 2021/22.
- Non-Operating Revenues are budgeted to decrease by 2.8%. The District received a one-time property tax distribution from San Mateo County of \$531,000 in FY 2020/21 that is not expected in FY 2021/22 (see State & Federal Budget Actions on page 23 below for further description). This is partially offset by an anticipated 3.86% increase in property taxes due to increased values of real estate.
- Salaries/Wages and Benefit Expenditures are projected to increase by 6.07% due to an estimated 5% salary/wage and benefit cost increase, along with anticipation of being fully staffed for FY 2021/22.
- Non-Personnel Expenditures are budgeted to slightly increase by 0.82%. For FY 2021/22 there is an anticipated decrease in legal fees, utilities and operating expenditures, which is offset by an increase in property & liability insurance premiums and information technology expenditures.
- The FY 2020/21 projection includes \$438,000 in biennial election costs. The FY 2021/22 projection does not anticipate any one-time or biennial expenditures.



The following table summarizes the 2020/21 Revised Budget versus the 2020/21 Projected Results.

	2020/21 Projection		2020/21 Revised Budget		
Operating Revenues	\$	4,249,000	\$	4,114,000	3.28%
Non-Operating Revenues		8,593,000		7,944,000	8.17%
Total Revenues		12,842,000		12,058,000	6.50%
Salaries/Wages/Benefits Expenditures		5,977,000		6,818,000	-12.33%
Non-Personnel Expenditures		3,410,000		3,385,000	0.74%
Total Expenditures		9,387,000		10,203,000	-8.00%
Total Revenues less Expenditures		3,455,000		1,855,000	86.25%
Election Costs		(438,000)		(1,129,000)	-61.20%
Working Capital (Decrease) Increase	\$	3,017,000	\$	726,000	315.56%

- Operating Revenues are expected to exceed the revised budget by 3.28%. The District anticipated approximately 3.5% decrease in revenues due to the COVID-19 pandemic. The District is on track to realize less than a 1% decrease. There was an unexpected increase in visitors, to go sales and continued interest in slip/berth rentals.
- Non-Operating Revenues are expected to exceed the revised budget by 8.17% due to the District receiving a one-time property tax distribution from San Mateo County of \$531,000 and a better expected return on investments, primarily due to higher than anticipated cash balances.
- Salaries/Wages and Benefit Expenditures are expected to be less than budgeted. The District expected a 25% increase in health benefit costs while actual increases were approximately 10%. In addition, retirement costs decreased by approximately \$120,000 due to the pay down of the CalPERS unfunded liability of \$2,300,000 which was made in 2018. Lastly, the District included funding in the budget in anticipation of being fully staffed and the projection includes approximately \$250,000 in salary savings.
- Non-Personnel Expenditures are anticipated to be close to budgeted amounts. Additional expenditures related to COVID-19 and higher than normal legal costs for successful defense of the District in arbitration are expected to be offset by decreases in training/travel, office supplies and lower than anticipated bad debt expense.
- The FY 2020/21 revised budget included election costs of \$1,129,000 while the projection is at \$438,000. This decrease is due to savings associated with an uncontested election in district 1.
- The Working Capital Increase is expected to be \$2,291,000 over the revised budget due to the higher than expected revenues and lower than expected salary/benefit and election costs mentioned above.



Short-Term Factors Influencing Decisions

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

Economic Factors:

This budget has been forecasted in an unprecedented State of Emergency due to the COVID-19 pandemic. For FY 2020/21, the District expects to have spent \$170,000 on COVID-19 related items. This budget was developed using financial trends in 2008-2013, the last time there was an economic recession. The recession that we are facing today may be worse or better than the predictions included in this budget document. According to the Federal Reserve forecasts for 2021, Gross Domestic Products (GDP) are expected to increase by 6.5%. In 2020 the unemployment rate increased to 8.1% from 3.7% in 2019. The Congressional Budget Office is projecting that unemployment will be 5.7% in 2021 and continue to decrease to pre-COVID levels by 2026.

The Public Employees' Pension is managed by California Public Employees' Retirement System (CalPERS). As of 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. CalPERS annual retirement costs for FY 2020/21 decreased by approximately \$120,000 and are expected to continue to decrease in the next few years. 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 1.00% decrease in the discount rate results in an increase in the NPL of approximately \$2,512,000 or 93.1%. The District budgeted a 5% increase in retirement costs.

The District has two month-to-month leases for a restaurant and a retail store in the "tenant row" building at Pillar Point. Short-term agreements may impact future revenues. Combined, these two tenants pay the District approximately \$150,000 annually.

State & Federal Budgets & Actions:

The County of San Mateo allocates property tax to Cities and Special Districts using formulas determined by the State of California. In 1978, Proposition 13 was voted in to limit the increase of property tax assessments to 1% of market value; and the assessment can increase by a maximum of 2% per year. If properties are sold below the current assessed market value, property tax revenue decreases. The five-year projection of property tax revenues anticipates a 1% reduction each year, starting in Fiscal Year 2022/23.

The County uses the TEETER plan (first enacted in 1949) which means the County allocates property tax based on property tax billed instead of property tax collected. Therefore, increases in uncollected property tax due to the COVID-19 pandemic should have no impact on the District's property tax revenues.

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 excess ERAF calculations beginning



in the 2017/18 Fiscal Year. The County has been setting aside monies each fiscal year in anticipation of the State mandated change to the ERAF calculation. The State determined that the changes will be prospective, and the County released \$531,000 of the funds that had been set aside to the District in FY 2020/21. This is expected to be a one-time distribution.

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). In addition, trade tensions may have an ongoing negative impact on business investments and in turn negatively impact economic growth. The recovery of the Federal government has an even bigger battle due to the economic fallout from COVID-19. The Federal government provided \$2.6 trillion in 2020 and authorized another \$1.9 trillion in 2021 to support businesses, local governments and individuals impacted by shelter in place orders.

The COVID-19 pandemic has put tremendous stress on the economy and on governmental agencies. States across the nation are planning for service level reductions in order to balance their budgets. With the extra pressure placed on Federal, State and Local governments, it is anticipated that the District may have a harder time securing grant funding sources. This may be partially relieved by the \$1.9 trillion Federal monies of which \$350 billion will be available to State and Local Governments.

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 43-73) and are associated with climate change include the West Trail Shoreline Protection and Restoration of Surfers Beach.

Other Factors:

The District's Infrastructure is aging and will require replacement. For fiscal year ended June 30, 2020 the District had approximately \$47 million in depreciable assets with accumulated depreciation of \$30 million. About 65% of the District's total assets have been depreciated. In FY 2019/20 the District recorded \$1,111,744 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. Many of the projects in the CIP section do not have identified funding. The District is temporarily deferring unfunded projects until revenues increase, expenditures decrease, and/or other funding sources are identified. In the event that economic conditions improve earlier than anticipated, the Harbor Commission may approve funding of additional projects.

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 43-73).

Public and Enterprise Services

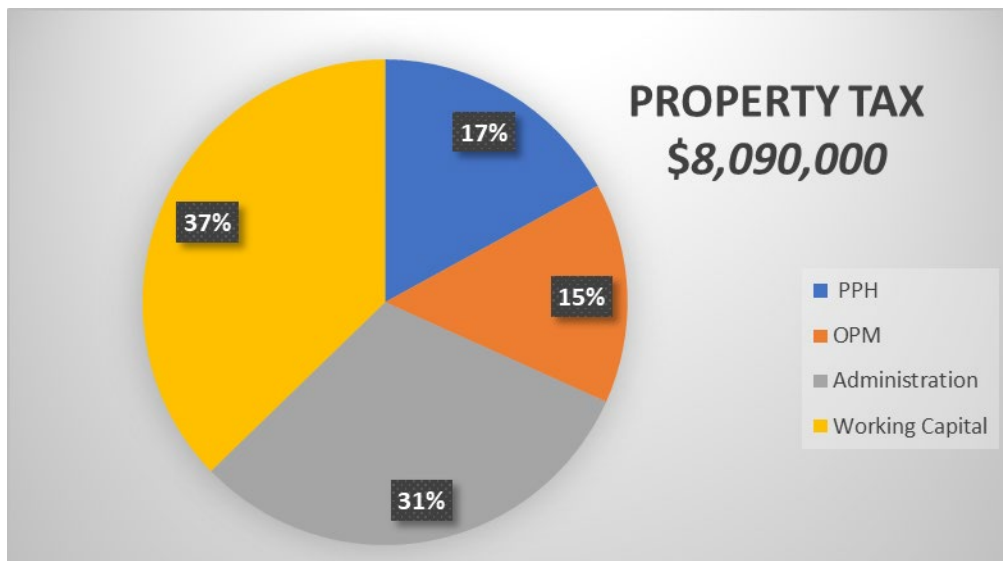
The District's transactions are accounted for in an Enterprise Fund which includes three departments- Administration, Pillar Point Harbor (PPH), and Oyster Point Marina (OPM). PPH



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.

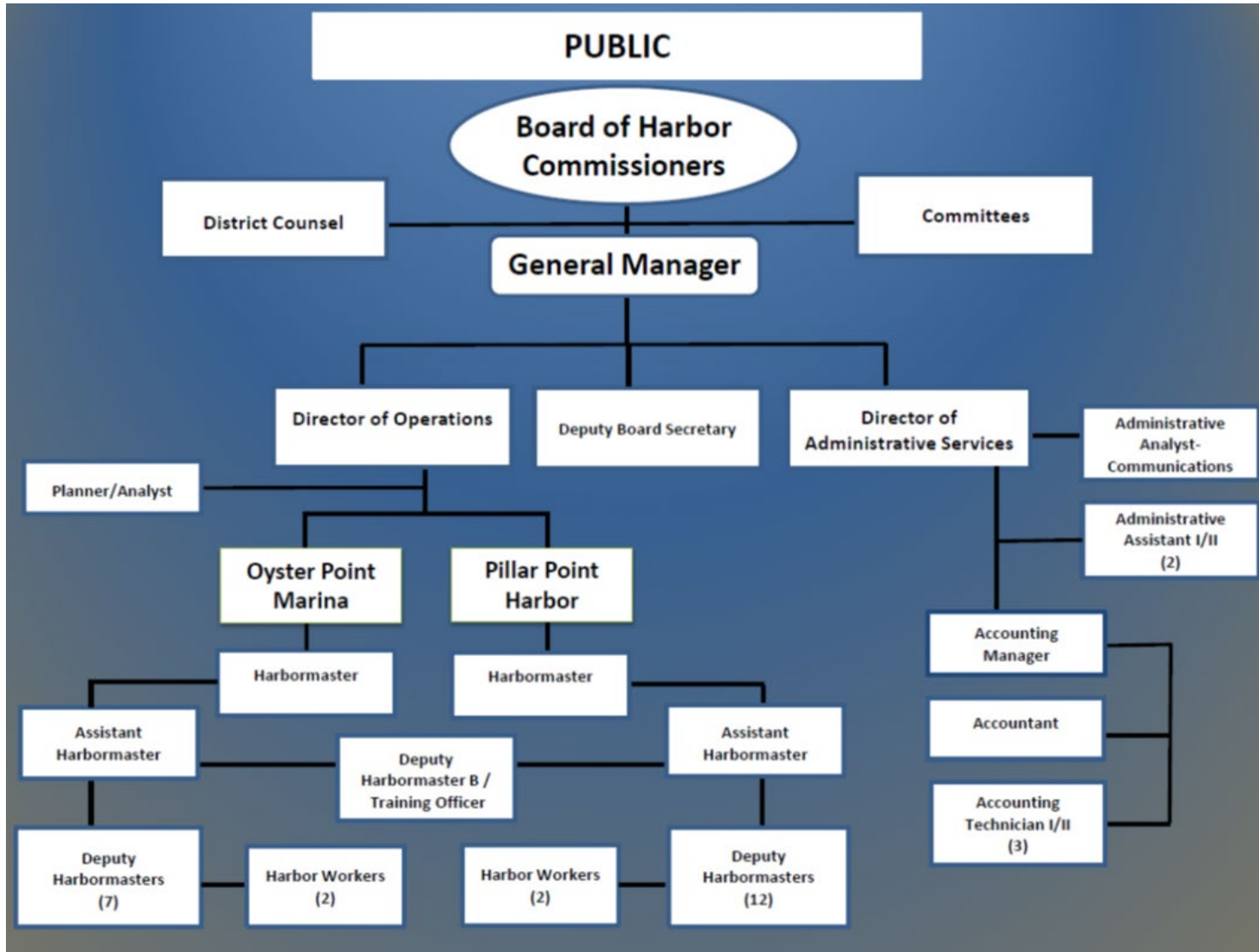
The District receives Property Tax Revenue from San Mateo County property owners. Property Tax Revenue is used to fund the Administration Department, any operating deficits associated with the costs of providing public services at PPH and OPM, and a portion of the Capital Improvement Program. For FY 2021/22, the District estimates that \$1,188,000 will be used for OPM public operations, \$1,379,000 for PPH public operations, \$2,510,000 for administrative functions (\$262,000 of administrative functions funded by interest income), and \$3,013,000 towards funding the Capital Improvement Program for a total of \$8,090,000 of anticipated Property Tax Revenue.



For Fiscal Year 2021/22 the Capital Asset projected costs of \$7,004,885 (detail on pages 43-73) are funded by grants in the amount of \$1,126,644 and property tax of \$5,878,241. All projects are for the benefit of the public such as, West Trail erosion protection, additional ADA public restroom facilities, and Surfers Beach restoration.



Organizational Chart





Staffing Authorization

<u>Classification/Position Title</u>	Actual 2019/20	Revised Budget 2020/21	Proposed Budget 2021/22	*Status as of 3/31/2021
<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 Specialist	1	-	-	Vacant/Delete
Accounting Tech I & II	1	1	1	Active
Accounting Manager	1	1	1	Active
Admin. Analyst- Communications	1	1	1	Active
Administrative Assistant I & II	2	2	2	Active
Deputy Secretary	1	1	1	Active
Planner Analyst	1	1	1	Active
Total Administration	<u>12</u>	<u>11</u>	<u>11</u>	
<u>Pillar Point Harbor</u>				
Harbormaster	1	1	1	Active
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	12	12	12	11 Active/ 1 Vacant
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	<u>18</u>	<u>18</u>	<u>18</u>	
<u>Oyster Point Marina</u>				
Harbormaster	1	1	1	Active
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	7	7	7	Active
Harbor Worker B	2	2	2	1 Active/1 Vacant
Accounting Tech I & II	1	1	1	Active
Total Oyster Point Marina	<u>12</u>	<u>12</u>	<u>12</u>	
Total Full-Time Equivalent Positions	<u>42</u>	<u>41</u>	<u>41</u>	

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



Budget Schedules



Basis of Budgeting vs. Accounting

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

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

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

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

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

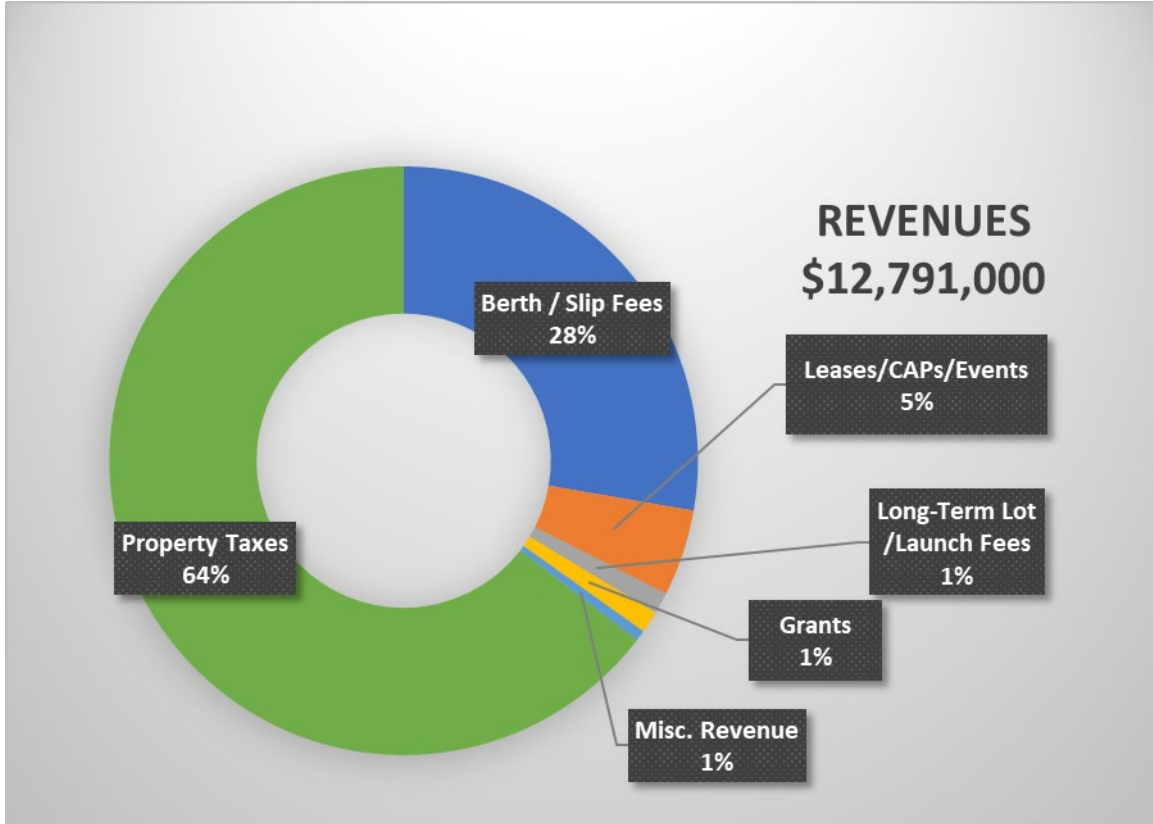


Three-Year Comparative Financial Schedule

	Fiscal Year 2019/20		Fiscal Year 2020/21		Fiscal Year 2021/22
	Revised Budget	Actual	Revised Budget	Projection	'First Look' Budget
Operating Revenues:					
Berth / Slip Fees	\$ 3,320,000	\$ 3,381,460	\$ 3,254,000	\$ 3,342,000	\$ 3,472,000
Leases and CAPs	552,000	544,849	521,000	533,000	567,000
Long-Term Lot /Launch Fees	250,000	179,919	133,000	140,000	147,000
Events	22,000	30,543	28,000	19,000	29,000
Grants & Reimbursements	200,000	51,351	92,000	144,000	150,000
Other Operating Revenue	97,000	73,903	86,000	71,000	74,000
Total Operating Revenues	4,441,000	4,262,025	4,114,000	4,249,000	4,439,000
Non-Operating Revenues:					
Property Taxes	7,785,000	8,380,612	7,789,000	8,320,000	8,090,000
Interest Income	275,000	327,748	155,000	262,000	262,000
Misc. Rev./Exp.	4,000	3,719	-	11,000	-
Total Non-Operating Revenues	8,064,000	8,712,079	7,944,000	8,593,000	8,352,000
Total Revenues	\$ 12,505,000	\$ 12,974,104	\$ 12,058,000	\$ 12,842,000	\$ 12,791,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 4,097,000	\$ 3,693,052	\$ 4,477,000	\$ 4,226,000	\$ 4,492,000
Benefits-Current Employees	1,663,000	1,729,889	2,068,000	1,538,000	1,625,000
Benefits-Retired/Former Emp	210,000	178,972	273,000	213,000	223,000
Salary/Wages/Benefits Sub-total	5,970,000	5,601,913	6,818,000	5,977,000	6,340,000
Non-Personnel Expenditures					
Payments to Other Agencies	75,000	71,715	77,000	80,000	84,000
Utilities	396,000	430,614	497,000	601,000	452,000
Contract Services	496,000	555,683	371,000	309,000	324,000
Legal	351,000	328,131	364,000	584,000	300,000
Property/Liability Insurance	114,000	136,309	184,000	184,000	257,000
Repairs & Maint- Routine	409,000	357,226	421,000	374,000	393,000
Office/Equipment Rentals	115,000	98,700	118,000	119,000	125,000
Information Technology	217,000	208,841	211,000	219,000	312,000
Financial Service Fees	78,000	69,511	79,000	71,000	74,000
Operating Expenses	305,000	339,666	314,000	417,000	362,000
Travel and Training	157,000	110,396	174,000	29,000	182,000
Advertising and Promotion	43,000	34,969	44,000	20,000	46,000
Personnel Administration	46,000	20,876	47,000	6,000	12,000
Vessel Destruction	212,000	117,920	92,000	183,000	190,000
Memberships & Subscriptions	23,000	13,336	24,000	23,000	25,000
Claims Settlement	100,000	30,000	100,000	-	100,000
Bad Debts	88,000	134,516	264,000	183,000	192,000
Miscellaneous Expend.	5,000	7,805	4,000	8,000	8,000
Non-Personnel Expend Sub-total	3,230,000	3,066,214	3,385,000	3,410,000	3,438,000
Total Operating Expenditures	\$ 9,200,000	\$ 8,668,127	\$ 10,203,000	\$ 9,387,000	\$ 9,778,000
Revenues less Expenditures	\$ 3,305,000	\$ 4,305,977	\$ 1,855,000	\$ 3,455,000	\$ 3,013,000
One-time Revenues(Expenditures)					
Election Costs (every other year)	\$ -	\$ -	\$ (1,129,000)	\$ (438,000)	\$ -
Capital Grants & Reimbursement	468,598	508,515	4,978	68,486	1,126,644
Capital Expenditures	(4,165,966)	(2,380,997)	(2,102,219)	(3,018,771)	(7,004,885)
Increase(Decrease) to Working Capital	\$ (392,368)	\$ 2,433,495	\$ (1,371,241)	\$ 66,715	\$ (2,865,241)

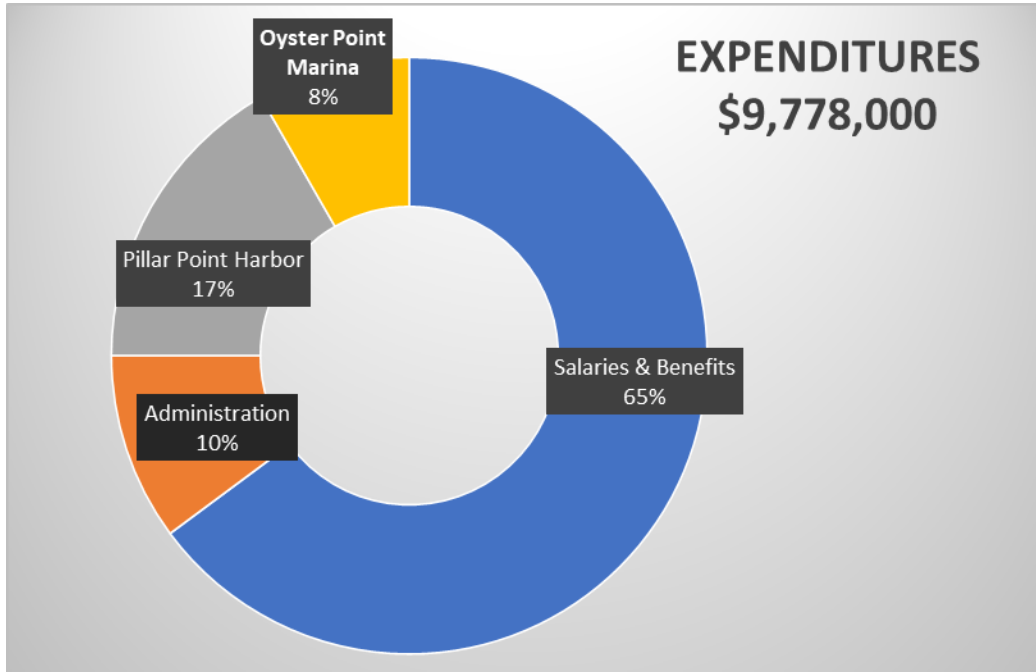


District Revenue





District Expenditures



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



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 2021/22.



Strategic Goal	Objective	Measure	FY 2021/22 Projected	
	Develop and Implement a Communications Plan	Social Media Program to support each of the Strategic Goals	Six Strategic Goals supported	
		Create communication guide templates	Five messaging templates created	
	Develop and Implement a Training Plan	Coordinate one training per month	Six employee trainings	
		Maximize Insurance Credits for trainings	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, workstations,	
		Implement Enterprise Resource Planning System	Supports all District Business Processes	
			Implementation and Deployment are completed within Budget	
	Ensure permittees, lessees and slip holders are in compliance with agreements	Investigate most cost effective options	Prepare cost analysis of different Public Record request software	
		Create & Track compliance with Commercial Activity Permits (CAPs)	100% Compliance of 25 CAPs or cancelation	
		Track compliance with Lease Agreements	100% Compliance or letter to cure default	
		Ensure financial information is accurately recorded and internal controls are in place	Ensure that collection efforts for past due accounts are timely	Percentage in Accounts Receivables over 120 days is less than 40%
			Prepare timely monthly bank reconciliation	Completed by the 10 th of each month
Ensure minimal payroll adjustments			Less than 6 per year	
Prepare accurate and timely financial statements			No management comments	
Enhance revenues and decrease expenditures		Prepare timely accounts receivable reconciliation	Completed by the 3 rd business day of each month	
		Review Fees and Rates	Increase rates and fees where applicable	
		Successfully negotiate longer term leases to replace month-to-month agreements	Complete restaurant lease	
Complete retail lease				



  	<p>Enable and enhance transparency of Public Records and compile Permanent Records</p>	<p>Ensure timely response to Public Record Act (PRA) requests</p>	<p>100% of PRA requests processed within 10-day period or 14-day extension letter sent</p>
		<p>Manage legal fees</p>	<p>Decrease expenditures</p>
		<p>Create Electronic Permanent Records files</p>	<p>Populate financial records,</p>
			<p>Populate claims and investigations</p>
		<p>Populate Board agendas, minutes and resolutions</p>	
<p>Create checklist for permanent Human Resource records and organize paper records</p>	<p>Complete organization of all current employee records</p>		
 	<p>Ensure a highly productive and team oriented workforce</p>	<p>Improve Human Resource (HR) functions with support of ERP automation</p>	<p>Low turnover excluding retirement</p>
			<p>Update 25% of HR Policies</p>
			<p>Begin comprehensive classification study and salary analysis</p>
			<p>Average number of days from close of recruitment to conditional offer is less than 30 days</p>
			<p>Average service years is greater than 4</p>



Administration Department

	Fiscal Year 2019/20		Fiscal Year 2020/21		Fiscal Year 2021/22
	Revised Budget	Actual	Revised Budget	Projection	'First Look' Budget
Non-Operating Revenues:					
Property Taxes	\$ 7,785,000	\$ 8,380,612	\$ 7,789,000	\$ 8,320,000	\$ 8,090,000
Interest Income	275,000	327,748	155,000	262,000	262,000
Miscellaneous Revenues	-	3,719	-	3,000	-
Total Non-Operating Revenues	8,060,000	8,712,079	7,944,000	8,585,000	8,352,000
Total Revenues	\$ 8,060,000	\$ 8,712,079	\$ 7,944,000	\$ 8,585,000	\$ 8,352,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,072,000	\$ 978,218	\$ 1,301,000	\$ 1,249,000	\$ 1,311,000
Benefits-Current Employees	400,000	409,753	576,000	426,000	447,000
Benefits-Retired/Former Emp	21,000	18,610	27,000	18,000	19,000
Salary/Benefits Sub-total	1,493,000	1,406,581	1,904,000	1,693,000	1,777,000
Non-Personnel Expenditures					
Payments to Other Agencies	75,000	71,715	77,000	80,000	84,000
Contract Services	232,000	298,889	100,000	65,000	68,000
Legal	211,000	212,191	190,000	190,000	200,000
Property/Liability Insurance	53,000	53,981	85,000	77,000	108,000
Repairs & Maint- Routine	4,000	236	4,000	-	-
Office/Equipment Rentals	115,000	98,700	118,000	119,000	125,000
Information Technology	95,000	107,287	98,000	90,000	122,000
Financial Service Fees	1,000	374	1,000	1,000	1,000
Operating Expenses	32,000	28,143	33,000	14,000	35,000
Travel and Training	100,000	69,369	103,000	5,000	108,000
Advertising and Promotion	15,000	18,730	15,000	10,000	16,000
Personnel Administration	20,000	6,028	21,000	-	6,000
Memberships & Subscriptions	20,000	12,660	21,000	21,000	22,000
Claims Settlement	100,000	30,000	100,000	-	100,000
Miscellaneous Expend.	1,000	548	-	-	-
Non-Personnel Expend Sub-total	1,074,000	1,008,851	966,000	672,000	995,000
Total Expenditures	\$ 2,567,000	\$ 2,415,432	\$ 2,870,000	\$ 2,365,000	\$ 2,772,000
Revenues less Expenditures	\$ 5,493,000	\$ 6,296,647	\$ 5,074,000	\$ 6,220,000	\$ 5,580,000
One-time Revenues(Expenditures)					
Election Costs (every other year)	\$ -	\$ -	\$ (1,129,000)	\$ (438,000)	-
Capital Expenditures	-	-	(573,745)	(443,109)	(759,636)
Increase(Decrease) to Working Capital	\$ 5,493,000	\$ 6,296,647	\$ 3,371,255	\$ 5,338,891	\$ 4,820,364



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 100% occupancy while Oyster Point Marina averages at 75% occupancy.

Pillar Point Harbor Department






The Pillar Point Harbor (PPH) Department completed the following activities for Fiscal Year 2020/21:

- Completed ADA compliant rehabilitation of the Harbor Master's Office.
- Established new training objectives for deputies with increased accountability by increasing the amount of inhouse staff trainers so that onboarding new staff and recertification is efficient and at the ready.
- Established an assigned dock program to increase dockside safety and cleanliness. This new measure of assignment ensures clear, uncluttered docks for first responders, and environmental safety.
- Added new and improved areas for bicycle storage and security.
- Improved facilities recycling zones with new recycle bins and new concrete pads for ease of use and enhanced containment.
- Completed the new ADA compliant public fishing pier.
- Increased public awareness toward the dangers of walking the shore side and outer breakwater by installing signage at Mavericks Beach and outer break wall east and west ends.
- Increased public awareness of the need to preserve the fragile ecosystems and migratory sea-bird habitat by increased informative signage on West Trail and outer break wall.
- Completed multiple maintenance projects that target priority, value and viability in an ageing infrastructure including dock repairs throughout marina, completed mooring inspections and repainted and tile grouted recreational restroom facilities, and consistently repaired plumbing and electrical service to docks.
- Improved first response vehicle access on Johnson Pier by striping fire lanes and reduced fish buyer's storage at end of pier.
- Established a non-native plant removal program by enlisting a local expert to walk facility with staff to identify non-native plants and receive education on how to eradicate them properly.



- Continued operations and public service during a global pandemic, maintained all essential services for tenants and the public visiting the harbor with full staff. Boat launch ramp was re-opened at full capacity while observing protocols for COVID-19 protection. Provided Personal Protective Equipment for essential staff during COVID-19 pandemic. Kept staff and public safe by contracting additional sanitizing services for all washrooms and office space. Procured Ultraviolet A lights for sanitization of radios, phones, keyboards, and vehicle surfaces.

The following table describes Pillar Point Harbor Department’s Goals, Objectives and Performance Indicators for Fiscal Year 2021/22.

Strategic Goal	Objective	Measure	FY 2021/22 Projected
	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)
	All customers receive excellent service	Customers are satisfied and there are minimal complaints	Staff completes customer facing training.
	Automate Business Processes	Assist in implementation of Enterprise Resource Planning System	Implementation of on-line customer services
	Educate the public toward water and environmental safety	Require registration for kayak and paddleboard users	Contact 60% of users
		Personal flotation device awareness through hosting of youth group	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
		Designate areas for tote bins and at least 16’ of space for Emergency vehicles access.	Written agreement with Fish Buyers
Ensure staff is trained in rescue/aid activities	Respond to rescue/aid requests	Average 200 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



Pillar Point Harbor

	Fiscal Year 2019/20		Fiscal Year 2020/21		Fiscal Year 2021/22
	Revised Budget	Actual	Revised Budget	Projection	'First Look' Budget
Operating Revenues:					
Berth / Slip Fees	\$ 2,009,000	\$ 2,130,421	\$ 2,009,000	\$ 2,127,000	\$ 2,233,000
Leases and CAPs	430,000	420,686	402,000	421,000	442,000
Long-Term Lot /Launch Fees	234,000	155,487	107,000	119,000	125,000
Events	20,000	29,417	28,000	19,000	29,000
Grants & Reimbursements	138,300	32,247	41,000	93,000	99,000
Other Operating Revenue	67,000	47,166	56,000	46,000	48,000
Total Operating Revenues	2,898,300	2,815,424	2,643,000	2,825,000	2,976,000
Non-Operating Revenues:					
Miscellaneous Revenues	4,000	-	-	8,000	-
Total Non-Operating Revenues	4,000	-	-	8,000	-
Total Revenues	\$ 2,902,300	\$ 2,815,424	\$ 2,643,000	\$ 2,833,000	\$ 2,976,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,788,000	\$ 1,639,518	\$ 1,877,000	\$ 1,777,000	\$ 1,866,000
Benefits-Current Employees	770,000	825,354	907,000	691,000	726,000
Benefits-Retired/Former Emp	116,000	105,088	151,000	127,000	133,000
Salary/Benefits Sub-total	2,674,000	2,569,960	2,935,000	2,595,000	2,725,000
Non-Personnel Expenditures					
Utilities	288,000	285,435	297,000	468,000	312,000
Contract Services	168,000	170,015	173,000	165,000	173,000
Legal	68,000	109,126	100,000	394,000	100,000
Property/Liability Insurance	29,000	39,084	46,000	50,000	70,000
Repairs & Maint- Routine	294,000	246,682	303,000	260,000	273,000
Information Technology	50,000	57,075	68,000	79,000	127,000
Financial Service Fees	48,000	42,774	48,000	44,000	46,000
Operating Expenses	193,000	224,532	199,000	291,000	209,000
Travel and Training	44,000	39,393	45,000	16,000	47,000
Advertising and Promotion	21,000	13,804	21,000	2,000	22,000
Personnel Administration	22,000	11,936	22,000	1,000	1,000
Vessel Destruction	146,000	77,690	41,000	132,000	139,000
Memberships & Subscriptions	2,000	338	2,000	1,000	2,000
Bad Debts	60,000	100,441	180,000	98,000	103,000
Miscellaneous Expend.	2,000	6,020	2,000	6,000	6,000
Non-Personnel Expend Sub-total	1,435,000	1,424,345	1,547,000	2,007,000	1,630,000
Total Expenditures	\$ 4,109,000	\$ 3,994,305	\$ 4,482,000	\$ 4,602,000	\$ 4,355,000
Revenues less Expenditures	\$ (1,206,700)	\$ (1,178,881)	\$ (1,839,000)	\$ (1,769,000)	\$ (1,379,000)
One-time Revenues(Expenditures)					
Capital Grants & Reimbursement	431,888	471,805	2,489	65,996	1,126,644
Capital Expenditures	(4,038,980)	(2,254,011)	(1,373,035)	(2,023,182)	(5,951,849)
Increase(Decrease) to Working Capital	\$ (4,813,792)	\$ (2,961,087)	\$ (3,209,546)	\$ (3,726,186)	\$ (6,204,205)



Oyster Point Marina Department

The Oyster Point Marina (OPM) Department completed the following activities for Fiscal Year 2020/21:

- Established new training objectives for deputies with increased accountability.
- Increased dockside safety and cleanliness.
- Replaced electrical panels for docks 12 and 14.
- Completed multiple maintenance projects that target priority, value and viability in an aging infrastructure.
- Continued operations and public service during a global pandemic.
- Continued to monitor and support City of South San Francisco and Kilroy development project.

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

Strategic Goal	Objective	Measure	FY 2021/22 Projected
	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 contract for replacement of Docks 12-14
		Perform maintenance activities	Replace electrical panel on dock 13
			Replace channel navigational aids
			Landscape maintenance including tree replacement
			Repair cleats, replace rub rails, pressure wash docks
	All customers receive excellent service	Customers are satisfied and there are minimal complaints	Staff completes customer facing training
	Automate Business Processes	Assist in implementation of Enterprise Resource Planning System	Implementation of on-line customer services
	Ensure staff is trained in rescue/aid activities	Respond to rescue/aid requests	Average 125 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



Oyster Point Marina

	Fiscal Year 2019/20		Fiscal Year 2020/21		Fiscal Year 2021/22
	Revised Budget	Actual	Revised Budget	Projection	'First Look' Budget
Operating Revenues:					
Berth / Slip Fees	\$ 1,311,000	\$ 1,251,039	\$ 1,245,000	\$ 1,215,000	\$ 1,239,000
Leases and CAPs	122,000	124,163	119,000	112,000	125,000
Long-Term Lot /Launch Fees	16,000	24,432	26,000	21,000	22,000
Events	2,000	1,126	-	-	-
Grants & Reimbursements	61,700	19,104	51,000	51,000	51,000
Other Operating Revenue	30,000	26,737	30,000	25,000	26,000
Total Operating Revenues	1,542,700	1,446,601	1,471,000	1,424,000	1,463,000
Total Revenues	\$ 1,542,700	\$ 1,446,601	\$ 1,471,000	\$ 1,424,000	\$ 1,463,000
Operating Expenditures:					
Salaries/Wages/Benefits Expenditures					
Salaries & Wages	\$ 1,237,000	\$ 1,075,316	\$ 1,299,000	\$ 1,200,000	\$ 1,315,000
Benefits-Current Employees	493,000	494,782	585,000	421,000	452,000
Benefits-Retired/Former Emp	73,000	55,274	95,000	68,000	71,000
Salary/Benefits Sub-total	1,803,000	1,625,372	1,979,000	1,689,000	1,838,000
Non-Personnel Expenditures					
Utilities	108,000	145,179	200,000	133,000	140,000
Contract Services	96,000	86,779	98,000	79,000	83,000
Legal	72,000	6,814	74,000	-	-
Property/Liability Insurance	32,000	43,244	53,000	57,000	79,000
Repairs & Maint- Routine	111,000	110,308	114,000	114,000	120,000
Information Technology	72,000	44,479	45,000	50,000	63,000
Financial Service Fees	29,000	26,363	30,000	26,000	27,000
Operating Expenses	80,000	86,991	82,000	112,000	118,000
Travel and Training	13,000	1,634	26,000	8,000	27,000
Advertising and Promotion	7,000	2,435	8,000	8,000	8,000
Personnel Administration	4,000	2,912	4,000	5,000	5,000
Vessel Destruction	66,000	40,230	51,000	51,000	51,000
Memberships & Subscriptions	1,000	338	1,000	1,000	1,000
Bad Debts	28,000	34,075	84,000	85,000	89,000
Miscellaneous Expend.	2,000	1,237	2,000	2,000	2,000
Non-Personnel Expend Sub-total	721,000	633,018	872,000	731,000	813,000
Total Expenditures	\$ 2,524,000	\$ 2,258,390	\$ 2,851,000	\$ 2,420,000	\$ 2,651,000
Revenues less Expenditures	\$ (981,300)	\$ (811,789)	\$ (1,380,000)	\$ (996,000)	\$ (1,188,000)
One-time Revenues(Expenditures)					
Capital Grants & Reimbursements	\$ 36,710	\$ 34,221	\$ 2,489	\$ 2,490	\$ -
Capital Expenditures	(126,986)	(48,257)	(729,184)	(552,480)	(293,400)
Increase(Decrease) to Working Capital	\$ (1,071,576)	\$ (825,825)	\$ (2,106,695)	\$ (1,545,990)	\$ (1,481,400)



SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM



Five-Year Forecasts

CIP COST ESTIMATES	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Pillar Point Harbor	\$ 2,023,182	\$ 5,951,849	\$ 260,000	\$ 110,000	\$ 110,000	\$ 1,046,000
Oyster Point Marina	552,480	293,400	6,125,000	-	-	-
Administration	443,109	759,636	51,450	54,023	2,056,724	59,560
TOTAL	\$ 3,018,771	\$ 7,004,885	\$ 6,436,450	\$ 164,023	\$ 2,166,724	\$ 1,105,560
FUNDING SOURCES	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2024/25
FEMA Funding	\$ 63,507	\$ 28,644	\$ -	\$ -	\$ -	\$ -
DBW Grant	4,979	800,000	-	-	-	-
MTC Grant	-	298,000	-	-	-	-
Working Capital	2,950,285	5,878,241	6,436,450	164,023	2,166,724	1,105,560
TOTAL	\$ 3,018,771	\$ 7,004,885	\$ 6,436,450	\$ 164,023	\$ 2,166,724	\$ 1,105,560
SOURCES (USES)	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Working Capital- Beginning Balance	\$ 20,156,310	\$ 20,223,025	\$ 17,357,784	\$ 12,879,334	\$ 14,560,311	\$ 12,822,587
Operating Revenue	4,249,000	4,439,000	4,439,000	4,439,000	4,439,000	4,439,000
Non-Operating Revenue	8,593,000	8,352,000	8,268,000	8,186,000	8,104,000	8,023,000
Salaries/Wages & Benefits	(5,977,000)	(6,340,000)	(6,657,000)	(6,990,000)	(7,339,000)	(7,706,000)
Non-Personnel Expenditures	(3,410,000)	(3,438,000)	(3,610,000)	(3,790,000)	(3,980,000)	(4,179,000)
One-Time/Biennial	(438,000)	-	(482,000)	-	(795,000)	-
Annual Increase in Working Capital	3,017,000	3,013,000	1,958,000	1,845,000	429,000	577,000
Working Capital used for CIP	(2,950,285)	(5,878,241)	(6,436,450)	(164,023)	(2,166,724)	(1,105,560)
Encumbrances						
Encumbrances Released			-	-	-	-
TOTAL ENDING WORKING CAPITAL	\$ 20,223,025	\$ 17,357,784	\$ 12,879,334	\$ 14,560,311	\$ 12,822,587	\$ 12,294,027
MINIMUM REQUIRED RESERVES	\$ 2,401,500	\$ 2,444,500	\$ 2,627,000	\$ 2,695,000	\$ 2,929,125	\$ 2,971,250

Working Capital

The five-year Working Capital projection assumes the following: 1) Operating Revenues will not increase for the next five years, 2) Non-Operating Revenues will decrease due to expected drop in interest income and decrease in Property Tax Revenue by 1% each year, 3) Salary/Wages and Benefits will increase by 5% each year; and 4) Non-Personnel Expenditures will increase 5% each year.

The FY 2020/21, FY 2022/23, and FY 2024/25 include estimates of the biennial election costs. This 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.












Encumbrances are a reserve of funds set aside for a particular contract. See page 72-73 for details. **(details will be updated for the final budget)**

CAPITAL IMPROVEMENT PROJECTS










The CIP projects have been prioritized 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. A public forum was held May 14, 2020, encouraging the public and stakeholders to learn more about the CIP priorities, ask questions and provide input by participating in the District's Virtual Community Forum (VCF). In addition, the public had an opportunity to fill out an online survey to rate the projects that they would like to see completed. Following are the



projects that have been determined to have the highest priority using the above criteria and are expected to be funded by available Working Capital:










- 1)  Tenant Row/Ketch Joanne Tenant Row Restrooms (legally required)
- 2)  RV Park Restroom and Greenspace Improvements (legally required to comply with Coastal Development Permit)
- 3)  Oyster Point Marina Survey Docks 1-6 (required by agreement)
- 4)  Oyster Point Marina Replace Docks 12, 13 & 14 (required by agreement)
- 5)  Surfers Beach Restoration/Harbor Dredge Project (environmental benefit, uniform depth for PPH anchorage/ramp)
- 6)  West Trail Shoreline Protection (environmental benefit, enhance safety, access to Mavericks Beach)
- 7)  Enterprise Planning Resource System (network safety/security and provides District wide benefits)
- 8)  Replacement of Vessels and Vehicles (enhances safety)
- 9)  Master Plan (provides District-wide benefits)
- 10)  Construction of Administration Building
- 11)  Oyster Point Marina Replace Navigational Aids

The following Capital Improvement Projects will be completed once funding sources are identified.

- 1)  Pillar Point Harbor Replace Dock G, F or E
- 2)  Johnson Pier Reconfiguration, H-Dock & Fuel Dock Replacement
- 3)  Pillar Point Harbor Parking Lot Improvements
- 4)  Access Ramps for Docks 1 through 6, Oyster Point Marina
- 5)  Pillar Point Harbor Launch Ramp Restroom/ Boat Wash
- 6)  Pillar Point Habitat Restoration
- 7)  Pillar Point Coastal Trail Improvement
- 8)  Oyster Point Marina 40,000 Square Foot Parcel Building
- 9)  Signage/Wayfinding Program

The following projects were completed or mostly completed in Fiscal Year 2020/21 and are included to show estimated costs for Fiscal Year 2020/21. These projects will have minimal or no impact to the five-year CIP.



- 1)   Fishing Pier Repair & Access Walkway Rehabilitation (completed)
- 2)   Harbor Master's Office Renovation Project (completed)
- 3)      Launch Ramp Dredge (completed except for cost to store sand)



Five-Year CIP Detail- Funded Projects

The CIP projects have been 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. The following projects are listed in order starting from the highest priority project using the above criteria and these eleven projects are all expected to be funded by available Working Capital.

- 1) Tenant Row/Ketch Joanne Tenant Row Restrooms [page 47]
- 2) RV Park Restroom and Greenspace Improvements [page 48]
- 3) Oyster Point Marina Survey Docks 1-6 [page 49]
- 4) Oyster Point Marina Replace Docks 12, 13 & 14 [page 50]
- 5) Surfers Beach Restoration/Harbor Dredge Project [page 51]
- 6) West Trail Shoreline Protection (environmental benefit, enhance safety, access to Mavericks Beach) [page 52]
- 7) Enterprise Planning Resource System (network safety/security and provides District wide benefits) [page 53]
- 8) Replacement of Vessels and Vehicles (enhances safety) [page 54]
- 9) Master Plan (provides District-wide benefits) [page 55]
- 10) Construction of Administration Building [page 56]
- 11) Oyster Point Marina Replace Navigational Aids [page 57]

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, 2021 is \$17,778,525 (\$20,223,025 less required reserve of \$2,444,500), plus over the next five years an additional \$7,822,000 from revenues expected to exceed expenditures for a total of \$25,600,525. The total amount of estimated funding needed for priority projects over the next five-fiscal years is \$16,877,642, of which \$1,126,644 is expected to come from grants with the balance of \$15,750,998 being funded by available Working Capital.

Detail of the above listed projects is provided on the next 11 pages.



PROJECT TITLE: TENANT ROW/KETCH JOANNE ADA RESTROOMS

Project Location:	Pillar Point Harbor	Status:	Not started
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	Winter 2021		

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	\$ 115,375	\$ -	\$ -		\$ -	\$ -	\$ 129,800
Construction	-	-	673,205		-			673,205
TOTAL	\$ 14,425	\$ 115,375	\$ 673,205	\$ -	\$ -	\$ -	\$ -	\$ 803,005

Source(s) of Funds

Working Capital	\$ 14,425	\$ 115,375	\$ 673,205	\$ -	\$ -	\$ -	\$ -	\$ 803,005
TOTAL	\$ 14,425	\$ 115,375	\$ 673,205	\$ -	\$ -	\$ -	\$ -	\$ 803,005



PROJECT TITLE: RV PARK RESTROOM

Project Location:	Pillar Point Harbor	Status:	Design/Engineering & Permitting
Initial Funding:	4/11/2019	Account Number:	920-000
Estimated Completion:	Summer 2022		

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. An RFP for design/engineering closed 10/7/19. Proposals are in review.

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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/Engineering	\$ 35,788	\$ 225,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,215
Construction	-	-	1,000,000	-	-	-	-	1,000,000
Maintenance & Operating Cost	-	-	-	10,000	10,000	10,000	10,000	40,000
TOTAL	\$ 35,788	\$ 225,427	\$ 1,000,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,301,215

Source(s) of Funds								
MTC Grant	\$ -	\$ -	\$ 298,000	\$ -	\$ -	\$ -	\$ -	\$ 298,000
Working Capital	35,788	225,427	702,000	10,000	10,000	10,000	10,000	1,003,215
TOTAL	\$ 35,788	\$ 225,427	\$ 1,000,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,301,215



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 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	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	Prior Years	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
TOTAL	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000



PROJECT TITLE: REPLACE DOCK 12, 13 & 14

Project Location:	Oyster Point Marina	Status:	Design & Engineering
Initial Funding:	11/18/2020	Account Number:	n.a.
Estimated Completion:	Summer 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 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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/Engineering	\$ -	\$ 268,400	\$ 268,400	\$ -	\$ -	\$ -	\$ -	\$ 536,800
Construction	-			6,000,000	-			6,000,000
TOTAL	\$ -	\$ 268,400	\$ 268,400	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,536,800
Source(s) of Funds								
Working Capital	\$ -	\$ -	\$ 268,400	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,536,800
TOTAL	\$ -	\$ -	\$ 268,400	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,536,800



PROJECT TITLE: SURFERS BEACH RESTORATION

Project Location:	Pillar Point Harbor	Status:	Technical Specs & Permitting in Progress
Initial Funding:	11/16/2017	Account Number:	912-500
Estimated Completion:	Summer 2022		

DESCRIPTION:

To address coastal erosion and public access at Surfers Beach by using sand in the boat launch area to replenish the beach.

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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/ Engineering	\$ 169,862	\$ 145,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,380
Eel Grass Remediation		500,000						500,000
Construction	-	-	3,000,000	-	-	-	-	3,000,000
TOTAL	\$ 169,862	\$ 645,518	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,815,380

Source(s) of Funds

OPC Grant	\$ 75,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
DBW Grant	-	-	800,000		-	-	-	800,000
Working Capital	94,862	645,518	2,200,000	-	-	-	-	2,940,380
TOTAL	\$ 169,862	\$ 645,518	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,815,380



PROJECT TITLE: WEST TRAIL SHORELINE PROTECTION

Project Location:	Pillar Point Harbor	Status:	Design, Eng. & Permitting/Bid Docs issued
Initial Funding:	4/4/2016	Account Number:	930-200
Estimated Completion:	Winter 2021		

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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/ Engineering	\$ 982,597	\$ 184,260	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,666,857
Construction	-	750,000	1,250,000	-	-	-	-	2,000,000
TOTAL	\$ 982,597	\$ 934,260	\$ 1,350,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 3,666,857

Source(s) of Funds								
Working Capital	\$ 982,597	\$ 934,260	\$ 1,350,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 3,666,857
TOTAL	\$ 982,597	\$ 934,260	\$ 1,350,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 3,666,857



PROJECT TITLE: ENTERPRISE RESOURCE PLANNING SYSTEM

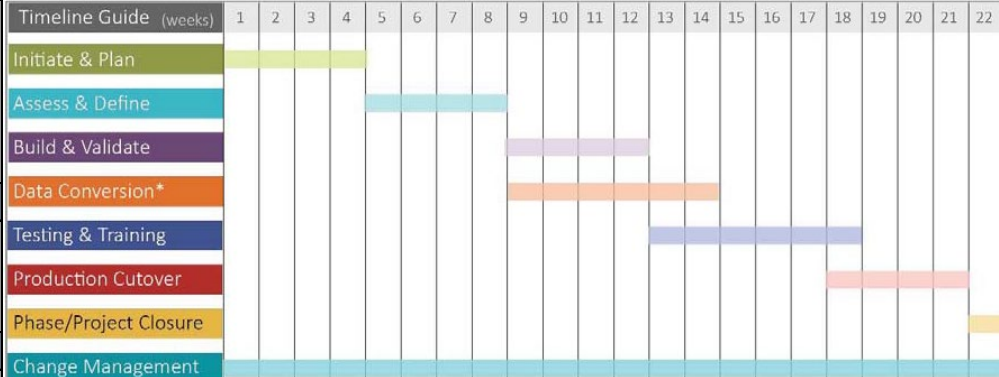
Project Location:	District-wide	Status:	Initiate & Plan Phase
Initial Estimate:	1/5/2021	Account Number:	n.a.
Estimated Completion:	Summer 2022		

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 work space.

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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 24-25	Total ALL FY
Software	\$ -	\$ -	\$ 49,000	\$ 51,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 270,756
Temp Employees & Misc.	-	200,000	200,000	-	-	-	-	400,000
Tyler Tech Contract	-	60,000	130,636	-	-	-	-	190,636
TOTAL	\$ -	\$ 260,000	\$ 379,636	\$ 51,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 861,392

Source(s) of Funds								
Working Capital	\$ -	\$ 260,000	\$ 379,636	\$ 51,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 861,392
TOTAL	\$ -	\$ 260,000	\$ 379,636	\$ 51,450	\$ 54,023	\$ 56,724	\$ 59,560	\$ 861,392



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 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Vehicles	\$ 29,200		\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 129,200
Vessels/ Electronics	139,543	44,883	-	-	-	-	936,000	1,120,426
Golf/Dump Cart	-	-	25,000	75,000	-	-	-	100,000
TOTAL	\$ 168,743	\$ 44,883	\$ 25,000	\$ 175,000	\$ -	\$ -	\$ 936,000	\$ 1,349,626

Source(s) of Funds								
BSEE Grant	\$ 68,441	\$ 4,979		-				\$ 73,420
Working Capital	100,302	39,904	25,000	175,000	-	-	936,000	1,276,206
TOTAL	\$ 168,743	\$ 44,883	\$ 25,000	\$ 175,000	\$ -	\$ -	\$ 936,000	\$ 1,349,626



PROJECT TITLE: MASTER PLAN

Project Location:	District-wide	Status:	Not started
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	Winter 2021		

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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 24-25	Total ALL FY
Design/ Engineering	\$ -	\$ 183,109	\$ 200,000	\$ -		\$ -	\$ -	\$ 383,109
Construction	-	-	-		-			-
TOTAL	\$ -	\$ 183,109	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 383,109

Source(s) of Funds

Working Capital	\$ -	\$ 183,109	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 383,109
TOTAL	\$ -	\$ 183,109	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 383,109



PROJECT TITLE: CONSTRUCTION OF ADMINISTRATION BUILDING

Project Location:	El Granada	Status:	Design/Engineering Proposals in review
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	based on available funding		

DESCRIPTION:

Develop new District Administrative offices with community center meeting space that is ADA compliant.

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.
Maintenance and possibly borrowing costs are expected to be funded by current lease payments.



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	\$ -	\$ -	\$ 180,000	\$ -	\$ -		\$ -	\$ 180,000
Construction	-	-	-	-	-	2,000,000	-	2,000,000
TOTAL	\$ -	\$ -	\$ 180,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,180,000

Source(s) of Funds

Lease Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,300	\$ 120,300
Working Capital	-	-	180,000	-	-	2,000,000	-	2,180,000
TOTAL	\$ -	\$ -	\$ 180,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,180,000



PROJECT TITLE: NAVIGATIONAL AID REPLACEMENT

Project Location:	OPM	Status:	Design, Engineering & Permitting
Initial Funding:	11/18/2020	Account Number:	n.a.
Estimated Completion:	Summer 2021		

DESCRIPTION:
 Replace two Navigational Aids.



JUSTIFICATION:
 Navigational Aids are 22 years old and have exceeded their useful life.



STRATEGIC GOAL/OPERATING IMPACT:
 1) Provide Excellent Customer Service
 2) Enhance Public Safety
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
Design/ Engineering	\$ -	\$ 82,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,396
Construction	-	200,000	-	-	-	-	-	200,000
TOTAL	\$ -	\$ 282,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,396

Source(s) of Funds								
Working Capital	-	282,396	-	-	-	-	-	282,396
TOTAL	\$ -	\$ 282,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,396



Projects Postponed - Funding To Be Identified

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

- 1) Pillar Point Harbor Replace Dock G, F or E [page 59]
- 2) Johnson Pier Reconfiguration, H-Dock & Fuel Dock Replacement [page 60]
- 3) Pillar Point Harbor Parking Lot Improvements [page 61]
- 4) Access Ramps for Docks 1 through 6, Oyster Point Marina [page 62]
- 5) Pillar Point Harbor Launch Ramp Restroom/ Boat Wash [page 63]
- 6) Pillar Point Habitat Restoration [page 64]
- 7) Pillar Point Coastal Trail Improvement [page 65]
- 8) Oyster Point Marina 40,000 Square Foot Parcel Building [page 66]
- 9) Signage/Wayfinding Program [page 67]



PROJECT TITLE: REPLACE DOCK G, F, E

Project Location:	Pillar Point Harbor	Status:	Not started
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 20-21	Future Year Estimates				Total ALL FY	
Design/ Engineering	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 600,000
Construction	-	-	-	-	3,000,000	3,000,000	3,000,000	9,000,000
TOTAL	\$ -	\$ -	\$ -	\$ 200,000	\$ 3,200,000	\$ 3,200,000	\$ 3,000,000	\$ 9,600,000
Source(s) of Funds								
Not Funded	\$ -	\$ -	\$ -	\$ 200,000	\$ 3,200,000	\$ 3,200,000	\$ 3,000,000	\$ 9,600,000
TOTAL	\$ -	\$ -	\$ -	\$ 200,000	\$ 3,200,000	\$ 3,200,000	\$ 3,000,000	\$ 9,600,000



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

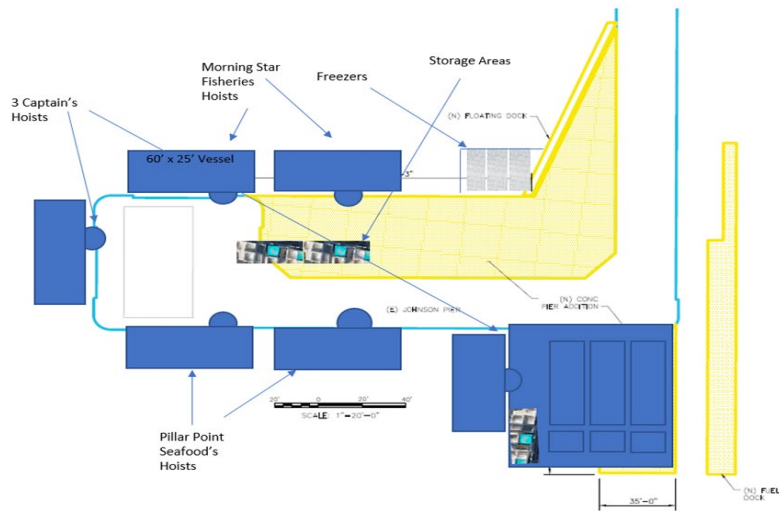
Project Location:	Pillar Point Harbor	Status:	Design/Engineering & Permitting
Initial Funding:	3/15/2017	Account Number:	912-003
Estimated Completion:	based on available funding		

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.

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



Expenditures	Prior Years	FY 20-21	Future Year Estimates					Total ALL FY
Design/Engineering	\$ 224,506	\$ 7,234		\$ 1,229,961	\$ -	\$ -	\$ -	\$ 1,461,701
Construction	-	-	-	7,000,000	7,000,000	-	-	14,000,000
TOTAL	\$ 224,506	\$ 7,234	\$ -	\$ 8,229,961	\$ 7,000,000	\$ -	\$ -	\$ 15,461,701

Source(s) of Funds								
Additional Revenue Generated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,000	\$ 141,000	\$ 278,000
Working Capital	224,506	7,234	\$ -					231,740
Not Funded				8,229,961	7,000,000	(137,000)	(141,000)	14,951,961
TOTAL	\$ 224,506	\$ 7,234	\$ -	\$ 8,229,961	\$ 7,000,000	\$ -	\$ -	\$ 15,461,701



PROJECT TITLE: PARKING LOT IMPROVEMENTS

Project Location:	Pillar Point Harbor	Status:	Not Started
Initial Funding:	n.a.	Account Number:	909-000
Estimated Completion:	based on available funding		

DESCRIPTION:

Slurry & stripe parking Lots B, C1, C2, & C3. Include additional crosswalks, and install 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 20-21	Future Year Estimates					Total ALL FY
Design/Engineering	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Construction	-	-	-	600,000	-	-	-	600,000
TOTAL	\$ -	\$ -	\$ 80,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 680,000
Source(s) of Funds								
Not Funded	\$ -	\$ -	\$ 80,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 680,000
TOTAL	\$ -	\$ -	\$ 80,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 680,000



PROJECT TITLE: OYSTER POINT MARINA WEST BASIN RAMP IMPROVEMENTS

Project Location:	Oyster Point Marina	Status:	n.a.
Initial Funding:	n.a.	Account Number:	912-005
Estimated Completion:	n.a.		

DESCRIPTION:
 Replacement of existing entrance ramps (three total serving Docks 1 through 6) in the West Basin of Oyster Point Marina.

JUSTIFICATION:
 Due to sea level rise and landfill subsidence, the landings for Docks 1-6 are inundated during King Tides.

The current ramps for Docks 1-6 are not ADA

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



Expenditures	FY 19-20	FY 20-21	Future Year Estimates					Total ALL FY
Design/ Engineering	\$ 8,922	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 108,922
Construction					600,000	600,000		1,200,000
TOTAL	\$ 8,922			\$ 100,000	\$ 600,000	\$ 600,000	\$ -	\$ 1,308,922
Source(s) of Funds								
Funded	8,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,922
Not Funded	-			100,000	600,000	600,000		1,300,000
TOTAL	\$ 8,922	\$ -	\$ -	\$ 100,000	\$ 600,000	\$ 600,000	\$ -	\$ 1,308,922



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:	based on available funding		

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 19-20	Future Year Estimates					Total ALL FY
Design/Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Construction	-	-	-	-	-	-	1,500,000	1,500,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 1,500,000	\$ 1,700,000
Source(s) of Funds								
Not Funded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 1,500,000	\$ 1,700,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 1,500,000	\$ 1,700,000



PROJECT TITLE: HABITAT RESTORATION

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

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 20-21	Future Year Estimates				Total ALL FY
Design/Engineering	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Construction	-	-	350,000	-	-	-	350,000
TOTAL	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000

Source(s) of Funds							
Not Funded	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
TOTAL	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000



PROJECT TITLE: COASTAL TRAIL IMPROVEMENT

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

DESCRIPTION:

Improve the portion of the Coastal Trail that goes through District property.

JUSTIFICATION:

Easy and clear routing will make the trail more accessible.

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	Future Year Estimates				Total ALL FY	
Design/ Engineering	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Construction	-	-	175,000	-	-	-	-	175,000
TOTAL	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Source(s) of Funds								
Not Funded	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
TOTAL	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000



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 20-21	Future Year Estimates				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



PROJECT TITLE: SIGNAGE/WAYFINDING PROGRAM

Project Location:	OPM & PPH	Status:	not started
Initial Funding:	n.a.	Account Number:	n.a.
Estimated Completion:	based on available funding		

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 20-21	Future Year Estimates						Total ALL FY
Design/ Engineering/ Construction	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000

Source(s) of Funds	Prior Years	FY 20-21	Future Year Estimates						Total ALL FY
Not Funded	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000



Five-Year CIP Detail- Completed in FY 2020/21

The following projects were completed or mostly completed in Fiscal Year 2020/21 and are included to show estimated costs for Fiscal Year 2020/21. These projects will have minimal or no impact to the five-year CIP.

- 1) Fishing Pier Repair & Access Walkway Rehabilitation (completed) [page 69]
- 2) Harbor Master's Office Restoration Project (completed) [page 70]
- 3) Launch Ramp Dredge (completed except for cost to store sand) [page 71]



PROJECT TITLE: FISHING PIER REPAIR AND ACCESS WALKWAY REHABILITATION

Project Location:	Pillar Point Harbor	Status:	Complete
Initial Funding:	10/18/2017	Account Number:	912-001
Completed:	August 2020		

DESCRIPTION:

Replace rip rap, decking and safety hand railings.

JUSTIFICATION:

The Fishing Pier has suffered substantial erosion in places along its breakwater foundation support. The rip rap must be replaced before structural damage occurs. The repairs will be completed to be in compliance with ADA.

STRATEGIC GOAL(S)/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	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/ Engineering	\$ 90,488	\$ 8,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,900
Construction	550,928	-	-	-	-	-	-	550,928
TOTAL	\$ 641,416	\$ 8,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 649,828

Source(s) of Funds

Working Capital	641,416	8,412	-	-	-	-	-	649,828
-----------------	---------	-------	---	---	---	---	---	---------



PROJECT TITLE: HARBOR MASTER'S OFFICE RESTORATION

Project Location:	Pillar Point Harbor	Status:	Completed
Initial Funding:	12/20/2017	Account Number:	940-051
Estimated Completion:	November 2020		

DESCRIPTION:
 This project will improve workplace safety and public access and ensure ADA compliance.

JUSTIFICATION:
 Current floor plan and front entry configuration is not ADA compliant, lacks open connectivity between work stations, and is not best suited for security concerns.

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	FY 23-24	FY 24-25	FY 25-26	Total ALL FY
Design/ Engineering	\$ 57,954	\$ 5,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,858
Construction	368,409	82,758	-	-	-	-	-	451,167
TOTAL	\$ 426,363	\$ 88,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,025

Source(s) of Funds								
Working Capital	\$ 426,363	\$ 88,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,025
TOTAL	\$ 426,363	\$ 88,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 515,025



PROJECT TITLE: LAUNCH RAMP DREDGE

Project Location:	Pillar Point Harbor	Status:	Dredge Completed/ continue storing sand
Initial Funding:	1/18/2017	Account Number:	940-089
Estimated Completion:	December 2021		

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 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 24-25	Total ALL FY
Design/ Engineering	\$ 114,439	\$ 6,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,658
Dredging	342,866	-	-	-	-	-	-	342,866
Storage	54,000	57,288	28,644	-	-	-	-	139,932
TOTAL	\$ 511,305	\$ 63,507	\$ 28,644	\$ -	\$ -	\$ -	\$ -	\$ 603,456

Source(s) of Funds

FEMA/ CalOES	\$ 511,305	\$ 63,507	\$ 28,644	\$ -	\$ -	\$ -	\$ -	\$ 603,456
TOTAL	\$ 511,305	\$ 63,507	\$ 28,644	\$ -	\$ -	\$ -	\$ -	\$ 603,456



CIP Appropriations & Estimated Encumbrance Re-appropriations

(this section will be updated for the final budget presentation)

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 **\$xxx** of each of the projects 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 Erosion Protection Project may be completed by June 30, 2020 and the actual open amount may be \$0 instead of \$200,166. 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 or Released (to be updated)

Project	Approval Date(s)	Contractor	Original Contract	Change Orders	Total Contract	Estimated Spending thru 6/30/20	Estimated Encumbrance Re-appropriation
West Trail Erosion Protection	04/04/16 11/01/17 04/17/19	GHD, Inc	\$184,086	\$249,722 \$618,145	\$1,051,953	\$851,787	\$200,166
Surfers Beach Replenishment	11/07/15 04/17/19 04/15/20	Damitz	\$50,000	\$56,000 \$64,500	\$170,500	\$102,850	\$67,650
Surfers Beach Replenishment	09/19/18	Environmental Science	\$105,000	-	\$105,000	\$72,218	\$32,782
Surfers Beach Replenishment	10/9/18 04/11/19	Kinetic Labs	\$24,800	\$15,080	\$39,880	\$35,543	\$4,337
Johnson Pier Pile Repairs	03/20/19	Moffatt & Nichol	\$42,300	-	\$42,300	\$29,892	\$12,408
Johnson Pier Pile Repairs	12/18/19	DRS Marine Inc	\$38,253	-	\$38,253	\$34,775	\$3,478
PPH RV Park Restroom	04/11/19	John Matthews Architects	\$13,000	-	\$13,000	\$10,132	\$2,868
PPH RV Park Restroom	4/15/20	Questa Engineering	\$248,215	-	\$248,215	-	\$248,215
PPH Office Remodel	12/20/17 12/18/19 06/4/20	John Matthews Architects	\$34,100	\$20,000 \$7,200	\$61,300	\$53,147	\$8,153
PPH Office Remodel	12/18/19 4/2/2020	CWS Construction	\$413,600	\$60,000	\$473,600	\$368,409	\$105,191



Johnson Pier & H-Dock Replacement Postponed	03/15/17 03/20/19	Moffatt & Nichol Release Encumbrance	\$143,700	\$1,318,000	\$1,461,700	\$224,506	\$1,237,194 \$(1,237,194)
Launch Ramp Dredge	01/18/18	Moffatt & Nichol	\$24,900	-	\$24,900	\$24,900	-
Launch Ramp Dredge	01/18/17 04/17/19	Damitz	\$13,993	\$47,700	\$61,693	\$60,675	\$1,018
Launch Ramp Dredge	6/19/19	Dixon Marine	\$344,481		\$344,481	\$344,481	-
Fishing Pier Rehab	10/18/17 11/25/19	Moffatt & Nichol	\$82,600	\$13,300	\$95,900	\$87,489	\$8,411
Fishing Pier Rehab	08/21/19 12/18/19 01/01/20	Valentine Corp.	\$427,369	\$97,550 \$42,737	\$567,656	\$550,927	\$16,729
ADA Tenant Row Restroom	12/31/19 02/19/20	John Matthews Architects	\$10,000	\$11,000	\$21,000	\$19,425	\$1,575
Administration Building	Committed Reserve Balance to be Released						218,486 (218,486)
TOTAL ESTIMATED RE-APPROPRIATION							\$712,981



SECTION THREE- POLICIES & DEFINITIONS



District Policies and Guidelines

Reserve Policy

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

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

The District will maintain a minimum of 25% of annual operating budget appropriations, adjusted to include 50% of biennial appropriations (e.g. election costs) or \$2,420,750 for 2021/22 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, 2019 through June 30, 2020, of about \$240.5 billion (per County's Tax Rate Book), making the debt limit approximately \$9.0 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 2021/22 revenue is \$12,791,000, which would allow the District to issue debt with combined principal and interest payments of no more than \$3,197,750.

The District does not have any outstanding debt.



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 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.

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.

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.