



MEMORANDUM

TO: Board of Commissioners

FROM: Steve McGrath, Harbor Manager
Julie van Hoff, Business Manager
Heather Zacker, Accountant

DATE: June 24, 2014

SUBJECT: **Fiscal Year 2014/15 Final Budget, Adopt Final Budget;
Resolution 14-08**

Recommendation / Proposed Motion

- Recommendation: Approve Final Budget for Fiscal Year 2014/15.
- Motion: Adopt Resolution 14-08 approving the Final Budget for Fiscal Year 2014/15.

Policy Implications

District Policy 3020 and 3022 provide guidance for development of the annual budget.

District policy 3022 establishes Fiscal Goals for the District.

Fiscal Implications / Budget Status

The District's annual budget is the main fiscal planning tool used throughout the year. The Consolidated 2014/15 budget shows a balanced budget. Funding of major maintenance and capital projects uses \$298,000 of current year profit, anticipated grant funding of \$574,000 and \$180,000 in prior year specified reserves. In addition, the budget utilizes \$45,000 in prior year specified reserves towards the cost of the 2014 election.

Alternatives Considered

The following actions were considered but are not recommended at this time:

- None at this time.

Discussion

The proposed 2014/15 Final Budget for Port San Luis Harbor District is presented for your consideration. This budget is a result of detailed analysis and forecasting techniques which involved active participation of the Harbor Manager, Facilities

Department, Harbor Patrol Department, Business Department, interested members of the community, and the Harbor Commissioners.

The first draft preliminary budget was presented to the Harbor Commission on March 25, 2014, the second draft was presented to the Finance Committee on April 10, 2014 the third draft was presented to the Harbor Commission on April 22, 2014 for adoption. On May 27, 2014 staff presented proposed changes to the adopted Preliminary Budget.

The Harbor Commission directed staff to start the recruitment process for the Chief Harbor Patrol Officer at the May 27, 2014 meeting prior to completion of the comprehensive Harbor Patrol review. The proposed Final Budget includes increased expenditures related to this direction. The District also received additional information related to 2014/15 property taxes, redevelopment agency fees (RDA) and other post-employment benefit (OPEB) costs and incorporated this information into the budget.

The chart below summarizes the differences between the adopted Preliminary Budget and the Final Budget.

	Increase/Decrease in Operating Reserves	Specified Reserve Usage
Per Preliminary Budget	\$ -	\$ 247,000
Increase Property Tax Revenue per County estimates:	50,000	
Increase in Salaries, Wages & Benefits, Recruitment for CHPO & HPO I:	(34,800)	
Increase in OPEB per actuarial assumption completed 5/14:	(5,000)	
Increase in Telephone for MDCs:	(2,200)	
Increase in RDA fees per County estimates:	(7,000)	
Increase in Budget Contingency (2% of increased revenues):	(1,000)	
Remove sewer lift station project	-	(22,000)
Revised Operating/Specified Reserve Usage:	\$ -	\$ 225,000

Total final budget revenues of \$4,574,500 exceed total operating expenditures (not including major maintenance and capital project costs) of \$4,276,500 by \$298,000. Funding of major maintenance and capital projects uses the \$298,000 of current year profit, anticipated grant funding of \$574,000 and \$180,000 in prior year specified reserves. In addition, the budget utilizes \$45,000 in prior year specified reserves towards the cost of the 2014 election.

Staff recommends the approval and adoption of the Final Budget for fiscal year 2014/15.

- Attachment(s): 1. 2014/15 Final Budget (proposed)
 2. Resolution 14-08