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June 28, 2016

Port San Luis Harbor District Board of Commissioners
P.O Box 249
3950 Avila Beach Dr.
Avila Beach, CA 93424

Re: 2016-17 Port San Luis Harbor District Budget

Dear President Kirk, Honorable Commissioners:

It is my pleasure to present the 2016-2017 Operating and Capital Improvement Budget for the Port San Luis Harbor District. This budget represents the District's financial plan for the upcoming fiscal year.

The purpose of the budget document is to provide a comprehensive picture of proposed operations for the budget year. The budget defines how we operate as a District and helps to set our priorities based on our goals and objectives. It provides the means to fund ongoing maintenance and improvements as well as the training and equipment needs of the employees. The budget helps provide the most effective control by the Harbor Commission over the expenditure of public funds while providing staff with the opportunity to highlight various issues within the District.

The budget is a result of a detailed review of the District's operations by the Harbor Commission, and District staff. It has been built on conservative financial principals reflecting the District's commitment to providing superior service while keeping expenditures to a minimum.

In addition to outlining the District's financial plan, this budget is the practical implementation of the goals in the District's mission statement, to 'serve the public' and to ensure a 'financially sustainable harbor that preserves our marine character and heritage'.

Respectfully submitted,

Andrea Lueker
Harbor Manager



2016/17 Operating and Capital Budget

July 1, 2016-June 30, 2017



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Port San Luis Harbor District, California** for its annual budget for the fiscal year beginning **July 1, 2015**. 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Port San Luis Harbor District
California**

For the Fiscal Year Beginning

July 1, 2015

Executive Director



*Note: Hyperlinks are active

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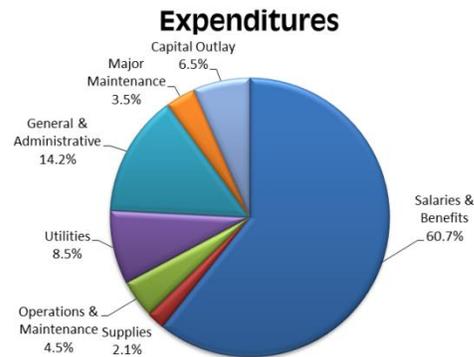
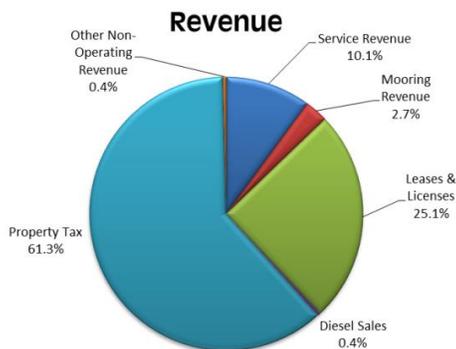
Budget at a Glance



Budgetary Highlights

Budget Summary		Comparison to 2015/16 Projections				
Operating Revenue	\$1,974,400	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	3.2%
Non-Operating Revenue	3,179,500	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	3.3%
Operating Expenditures	(4,911,500)	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	8.4%
Major Maintenance and Capital Projects (net of grant funding)	(547,500)	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	9.4%
Net Income (Loss)	(305,100)	<input type="checkbox"/>	Increase	<input checked="" type="checkbox"/>	Decrease	686.3%
Prior Year Specified Reserve Usage	345,800	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	19.7%
Specified Reserve Funding	\$0	<input type="checkbox"/>	Increase	<input checked="" type="checkbox"/>	Decrease	100.0%
Increase (Decrease) in Operating Reserves	\$40,700	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	

- The 2016/17 budget utilizes \$345,800 in prior year specified reserves to fund major maintenance and capital asset purchases and improvements. The budget places \$40,700 in operating reserves.
- Operating revenue is budgeted to increase 3.2% compared to 2015/16 projections. The Budget includes increased revenues related to fee increases in the Avila parking lot, RV camping, moorings, boat storage and Coastal Gateway room rental.
- Non-Operating Revenue is budgeted to increase 3.3% compared to 2015/16 projections primarily due to the increase in Property Tax revenues. See pages 27-29 for further detail on revenue.
- Operating expenditures are budgeted to increase 8.4% compared to 2015/16 projections. The increase is largely due to 2016 election costs. Salaries, Wages and Benefits are budgeted to increase 5.6% partially due to increasing health insurance and worker's compensation insurance costs. The budget includes funding for a new Harbor Patrol reserve program as well as additional funding for advocacy. The District anticipates using \$90,000 in specified reserves to fund a portion of the operating expenditures. Additional detail on operating expenditures can be found on page 30.
- The District anticipates revenues exceeding operating expenditures by \$242,400 which will be used to fund a portion of Major Maintenance and Capital Projects costs of \$961,000. Additional major maintenance and capital project costs will be funded using \$255,800 in specified reserves and \$413,500 in anticipated grants. See pages 41-45 for further major maintenance and capital project detail.





Priorities and Issues

The Harbor Commission adopted the following Mission Statement on February 25, 2014.

“To serve the public with an array of commercial and recreational boating, fishing, and coastal-related opportunities, while ensuring an environmentally responsible, safe, well-managed, and financially sustainable harbor that preserves our marine heritage and character.”

Following are District goals in support of the above mission statement and the departments responsible for working to achieve these goals:

	Admin.	Fac.	HP
• Provide for commercial and recreational boating and fishing activities			
○ Extend mobile-hoist pier.	✓	✓	
○ Work with Yacht Club to increase boating access.	✓		✓
○ Identify and secure funding for a new water taxi boat.	✓		✓
○ Reconvene ad hoc mooring committee to review and update policies.	✓	✓	✓
• Provide coastal related opportunities			
○ Continue progress on the Harbor Terrace Project.	✓	✓	
○ Avila pier rehabilitation project.	✓	✓	
○ Determine use of lighthouse duplex.	✓	✓	
• Be environmentally responsible			
○ Continue to maintain Clean Marinas certificate.		✓	
○ Continue to work with Division of Boating and Waterways to secure Surrendered and Abandoned Vessel Exchange funds.	✓		✓
○ Implement Best Management Practices for sewer system.		✓	
○ Look into creating a live-aboard policy.	✓		✓
○ Continue to be energy efficient.	✓	✓	✓
• Provide a safe environment			
○ Participate in the County special events task force.	✓		✓
○ Continue with high standards of safety training all staff.	✓	✓	✓
○ Research dock options for both District staff and members of the public.	✓	✓	✓
○ Review ordinance on seaworthiness.	✓		✓
• Well-managed			
○ Continue work on creating efficiencies through technology.	✓	✓	✓
○ Obtain recognition as a District of Distinction through CSDA.	✓		
○ Submit Budget Document to the Government Finance Officers Association (GFOA) for consideration of Distinguished Budget Award.	✓		
○ Continue with professional development for staff and Commissioners.	✓	✓	✓

Key: Admin. – Administration and Business Department, Fac. – Facilities Department, HP – Harbor Patrol



Priorities and Issues (Cont.)

	Admin.	Fac.	HP
• Financially sustainable			
○ Aggressively pursue grant opportunities that can be used for preservation of existing infrastructure and deferred maintenance.	✓	✓	✓
○ Complete first stage of parking management plan.	✓		
○ Increase fees to offset costs, where reasonable and where all cost savings options have been explored, before reducing service levels.	✓		
○ Develop branded retail operations.	✓		
• Preserve marine heritage and character			
○ Harford Pier Project:			
▪ Develop a Coastal Development Permit for future improvements to pier terminus.	✓	✓	
○ Continue to support commercial fishing heritage.	✓	✓	✓
○ Negotiate Commercial Fisherman's lease agreement.	✓		
○ Continuing Advocacy for:			
▪ Federal Breakwater Repair.	✓		
▪ Dredging and Regional Sediment Management.	✓	✓	
▪ Critical Harbor of Refuge.	✓		
▪ Coast Guard presence in Port.	✓		✓
▪ Denial of Marine Sanctuary application.	✓		
▪ Other matters of mutual District, County, State and Federal interest.	✓		

Key: Admin. – Administration and Business Department, **Fac.** – Facilities Department, **HP** – Harbor Patrol



Short-Term Factors Influencing Decisions

Factors influencing District decisions on a short-term basis include impact of outside economic and legislative factors, and limited internal resources available to support replacement of equipment and aging buildings and infrastructure.

Economic Factors:

The District continues to reach the budgetary goal of generating \$200,000 for Major Maintenance and Capital Projects. Increases in ongoing revenues are expected to keep pace with increases in ongoing District expenses. The upward trend in enterprise revenues, specifically RV camping and parking revenues, continued through February 2016. The revenue increase is partially explained by favorable weather conditions, which makes it difficult to predict.

Economic trends have stabilized over the last couple years. Property Tax revenues are expected to increase from 2014/15 levels by 1.6% and increase further in 2016/17 by 3.3%. According to data presented by the Bureau of Labor Statistics the Unemployment rates in the San Luis Obispo Area have decreased to 4.3% from a high of 10.5% in January of 2010.

However, certain economic factors such as a volatile stock market, plunging oil prices, and a weaker Chinese economy may lead to a downturn in the economy in the near future. This may lead to a decrease in disposable income and negatively impact the District's Enterprise Fund revenue which relies on recreational spending. In addition, the future of the largest employer in San Luis Obispo County, Pacific Gas & Electric Co., is in question due to heavily regulated relicensing requirements regarding its nuclear power plant. The license for one reactor expires in 2024 and the other reactor in 2025. This may have serious consequences on the County's economy.

Legislative Factors:

The Governmental Accounting Standards Board (GASB) issued statement 68 on Accounting and Financial Reporting for Pensions which requires governments to record long-term liabilities in enterprise funds and government-wide statements. This will not affect the General Fund but significantly impacts the District's Enterprise Fund and Government-wide Statement presentation beginning with the 2014/15 financial statements issued in March 2016. According to the most recent actuarial reports the net pension liability was \$2,166,927.

The District currently contracts with CalPERS to provide employees with medical benefits. CalPERS requires that participating agencies contribute a certain dollar amount towards current employees and retirees. For calendar year 2016 the required minimum contribution is \$125 per month. The retiree contribution liability (also known as Other Post-Employment Benefits (OPEB)) is calculated by a Certified Public Accountant every three years. The most recent calculation was completed in May of 2014 and estimated the District's liability at \$821,325.

The Federal Patient Protection and Affordable Care Act (ACA) was signed into law on March 23, 2010 and established comprehensive health insurance reforms that will roll out over several years. The future financial impact is difficult to predict. District costs based on HMO premiums rose 9% in 2016 and the District is projecting a 10% increase in 2017.



Short-Term Factors Influencing Decisions (Cont.)

Propositions 4 and 1A constitutionally require the State of California to reimburse local agencies for costs directly associated with new state-mandated programs. When it defers these reimbursements, the state must eventually pay them back with interest. Two of the most common reimbursements owed to special districts include Brown Act and Public Records Act mandate. Under Governor Brown's long-range financial plan, local governments would be reimbursed for a portion of the mandated costs starting in fiscal year 2015/16. The State owes Port San Luis Harbor District \$28,891 from 2006 thru 2012 for costs associated with Brown Act mandates.

On March 28, 2016 Governor Jerry Brown signed a bill that will raise the minimum wage from \$10 per hour to \$15 per hour by 2022. Governor Brown will have the power to postpone an annual increase if the economy experiences a downturn. There is no consensus on the impact the new bill will have on unemployment rates. This measure is expected to cost California government about \$4 billion dollars a year by 2022. This is not expected to affect the District in the short-term, but may require the District to increase hourly pay rates in the future for recruitment and retention purposes.

Limited Resources:

The District continues to postpone maintenance projects due to lack of funding and/or staffing. The District's fiscal goal policy (Policy #3022) is to be able to fund major maintenance and capital projects at the same rate that capital assets are depreciating. For fiscal year ending June 30, 2015 the District spent \$688,200, including grant funded projects, and recorded depreciation expense of \$716,400. This was possible due to use of \$269,000 in grant funds for the mobile hoist pier and \$38,700 for the Harford Pier, along with other small grants. For fiscal year ending June 30, 2017 the District has budgeted \$961,000 for major maintenance and capital assets. The District continues to be dependent on grant funds that can be used to restore and maintain current capital assets in order to meet the District's fiscal goal. Grant funding is budgeted to be \$413,500 for the 2016/17 fiscal year.

The Avila Pier was significantly damaged in storms in 1983 and largely rebuilt. Additionally, the base of the pier was rebuilt as a part of the Unocal funded clean-up of Avila Beach in 1998 – 2003. The balance of the pier is over 30 years old, and has suffered some level of deterioration of some of the piles. This will necessitate a multi-year program to replace piles that are damaged from the actions of the ocean and organisms that feed on the wood, plus replacement of missing piles. The District made the decision to close the Avila Pier in June of 2015 due to safety concerns.

A 1968 agreement between the Harbor District and the Avila Beach Community Services District (ABCSD) entitles the Harbor District to 35% of the capacity of the wastewater treatment plant in Avila Beach; this entitlement comes with an obligation to fund 35% of related capital improvements. The ABCSD is anticipating the need for a significant upgrade to the plant to meet required standards for the effluent flow from the plant. The District would be obligated to participate in this project, which may cost in excess of \$1 million with the District's share at \$350,000. Options would include payment in full, grants to offset District share, and participation in a potential ABCSD low interest loan.

The District lets property and buildings for uses such as retail and wholesale seafood sales, restaurants, souvenir sales, Yacht Club use and use of a pier by Cal Poly for education and research. Some District buildings are past their useful life and need substantial improvements. Currently the District lets some of these buildings on a short-term basis until such improvements can be made. Without the funding for needed improvements reduction in lease income may occur.



Budget Process

The District's budget process is governed by Policy 3020, Budget Preparation. The Budget is prepared annually by the Harbor Manager with the assistance of the Department Heads. In February, the Board of Commissioners approves the budget calendar for the next fiscal year's budget at the regularly scheduled Harbor Commission meeting. The Commission sets overall goals and priorities for the Harbor District with emphasis on the capital and special project budgets. The Commission also reviews the current year's budget and forecast at this time.

The first draft of the budget is presented at the Harbor Commission's March meeting. District staff receives direction from the Commission and presents the Preliminary budget at the April Harbor Commission meeting. The Preliminary Budget is adopted at the April meeting and a public notice is published pursuant to Section 6061 of Government Code stating the adoption of the Preliminary Budget.

At the Harbor Commission's May meeting, the Commissioners hear staff and public input on the Preliminary Budget. Based on this comment, Staff revises the Budget and presents it to the Harbor Commissioners at the June meeting. The Commissioners adopt the Final Budget for next Fiscal Year during a public hearing at this meeting. Members of the public are invited to comment during this meeting prior to the adoption of the Final Budget.

The Final Budget is reported to the San Luis Obispo County Board of Supervisors, County Auditor Controller, Secretary to the Board of Supervisors and the Chief Administrative Officer of the County before July 31st of each year.

	January	February	March	April	May	June	July
Staff compares current year projections with budgeted amounts	X	X					
Mid-year 2015/16 Budget review at Harbor Commissioner meeting		X					
Harbor Commission approves 2016/17 budget calendar		X					
Harbor Commission reviews first draft of 2016/17 Budget, provides input			X				
First draft of 2016/17 Budget updated per Harbor Commission direction			X	X			
Harbor Commission reviews and adopts Preliminary 2016/17 Budget, provides input				X			
Staff posts Public Notice of adoption of Preliminary 2016/17 Budget, Public hearing to adopt changes to Fee Schedule, Public hearing for adoption of Final Budget				X			
Staff revises 2016/17 Preliminary Budget per Harbor Commission direction				X	X		
Updates on issues affecting Preliminary 2016/17 Budget at Harbor Commission meeting					X		
Public Hearing to adopt changes to Fee Schedule at Harbor Commission meeting					X		
Staff prepares Final 2016/17 budget					X	X	
Public Hearing to adopt Final 2016/17 Budget						X	
Final 2016/17 Budget transmitted as necessary to SLO County departments						X	X



Budget Process (Cont.)

Budget Adjustments:

The Harbor Commission level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is maintained at the fund, and budget category level, with more stringent control over major maintenance and capital assets, which are maintained at the line-item level. District staff requests approval from the Harbor Commission for budgetary transfers between budget category levels and any line-item additions to major maintenance and capital assets throughout the year.

Budget Review:

In February of each year a mid-year budget report is prepared and presented to the Harbor Commission for review. If it is anticipated that revenue projections will not be met or expenditures will exceed appropriations, corrective recommendations will accompany the report.

In August of each year, estimates of final fiscal year end results are calculated. Budgeted funding of specified reserves is adjusted accordingly. If the estimates are more favorable than budget, then additional specified reserves are recommended to the Harbor Commission and vice versa.

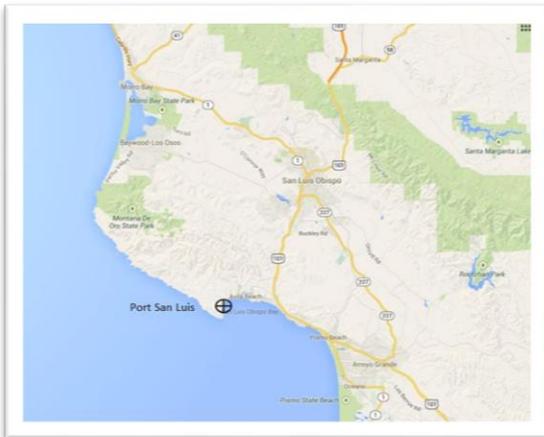
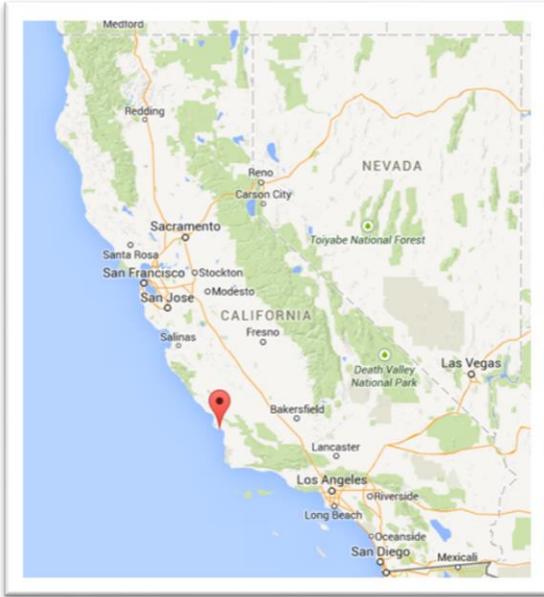


About Us



Where is Port San Luis?

Port San Luis is a Special District located on the California coast, about eight miles south of San Luis Obispo, just past the town of Avila Beach.



Population

Year	San Luis Obispo County	Avila Beach
2010	269,954	1,627
2000	247,878	797
1990	217,162	Not avail.
1980	155,435	Not avail.

*Source: US Census Bureau





Where is Port San Luis (Cont.)?

Port San Luis is located in San Luis Obispo County. Due to its size, demographic information for the Harbor is not available. Information for the County is presented.

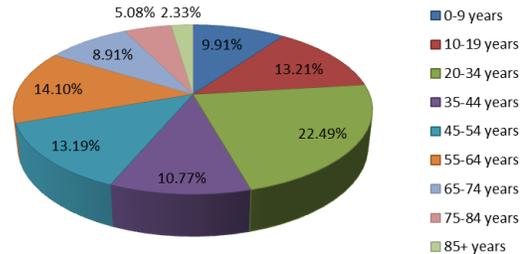
San Luis Obispo County is made up of seven cities as well as many unincorporated communities. The California Department of Finance estimated the population to be 277,977 as of January 1, 2016. This is a 0.6% increase from the January 1, 2015 estimates.

SLO County Population by City	
Arroyo Grande	17,731
Atascadero	30,879
Paso Robles	31,398
Grover Beach	13,397
Morro Bay	10,722
Pismo Beach	8,181
San Luis Obispo	46,117
Unincorporated	119,552
Total (Estimated)	277,977

*Source: California Department of Finance

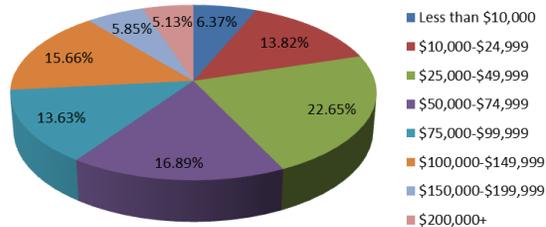
The median age of San Luis Obispo County residents was estimated at 39.5 years in 2014 as compared to 35.6 years in the state of California.

AGE DISTRIBUTION



*Source: US Census Bureau

INCOME DISTRIBUTION



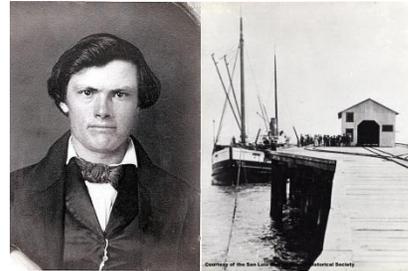
The County's median household income is estimated at \$59,454 in 2014. This is slightly less than the estimated median income for the State of California of \$61,489.



Our History

The Avila Beach area was used by the Spaniards and Portuguese many centuries ago. Richard Henry Dana also used the natural headlands to anchor up out of the wind, resupply and trade with the local Chumash Indians.

In 1873, John Harford built the Harford wharf. Using horses, he offloaded schooners and imported cargo from Los Angeles and San Francisco. He sold the goods in San Luis Obispo and northern Santa Barbara County. Ships carrying supplies, mail and passengers laid alongside the Harford Pier.



In 1876 the Marre Hotel was built at Port San Luis where passengers would rest up while waiting for passage on the next ship. The narrow gauge railroad was built in the 1880's, carrying both passengers and cargo. By 1913 the federal breakwater, funded by congressional action, had been built to provide a safe anchorage at the wharf. Cattle and agriculture goods were exported to Los Angeles and San Francisco, lumber and dry goods were imported to the area. The narrow gauge railroad ran out onto the wharf to carry cargo back and forth to market.



Local commerce fell on hard times at the onset of the Depression and the Port fell into disrepair. The railroad and pier was sold to Elton Tognazzini in 1942 for \$17,265.

In 1954 the citizens of southern San Luis Obispo County voted to create and fund a Harbor District for the Port San Luis Area. It was hoped that this action would provide for a method to fix up the old facilities and create some commerce for the south county. Five Harbor Commissioners were elected and the harbor was given new life.

In 1955 the State Legislature granted the Harbor District the area's tidelands in trust. Very few grants being given, this, indeed, was another chance to improve the Port's dilapidated facilities. Tognazzini sold his property, including the Harford Pier, to the Harbor District for \$500,000 in the late 1950's, using a loan from the State Department of Boating and Waterways. The District continued to grow, adding the site now known as Harbor Terrace in 1978, acquiring the beach, the pier and the parking lot in Avila Beach from the County in 1983, and the 30 acre home to the Point San Luis Lighthouse from the federal government in 1994.

The Harbor Commission has since sought to implement the original goal of the first Commission and vision of the Founding Fathers of the District. That is, to serve the public with an array of commercial and recreational boating, fishing, and coastal-related opportunities, while ensuring an environmentally responsible, safe, well-managed, and financially sustainable harbor that preserves our marine heritage and character. In the past ten years the Commission has concentrated more on environmental responsibilities, while maintaining a balance to serve the boating and general public.



Port San Luis Today

Fishing:

Port San Luis remains a regional destination for recreational fishers, who use the District's facilities for launching trailer-able boats to fish for rockfish, salmon, sea bass and other species depending on season and presence of fish. Additionally, the commercial fishing industry has rebounded from its low point in 2005, and Port San Luis maintains its position as the California leader in landings of brown and gopher rockfish. This industry as a whole has seen a 134% increase in the value of fish landings at the dock from the low point in 2005 (\$870,000) to 2013 (\$2 million) and is estimated to have exceeded the \$2 million figure in 2015. Port San Luis has also successfully leased the former "ice house" on Harford Pier to a new Commercial Fishing Business – Wilcox Fisheries who will be targeting hagfish.

Recreation:

Recreation continues to play a very significant role in the use of the District's facilities, resulting in increased demand on District resources including, maintenance, Harbor Patrol and administrative staff. The District's beaches host hundreds of thousands of visitors annually for traditional beach activities as well as kayaking, paddle boarding, surfing, outrigger canoeing and boogie boarding. The restored 19th century Point San Luis Lighthouse, is another very popular destination, owned by Port San Luis Harbor District and restored, managed, and maintained by the Point San Luis Lighthouse Keepers, our non-profit partner.

Development:

In 1978, the District purchased the site now known as Harbor Terrace, intending for the land to be financially and physically supportive of District operations. With permits in place and a developer/operator identified the project is moving forward. Once completed, Harbor Terrace will feature space for marine gear and boat storage, District uses and overnight accommodations, including the more rustic walk-in tent camping, to RV sites and self-contained cabins. The site will also feature commercial space and swimming pool. While maintaining its essential functions in support of coastal dependent uses, the project will also increase visitor access to the District and the coast, and provide revenue to further support District operations.



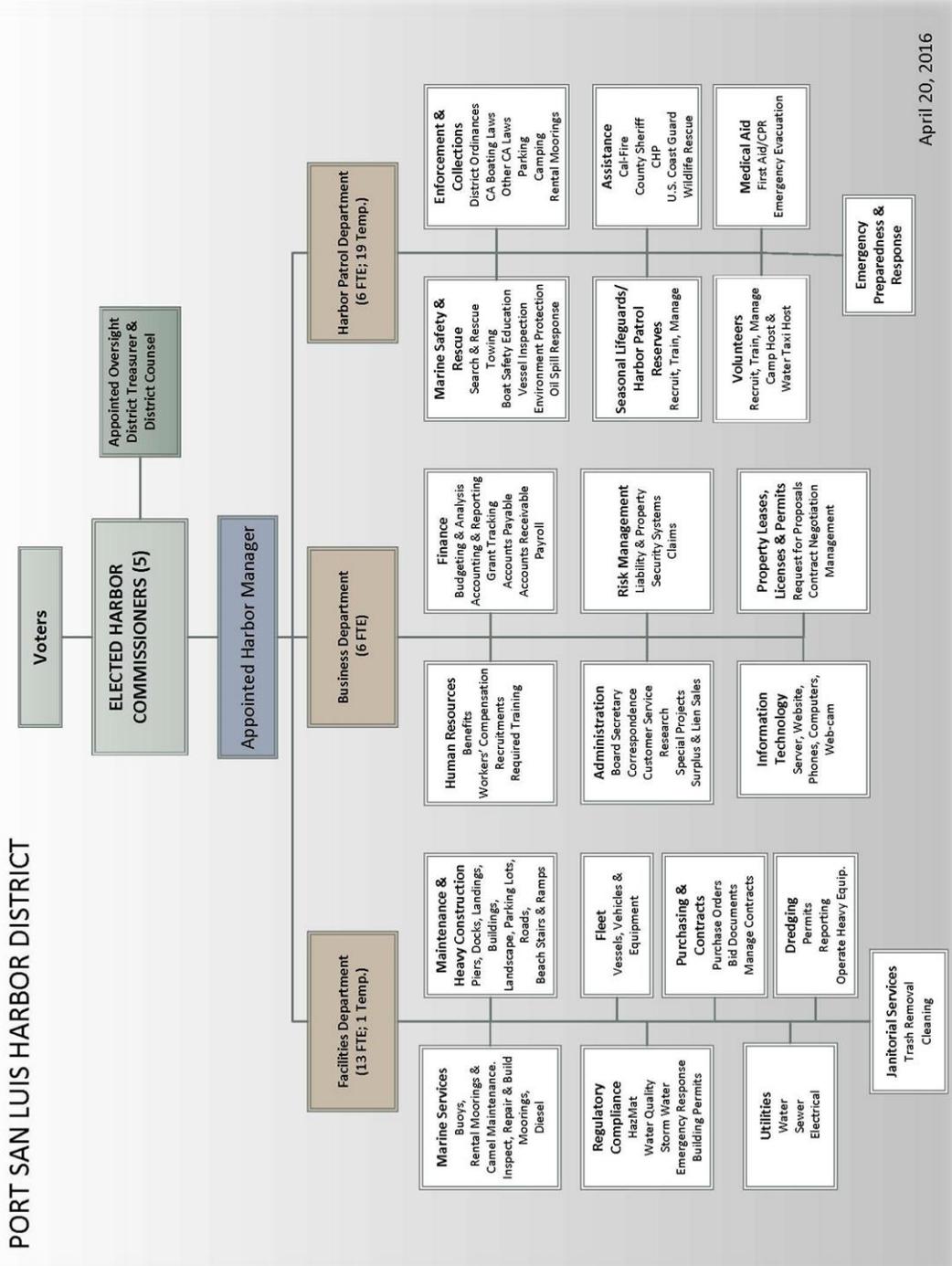
Port San Luis Today (Cont.)



Whale photo courtesy of Lance Kinney (www.lancekinney.com)



Organizational Chart



April 20, 2016



Staffing Authorization

	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>FY 2016/17</u>
Administration			
Harbor Manager	1	1	1
Business Department			
Business Manager	1	1	1
Accountant	1	1	1
Administrative Analyst	1	1	1
Support Services Coordinator	1	1	1
Administrative Secretary	1	1	1
Accounting Technician (30 hours per week)	1	1	1
Facilities Department			
Facilities Manager	1	1	1
Planner/Analyst	1	1	1
Facilities Supervisor	1	1	1
Heavy Construction Leadworker	1	1	1
Utility Crew Leadworker	1	1	1
Port Maintenance Worker	5	6	6
Mooring Crew Workleader	1	1	1
Port Maintenance Worker Deckhand	1	1	1
Harbor Patrol Department			
Chief Harbor Patrol Officer	1	1	1
Harbor Patrol Officer	4	5	5
Harbor Patrol Reserves (20 hours per month)	0	0	4
Temporary Seasonal Workers (April 1-September 30)			
Temporary Port Maintenance Worker	2	1	1
Lifeguards	15	15	15
TOTAL STAFFING	<u>41</u>	<u>42</u>	<u>46</u>

* The 2016/17 budget includes a new Harbor Patrol reserve program.



Department Summary

Administration and Business Departments

	2014/15 Actual	2015/16 Projected	2016/17 Budgeted	Percentage Change
Wages	\$ 553,000	\$ 586,900	\$ 526,800	-10.2%
Benefits	253,400	338,800	354,850	4.7%
Contract Labor	-	-	300	100.0%
Pension obligation debt	180,000	197,100	180,000	-8.7%

The Administration & Business Department includes five elected Harbor Commissioners, six full-time employees and one part-time employee. The department includes the following positions: Harbor Commissioner, Harbor Manager, Business Manager, Administrative Analyst, Support Services Coordinator, Administrative Secretary, Accountant, and Accounting Technician. Together, the Administration & Business Department performs a variety of different tasks including:

Elected Harbor Commissioners:

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

Harbor Manager:

- Plans, organizes, coordinates, and directs the activities of Port San Luis consistent with Harbor Commission direction.
- Provides direction and leadership by setting organizational standards and objectives in conjunction with the Commission.
- Prepares, reviews, and makes recommendations regarding issues for Board consideration and action.
- Prepares and presents Grant requests.
- Oversees preparation of annual budget.
- Appoints, evaluates and terminates management staff.

Administration:

- Provides customer service.
- Prepares and maintains administrative paperwork regarding moorings, dry dock, skiff spaces, and gear storage.
- Provides highly responsible and complex administrative, secretarial, and clerical duties in support of management, staff, committees, and elected officials.

- Oversees and administers a variety of planning, projects, grants and contracts.
- Assists in Workers' Compensation and insurance compliance.
- Operates a radio base station.

Accounting/Finance:

- Prepares budget.
- Analyzes, reconciles and maintains financial records.
- Coordinates year-end audit including creation of financial statements.
- Performs complex bookkeeping tasks and clerical work as related to accounts receivable, collections, and accounts payable.
- Reconciles bank statements and prepares deposits.

Human Resources:

- Processes payroll.
- Manages human resources.
- Reviews all hiring and disciplinary decisions.
- Conducts staffing, organizational and budgetary studies and recommends modifications to increase effectiveness and efficiency.
- Insures compliance with all local, state and federal regulations and laws.

Policies and Procedures:

- Recommends and implements policy.
- Drafts and analyzes Board policy.
- Analyzes and develops procedures and processes.

Property Management:

- Develops and manages all leases and licenses on District property.



Department Summary (Cont.)

Facilities Department

	2014/15 Actual	2015/16 Projected	2016/17 Budgeted	Percentage Change
Wages	\$ 726,400	\$ 763,400	\$ 797,200	4.4%
Benefits	411,200	438,000	495,800	13.2%
Contract Labor	39,900	30,000	44,500	48.3%

The facilities department includes thirteen full-time employees and one temporary employee. The department includes the following positions: Facilities Manager, Facilities Supervisor, Planner, Heavy Construction Leadworker, Utility Crew Leadworker, Mooring Crew Leadworker, and Port Maintenance Workers. The Facilities Department is responsible for the development, construction, maintenance, and repair of port and harbor facilities, including the buildings, roads, parking lots, beaches, revetments, piers, docks, hoists, moorings, water distribution system, and wastewater collection system and performs a variety of tasks including:

Operations and Maintenance:

- Performs unskilled, semi-skilled, and skilled work as part of a work crew or independently in the maintenance and operation of the District.
- Troubleshoots and repairs electrical, water system and sewer system problems.
- Supervises the mechanical fabrication, maintenance and repair of equipment.
- Determines material required for job orders and requisitions materials and supplies as needed.
- Maintains inventories of supplies, equipment, materials, and tools.
- Implements and follows District safety programs.
- Performs annual dredging operations.
- Maintains, replaces, and rebuilds portions of the pier, docks and camels.
- Constructs and maintains shore-side facilities.
- Participates in storm preparedness operations and responds when necessary.

Mooring Operations:

- Operates, maintains, and repairs a work vessel engaged in the setting, repairing, and removing of mooring tackle.
- Constructs moorings to prescribed standards.

- Completes necessary paper work related to mooring operations.
- May respond to fires accessible from the water and engage in fire suppression using equipment aboard the work vessel.

Construction Management:

- Develops and manages projects including:
 - Selection of consultants.
 - Oversight of preparation of plans, specifications and bid documents.
 - Secures permits as necessary.
 - Releases Invitations for Bids, reviews results and recommends bid award to Harbor Commission.
- Prepares and presents Grant requests.

Regulatory Compliance:

- Ensures compliance with regulatory agencies, contract requirements, District policies and ordinances, and safety and operational plans.
- Secures all necessary operational permits and ensures compliance with same.
- Manages environmental and hazardous materials programs.



Department Summary (Cont.)

Harbor Patrol Department

	2014/15 Actual	2015/16 Projected	2016/17 Budgeted	Percentage Change
Wages	\$ 436,300	\$ 484,400	\$ 555,600	14.7%
Benefits	229,200	215,100	274,600	27.7%
Contract Labor	88,400	85,400	85,650	0.3%

In-line with the mission, goals, and strategic plan of the Harbor District, *to hold the waters and lands in trust for the public*, the Harbor Patrol department manages the public safety functions of the District. The department includes one Chief Harbor Patrol Officer, five full time Harbor Patrol officers, and fifteen seasonal lifeguards. The 2016/17 budget includes the addition of a Harbor Patrol reserve program.

Public Safety:

- Manages the public safety functions of the District.
- Provides and leads the delivery of safety and security services to the users of the District by providing water and shore-side patrol.
- Provides safe conditions for the users of the public beach by providing careful watch over beach activity.
- Advises patrons of dangerous conditions and rules and regulations.
- Provides search, rescue, lifesaving and emergency medical services.
- Provides information to District tenants, users, and the general public.
- Cooperates with CalFire.
- Trains and supervises lifeguards.

Enforcement:

- Develops and implements enforcement programs and policies.
- Enforces laws, ordinances, safety regulations and District policies.

- Investigates and makes reports of incidents.

Administration:

- Maintains inventories of supplies, equipment, and firearms.
- Supervises day-to-day operations of Camp Host and Water Taxi Host volunteer programs.
- Prepares and presents Grant requests.
- Participates in storm preparedness operations and responds when necessary.

Emergency Preparedness and Response:

- Performs lead functions for District's role.
- Cooperates with Federal Emergency Management Agency (FEMA) and County Office of Emergency Services (OES), and Emergency Workers Exposure Control (EWEC).

Harbor Patrol Reserve Program:

The 2016/17 budget includes the implementation of a new Harbor Patrol Reserve Program. The program is designed to enhance the capabilities and strengths of the Harbor Patrol department as well as provide a potential training ground for future permanent employees. Harbor Patrol Reserves may be used for special events, holidays, and weekends and to assist with Harbor Patrol staffing levels during training, sick/vacation coverage. They will have the unique opportunity to train and work with career Harbor Patrol Officers in many of the aspects of the job. Some of these aspects include routine patrol, boater education and public relations, deck handling, emergency response and a multitude of other assignments. The program budget includes four reserves estimated to work 20 hours per month each.



Performance Indicators by Function

	Fiscal Year		
	2013	2014	2015
Administration			
Recruitments	3	3	6
Claims filed against District	6	1	1
Lien sales	4	2	1
Prior patrons on no services list (as of June 30th)	16	23	12
RFP's released	4	5	5
Harbor Patrol			
Agency to agency assistance	223	188	155
Water taxi passengers	Not Avail.	3,506	5,377
Wildlife rescues	117	75	109
Facilities			
Commercial Fishermen	24	24	28
Dredge hours	655	467	520
Invitation for bids released	6	7	4
Major maintenance and capital projects completed	20	26	17
Amount of major maintenance and capital projects completed	\$ 838,035	\$ 1,379,542	\$ 688,216
Revenue producing activities			
Avila parking lot spaces	62,716	69,923	84,353
RV camping nights	12,058	13,744	13,840
Parking citations	473	741	483
Coastal Gateway room rentals	5	8	4
Special event permits	60	47	60
Leases (as of June 30th)	10	10	10
Licenses (as of June 30th)	11	11	10
Mooring patrons (as of June 30th)	164	154	154
Skiff storage patrons	51	50	50
Boat storage patrons	35	34	48
Gear storage patrons	12	13	14
Boats fueled	199	215	285
Boat launches at sport launch (approximate)	Not Avail.	Not Avail.	4,100
Grants received	6	6	6
Amount of grants received	\$ 784,126	\$ 492,016	\$ 64,545



Consolidated Budget



Consolidated Financial Schedule

	Capital Outlay			
	General Fund	Fund	Enterprise Fund	Total Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 521,000	\$ 521,000
Mooring Fees	-	-	140,900	140,900
Lease and License	-	-	1,292,900	1,292,900
Diesel Sales	-	-	19,600	19,600
Property Taxes	3,160,000	-	-	3,160,000
Interest	13,600	-	3,400	17,000
Other Financing Sources	-	-	-	-
Other Non-Operating Revenue	1,000	-	1,500	2,500
Grant Funding	-	30,000	383,500	413,500
Fund Transfer	(300,100)	300,100	-	-
Total Revenues	\$ 2,874,500	\$ 330,100	\$ 2,362,800	\$ 5,567,400
Expenditures by Category				
Salaries, Wages & Benefits	\$ 2,366,900	\$ -	\$ 948,400	\$ 3,315,300
Supplies	84,000	-	29,100	113,100
Operations & Maintenance	152,600	-	90,900	243,500
Utilities	289,000	-	176,100	465,100
General & Administrative	515,400	-	259,100	774,500
Major Maintenance	-	131,300	88,700	220,000
Capital Projects	-	198,800	542,200	741,000
Total Expenditures by Category	\$ 3,407,900	\$ 330,100	\$ 2,134,500	\$ 5,872,500
Expenditures by Function				
Administration	\$ 1,157,300	\$ -	\$ 685,800	\$ 1,843,100
Maintenance	1,255,000	-	804,800	2,059,800
Safety	995,600	-	13,000	1,008,600
Major Maintenance	-	131,300	88,700	220,000
Capital Projects	-	198,800	542,200	741,000
Total Expenditures by Function	\$ 3,407,900	\$ 330,100	\$ 2,134,500	\$ 5,872,500
Revenues less Expenditures	\$ (533,400)	\$ -	\$ 228,300	\$ (305,100)
Specified Reserve Usage	\$ 280,000	\$ -	\$ 65,800	\$ 345,800
Specified Reserve Funding	\$ -	\$ -	\$ -	\$ -
Increase/(Decrease) in Operating Reserves	\$ (253,400)	\$ -	\$ 294,100	\$ 40,700
Estimated Beginning Fund Balance as of July 1, 2016	\$ 1,294,800	\$ -	\$ 1,479,600	\$ 2,774,400
Estimated Ending Fund Balance as of June 30, 2017	\$ 761,400	\$ -	\$ 1,707,900	\$ 2,469,300
Percentage Change in Fund Balance	-41.2%	0.0%	15.4%	-11.0%



Changes in Fund Balance

The General Fund balance continues to be depleted as the Enterprise fund balance increases. This is due to increased demands on public facilities such as public safety and maintenance of public areas including District piers, restrooms, and beaches. The Enterprise Fund revenues, specifically RV camping, Avila Lot parking, and Lease revenues, continue to outpace associated expense.

The Fund Balance for the General Fund is expected to decrease by 41.2%. The source of revenue for the General Fund is primarily property tax. Property tax revenue has increased slowly over the last few years with \$2,821,300 in revenue in 2008/09 versus 2016/17 expected property tax revenue of \$3,160,000 which is a 12.0% increase over the last nine years and an average of 1.33% per year. During the same period salaries and benefits have increased from \$1,503,400 in 2008/09 versus expected wages of \$2,366,900 in 2016/17 which is a 57.4% increase over the last nine years or 6.4% per year. This is leading to the spending down of the Fund Balance in the General Fund.

In contrast, the Fund Balance for the Enterprise Fund is expected to increase by 15.4%. Enterprise Fund operating revenues in 2008/09 were \$1,276,300 versus \$1,974,400 expected in 2016/17 or a 54.7% increase. During the same period salaries and benefits have increased from \$609,800 in 2008/09 versus expected wages of \$948,400 in 2016/17 which is a 55.6% increase over the last nine years or 6.2% per year. The increase in revenues is leading to an accumulation of Fund Balance in the Enterprise Fund.

In the event that this trend continues, a cash transfer from the Enterprise Fund to the General Fund will be required.



3 Year Consolidated Financial Schedule

	General Fund		Capital Outlay Fund		Enterprise Fund		Consolidated	
	2014/15 Actual	2015/16 Projected	2014/15 Actual	2015/16 Projected	2014/15 Actual	2015/16 Projected	2014/15 Actual	2015/16 Projected
Revenues								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 518,200	\$ 474,800	\$ 521,000	\$ 521,000
Mooring Fees	-	-	-	-	127,500	137,600	140,900	140,900
Lease and License	-	-	-	-	1,340,200	1,285,600	1,292,900	1,292,900
Diesel Sales	-	-	-	-	20,500	15,800	19,600	19,600
Property Taxes	3,011,300	3,060,000	-	-	-	-	-	-
Interest	10,400	13,600	-	-	8,900	3,400	3,400	3,400
Other Financing Sources	1,400	1,000	-	-	(2,900)	800	1,500	2,500
Other Non-Operating Revenue	-	1,600	-	-	291,500	5,500	383,500	413,500
Grant Funding	-	-	75,800	69,800	-	-	-	-
Fund Transfer	-	(341,800)	-	341,800	-	-	-	-
Total Revenues	3,023,100	2,733,400	75,800	411,600	2,303,900	1,923,500	2,362,800	5,068,500
Expenditures by Category								
Salaries, Wages & Benefits	2,067,600	2,221,400	-	-	850,200	917,700	948,400	3,315,300
Supplies	67,900	73,200	-	-	32,200	27,000	29,100	113,100
Operations & Maintenance	129,800	167,500	-	-	92,600	109,300	90,900	243,500
Utilities	266,700	291,000	-	-	160,800	185,600	176,100	465,100
General & Administrative	396,600	340,700	-	-	185,600	198,000	259,100	774,500
Major Maintenance	107,400	-	7,800	205,200	56,400	51,000	88,700	220,000
Capital Projects	56,300	-	48,500	206,400	411,800	113,300	542,200	741,000
Total Expenditures by Category	3,092,300	3,093,800	56,300	411,600	1,789,600	1,601,900	2,134,500	5,872,500
Increase (Decrease)	(69,200)	(360,400)	19,500	-	514,300	321,600	228,300	(805,100)
Specified Reserve Usage	45,000	179,300	-	-	-	109,600	65,800	345,800
Specified Reserve Funding	(60,500)	(106,000)	-	-	(449,000)	(4,000)	-	(110,000)
Funding/(funded by) Operating Reserve	\$ (84,700)	\$ (287,100)	\$ 19,500	\$ -	\$ 65,300	\$ 427,200	\$ 294,100	\$ 40,700



District Revenue

The District generates a majority of its revenue through property taxes. For the 2016/17 fiscal year, property taxes are budgeted to bring in \$3,160,000. This amount is based on estimates received from the County of San Luis Obispo and is a 3.3% increase over 2015/16 projections.

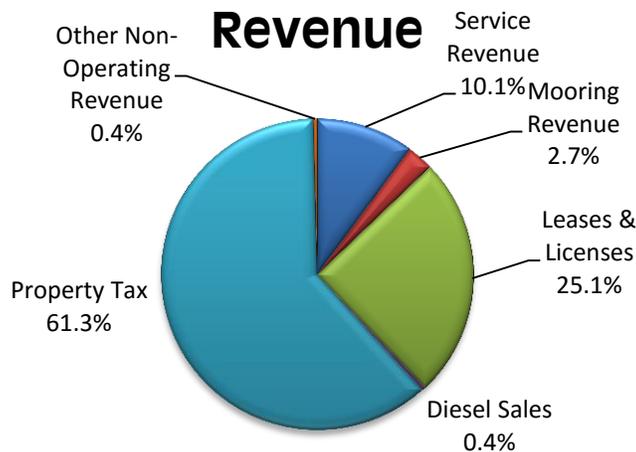
Leases, Licenses and RV camping revenue are the second largest revenue source. This amount is calculated based on current lease agreements and trends. For 2016/17 it is estimated that this will be \$1,292,900. Service revenue, including parking, citation and administrative revenues is budgeted to be \$521,000. The District assumed that 2016/17 revenues for these items would be in-line with 2015/16 projections but also increased its fees for parking, RV camping, Coastal Gateway room rentals and boat storage.

The District has budgeted to receive \$140,900 from its mooring operations in 2016/17. This includes quarterly payments for permanent moorings and associated inspections and repair services, and daily rental mooring payments. This amount includes a CPI increase on most of the District's mooring operations. The District did not increase fees for its workboat.

Port San Luis has its own diesel facility and offers fuel to boaters. This service is budgeted to bring in \$19,600 in revenue for the 2016/17 fiscal year. This is a 24.1% increase over 2015/16 projections which included a closure of crab season. The District anticipates that this closure will decrease 2015/16 diesel revenues but that they will return to prior levels in the 2016/17 fiscal year.

Grant revenue is estimated to bring in \$413,500 in 2016/17. These funds are to be used towards abandoned vessel removal, a Harbor Patrol boat, the extension of the mobile hoist pier, and a new water taxi boat.

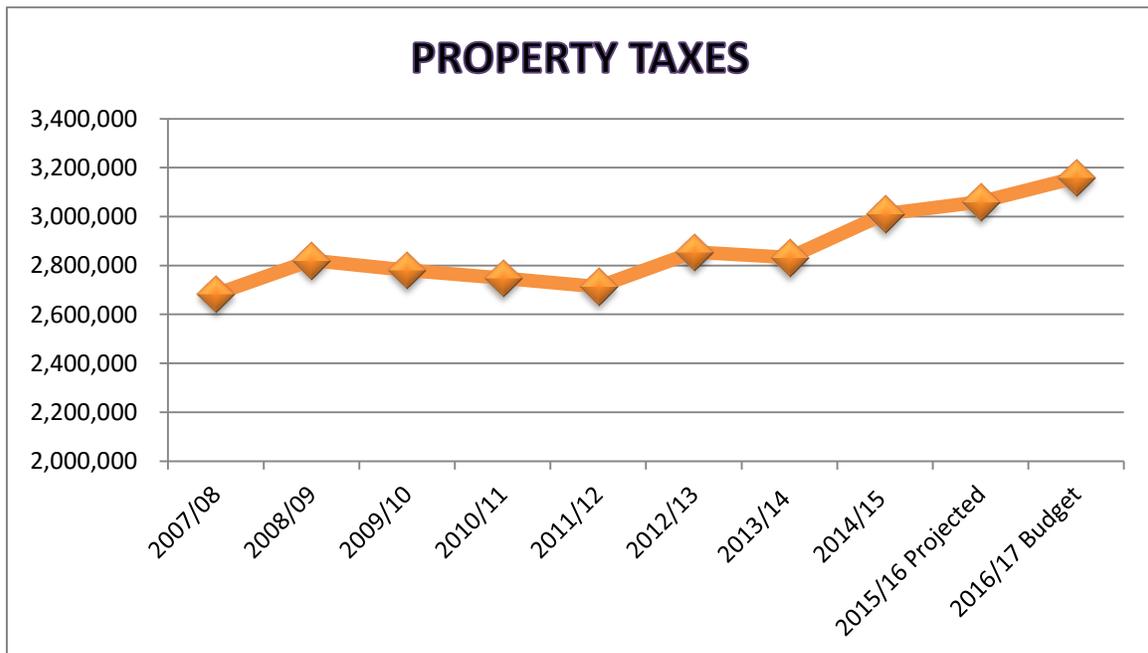
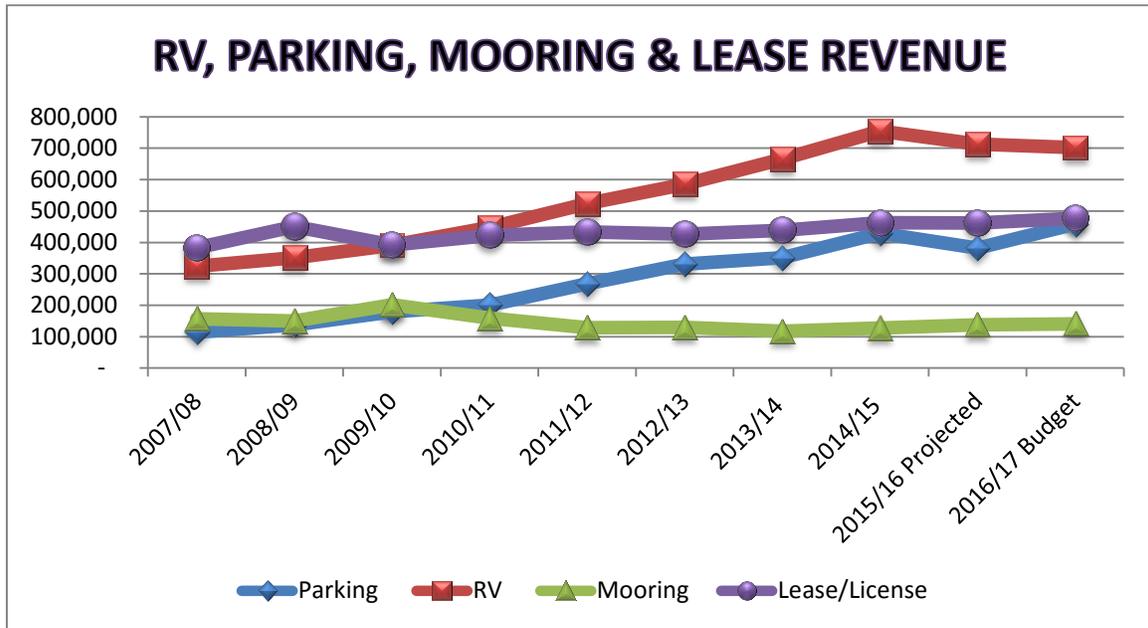
The chart below shows each of the major revenue sources in relation to the total revenue generated by the District for the fiscal year.





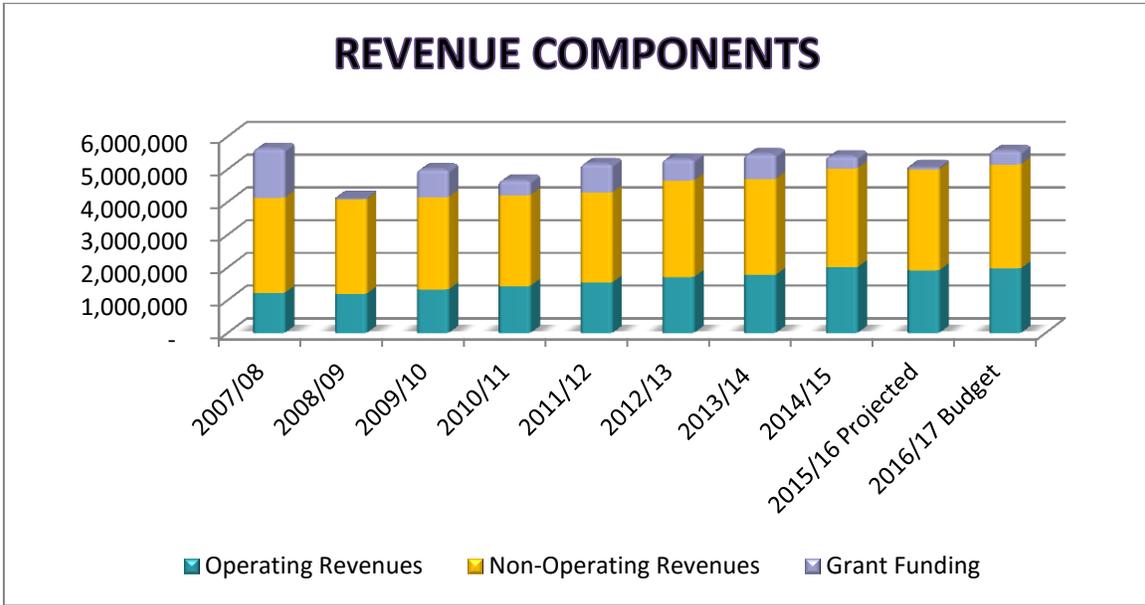
Recent Trends in Revenue Sources and Components of Revenue

The charts below detail the recent trends in some of the District's revenue sources.





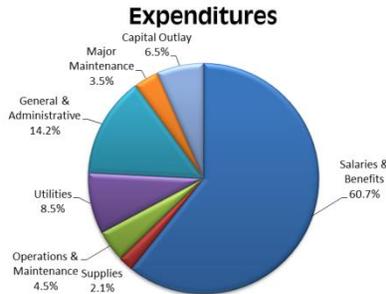
Recent Revenue Trends (Cont.)





District Expenditures

Expenditures for the 2016/17 budget (*net of grant revenue*) are budgeted to be \$5,459,000. The following chart shows the percentage of funds spent on each major category of expenditure.



Salaries/Wages and Benefits are budgeted to be \$3,315,300. The budget includes annual cost of living adjustments per the memoranda of understanding between the District and bargaining units, and managers' employment contracts. Health insurance premiums are expected to increase by 10% beginning January 2017. The District is also budgeting to see an increase in pension costs as the District's portion of its unfunded liability continues to grow each year. Additionally, the District's experience modification factor increased so it is anticipated that there will be an increase in worker's compensation insurance. The budget also includes a \$180,000 payment towards the District's Tax Revenue Anticipation Note which was used to fund a portion of the District's retirement liability. The District is adding a Harbor Patrol reserve program which is budgeted to increase salaries by \$23,000.

Supplies are budgeted at \$113,100, a 12.9% increase from 2015/16 projections. This includes office, shop and RV camping supplies. Also included in this line item are uniforms for the maintenance crew, Harbor Patrol and lifeguards. The District has added \$7,000 in supplies for the new Harbor Patrol reserve program.

Operations & Maintenance costs are budgeted at \$243,500, an 12.0% decrease from 2015/16 projections. Operations and maintenance expenditures include fuel, building and vehicle maintenance, signage, and beach maintenance among other things. The District experienced additional expenditures related to the its crane in the 2015/16 fiscal year. The budget assumes that the expenditures return to prior levels in 2016/17.

Utilities are budgeted to be \$465,100 or 2.4% below 2015/16 projections. The District's water expenditure increased during the 2015/16 fiscal year as the District had to pay previous year's understated expenditures. This is expected to return to normal levels in 2016/17. Remaining utilities are budgeted to increase by the CPI.

General and Administrative expenditures are budgeted to be \$774,500. Included in the 2016/17 budget is \$30,000 in treasurer fees, \$60,000 in legal fees, \$13,000 in parking enforcement fees, \$95,000 in election fees, and \$65,000 in tax collection fees. The District's property insurance rates are budgeted to remain the same but there is a slight increase in property values. Additionally, the budget includes \$70,100 for consultants which includes \$45,000 approved during the 2015/16 fiscal year for Avila Pier PR efforts. The District has increased its General and Administrative budget by \$17,000 for increased advocacy.

Detail on the major maintenance and capital projects can be found on pages 41-45.



Debt

Tax Revenue Anticipation Note (TRAN): On January 22, 2013 the District entered into a Note Purchase Contract with San Luis Obispo County Treasurer in an amount not to exceed \$1,200,000. The Note is in the form of a Tax Revenue Anticipation Note (TRAN) which pledges property tax revenues for payment of principal and interest on the Note. The principal amount borrowed of \$1,116,378 was used to pay-down side fund retirement liabilities with CalPERS. The Note's annual interest rate is 2.60% versus the side fund retirement liability interest rate of 7.5% previously paid by the District to CalPERS. Interest payments are due annually on January 31 and the principal payment is due on January 30, 2018.

During the 2013/14, 2014/15, and 2015/16 fiscal years, the District prepaid a portion of the Principal due in the amount of \$464,911, \$163,108, and \$184,437 respectively. The 2016/17 budget includes an appropriation to pay down an additional \$172,098 in principal. The outstanding principal balance July 1, 2016 is \$303,922. The following table presents the projected pay down amounts:

Year Ending June 30	General Fund Principal Due	General Fund Interest Due
2014	\$464,911	\$25,069
2015	163,108	16,892
2016	184,437	12,663
2017	172,098	7,902
2018	131,824	3,427
Total	\$1,116,378	\$65,949

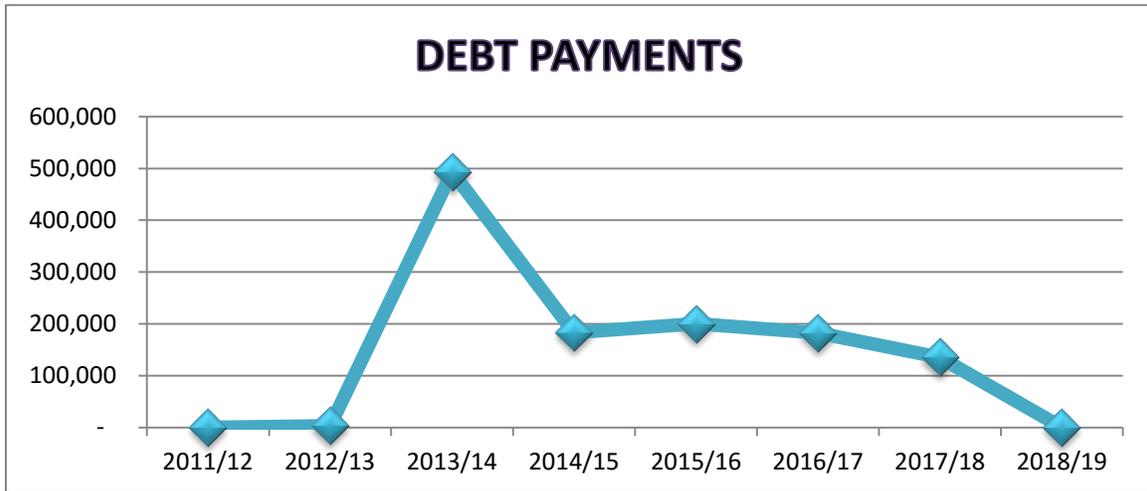
Capital Lease: On March 6, 2012, the District entered into a capital lease agreement with Avaya Financial Services for a new phone system. The lease carries an interest rate of 7.99% with 60 monthly payments of \$251.18. The outstanding principal balance as of July 1, 2016 is \$2,414. The following table presents the projected pay down amounts:

Year Ending June 30	General Fund Principal Due	General Fund Interest Due
2012	\$337	\$165
2013	2,121	893
2014	2,297	717
2015	2,487	527
2016	2,693	321
2017	2,414	97
Total	\$12,349	\$2,720



Debt (Cont.)

The chart below shows the historical debt payments as well as the projected debt payments. The District anticipates paying off its debt in the 2017/18 fiscal year.





Consolidated Budget Summary

	Last Year 2014/15		Current Year 2015/16		2016/17		% Change from 2015/16 Projections
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget	
REVENUES							
Service Revenue <i>(Avila Parking, Location Fees, Citations)</i>	\$ 432,500	\$ 518,200	\$ 400,000	\$ 474,800	\$ 521,000	\$ 521,000	9.7%
Mooring Revenue <i>(Moorage Fees, Equipment Sales, Skiff Space, Exclusive of Labor and O&M)</i>	125,200	127,500	123,700	137,600	140,900	140,900	2.4%
Leases & Licenses <i>(Leases, Licenses, RVs, Utility Reimbursement)</i>	1,187,800	1,340,200	1,237,000	1,285,600	1,292,900	1,292,900	0.6%
Diesel Sales <i>(Exclusive of Labor, O&M and Permits)</i>	13,500	20,500	19,600	15,800	19,600	19,600	24.1%
Total Operating Revenue	1,759,000	2,006,400	1,780,300	1,913,800	1,974,400	1,974,400	3.2%
Non-Operating Revenue/(Expenditure) <i>(Property Tax, Interest)</i>	2,900,500	3,029,100	3,054,400	3,079,400	3,179,500	3,179,500	3.3%
REVENUES	\$ 4,659,500	\$ 5,035,500	\$ 4,834,700	\$ 4,993,200	\$ 5,153,900	\$ 5,153,900	3.2%
EXPENDITURES							
Salaries/Wages/Benefits	\$ 2,930,700	\$ 2,917,800	\$ 3,167,500	\$ 3,139,100	\$ 3,315,300	\$ 3,315,300	5.6%
Supplies	104,000	100,100	100,800	100,200	113,100	113,100	12.9%
Operations & Maintenance	252,700	222,400	279,000	276,800	243,500	243,500	-12.0%
Utilities	439,700	427,500	477,800	476,600	465,100	465,100	-2.4%
General & Administrative	587,900	582,200	554,800	538,700	671,400	671,400	24.6%
Budget Contingency	46,300	-	22,050	-	103,100	103,100	
Less: Prior year reserve use	(45,000)	(45,000)	-	-	(90,000)	(90,000)	-100.0%
OPERATING EXPENDITURES	\$ 4,316,300	\$ 4,205,000	\$ 4,601,950	\$ 4,531,400	\$ 4,821,500	\$ 4,821,500	6.4%
NET INCOME BEFORE MAJOR MAINTENANCE & CAPITAL PROJECTS	\$ 343,200	\$ 830,500	\$ 232,750	\$ 461,800	\$ 332,400	\$ 332,400	-28.0%
Major Maintenance Expense	304,000	171,600	1,362,200	256,200	220,000	220,000	-14.1%
Less: Grants	(75,000)	(42,000)	(1,116,850)	(72,700)	(30,000)	(30,000)	-58.7%
Prior year reserve use	(105,000)	-	(172,200)	(98,500)	(85,000)	(85,000)	-13.7%
Capital Project Outlay	748,000	516,600	1,181,800	319,700	686,000	741,000	131.8%
Less: Grants	(399,000)	(325,300)	(678,500)	(2,600)	(383,500)	(383,500)	14650.0%
Prior year reserve use	(129,800)	-	(274,000)	(190,400)	(170,800)	(170,800)	-10.3%
MAJOR MAINTENANCE AND CAPITAL PROJECTS	\$ 343,200	\$ 320,900	\$ 302,450	\$ 211,700	\$ 236,700	\$ 291,700	37.8%
REVENUES less EXPENDITURES	\$ -	\$ 509,600	\$ (69,700)	\$ 250,100	\$ 95,700	\$ 40,700	-83.7%
Reserve Set Aside	\$ -	\$ (509,500)	\$ (45,000)	\$ (110,000)	\$ -	\$ -	100.0%
Budget Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Increase/(Decrease) in operating reserves	\$ -	\$ 100	\$ (114,700)	\$ 140,100	\$ 95,700	\$ 40,700	70.9%



Consolidated Budget Detail

Service Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Administration	\$15,000	\$54,000	\$20,000	\$57,200	\$30,000	\$30,000
Location Fees	-	-	-	-	-	-
Citations	20,000	23,800	20,000	27,700	22,000	22,000
Facilities Labor & Equipment	500	2,600	3,000	3,400	3,000	3,000
Avila Parking	342,000	429,200	350,000	381,500	459,000	459,000
Harbor Patrol & Lifeguards	10,000	8,600	7,000	5,000	7,000	7,000
Harbor Parking	-	-	-	-	-	-
Budget Transfer	45,000	-	-	-	-	-
Total Service Revenue	\$432,500	\$518,200	\$400,000	\$474,800	\$521,000	\$521,000

Mooring Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Anchorage Fees	\$1,000	\$2,000	\$1,800	\$2,100	\$2,000	\$2,000
Work Dock Rental Fee	400	1,500	1,000	500	1,000	1,000
Equipment Rental-Moorings	15,600	17,900	16,000	22,600	23,100	23,100
Mooring Operations	106,000	106,400	109,400	106,400	108,800	108,800
Fisherman's Discount	(10,700)	(12,900)	(14,400)	(14,400)	(14,400)	(14,400)
Mooring Equipment Sales	31,900	34,600	23,100	47,300	47,300	47,300
Mooring Equipment COGS	(19,000)	(22,000)	(13,200)	(26,900)	(26,900)	(26,900)
Total Mooring Revenue	\$125,200	\$127,500	\$123,700	\$137,600	\$140,900	\$140,900



Consolidated Budget Detail (Cont.)

Lease & License Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissions- Laundry	\$4,000	\$4,900	\$3,500	\$3,600	\$4,000	\$4,000
Coastal Gateway Room Rental	2,200	2,300	1,600	2,800	2,200	2,200
Memorial Plaque Program	-	-	-	-	-	-
Coin Showers	10,400	13,300	12,000	15,900	13,500	13,500
Harford Land Area- Leases	137,700	146,900	137,800	142,000	141,500	141,500
Piers- Leases	238,000	272,500	274,400	271,100	284,900	284,900
Piers- Licenses	12,800	21,800	16,800	26,400	28,400	28,400
Beaches- Leases	9,000	9,300	9,000	9,300	9,300	9,300
Beaches- Licenses	15,600	12,400	12,500	12,600	13,200	13,200
Boat & Gear Storage	48,600	53,800	48,600	50,000	51,100	51,100
Boat Washdown	1,500	1,100	1,000	1,400	1,000	1,000
Coin Hoist	6,000	6,500	6,000	6,000	6,000	6,000
RVs- Babe Lane	166,000	180,000	172,100	177,400	178,100	178,100
RVs- Other than Babe Lane	505,000	574,700	506,200	536,100	524,200	524,200
Utilities Reimbursement	30,000	39,800	35,000	30,800	35,000	35,000
Miscellaneous Operating Income	1,000	900	500	200	500	500
Total Lease & License Revenue	\$1,187,800	\$1,340,200	\$1,237,000	\$1,285,600	\$1,292,900	\$1,292,900

Diesel Sales	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Diesel Sales	\$100,000	\$165,500	\$169,400	\$115,200	\$169,400	\$169,400
Diesel Cost of Goods Sold	(86,500)	(145,000)	(149,800)	(99,400)	(149,800)	(149,800)
Total Diesel Sales	\$13,500	\$20,500	\$19,600	\$15,800	\$19,600	\$19,600

Non-Operating Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Interest Income	\$18,000	\$19,300	\$17,000	\$17,000	\$17,000	\$17,000
Finance Charge Income	2,000	1,800	2,000	800	1,500	1,500
Tax Proceeds	2,839,500	3,011,300	3,034,400	3,060,000	3,160,000	3,160,000
Other Financing Sources	-	1,400	-	-	-	-
Misc. Non-Operating Inc. (Exp.)	1,000	(4,700)	1,000	1,600	1,000	1,000
Budget Transfer	40,000	-	-	-	-	-
Total Non-Operating Revenue	\$2,900,500	\$3,029,100	\$3,054,400	\$3,079,400	\$3,179,500	\$3,179,500



Consolidated Budget Detail (Cont.)

Salaries, Wages & Benefits	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissioner Wages	\$33,600	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Employee Wages	1,727,200	1,679,700	1,800,200	1,798,700	1,843,600	1,843,600
Health Insurance	286,700	314,100	400,800	379,600	460,900	460,900
Workers Compensation	147,300	143,400	84,800	84,800	101,600	101,600
Payroll Taxes	130,900	127,600	136,600	135,700	138,800	138,800
Pension Costs	261,200	255,800	303,800	292,900	346,200	346,200
Recruitment	14,500	17,100	5,800	26,900	5,800	5,800
Misc. Employee Benefits	5,400	6,700	6,000	6,000	6,000	6,000
Unemployment Self Insurance	1,000	-	1,000	1,000	1,000	1,000
Contract Labor	17,000	39,900	45,000	30,000	45,000	45,000
Contract Security	85,400	88,400	85,400	85,400	85,400	85,400
Compensated Absence	5,500	(5,500)	30,000	30,000	30,000	30,000
Other Post-Employment Benefits	35,000	34,600	35,000	35,000	35,000	35,000
Tax Revenue Anticipation Note	180,000	180,000	197,100	197,100	180,000	180,000
Total Salaries, Wages & Benefits	\$2,930,700	\$2,917,800	\$3,167,500	\$3,139,100	\$3,315,300	\$3,315,300

Supplies	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Office	\$24,000	\$22,400	\$27,000	\$23,400	\$27,600	\$27,600
Shop	7,000	14,400	12,000	10,000	12,000	12,000
RV Camping	5,000	-	-	-	-	-
Sanitation	30,000	37,000	34,300	35,000	36,000	36,000
Harbor Patrol /Lifeguards	12,000	6,100	9,000	9,000	16,000	16,000
Mooring	5,000	7,400	5,000	7,000	1,000	1,000
Dredge	1,500	2,400	1,500	800	4,000	4,000
Clothing/Equipment	9,500	10,400	12,000	15,000	16,500	16,500
Budget Transfer	10,000	-	-	-	-	-
Total Supplies	\$104,000	\$100,100	\$100,800	\$100,200	\$113,100	\$113,100



Consolidated Budget Detail (Cont.)

Operations & Maintenance	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Building/Facility	\$22,500	\$21,900	\$22,500	\$50,600	\$25,400	\$25,400
Vandalism	2,000	2,000	2,000	200	2,000	2,000
Dredge	10,000	2,100	10,000	7,600	10,000	10,000
Electronic Equipment	5,000	11,100	5,000	4,000	7,700	7,700
Vehicles & Equipment	18,700	22,000	18,700	21,300	19,200	19,200
Crane	2,000	9,300	20,500	24,300	4,000	4,000
Coastal Gateway	2,000	400	2,000	600	2,000	2,000
Patrol Boats	12,000	8,000	12,000	12,400	15,000	15,000
LCM	2,000	600	1,500	500	1,500	1,500
Boatyard Maintenance	800	8,100	2,000	200	2,000	2,000
Camp Host	1,000	500	1,000	500	1,000	1,000
Water Taxi Host	3,400	6,100	3,500	4,100	3,500	3,500
Signs	4,500	4,000	4,500	4,200	4,500	4,500
Road/Revetment	9,000	300	9,000	6,200	9,000	9,000
General Maintenance	11,000	18,000	12,000	28,500	15,000	15,000
Sport Launch	2,000	11,300	22,000	19,400	2,000	2,000
Beaches	10,000	13,700	14,000	9,900	12,000	12,000
Public Hoist	2,000	500	2,000	2,700	2,000	2,000
Tools	7,000	3,900	7,000	8,000	5,000	5,000
Fuel	52,800	34,200	48,000	30,400	43,000	43,000
Piers	22,000	17,400	22,000	20,100	22,000	22,000
Ice/Diesel Facility	8,800	4,900	8,500	7,800	9,000	9,000
Lighthouse	7,500	4,300	7,500	4,700	5,500	5,500
Water & Sewer System	7,600	8,500	7,600	3,300	7,600	7,600
Storm Water	1,000	1,100	1,000	300	1,000	1,000
Fire Protection	8,600	2,900	6,000	4,500	5,400	5,400
Dock & Landing	7,200	5,300	7,200	500	7,200	7,200
Memorial Plaque Program	300	-	-	-	-	-
Budget Transfer	10,000	-	-	-	-	-
Total Operations & Maintenance	\$252,700	\$222,400	\$279,000	\$276,800	\$243,500	\$243,500



Consolidated Budget Detail (Cont.)

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Utilities						
Electricity	\$57,000	\$56,300	\$57,900	\$61,300	\$62,500	\$62,500
Telephone	19,600	22,000	23,100	22,500	24,300	24,300
Gas	3,100	2,200	2,900	2,300	2,900	2,900
Sewer	51,400	51,000	83,100	65,400	62,500	62,500
Trash	57,500	61,600	68,000	58,800	74,600	74,600
Haz Mat Disposal	2,500	4,800	4,300	3,100	4,300	4,300
Water – Lopez	189,400	189,500	199,100	224,800	200,000	200,000
Water/Sewer – Avila	29,200	40,100	32,400	38,400	34,000	34,000
Budget Transfer	30,000	-	7,000	-	-	-
Total Utilities	\$439,700	\$427,500	\$477,800	\$476,600	\$465,100	\$465,100

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
General & Administrative						
Advertising & Promotion	\$5,000	\$1,700	\$3,000	\$2,700	\$3,000	\$3,000
Travel, Meals, Lodging	13,100	17,500	16,000	19,200	33,000	33,000
Education/Training	13,000	15,100	13,200	13,200	14,100	14,100
Dues & Subscriptions	13,200	14,500	14,600	12,000	17,700	17,700
Legal Advertising	2,400	3,100	2,400	1,700	2,400	2,400
Cash (Over) / Short	-	(300)	-	200	-	-
Capital Lease - Principal	2,500	2,500	2,700	2,700	2,400	2,400
Capital Lease - Interest	500	500	300	300	100	100
Bank Charges	20,000	26,900	30,000	32,900	35,000	35,000
Bad Debt	7,200	3,500	7,200	4,200	7,200	7,200
Consultants	25,100	31,800	70,900	18,500	70,100	70,100
Legislative Advocacy	8,400	8,400	8,400	8,400	8,400	8,400
Computers & Equip.	7,000	2,700	5,200	7,300	5,400	5,400
Parking	13,600	10,600	13,000	13,000	13,000	13,000
Legal Fees	50,000	109,800	60,000	113,500	60,000	60,000
Audits	9,800	11,800	10,500	10,500	10,500	10,500
Tax Collection Fees	65,000	56,000	65,000	59,000	65,000	65,000
Treasurer Fees	25,000	20,100	25,000	28,200	30,000	30,000
Permits	8,900	7,100	7,400	5,600	7,700	7,700
Elections	95,000	72,900	-	-	95,000	95,000
Property Insurance	137,800	132,800	151,600	132,800	156,600	156,600
Cities Redevelopment	12,000	15,300	29,600	33,300	15,000	15,000
Bonds	800	800	800	800	800	800
LAFCO Fees	14,600	14,600	15,000	15,700	16,000	16,000
Board Dis. Funds	2,500	2,000	2,500	2,500	2,500	2,500
Harbor Manager Dis. Funds	500	500	500	500	500	500
Budget Contingency	46,300	-	22,050	-	103,100	103,100
Budget Transfer	35,000	-	-	-	-	-
Total General & Administrative	\$634,200	\$582,200	\$576,850	\$538,700	\$774,500	\$774,500



Consolidated Budget Detail (Cont.)

Major Maintenance	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Abandoned Vessel	\$75,000	\$31,200	\$50,000	\$58,900	\$30,000	\$30,000
Avila Pier	60,000	37,300	1,100,000	71,200	-	-
Dredge Pump	5,000	-	11,200	11,000	10,000	10,000
Energy Efficient Lighting	14,000	-	14,000	1,500	-	-
Lift Station Maintenance	-	-	-	-	25,000	25,000
Mooring Costs/LCM	35,000	14,700	40,000	14,200	40,000	40,000
Office Flooring	-	-	7,200	1,900	-	-
Pier Maintenance	55,000	64,000	65,000	64,100	65,000	65,000
Repave Parking Lots	25,000	20,600	29,800	28,600	25,000	25,000
Revetment	-	-	25,000	-	25,000	25,000
Water Tank	35,000	3,800	20,000	4,800	-	-
Total Major Maintenance	\$304,000	\$171,600	\$1,362,200	\$256,200	\$220,000	\$220,000
Major Maintenance Funding						
Specified Reserve Use	\$105,000	\$ -	\$172,200	\$98,500	\$85,000	\$85,000
Operating Reserve Use	124,000	129,600	73,150	85,000	105,000	105,000
Grant Funding	75,000	42,000	1,116,850	72,700	30,000	30,000
Total Funding	\$304,000	\$171,600	\$1,362,200	\$256,200	\$220,000	\$220,000



Consolidated Budget Detail (Cont.)

Capital Projects	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Avila Seawall Lighting	\$9,000	\$ -	\$ -	\$ -	\$ -	\$ -
Backhoe Replacement	-	-	101,700	101,700	-	-
Boom Truck	-	-	-	-	-	-
Crane	-	-	-	-	25,000	25,000
Dock	-	-	20,000	-	20,000	20,000
Dock Access Ramp	-	-	15,000	-	-	-
Dredge Pump/Hose	-	7,700	-	-	-	-
Dredge Pipe	-	-	5,000	5,000	-	-
Fish Cleaning Station	-	-	25,000	-	-	-
Fire Systems	25,000	-	13,800	7,400	25,000	25,000
Front St. Staircase	-	-	18,500	-	-	-
Harbor Patrol Boat	-	-	100,000	-	-	-
Harbor Patrol Boat Engines	-	-	22,800	22,700	-	-
Harbor Terrace	30,000	13,700	106,000	34,400	30,000	30,000
Harbor Office Remodel	-	13,000	-	-	-	-
Harford Pier Lease Site	20,000	9,400	-	-	-	-
Harford Pier & Warehouse	150,000	38,700	100,000	-	-	-
Hoist	-	-	-	-	-	55,000
Ice House	-	-	20,000	5,000	-	-
District Staff Landing	39,000	-	39,000	-	39,000	39,000
Lifeguard Towers	-	-	25,000	22,100	-	-
Lighthouse Duplex	-	-	50,000	1,800	40,000	40,000
Master Plan Update	-	-	35,000	-	-	-
Mobile Hoist Pier	375,000	360,200	365,000	44,600	365,000	365,000
Olde Port Beach Restrooms	-	7,100	-	-	-	-
Parking	15,000	4,000	25,000	-	-	-
Rescue Vehicle	-	-	-	-	20,000	20,000
Sewage Treatment Plant	75,000	23,600	75,000	75,000	75,000	75,000
Spill Response Trailer	-	29,800	-	-	-	-
Vehicle Replacement	-	-	-	-	10,000	10,000
Water Taxi Boat	-	-	20,000	-	37,000	37,000
Website	10,000	9,400	-	-	-	-
Total Capital Projects	\$748,000	\$516,600	\$1,181,800	\$319,700	\$686,000	\$741,000
Capital Project Funding						
Specified Reserve Use	\$129,800	\$ -	\$274,000	\$190,400	\$170,800	\$170,800
Operating Reserve Use	219,200	191,300	229,300	126,700	131,700	186,700
Grant Funding	399,000	325,300	678,500	2,600	383,500	383,500
Total Funding	\$748,000	516,600	\$1,181,800	\$319,700	\$686,000	\$741,000



Major Maintenance



Abandoned Vessel
Removal \$30,000

Division of Boating and Waterways Funded project to aid in the removal, storage and disposal of abandoned vessels. No effect on future operating costs.

Grant Funding: \$30,000
Specified Reserve Funding: \$0
Operating Revenue Funding: \$0



Dredge Pump \$10,000

Annual pump maintenance. Recurring annual expense. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$10,000
Operating Revenue Funding: \$0



Harford Pier Lumber
\$65,000

Lumber and to replace pier pilings. Recurring annual expense. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$35,000
Operating Revenue Funding: \$30,000



Lift Station Maintenance
\$25,000

Re-line wet well for lift station #3. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$25,000



Major Maintenance (Cont.)



Mooring Capital Costs
\$40,000

Repairs and maintenance to vessel used to inspect and repair patron moorings (LCM). Recurring annual expenditure. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$40,000
Operating Revenue Funding: \$0



Parking Lot Maintenance
\$25,000

Parking lot maintenance, could include repaving, sealing, restriping, etc. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$25,000



Revetment \$25,000

Repair to the concrete area at trailer boat sport launch jetty and other areas where revetment has been undermined or has sloughed off. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$25,000



Capital Projects



Crane Cab Rehabilitation
\$25,000

Rehabilitation of cab. Rebuild stabilizer hydraulic rams. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$23,000
Operating Revenue Funding: \$2,000



Dock \$20,000

Replace existing trailer boat dock. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$20,000
Operating Revenue Funding: \$0



Fireline Repairs \$25,000

Maintenance to Harford Pier fireline system. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$25,000



District Staff Landing
\$39,000

New landing for use by Harbor Patrol, LCM, District skiffs and water taxi. It is estimated that this would increase future operating costs by \$1,000 per year.

Grant Funding: \$0
Specified Reserve Funding: \$39,000
Operating Revenue Funding: \$0



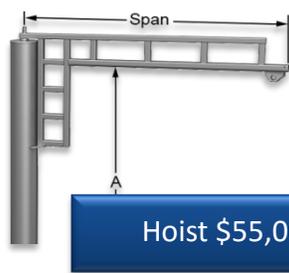
Capital Projects (Cont.)



Harbor Terrace \$30,000

Consultants, legal, marketing, etc. for Harbor Terrace project. Project is expected to begin producing revenue in the 2017/18 fiscal year. The project would not increase operating costs as it would be run by a third party.

Grant Funding: \$0
Specified Reserve Funding: \$30,000
Operating Revenue Funding: \$0



Hoist \$55,000

Purchase and installation of pedestal-type hoist. Annual maintenance of hoist is estimated to be \$2,000.

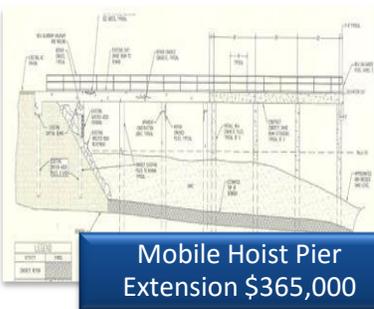
Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$55,000



Lighthouse Duplex \$40,000

Based on Harbor Commission direction for use. Rehabilitate existing space. Project could result in additional revenues for the District as early as 2016/17 though estimates are unknown at this point.

Grant Funding: \$0
Specified Reserve Funding: \$40,000
Operating Revenue Funding: \$0



Mobile Hoist Pier Extension \$365,000

Pier extension engineering and construction. No effect on future operating costs.

Grant Funding: \$365,000
Specified Reserve Funding: \$0
Operating Revenue Funding: \$0



Capital Projects (Cont.)



Rescue Vehicle \$20,000

Purchase of a new Harbor Patrol vehicle to replace the Ford Ranger. It is estimated that this would result in a cost savings on future operating budgets as maintenance costs for the current vehicle continue to rise. The District estimates the savings to be \$1,500 during the first year that the new vehicle is in service.

Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$20,000



Sewer Treatment Plant
\$75,000

Avila Beach Community Services District capital improvements. The District has a 35% share per 1968 agreement. Recurring annual expenditure. No effect on future operating costs.

Grant Funding: \$0
Specified Reserve Funding: \$18,800
Operating Revenue Funding: \$56,200



Vehicle Replacement
\$10,000

Replacement of camp host vehicle. It is estimated that this would result in a cost savings on future operating budgets as maintenance costs for the current vehicle continue to rise.

Grant Funding: \$0
Specified Reserve Funding: \$0
Operating Revenue Funding: \$10,000



Water Taxi Boat
Replacement \$37,000

Replacement of water taxi boat. It is estimated that this would result in a cost savings on future operating budgets as maintenance costs for the current vessel continue to rise. The District estimates the savings to be \$250 during the first year that the new vessel is in service.

Grant Funding: \$18,500
Specified Reserve Funding: \$0
Operating Revenue Funding: \$18,500



Unfunded Major Maintenance and Capital Projects

Due to budgetary constraints, certain major maintenance and capital projects were not able to be included in the 2016/17 budget or funded in the next five years. The following projects are deferred until funding becomes available. Estimate of costs have not been escalated for probable increase in such costs.

- Avila Pier: Rehabilitation of Avila Pier. Cost is dependent on scope of project.
- Electronic Board Meetings \$7,300: Tablets for Commissioners and Staff to facilitate electronic Board meetings.
- Electronic Documents \$10,000: Scanning of the contents of approximately twenty file boxes.
- Front St. Staircase \$93,500: Includes \$18,500 for engineering and \$75,000 for demolition and replacement of the staircase.
- Harbor Office Remodel \$265,000: Complete remodel of main office over a three year period.
- Harford Pier Redevelopment: Cost is dependent on scope of project.
- Harford Pier Roof \$65,000: Reroof and replace flashings on flat portion of Harford Pier canopy.
- Message Board \$16,000: A changeable message board is a flexible tool to educate the public about potential hazards and current conditions. San Luis Obispo County has a number of these boards and has allowed the District to use them on an as available basis. We have seen success using the board to advise about dangerous surf conditions and fire regulations on the beach. Reducing unlawful fires on Olde Port Beach this year saved the District significant time and labor costs. Staff feels that the changeable message board played a significant role in this reduction. Within two days of the board being removed by San Luis Obispo County we saw an increase in overnight fires. The board also increases the level of service we provide to visitors by providing 24 hour automated education that is difficult or impossible to miss.



Specified Reserve Funding and Use

Description	2015/16 Projections		2016/17 Budget		2016/17 Notes
	7/1/2015 Balance	Reserve Funding	Proj. 6/30/16 Balance	Reserve Funding	
LCM Maintenance Fund	\$ 178,600		\$ 164,400		
Building Improvement	74,000		72,100		
Coastal Gateway	17,400		17,400		LCM maintenance
Computer	15,300		15,300		Harbor Patrol landing
Crane	23,000		23,000		
Dredge	76,900		61,900		Cab rehabilitation
Election	-	45,000	45,000		Dredge pump
Equipment	16,500		5,000		2016 Election
Facilities	556,000	65,000	546,000	(140,000)	Harford Pier lumber (\$35,000), Lighthouse Duplex (\$40,000), Avila Pier PR (\$45,000), Dock (\$20,000)
Hoist	58,700		14,100		
Other Post Employment Benefits	69,000		69,000		
Commissioner Discretionary Funds	960		960		
Safety Equipment	12,000		-		
Harbor Terrace	140,000		105,600	(30,000)	Harbor Terrace
Utility Replacement	60,000		25,000	(18,800)	ABCSD capital projects
Vehicle Replacement	500		-		
Waste Treatment Plant	40,000		-		
Water Tank	31,000		26,200		
Total Specified Reserves	\$ 1,369,860	\$ 110,000	\$ 1,190,960	\$ -	\$ (345,800)
Total Operating Reserves	\$ 1,443,400	\$ 140,100	\$ 1,583,500	\$ -	\$ 95,700

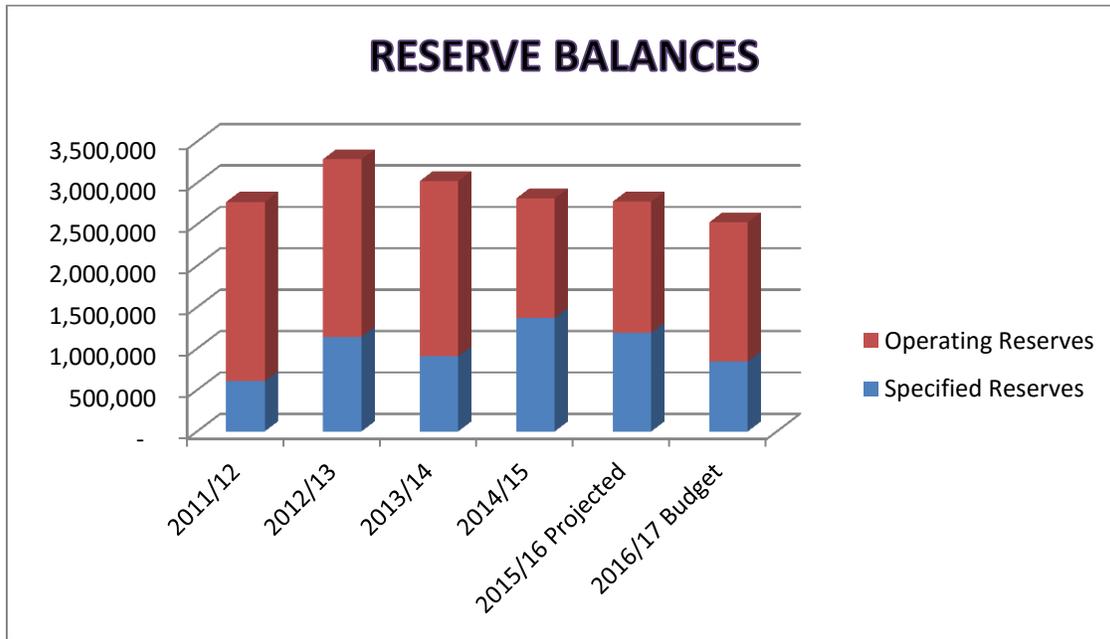
Total Specified Reserves **\$ 1,443,400** **\$ 140,100** **\$ -** **\$ 1,583,500** **\$ -** **\$ 95,700** **\$ 1,679,200**

Notes:

- 2015/16 Projections include reserve funding equal to the projected increase/decrease in reserves for the fiscal year. This schedule assumes this will go into the operating reserve though the ultimate decision lies with the Harbor Commission.
- Per District policy, at least \$1.3M in operating reserves is required for cash flow purposes.



Reserve Trends



For budget purposes the District differentiates Specified Reserves from Operating (Unspecified Reserves). Specified Reserves are designated per board action or by District Ordinance (LCM reserve). The designation of reserves generally occurs in August of each year and is equal to the actual available unused fund balance from the previous fiscal year. The Operating Reserve is not designated for a particular purpose. Per District policy, \$1.3 million of the \$2.1 million available in Operating Reserves should not be appropriated due to District cash flow needs. The other \$.7 million acts as the District's emergency reserve and may be used for such items as stabilization of District staffing during economic downturns and/or revenue stream losses, and one-time unanticipated expenses.



Budget by Fund



General Fund Budget Summary

	Last Year 2014/15		Current Year 2015/16		2016/17		% Change from 2015/16 Projections
	Amended Budget	Actual	Budget	Projected	Preliminary Budget	Final Budget	
REVENUES							
Service Revenue <i>(Avila Parking, Location Fees, Citations)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Mooring Revenue <i>(Moorage Fees, Equipment Sales, Skiff Space, Exclusive of Labor and O&M)</i>	-	-	-	-	-	-	0.0%
Leases & Licenses <i>(Leases, Licenses, RVs, Utility Reimbursement)</i>	-	-	-	-	-	-	0.0%
Diesel Sales <i>(Exclusive of Labor, O&M and Permits)</i>	-	-	-	-	-	-	0.0%
Total Operating Revenue	-	-	-	-	-	-	0.0%
Non-Operating Revenue/(Expenditure) <i>(Property Tax, Interest)</i>	2,894,900	3,023,100	3,049,000	3,075,200	3,174,600	3,174,600	3.2%
REVENUES	\$ 2,894,900	\$ 3,023,100	\$ 3,049,000	\$ 3,075,200	\$ 3,174,600	\$ 3,174,600	3.2%
EXPENDITURES							
Salaries/Wages/Benefits	\$ 2,077,100	\$ 2,067,600	\$ 2,239,700	\$ 2,221,400	\$ 2,366,900	\$ 2,366,900	6.5%
Supplies	72,600	67,900	72,000	73,200	84,000	84,000	14.8%
Operations & Maintenance	150,300	129,800	168,400	167,500	152,600	152,600	-8.9%
Utilities	271,100	266,700	291,500	291,000	289,000	289,000	-0.7%
General & Administrative	381,900	396,600	363,400	340,700	463,800	463,800	36.1%
Budget Contingency	45,800	-	12,050	-	51,600	51,600	100.0%
Less: Prior year reserve use	(45,000)	(45,000)	-	-	(90,000)	(90,000)	-100.0%
OPERATING EXPENDITURES	2,953,800	2,883,600	3,147,050	3,093,800	3,317,900	3,317,900	7.2%
NET INCOME BEFORE MAJOR MAINTENANCE & CAPITAL PROJECTS	(58,900)	139,500	(98,050)	(18,600)	(143,300)	(143,300)	-670.4%
Major Maintenance Expense	226,000	115,200	1,274,100	205,200	131,250	131,300	-36.0%
Less: Grants	(75,000)	(35,700)	(1,116,850)	(69,800)	(30,000)	(30,000)	-57.0%
Prior year reserve use	(52,500)	-	(99,500)	(58,700)	(31,500)	(31,500)	-46.3%
Capital Project Outlay	209,700	104,800	630,600	206,400	198,800	198,800	-3.7%
Less: Grants	(114,000)	(40,100)	(250,000)	-	-	-	0.0%
Prior year reserve use	(42,000)	-	(186,900)	(120,600)	(158,500)	(158,500)	31.4%
MAJOR MAINTENANCE AND CAPITAL PROJECTS	\$ 152,200	\$ 144,200	\$ 251,450	\$ 162,500	\$ 110,050	\$ 110,100	-32.2%
REVENUES less EXPENDITURES	\$ (211,100)	\$ (4,700)	\$ (349,500)	\$ (181,100)	\$ (253,350)	\$ (253,400)	-39.9%
Reserve Set Aside	\$ -	\$ (60,500)	\$ (45,000)	\$ (106,000)	\$ -	\$ -	-100.0%
Budget Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Increase/(Decrease) in operating reserves	\$ (211,100)	\$ (65,200)	\$ (394,500)	\$ (287,100)	\$ (253,350)	\$ (253,400)	11.7%



General Fund Budget Detail

Non-Operating Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Interest Income	\$14,400	\$10,400	\$13,600	\$13,600	\$13,600	\$13,600
Finance Charge Income	-	-	-	-	-	-
Tax Proceeds	2,839,500	3,011,300	3,034,400	3,060,000	3,160,000	3,160,000
Other Financing Sources	-	1,400	-	-	-	-
Misc. Non-Operating Inc. (Exp.)	1,000	-	1,000	1,600	1,000	1,000
Budget Transfer	40,000	-	-	-	-	-
Total Non-Operating Revenue	\$2,894,900	\$3,023,100	\$3,049,000	\$3,075,200	\$3,174,600	\$3,174,600

Salaries, Wages & Benefits	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissioner Wages	\$20,200	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600
Employee Wages	1,228,600	1,186,900	1,286,100	1,295,300	1,334,000	1,334,000
Health Insurance	202,400	218,600	285,700	262,800	324,600	324,600
Workers Compensation	107,800	95,000	62,600	62,600	75,600	75,600
Payroll Taxes	93,300	89,800	97,700	96,100	100,000	100,000
Pension Costs	128,800	128,000	156,700	155,700	198,900	198,900
Recruitment	12,200	16,100	5,600	19,500	5,600	5,600
Misc. Employee Benefits	3,700	4,400	4,100	4,300	4,100	4,100
Unemployment Self Insurance	1,000	-	1,000	600	1,000	1,000
Contract Labor	13,700	30,300	36,100	20,400	36,100	36,100
Contract Security	85,400	88,400	85,400	85,400	85,400	85,400
Compensated Absence	-	-	-	-	-	-
Other Post-Employment Benefits	-	8,500	-	-	-	-
Tax Revenue Anticipation Note	180,000	180,000	197,100	197,100	180,000	180,000
Total Salaries, Wages & Benefits	\$2,077,100	\$2,067,600	\$2,239,700	\$2,221,400	\$2,366,900	\$2,366,900



General Fund Budget Detail (Cont.)

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Supplies						
Office	\$14,800	\$13,400	\$16,400	\$14,200	\$16,700	\$16,700
Shop	5,000	4,700	5,700	4,400	5,700	5,700
Sanitation	27,300	33,800	31,200	31,900	32,800	32,800
Harbor Patrol /Lifeguards	12,000	6,100	9,000	9,000	16,000	16,000
Mooring	700	1,100	700	1,000	100	100
Dredge	200	400	200	100	600	600
Clothing/Equipment	7,600	8,400	8,800	12,600	12,100	12,100
Budget Transfer	5,000	-	-	-	-	-
Total Supplies	\$72,600	\$67,900	\$72,000	\$73,200	\$84,000	\$84,000

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Operations & Maintenance						
Building/Facility	\$14,600	\$14,000	\$16,300	\$26,700	\$18,400	\$18,400
Vandalism	1,200	1,200	1,200	100	1,200	1,200
Dredge	1,500	600	1,500	1,100	1,500	1,500
Electronic Equipment	3,200	8,200	4,500	4,000	7,000	7,000
Vehicles & Equipment	12,500	12,500	11,100	15,300	11,400	11,400
Crane	1,400	6,500	19,300	23,100	2,800	2,800
Coastal Gateway	300	100	300	100	300	300
Patrol Boats	12,000	8,000	12,000	12,400	15,000	15,000
LCM	300	100	200	100	200	200
Boatyard Maintenance	-	1,200	-	-	-	-
Camp Host	200	-	200	-	200	200
Water Taxi Host	500	-	500	-	500	500
Signs	3,000	2,700	1,900	2,900	1,900	1,900
Road/Revetment	5,500	-	4,900	4,400	4,900	4,900
General Maintenance	6,400	9,600	5,800	11,200	7,200	7,200
Sport Launch	300	1,700	300	2,900	300	300
Beaches	7,000	9,700	9,800	9,900	8,400	8,400
Public Hoist	500	100	1,200	-	1,200	1,200
Tools	3,200	2,100	4,300	5,600	3,100	3,100
Fuel	35,500	23,900	33,600	22,300	30,100	30,100
Piers	14,000	12,500	17,800	14,100	17,800	17,800
Ice/Diesel Facility	1,300	700	1,300	500	1,400	1,400
Lighthouse	7,500	4,300	7,500	4,700	5,500	5,500
Water & Sewer System	5,300	5,900	5,300	2,300	5,300	5,300
Storm Water	700	800	700	200	700	700
Fire Protection	6,000	2,600	5,800	3,500	5,200	5,200
Dock & Landing	1,100	800	1,100	100	1,100	1,100
Memorial Plaque Program	300	-	-	-	-	-
Budget Transfer	5,000	-	-	-	-	-
Total Operations & Maintenance	\$150,300	\$129,800	\$168,400	\$167,500	\$152,600	\$152,600



General Fund Budget Detail (Cont.)

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Utilities						
Electricity	\$22,100	\$25,900	\$25,200	\$30,600	\$27,200	\$27,200
Telephone	13,400	14,400	14,900	14,600	15,700	15,700
Gas	1,700	1,000	1,600	1,200	1,600	1,600
Sewer	36,000	35,600	51,300	45,800	43,800	43,800
Trash	36,900	49,500	54,000	37,400	59,200	59,200
Haz Mat Disposal	1,000	2,200	2,500	2,200	2,500	2,500
Water – Lopez	101,800	101,800	106,900	120,800	107,400	107,400
Water/Sewer – Avila	28,200	36,300	30,100	38,400	31,600	31,600
Budget Transfer	30,000	-	5,000	-	-	-
Total Utilities	\$271,100	\$266,700	\$291,500	\$291,000	\$289,000	\$289,000

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
General & Administrative						
Advertising & Promotion	\$3,200	\$1,100	\$1,800	\$1,600	\$1,800	\$1,800
Travel, Meals, Lodging	8,300	11,000	9,600	11,900	19,800	19,800
Education/Training	10,200	10,700	11,600	8,900	12,400	12,400
Dues & Subscriptions	8,300	9,100	9,100	7,300	11,000	11,000
Legal Advertising	1,400	1,700	1,400	1,000	1,400	1,400
Cash (Over) / Short	-	(200)	-	-	-	-
Capital Lease - Principal	2,500	2,500	2,700	2,700	2,400	2,400
Capital Lease - Interest	500	500	300	300	100	100
Bank Charges	3,000	4,000	4,500	-	5,300	5,300
Bad Debt	-	-	-	-	-	-
Consultants	16,600	20,500	60,900	12,300	60,400	60,400
Legislative Advocacy	5,000	5,000	5,000	5,000	5,000	5,000
Computers & Equip.	4,200	2,000	3,100	4,400	3,200	3,200
Parking	-	-	-	-	-	-
Legal Fees	20,000	65,900	24,000	68,100	24,000	24,000
Audits	5,900	7,100	6,300	6,300	6,300	6,300
Tax Collection Fees	65,000	56,000	65,000	59,000	65,000	65,000
Treasurer Fees	15,000	12,100	15,000	16,900	18,000	18,000
Permits	6,200	3,100	5,200	4,000	5,400	5,400
Elections	95,000	72,900	-	-	95,000	95,000
Property Insurance	82,700	79,700	91,000	79,700	94,000	94,000
Cities Redevelopment	12,000	15,300	29,600	33,300	15,000	15,000
Bonds	500	500	500	500	500	500
LAFCO Fees	14,600	14,600	15,000	15,700	16,000	16,000
Board Dis. Funds	1,500	1,200	1,500	1,500	1,500	1,500
Harbor Manager Dis. Funds	300	300	300	300	300	300
Budget Contingency	45,800	-	12,050	-	51,600	51,600
Budget Transfer	-	-	-	-	-	-
Total General & Administrative	\$427,700	\$396,600	\$375,450	\$340,700	\$515,400	\$515,400



General Fund Budget Detail (Cont.)

Major Maintenance	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Abandoned Vessel	\$75,000	\$31,200	\$50,000	\$58,900	\$30,000	\$30,000
Avila Pier	60,000	37,300	1,100,000	71,200	-	-
Dredge Pump	3,500	-	7,800	7,700	7,000	7,000
Energy Efficient Lighting	14,000	-	14,000	1,500	-	-
Lift Station Maintenance	-	-	-	-	6,250	6,300
Mooring Costs/LCM	-	-	-	-	-	-
Office Flooring	-	-	4,300	1,100	-	-
Pier Maintenance	38,500	44,800	45,500	44,900	45,500	45,500
Repave Parking Lots	17,500	-	17,500	17,500	17,500	17,500
Revetment	-	-	25,000	-	25,000	25,000
Water Tank	17,500	1,900	10,000	2,400	-	-
Total Major Maintenance	\$226,000	\$115,200	\$1,274,100	\$205,200	\$131,250	\$131,300
Major Maintenance Funding						
Specified Reserve Use	\$52,500	\$ -	\$99,500	\$58,700	\$31,500	\$31,500
Operating Reserve Use	98,500	79,500	57,750	76,700	69,750	69,800
Grant Funding	75,000	35,700	1,116,850	69,800	30,000	30,000
Total Funding	\$226,000	\$115,200	\$1,274,100	\$205,200	\$131,250	\$131,300



General Fund Budget Detail (Cont.)

Capital Projects	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Avila Seawall Lighting	\$9,000	\$ -	\$ -	\$ -	\$ -	\$ -
Backhoe Replacement	-	-	98,100	98,100	-	-
Boom Truck	-	-	-	-	-	-
Crane	-	-	-	-	17,500	17,500
Dock	-	-	16,000	-	16,000	16,000
Dock Access Ramp	-	-	12,000	-	-	-
Dredge Pump/Hose	-	1,200	-	-	-	-
Dredge Pipe	-	-	800	800	-	-
Fish Cleaning Station	-	-	25,000	-	-	-
Fire Systems	17,500	-	9,700	5,200	17,500	17,500
Front St. Staircase	-	-	18,500	-	-	-
Harbor Patrol Boat	-	-	100,000	-	-	-
Harbor Patrol Boat Engines	-	-	22,800	22,700	-	-
Harbor Terrace	30,000	13,700	106,000	34,400	30,000	30,000
Harbor Office Remodel	-	7,800	-	-	-	-
Harford Pier Lease Site	-	6,600	-	-	-	-
Harford Pier & Warehouse	105,000	27,100	70,000	-	-	-
Hoist	-	-	-	-	-	-
Ice House	-	-	10,000	2,500	-	-
District Staff Landing	23,400	-	23,400	-	39,000	39,000
Lifeguard Towers	-	-	25,000	22,100	-	-
Lighthouse Duplex	-	-	50,000	1,800	40,000	40,000
Master Plan Update	-	-	24,500	-	-	-
Mobile Hoist Pier	-	-	-	-	-	-
Olde Port Beach Restrooms	-	7,100	-	-	-	-
Parking	-	-	-	-	-	-
Rescue Vehicle	-	-	-	-	20,000	20,000
Sewage Treatment Plant	18,800	5,900	18,800	18,800	18,800	18,800
Spill Response Trailer	-	29,800	-	-	-	-
Vehicle Replacement	-	-	-	-	-	-
Water Taxi Boat	-	-	-	-	-	-
Website	6,000	5,600	-	-	-	-
Total Capital Projects	\$209,700	\$104,800	\$630,600	\$206,400	\$198,800	\$198,800
Capital Project Funding						
Specified Reserve Use	\$42,000	\$ -	\$186,900	\$120,600	\$158,500	\$158,500
Operating Reserve Use	53,700	64,700	193,700	85,800	40,300	40,300
Grant Funding	114,000	40,100	250,000	-	-	-
Total Funding	\$209,700	\$104,800	\$630,600	\$206,400	\$198,800	\$198,800



Enterprise Fund Budget Summary

	Last Year 2014/15		Current Year 2015/16		2016/17		% Change from 2015/16 Projections
	Amended Budget	Actual	Budget	Projected	Preliminary Budget	Final Budget	
REVENUES							
Service Revenue <i>(Avila Parking, Location Fees, Citations)</i>	\$ 432,500	\$ 518,200	\$ 400,000	\$ 474,800	\$ 521,000	\$ 521,000	9.7%
Mooring Revenue <i>(Moorage Fees, Equipment Sales, Skiff Space, Exclusive of Labor and O&M)</i>	125,200	127,500	123,700	137,600	140,900	140,900	2.4%
Leases & Licenses <i>(Leases, Licenses, RVs, Utility Reimbursement)</i>	1,187,800	1,340,200	1,237,000	1,285,600	1,292,900	1,292,900	0.6%
Diesel Sales <i>(Exclusive of Labor, O&M and Permits)</i>	13,500	20,500	19,600	15,800	19,600	19,600	24.1%
Total Operating Revenue	1,759,000	2,006,400	1,780,300	1,913,800	1,974,400	1,974,400	3.2%
Non-Operating Revenue/(Expenditure) <i>(Property Tax, Interest)</i>	5,600	6,000	5,400	4,200	4,900	4,900	16.7%
REVENUES	\$ 1,764,600	\$ 2,012,400	\$ 1,785,700	\$ 1,918,000	\$ 1,979,300	\$ 1,979,300	3.2%
EXPENDITURES							
Salaries/Wages/Benefits	\$ 853,600	\$ 850,200	\$ 927,800	\$ 917,700	\$ 948,400	\$ 948,400	3.3%
Supplies	31,400	32,200	28,800	27,000	29,100	29,100	7.8%
Operations & Maintenance	102,400	92,600	110,600	109,300	90,900	90,900	-16.8%
Utilities	168,600	160,800	186,300	185,600	176,100	176,100	-5.1%
General & Administrative	206,000	185,600	191,400	198,000	207,600	207,600	4.8%
<i>Budget Contingency</i>	500	-	10,000	-	51,500	51,500	100.0%
<i>Less: Prior year reserve use</i>	-	-	-	-	-	-	0.0%
OPERATING EXPENDITURES	1,362,500	1,321,400	1,454,900	1,437,600	1,503,600	1,503,600	4.6%
NET INCOME BEFORE MAJOR MAINTENANCE & CAPITAL PROJECTS	402,100	691,000	330,800	480,400	475,700	475,700	-1.0%
Major Maintenance Expense	78,000	56,400	88,100	51,000	88,750	88,700	73.9%
<i>Less: Grants</i>	-	(6,300)	-	(2,900)	-	-	0.0%
<i>Prior year reserve use</i>	(52,500)	-	(72,700)	(39,800)	(53,500)	(53,500)	34.4%
Capital Project Outlay	538,300	411,800	551,200	113,300	487,200	542,200	378.6%
<i>Less: Grants</i>	(285,000)	(285,200)	(428,500)	(2,600)	(383,500)	(383,500)	14650.0%
<i>Prior year reserve use</i>	(87,800)	-	(87,100)	(69,800)	(12,300)	(12,300)	-82.4%
MAJOR MAINTENANCE AND CAPITAL PROJECTS	\$ 191,000	\$ 176,700	\$ 51,000	\$ 49,200	\$ 126,650	\$ 181,600	269.1%
REVENUES less EXPENDITURES	\$ 211,100	\$ 514,300	\$ 279,800	\$ 431,200	\$ 349,050	\$ 294,100	-31.8%
Reserve Set Aside	\$ -	\$ (449,000)	\$ -	\$ (4,000)	\$ -	\$ -	100.0%
Budget Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Increase/(Decrease) in operating reserves	\$ 211,100	\$ 65,300	\$ 279,800	\$ 427,200	\$ 349,050	\$ 294,100	-31.2%



Enterprise Fund Budget Detail

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Service Revenue						
Administration	\$15,000	\$54,000	\$20,000	\$57,200	\$30,000	\$30,000
Location Fees	-	-	-	-	-	-
Citations	20,000	23,800	20,000	27,700	22,000	22,000
Facilities Labor & Equipment	500	2,600	3,000	3,400	3,000	3,000
Avila Parking	342,000	429,200	350,000	381,500	459,000	459,000
Harbor Patrol & Lifeguards	10,000	8,600	7,000	5,000	7,000	7,000
Harbor Parking	-	-	-	-	-	-
Budget Transfer	45,000	-	-	-	-	-
Total Service Revenue	\$432,500	\$518,200	\$400,000	\$474,800	\$521,000	\$521,000

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Mooring Revenue						
Anchorage Fees	\$1,000	\$2,000	\$1,800	\$2,100	\$2,000	\$2,000
Work Dock Rental Fee	400	1,500	1,000	500	1,000	1,000
Equipment Rental-Moorings	15,600	17,900	16,000	22,600	23,100	23,100
Mooring Operations	106,000	106,400	109,400	106,400	108,800	108,800
Fisherman's Discount	(10,700)	(12,900)	(14,400)	(14,400)	(14,400)	(14,400)
Mooring Equipment Sales	31,900	34,600	23,100	47,300	47,300	47,300
Mooring Equipment COGS	(19,000)	(22,000)	(13,200)	(26,900)	(26,900)	(26,900)
Total Mooring Revenue	\$125,200	\$127,500	\$123,700	\$137,600	\$140,900	\$140,900



Enterprise Fund Budget Detail (Cont.)

Lease & License Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissions- Laundry	\$4,000	\$4,900	\$3,500	\$3,600	\$4,000	\$4,000
Coastal Gateway Room Rental	2,200	2,300	1,600	2,800	2,200	2,200
Coin Showers	10,400	13,300	12,000	15,900	13,500	13,500
Harford Land Area- Leases	137,700	146,900	137,800	142,000	141,500	141,500
Piers- Leases	238,000	272,500	274,400	271,100	284,900	284,900
Piers- Licenses	12,800	21,800	16,800	26,400	28,400	28,400
Beaches- Leases	9,000	9,300	9,000	9,300	9,300	9,300
Beaches- Licenses	15,600	12,400	12,500	12,600	13,200	13,200
Boat & Gear Storage	48,600	53,800	48,600	50,000	51,100	51,100
Boat Washdown	1,500	1,100	1,000	1,400	1,000	1,000
Coin Hoist	6,000	6,500	6,000	6,000	6,000	6,000
RVs- Babe Lane	166,000	180,000	172,100	177,400	178,100	178,100
RVs- Other than Babe Lane	505,000	574,700	506,200	536,100	524,200	524,200
Utilities Reimbursement	30,000	39,800	35,000	30,800	35,000	35,000
Miscellaneous Operating Income	1,000	900	500	200	500	500
Total Lease & License Revenue	\$1,187,800	\$1,340,200	\$1,237,000	\$1,285,600	\$1,292,900	\$1,292,900

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Diesel Sales						
Diesel Sales	\$100,000	\$165,500	\$169,400	\$115,200	\$169,400	\$169,400
Diesel Cost of Goods Sold	(86,500)	(145,000)	(149,800)	(99,400)	(149,800)	(149,800)
Total Diesel Sales	\$13,500	\$20,500	\$19,600	\$15,800	\$19,600	\$19,600

Non-Operating Revenue	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Interest Income	\$3,600	\$8,900	\$3,400	\$3,400	\$3,400	\$3,400
Finance Charge Income	2,000	1,800	2,000	800	1,500	1,500
Tax Proceeds	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-
Misc. Non-Operating Inc. (Exp.)	-	(4,700)	-	-	-	-
Budget Transfer	-	-	-	-	-	-
Total Non-Operating Revenue	\$5,600	\$6,000	\$5,400	\$4,200	\$4,900	\$4,900



Enterprise Fund Budget Detail (Cont.)

Salaries, Wages & Benefits	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissioner Wages	\$13,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400
Employee Wages	498,600	492,800	514,100	503,400	509,600	509,600
Health Insurance	84,300	95,500	115,100	116,800	136,300	136,300
Workers Compensation	39,500	48,400	22,200	22,200	26,000	26,000
Payroll Taxes	37,600	37,800	38,900	39,600	38,800	38,800
Pension Costs	132,400	127,800	147,100	137,200	147,300	147,300
Recruitment	2,300	1,000	200	7,400	200	200
Misc. Employee Benefits	1,700	2,300	1,900	1,700	1,900	1,900
Unemployment Self Insurance	-	-	-	400	-	-
Contract Labor	3,300	9,600	8,900	9,600	8,900	8,900
Contract Security	-	-	-	-	-	-
Compensated Absence	5,500	(5,500)	30,000	30,000	30,000	30,000
Other Post-Employment Benefits	35,000	26,100	35,000	35,000	35,000	35,000
Tax Revenue Anticipation Note	-	-	-	-	-	-
Total Salaries, Wages & Benefits	\$853,600	\$850,200	\$927,800	\$917,700	\$948,400	\$948,400

Supplies	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Office	\$9,200	\$9,000	\$10,600	\$9,200	\$10,900	\$10,900
Shop	2,000	9,700	6,300	5,600	6,300	6,300
RV Camping	5,000	-	-	-	-	-
Sanitation	2,700	3,200	3,100	3,100	3,200	3,200
Harbor Patrol /Lifeguards	-	-	-	-	-	-
Mooring	4,300	6,300	4,300	6,000	900	900
Dredge	1,300	2,000	1,300	700	3,400	3,400
Clothing/Equipment	1,900	2,000	3,200	2,400	4,400	4,400
Budget Transfer	5,000	-	-	-	-	-
Total Supplies	\$31,400	\$32,200	\$28,800	\$27,000	\$29,100	\$29,100



Enterprise Fund Budget Detail (Cont.)

Operations & Maintenance	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Building/Facility	\$7,900	\$7,900	\$6,200	\$23,900	\$7,000	\$7,000
Vandalism	800	800	800	100	800	800
Dredge	8,500	1,500	8,500	6,500	8,500	8,500
Electronic Equipment	1,800	2,900	500	-	700	700
Vehicles & Equipment	6,200	9,500	7,600	6,000	7,800	7,800
Crane	600	2,800	1,200	1,200	1,200	1,200
Coastal Gateway	1,700	300	1,700	500	1,700	1,700
Patrol Boats	-	-	-	-	-	-
LCM	1,700	500	1,300	400	1,300	1,300
Boatyard Maintenance	800	6,900	2,000	200	2,000	2,000
Camp Host	800	500	800	500	800	800
Water Taxi Host	2,900	6,100	3,000	4,100	3,000	3,000
Signs	1,500	1,300	2,600	1,300	2,600	2,600
Road/Revetment	3,500	300	4,100	1,800	4,100	4,100
General Maintenance	4,600	8,400	6,200	17,300	7,800	7,800
Sport Launch	1,700	9,600	21,700	16,500	1,700	1,700
Beaches	3,000	4,000	4,200	-	3,600	3,600
Public Hoist	1,500	400	800	2,700	800	800
Tools	3,800	1,800	2,700	2,400	1,900	1,900
Fuel	17,300	10,300	14,400	8,100	12,900	12,900
Piers	8,000	4,900	4,200	6,000	4,200	4,200
Ice/Diesel Facility	7,500	4,200	7,200	7,300	7,600	7,600
Lighthouse	-	-	-	-	-	-
Water & Sewer System	2,300	2,600	2,300	1,000	2,300	2,300
Storm Water	300	300	300	100	300	300
Fire Protection	2,600	300	200	1,000	200	200
Dock & Landing	6,100	4,500	6,100	400	6,100	6,100
Memorial Plaque Program	-	-	-	-	-	-
Budget Transfer	5,000	-	-	-	-	-
Total Operations & Maintenance	\$102,400	\$92,600	\$110,600	\$109,300	\$90,900	\$90,900



Enterprise Fund Budget Detail (Cont.)

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Utilities						
Electricity	\$34,900	\$30,400	\$32,700	\$30,700	\$35,300	\$35,300
Telephone	6,200	7,600	8,200	7,900	8,600	8,600
Gas	1,400	1,200	1,300	1,100	1,300	1,300
Sewer	15,400	15,400	31,800	19,600	18,700	18,700
Trash	20,600	12,100	14,000	21,400	15,400	15,400
Haz Mat Disposal	1,500	2,600	1,800	900	1,800	1,800
Water – Lopez	87,600	87,700	92,200	104,000	92,600	92,600
Water/Sewer – Avila	1,000	3,800	2,300	-	2,400	2,400
Budget Transfer	-	-	2,000	-	-	-
Total Utilities	\$168,600	\$160,800	\$186,300	\$185,600	\$176,100	\$176,100

	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
General & Administrative						
Advertising & Promotion	\$1,800	\$600	\$1,200	\$1,100	\$1,200	\$1,200
Travel, Meals, Lodging	4,800	6,500	6,400	7,300	13,200	13,200
Education/Training	2,800	4,400	1,600	4,300	1,700	1,700
Dues & Subscriptions	4,900	5,400	5,500	4,700	6,700	6,700
Legal Advertising	1,000	1,400	1,000	700	1,000	1,000
Cash (Over) / Short	-	(100)	-	200	-	-
Capital Lease - Principal	-	-	-	-	-	-
Capital Lease - Interest	-	-	-	-	-	-
Bank Charges	17,000	22,900	25,500	32,900	29,700	29,700
Bad Debt	7,200	3,500	7,200	4,200	7,200	7,200
Consultants	8,500	11,300	10,000	6,200	9,700	9,700
Legislative Advocacy	3,400	3,400	3,400	3,400	3,400	3,400
Computers & Equip.	2,800	700	2,100	2,900	2,200	2,200
Parking	13,600	10,600	13,000	13,000	13,000	13,000
Legal Fees	30,000	43,900	36,000	45,400	36,000	36,000
Audits	3,900	4,700	4,200	4,200	4,200	4,200
Tax Collection Fees	-	-	-	-	-	-
Treasurer Fees	10,000	8,000	10,000	11,300	12,000	12,000
Permits	2,700	4,000	2,200	1,600	2,300	2,300
Elections	-	-	-	-	-	-
Property Insurance	55,100	53,100	60,600	53,100	62,600	62,600
Cities Redevelopment	-	-	-	-	-	-
Bonds	300	300	300	300	300	300
LAFCO Fees	-	-	-	-	-	-
Board Dis. Funds	1,000	800	1,000	1,000	1,000	1,000
Harbor Manager Dis. Funds	200	200	200	200	200	200
Budget Contingency	500	-	10,000	-	51,500	51,500
Budget Transfer	35,000	-	-	-	-	-
Total General & Administrative	\$206,500	\$185,600	\$201,400	\$198,000	\$259,100	\$259,100



Enterprise Fund Budget Detail (Cont.)

Major Maintenance	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Abandoned Vessel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Avila Pier	-	-	-	-	-	-
Dredge Pump	1,500	-	3,400	3,300	3,000	3,000
Energy Efficient Lighting	-	-	-	-	-	-
Lift Station Maintenance	-	-	-	-	18,750	18,700
Mooring Costs/LCM	35,000	14,700	40,000	14,200	40,000	40,000
Office Flooring	-	-	2,900	800	-	-
Pier Maintenance	16,500	19,200	19,500	19,200	19,500	19,500
Repave Parking Lots	7,500	20,600	12,300	11,100	7,500	7,500
Revetment	-	-	-	-	-	-
Water Tank	17,500	1,900	10,000	2,400	-	-
Total Major Maintenance	\$78,000	\$56,400	\$ 88,100	\$ 51,000	\$88,750	\$88,700
Major Maintenance Funding						
Specified Reserve Use	\$52,500	\$ -	\$72,700	\$39,800	\$53,500	\$53,500
Operating Reserve Use	25,500	50,100	15,400	8,300	35,250	35,200
Grant Funding	-	6,300	-	2,900	-	-
Total Funding	\$78,000	\$56,400	\$88,100	\$51,000	\$88,750	\$88,700



Enterprise Fund Budget Detail (Cont.)

Capital Projects	Last Year 2014/15		Current Year 2015/16		2016/17	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Avila Seawall Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Backhoe Replacement			3,600	3,600	-	-
Boom Truck	-	-	-	-	-	-
Crane					7,500	7,500
Dock	-		4,000	-	4,000	4,000
Dock Access Ramp			3,000	-	-	-
Dredge Pump/Hose	-	6,500	-	-	-	-
Dredge Pipe	-	-	4,200	4,200	-	-
Fish Cleaning Station	-	-	-	-	-	-
Fire Systems	7,500	-	4,100	2,200	7,500	7,500
Front St. Staircase	-	-	-	-	-	-
Harbor Patrol Boat	-	-	-	-	-	-
Harbor Patrol Boat Engines	-	-	-	-	-	-
Harbor Terrace	-	-	-	-	-	-
Harbor Office Remodel	-	5,200	-	-	-	-
Harford Pier Lease Site	20,000	2,800	-	-	-	-
Harford Pier & Warehouse	45,000	11,600	30,000	-	-	-
Hoist	-	-	-	-	-	55,000
Ice House	-	-	10,000	2,500	-	-
District Staff Landing	15,600	-	15,600	-	-	-
Lifeguard Towers	-	-	-	-	-	-
Lighthouse Duplex	-	-	-	-	-	-
Master Plan Update	-	-	10,500	-	-	-
Mobile Hoist Pier	375,000	360,200	365,000	44,600	365,000	365,000
Olde Port Beach Restrooms	-	-	-	-	-	-
Parking	15,000	4,000	25,000	-	-	-
Rescue Vehicle	-	-	-	-	-	-
Sewage Treatment Plant	56,200	17,700	56,200	56,200	56,200	56,200
Spill Response Trailer	-	-	-	-	-	-
Vehicle Replacement	-	-	-	-	10,000	10,000
Water Taxi Boat	-		20,000	-	37,000	37,000
Website	4,000	3,800	-	-	-	-
Total Capital Projects	\$ 538,300	\$411,800	\$551,200	\$113,300	\$487,200	\$542,200
Capital Project Funding						
Specified Reserve Use	\$87,800	\$ -	\$87,100	\$69,800	\$12,300	\$12,300
Operating Reserve Use	165,500	126,600	35,600	40,900	91,400	146,400
Grant Funding	285,000	285,200	428,500	2,600	383,500	383,500
Total Funding	\$538,300	\$411,800	\$551,200	\$113,300	\$487,200	\$542,200



Our Future



Five Year Major Maintenance Plan

Description	2016/17	2017/18	2018/19	2019/20	2020/21	Notes
Abandoned Vessel	\$ 30,000	\$ -	\$ -	\$ -	\$ -	Removal, storage & disposal of abandoned vessels
<i>Grant Funding</i>	<i>(30,000)</i>	-	-	-	-	<i>Division of Boating and Waterways</i>
Avila Pier	-	-	-	-	-	
Dredging Pump	10,000	10,000	10,000	10,000	10,000	Annual pump maintenance, Budget for new pump in 2022.
<i>Dredge Reserve Use</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>Dredge reserve</i>
Lighthouse Road Maintenance	-	25,000	-	-	-	Maintenance on Lighthouse Road
<i>Grant Funding</i>	-	<i>(25,000)</i>	-	-	-	<i>PG&E mitigation funds</i>
Harford Pier Lumber	65,000	65,000	65,000	65,000	65,000	Lumber to replace pilings on pier, increased to adjust for increasing lumber costs
<i>Building Reserve Use</i>	-	<i>(9,600)</i>	-	<i>(18,200)</i>	-	<i>Building improvement reserve</i>
<i>Facilities Reserve Use</i>	<i>(35,000)</i>	-	-	-	-	<i>Facilities reserve</i>
Lift Station Maintenance	25,000	-	-	-	-	Re-line wet well for Lift Station #3.
Mooring Capital Costs	40,000	40,000	40,000	40,000	40,000	Repairs and maintenance to mooring boat.
<i>LCM Reserve Use</i>	<i>(40,000)</i>	<i>(40,000)</i>	<i>(40,000)</i>	<i>(24,500)</i>	<i>(14,900)</i>	<i>LCM maintenance reserve</i>
Parking Lot Maintenance	25,000	-	25,000	25,000	25,000	Parking lot maintenance, repaving, sealing, restriping, etc. Harford Land Area.
Revetment	25,000	25,000	25,000	-	-	Repair to the concrete area at trailer boat sport launch jetty and other areas where revetment has been undermined or has sloughed off.
<i>Facilities Reserve Use</i>	-	<i>(5,000)</i>	-	-	-	<i>Facilities reserve</i>
Trailer Boat Launch Hoist	-	25,000	-	-	-	Preparation of bid documents and spot coating repairs.
Water Tank	-	-	-	7,500	32,500	2019/20 develop Repair & Public Bid documents, 2020/21 coating and repairs.
<i>Water Tank Reserve Use</i>	-	-	-	<i>(7,500)</i>	<i>(18,500)</i>	<i>Water tank reserve</i>
Total	\$ 105,000	\$ 100,400	\$ 115,000	\$ 87,300	\$ 129,100	



Five Year Capital Project Plan

Description	2016/17	2017/18	2018/19	2019/20	2020/21	Notes
Boom truck	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	Purchased November '99, Estimated lease payments over 5 year period
<i>Equipment Reserve Use</i>	-	(5,000)	-	-	-	<i>Equipment reserve</i>
Crane	25,000	-	-	-	-	Cab rehabilitation, rebuild stabilizer hydraulic rams.
<i>Crane reserve use</i>	(23,000)	-	-	-	-	<i>Crane reserve</i>
Dock	20,000	-	-	-	-	Replace existing trailer boat dock.
<i>Facilities Reserve Use</i>	(20,000)	-	-	-	-	<i>Facilities reserve, Project will not be complete in 2015/16. Staff will recommend placing budgeted funds into a reserve to cover this project in 2016/17.</i>
Dredge Hose	-	20,000	-	-	-	Replace hose every four years.
<i>Dredge Reserve Use</i>	-	(11,900)	-	-	-	<i>Dredge reserve</i>
Dredge Pipe	-	-	-	-	5,000	Replace Pipe every five years
Dump truck	-	-	20,000	20,000	20,000	Purchased October '98, assumes 10 year lease.
Fireline Repairs	25,000	-	-	-	-	Maintenance to pier fireline system.
Harbor Patrol Boat Engines	-	15,000	-	15,000	-	New engine every other year.
Harbor Terrace	30,000	-	-	-	-	Consultants, legal, accounting, marketing
<i>Harbor Terrace Reserve Use</i>	(30,000)	-	-	-	-	<i>Harbor Terrace reserve</i>
Hoist	55,000	-	-	-	-	Purchase and installation of pedestal-type hoist.
District Staff Landing	39,000	-	-	-	-	New landing for use by Harbor Patrol and water taxi.
<i>Building Reserve Use</i>	(39,000)	-	-	-	-	<i>Building improvements reserve, Project will not be complete in 2015/16. Staff will recommend placing budgeted funds into a reserve to cover this project in 2016/17.</i>
Lifeguard Towers	-	-	25,000	25,000	-	Avila Beach towers in 2018/19 and 2019/20.
Lighthouse Duplex	40,000	-	-	-	-	Rehabilitate existing space based on Harbor Commission direction.
<i>Facilities Reserve Use</i>	(40,000)	-	-	-	-	<i>Facilities reserve, Project will not be complete in 2015/16. Staff will recommend placing budgeted funds into a reserve to cover this project in 2016/17.</i>
Master Plan Update	-	35,000	-	-	-	Consulting fees to update Master Plan.
Mobile Hoist Pier Extension	365,000	365,000	-	-	-	Pier extension engineering and construction.
<i>Grant Funding</i>	(365,000)	(365,000)	-	-	-	<i>Grants to be solicited-SLOCOG</i>
Parking Pay Station	-	-	15,000	15,000	-	Avila pay station, to be replaced every 5 years.
Parking Plan Implementation Pay Station	-	25,000	25,000	-	-	Phase I in 2017/18, Phase II in 2018/19.
Rescue Vehicle	20,000	-	-	-	-	Replace Ford Ranger.
Sea Level Rise Analysis	-	75,000	-	-	-	Pursuant to AB 691, assessment due 1/1/19.
<i>Grant Funding</i>	-	(75,000)	-	-	-	<i>Grants to be solicited</i>
Sewer Treatment Plant	75,000	75,000	75,000	75,000	75,000	Avila Beach Community Services District capital improvements, 35% share per agreement.
<i>Utility Reserve Use</i>	(18,800)	(6,200)	-	-	-	<i>Utility reserve</i>
Trailer Boat Hoist Crane	-	-	5,500	29,500	-	Recoating project, 18/19 develop Repair & Public Bid documents, 19/20 coating and repairs.
Vehicle replacement	10,000	-	-	-	-	Replacement vehicle for Camp Hosts.
Water Taxi Boat	37,000	-	-	-	-	Replacement of water taxi boat.
<i>Grant Funding</i>	(18,500)	-	-	-	-	<i>Grants to be solicited</i>
Total	\$ 186,700	\$ 171,900	\$ 190,500	\$ 204,500	\$ 125,000	



Five Year Projections

	2016/17	2017/18	2018/19	2019/20	2020/21
Operating Revenues	\$ 1,974,400	\$ 2,099,800	\$ 2,194,900	\$ 2,291,100	\$ 2,338,500
Non-Operating Revenues	3,179,500	3,272,300	3,368,000	3,466,600	3,568,200
Total Revenues	5,153,900	5,372,100	5,562,900	5,757,700	5,906,700
Operating Expenditures	(4,911,500)	(5,020,000)	(5,163,100)	(5,254,900)	(5,534,500)
Net Available for Major Maintenance and Capital Projects	242,400	352,100	399,800	502,800	372,200
Major Maintenance and Capital Projects	(961,000)	(825,000)	(355,500)	(352,000)	(297,500)
Grant Funding	413,500	465,000	-	-	-
Reserve Funding (Use)	\$ (305,100)	\$ (7,900)	\$ 44,300	\$ 150,800	\$ 74,700
Specified Reserve Funding (Use)	\$ (345,800)	\$ (42,700)	\$ (95,000)	\$ (15,200)	\$ (88,400)
Operating Reserve Funding (Use)	\$ 40,700	\$ 34,800	\$ 139,300	\$ 166,000	\$ 163,100

Operating Revenue:

- Service revenue is projected to increase 3% per year. The District has seen consistent growth in its revenues generated from the Avila Beach parking lot. Implementation of the parking program is projected to generate \$50,000 in revenue in 2018/19 and \$100,000 per year beginning in 2019/20.
- Boating related revenues (moorings, diesel sales, etc.) are projected to remain consistent over the next five years.
- Leases and licenses are projected to increase 2% per year, consistent with recent CPI increases.
- The District anticipates that the new Harbor Terrace campground will begin producing revenues in 2017/18.

Non-Operating Revenue:

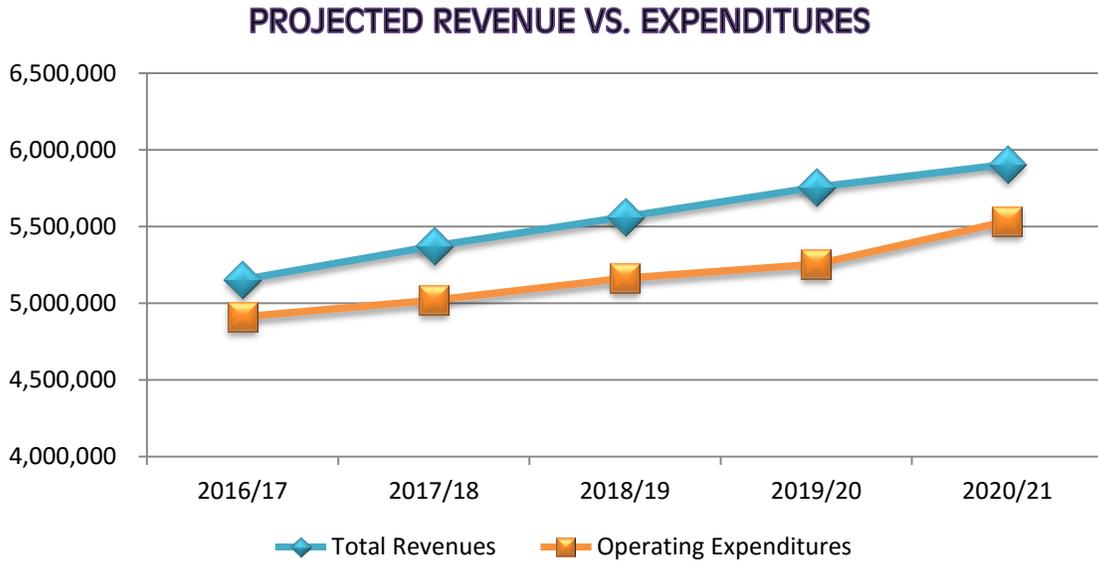
- Property taxes are projected to increase at a rate of 3% per year.
- Investment income is projected to decrease as the District spends down cash.

Operating Expenditures:

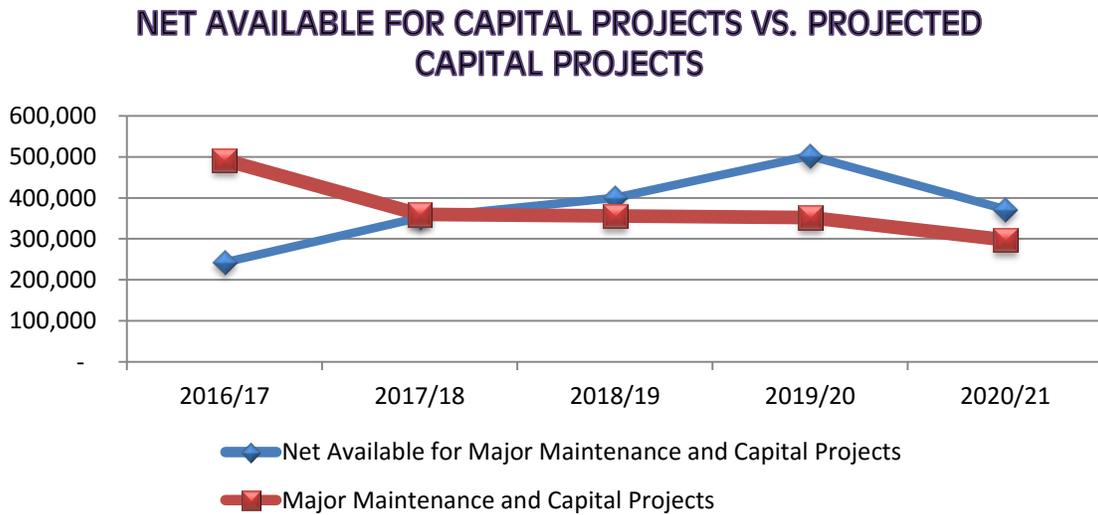
- Salaries, Wages and Benefits:
 - Wages are projected to increase at a rate of 3% per year, consistent with negotiated employment contracts.
 - Health insurance and worker's compensation insurance are projected to increase 5% per year.
 - Pension costs are projected to rise 10% per year as the District is required to fund a portion of its unfunded pension liability with CalPERS.
 - The District will have the Tax Revenue Anticipation Note (TRAN) paid off in 2017/18 (see debt schedule on page 31).
- Supplies and Operations and Maintenance expenditures are projected to increase 2% per year.
- Utilities are projected to increase 3% per year.
- General and Administrative expenditures are projected to increase at a rate of 2% per year with the exception of the following line items:
 - Phone system capital lease will be paid off in 2016/17 (see debt schedule on page 31).
 - Parking enforcement is projected to increase 3%, consistent with parking revenue growth.
 - Cities redevelopment fees, bonds and discretionary funds are projected to remain consistent.



Five Year Projections (Cont.)



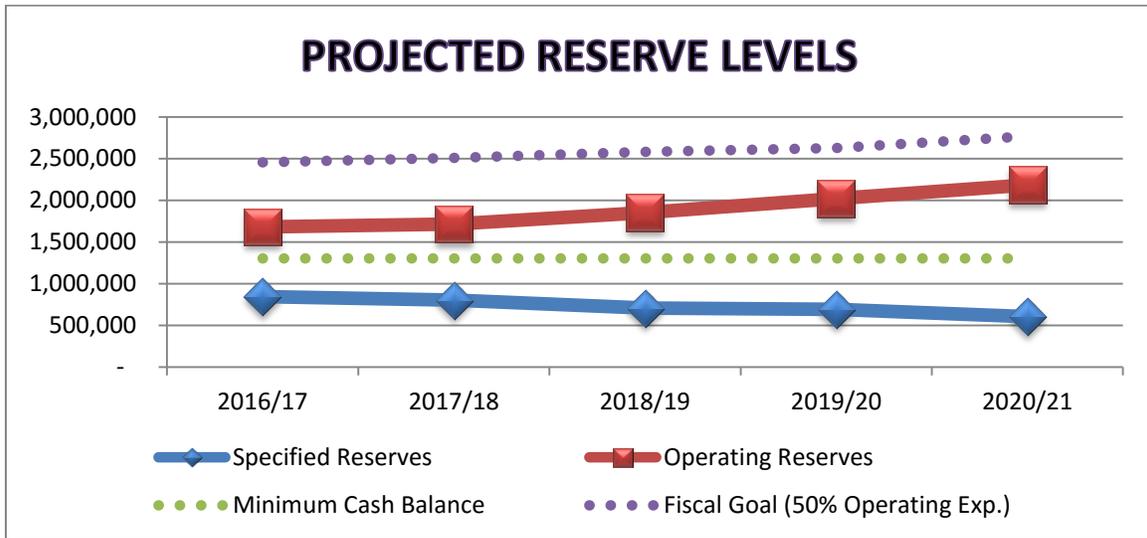
The difference between the projected revenue and operating expenditures is used to fund major maintenance and capital projects. Detail on the projected capital projects can be found on pages 65 and 66.



The difference between the net available for capital projects and the projected capital projects represents an increase or decrease in reserves.



Five Year Projections (Cont.)



The District’s goal is to establish and maintain an operating reserve (aka unassigned fund balance) equal to 50% of the District’s operating expenditures. The reserve shall never be lower than \$1.3 million to ensure that District cash flow needs are met.



Long-Term Goals and Strategies (Master Plan)

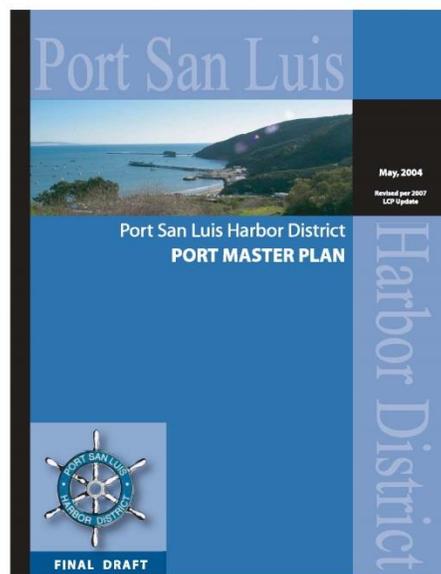
Port San Luis should be a harbor with protected, maintained, and enhanced resources that balances the environmental, social, and economic needs of the District and the various user groups. (Chapter 3 of the Port San Luis Master Plan)

The Master Plan for the Harbor District identifies the following five objectives:

1. Meet Coastal Act priorities for the harbor, especially the protection of coastal-dependent and coastal-related activities, visitor serving and waterfront recreation opportunities, and public access to the waterfront.
2. Promote and facilitate the orderly and beneficial development and use of District lands, facilities, and resources.
3. Provide land and water uses that are beneficial to residents of San Luis Obispo County and the people of the State of California.
4. Increase revenue-producing opportunities to support the Harbor District's public and enterprise functions.
5. Enhance and maintain the maritime character of the harbor.

In order to meet the above-objectives, the Master Plan identifies the Action Items for Open Water, Access Improvements, the Harford Pier, Harford Landing, Beach and Bluff Planning, Harbor Terrace, the Lightstation, and Avila Beach, Pier and Parking Lot. These items are addressed on the following pages.

In addition to the current Master Plan Action Items, multiple federal and state agencies are making projections about the extent and effect of sea level rise over the next one hundred years. The National research Council estimates 1.5" – 12" over the next 15 years, and 16.5" to 65" over the next 85 years. These estimates will need to be addressed in any update to the District's Master Plan, and in the planning for any near shore improvements, as well as parking lot elevation.





Long-Term Goals and Strategies (Cont.)

Access Improvements

1. *Coordinate Access Improvement Efforts:* Improve the safety and convenience of access routes for automobiles, pedestrians, cyclists and others traveling to and from Port properties.
2. *Encourage Improved Connections:* Work with the County to extend continuous pedestrian paths and bike lanes between Avila Beach and the Harford Pier.
3. *Implement Parking Program:* Implement a parking program for peak season periods to mitigate conflicts among Port users. Plan should include measures to direct traffic, coordinate and operate a shuttle to parking areas, and set appropriate fees. [In-process].

Open Water

1. *Launch Areas Shoaling Solution:* Execute necessary actions to eliminate or reduce the frequency and scope of maintenance dredging and provide more consistent boating access at the boat launching facilities. [The 2016/17 budget includes \$365,000 to extend mobile hoist pier.]

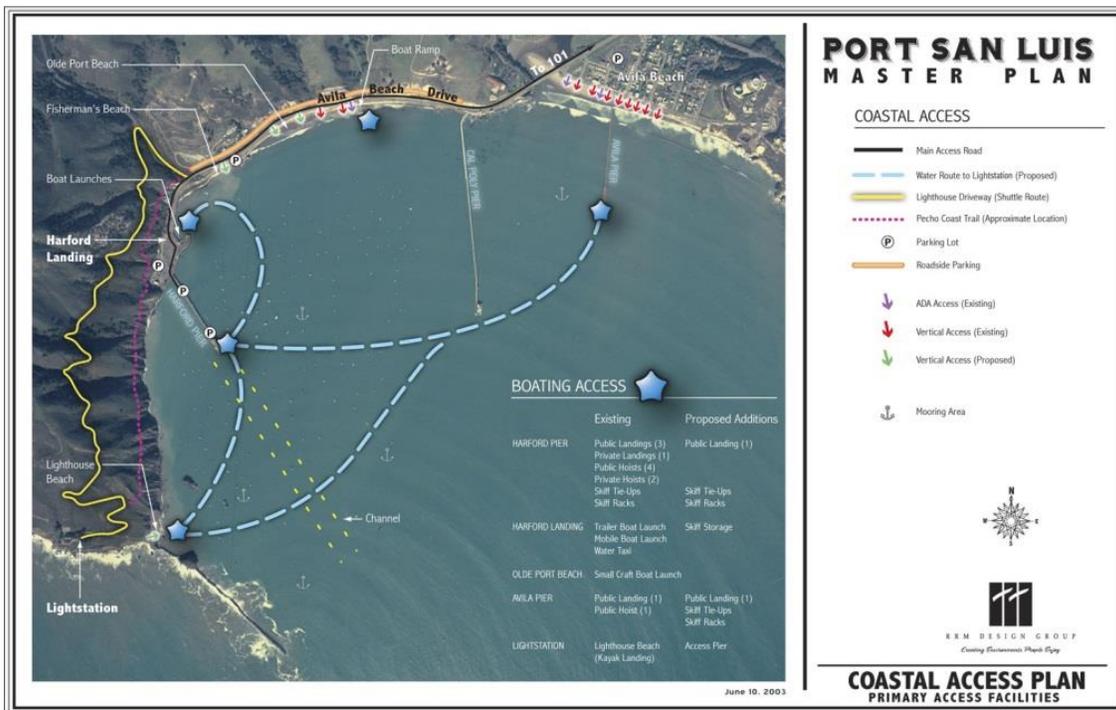


FIGURE 19



Long-Term Goals and Strategies (Cont.)

Harford Pier

1. *Rehabilitation*: Rehabilitate the entire pier through a phased approach.
2. *West Walkway*: Rebuild the width of the pier stem (from the shoreline to the terminus) up to 20 feet westward to increase the pier drive and add a pedestrian walkway.
3. *Pier Roadway*: Install fire grates during the reconstruction of the pier roadway.
4. *Pod 1*: Expand and improve lease spaces for use by coastal dependent uses. Add a public restroom facility.
5. *Visitor Landing*: Add a fixed landing with ladders, gangway, and access stairway to accommodate visiting boaters on the north side of the pier.
6. *Skiff Tie-ups*: Add skiff tie-ups (and ladders) along the pier.
7. *Hoist #3 Area*: Convert to skiff rack storage.
8. *Skiff Racks*: Add skiff racks on the pier terminus.
9. *Existing Harbor Office Space*: If Harbor Offices are consolidated and relocated, consider moving Harbor Patrol office to old Administration Building freeing up Harbor Patrol office as a new lease space.
10. *Rehabilitate Warehouse (Canopy)*: Rehabilitate warehouse structure.
11. *Opportunity Site under Warehouse (Canopy)*: Accommodate additional coastal uses.

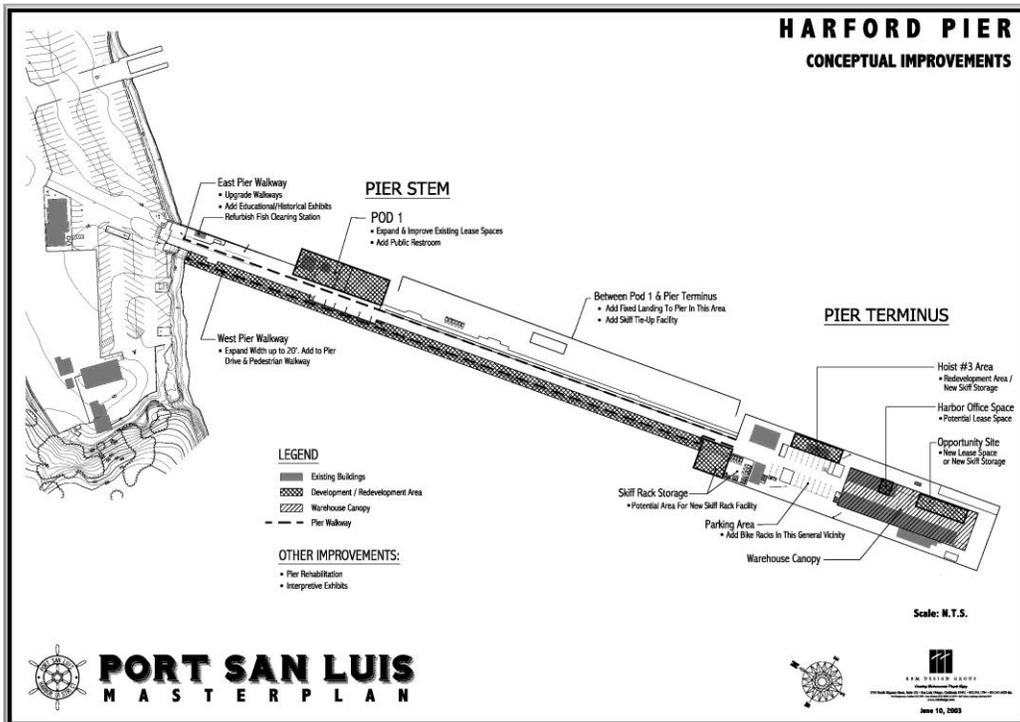


FIGURE 12



Long-Term Goals and Strategies (Cont.)

Harbor Terrace

1. *Overnight Visitor Serving Uses*
2. *Water Tank Engineering Study*: Analyze water system requirements to determine the appropriate tank size required to meet fire authority requirements.
3. *Infrastructure and Services*: Improve the site with water, sewer, electric, cable TV, and telephone services. Install a storm water drainage capture and filtration system.
4. *Roadwork*: Improve existing road network and provide a main site access drive.
5. *Pedestrian Circulation and Connections*: Provide a network of pathways to facilitate on and off-site pedestrian circulation. This network should connect with an at-grade crossing at Avila Beach Drive and connect Harbor Terrace to the beach.
6. *Park and Open Space*: Create a park and other common open space area for visitors.
7. *Sustainable Design Demonstration Project*: Demonstrate innovative sustainable design practices and solutions throughout the site such as environmentally sensitive and energy conserving site and building design techniques. Inform people of the solutions used.
8. *Boat Trailer Parking*: Improve and relocate (if necessary) the boat trailer parking.
9. *District Laydown and Storage*: Improve and relocate, if necessary, Harbor District laydown and storage area.
10. *Harbor Offices*: Relocate and consolidate Harbor Administrative Offices and Operations to the Harbor Terrace site.

Current Project Status: A Coastal Development Permit was granted for the development of the project and the District has entered into an Exclusive Right to Negotiate (ERN) with Red Tail Acquisitions, LLC to develop and operate the site. Currently both parties are working on terms for the Disposition and Development Agreement (DDA) and Ground Lease.





Long-Term Goals and Strategies (Cont.)

Lightstation

1. *Parking and Staging:* Create flexible parking and staging areas at Harbor Terrace. Consider satellite parking or special event parking at Harford Landing, Avila Beach lot, or other appropriate locations.
2. *Lightstation Pier:* Replace the former pier at Coastguard Beach. [Feasibility study complete.]
3. *Lightstation Water Access Route:* Explore feasibility and funding options for establishing a water taxi and/or ferry between public piers and lighthouse pier.
4. *Lightstation Connections:* Promote multi-modal access to the Lightstation (e.g., trail, shuttle, water taxi, kayak) and provide connections between the Lightstation and other Port properties.
5. *Lightstation Education:* Include information about the historical value of the Point San Luis Lighthouse with interpretive exhibits and displays near the main harbor area.

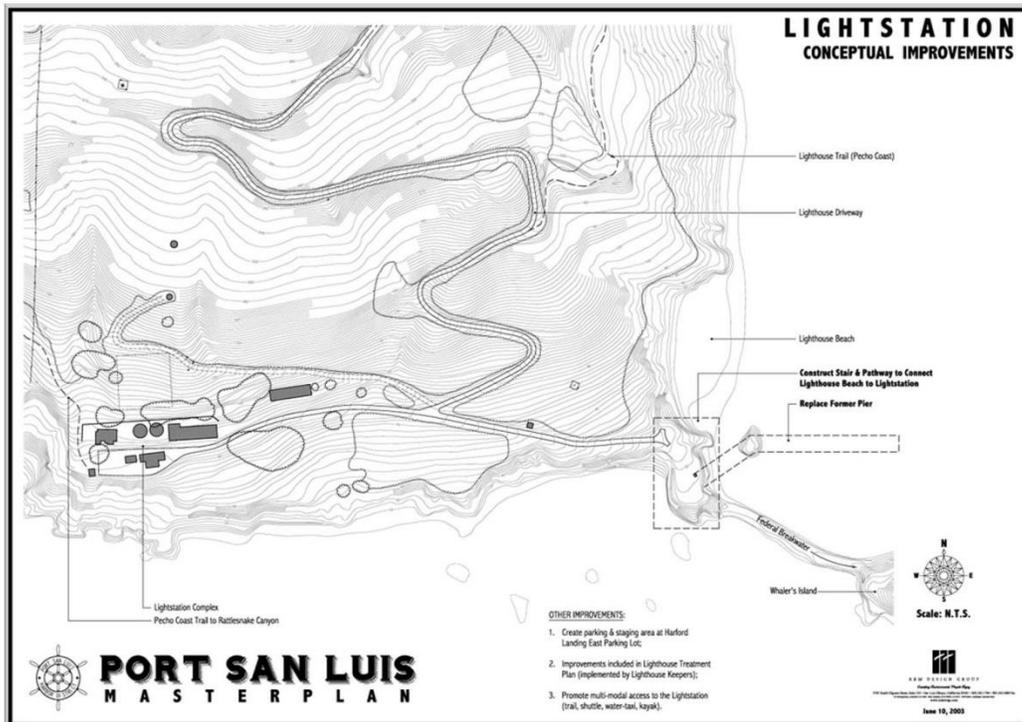


FIGURE 16



Long-Term Goals and Strategies (Cont.)

Avila Beach, Pier and Parking Lot

1. *Avila Beach Stairway*: Replace the old existing concrete stairway at the east end of the beach. [Stairs are currently closed due to unsafe conditions].
2. *Interpretive Exhibits*: Add interpretive exhibits including information on the marine environment, cultural resources and history of the harbor.
3. *Skiff Racks*: Construct skiff racks to facilitate boating access.
4. *Skiff Tie-ups*: Add skiff tie-ups (and ladders) along the pier. [Ongoing project].
5. *Opportunity Site*: Reserve First Street frontage of the parking lot for the accommodation of new lease space opportunities.
6. *Additional Development*: End of Pier, 6,000 square feet coastal dependent and public access.

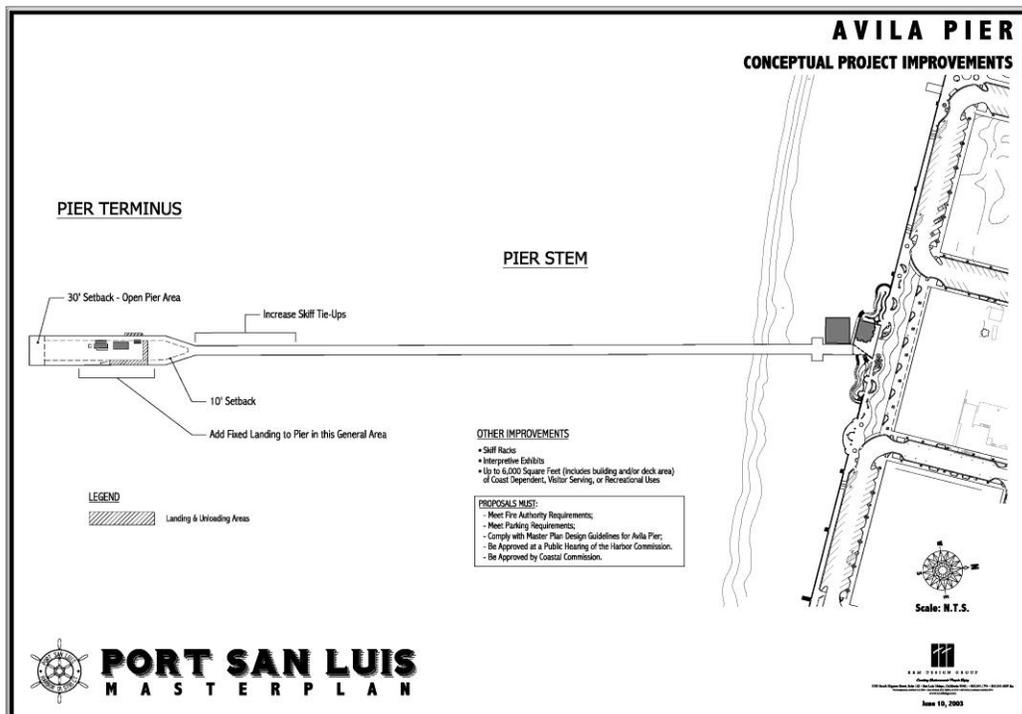


FIGURE 17



Policies and Definitions



District Policies and Guidelines

The following District policies and guidelines direct the preparation of the annual budget process.

Financial Planning and Accountability:

1. *Accountability/Transparency:* Information about how public monies are spent and the outcomes they achieve are to be clear, transparent and understandable.
2. *Balanced budget/Fiscal Stability:* A structurally balanced budget (ongoing revenues equal to ongoing expenditures) for the combined General Fund, Capital Projects Fund and Enterprise Fund will be presented to the Harbor Commission at a scheduled public hearing. The Preliminary Budget will be adopted prior to June 15th each year and the Final Budget shall be adopted prior to June 30th.
3. *Identify & Mitigate Future Risk:* The Harbor Manager will identify issues, events and circumstances which pose significant risks and present strategies to reduce the impact of those risks.
4. *Contingency Funds:* Budget procedures state that the District should place 2% of revenues (not including grant revenues) into an overall budget contingency line item to be used by the Harbor Commission for unusual budget circumstances or emergencies.

Major Maintenance & Capital Purchases and Improvement Policies:

1. *Funding:* The District should provide at least \$200,000 annually to fund capital purchases and improvements and ongoing major maintenance of existing facilities. One-time increases in revenues or unanticipated budgetary savings should be set-aside in specified reserves to fund major maintenance and capital purchases and improvements (collectively "projects"). The District policy goal is to annually fund projects equal to annual depreciation expense or approximately \$716,000. District staff will aggressively seek grants to fund projects.
2. *Budget Planning:* District staff will present to the Harbor Commission on an annual basis a five-year plan for project costs and funding needs. The development of the capital improvement budget will be incorporated into the development of the operating budget. Annually, an inventory of capital assets and condition of those assets will be presented to the Harbor Commission.
3. *Priority:* The following guidelines will provide a hierarchy of funding priorities for the review of the 2016/17 budget:
 - Projects that ensure the safety of the general public and District employee's safety.
 - Major maintenance and capital assets that have been deemed to be in 'poor' condition and are essential to the operations of the District.
 - Projects that have the capacity to earn profits that can be used to offset costs for essential operations.
 - Projects that will greatly improve the service to the public and are used in the essential operation of the District.
 - Non-essential projects.

As stated in the District's budget procedures and guidelines projects shall meet a majority of the following criteria to be considered in the budget process:

- The project's ability to increase District revenue.
- The availability of total or partial grant funding for the proposed project.
- The amount of required maintenance that will be necessary when the project is complete.
- The availability of staff and funding to support project management and construction.



District Policies and Guidelines (Cont.)

- The inclusion of deadlines or mandates by other agencies concerning the project.
- The coastal dependency of the project.
- If the project has not been completed, the possibility of being completed during the next fiscal year.
- The economic feasibility of the project.
- The project is critical to address identified public safety issues.
- The project provides remediation of environmental impacts, hazards or degradation.

Debt Management Policy, Capacity, and Issuance

The District will be fiscally prudent and in compliance with state and federal law. California Harbors and Navigation Code Section 6077 prescribes that the bonded indebtedness of the District not exceed 15% of the assessed value of property within the District. To issue bonds that require additional property tax assessments, the bond proposition must pass with two-thirds of the voting electors approving such proposition. The District's gross assessed value of property for July 1, 2014 through June 30, 2015, is above \$19.6 billion (per County's Tax Rate Book) , making the debt limit approximately \$2.9 billion.

Fund Balance Policy

The District's fund balance policy establishes a minimum level at which fund balance is to be maintained. The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain fund balance sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. The limits defined in the District's Fiscal Goals Policy is intended to "maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting).

The District's goal is to establish and maintain an operating reserve (aka unassigned fund balance) equal to 50% of the District's operating expenditures (Policy 3020) by 2018/19 fiscal year-end. Using 2016/17 estimated expenditures the operating reserve should equal \$2.4 million. The reserve shall never be lower than \$1.3 million to ensure that District cash flow needs are met.

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 capital in the overall portfolio. To attain this objective, diversification is required in order 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 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.



Basis of Budgeting

The General Fund and Capital Outlay Fund are budgeted using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Exchange transactions are recognized as revenues in the period in which they are earned (i.e. the related goods or services are provided). Debt service expenditures as well as expenditures related to compensated absences and judgments are recorded only when payment is due.

The Enterprise Fund is budgeted using a combination of the modified accrual basis of accounting and full accrual accounting. Full accrual accounting recognizes changes to revenues and expenses when an underlying event occurs regardless of the timing of the related cash. The Enterprise Fund budgets capital assets on a modified accrual basis. Compensated Absences and Other Post-Employment Benefits are budgeted using full accrual accounting.

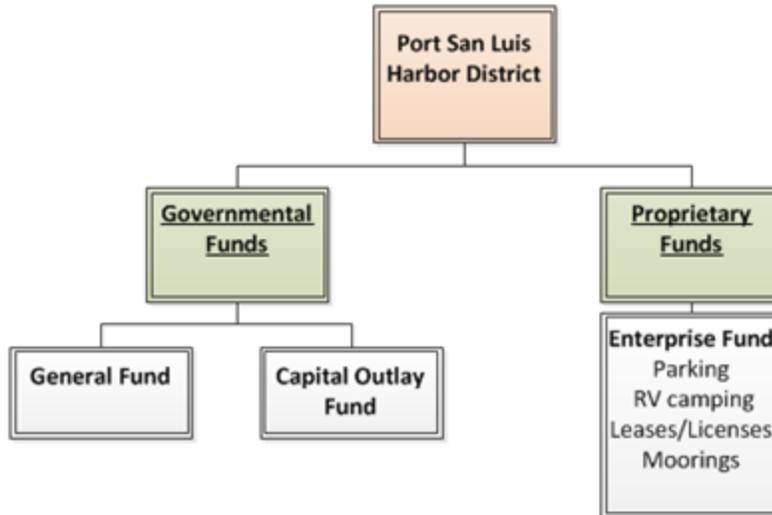
Accounting Basis

The accounting basis refers to the method in which the District's revenues and expenses are reported in the annual audited financial statements. For the most part, the accounting basis conforms to the budgeting basis of accounting with the exception of the following:

- In the budgeting basis for the Enterprise Fund, only current assets are reported. In the accounting basis, all assets are reported, including capital assets and accumulated depreciation.



Fund Structure



General Fund - The General Fund is the District's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund includes such activities as public protection, public ways and facilities, and recreational services.

Capital Outlay Fund - The Capital Outlay Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets and facilities for general fund related activities (other than those financed by enterprise funds).

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Department	General Fund	General Fund Activities	Capital Outlay Fund	Capital Outlay Fund Activities	Enterprise Fund	Enterprise Fund Activities
Administration and Business Department	✓	Administration, Human resources, AR/AP, Audit, Payroll, Board Secretary	✓	Project planning and approval, Grant management	✓	Fee setting, Special event processing, Moorings, Revenue reconciliation
Facilities Department	✓	Janitorial, Hazardous Material, Fleet maintenance, Heavy construction	✓	Project planning and tracking	✓	Diesel fuel, Mooring inspections and repairs, RV camping maintenance
Harbor Patrol	✓	Marine safety, Public safety, Enforcement, Boater education, Medical aid	✓	Project planning and tracking	✓	Parking lot patrol and citation issuance



Glossary

Budget Contingency – Per District policy, 2% of all revenues are placed into a contingency line item to be used by the Harbor Commission for unusual budget circumstances or emergencies.

Capital Expenditures - Land, improvements to land, easements, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure (e.g. roads), and all other tangible or intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period. The capital asset threshold is \$5,000 (individual original acquisition cost of an asset).

Fund Balance - Fund balance refers to the difference between assets and liabilities. The Enterprise Fund, General Fund and Capital Project Fund have Fund Balance for budgetary purposes. For financial reporting purposes the Enterprise Fund and Government-wide statements report Net Position instead of Fund Balance. Fund balances for financial reporting purposes are classified as follows:

Nonspendable Fund Balance (not part of budgetary fund balance) - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance (not part of budgetary fund balance) - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance (included in Operating Reserves for budgetary purposes) - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board remove's those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. *The District sets aside 25 % of moorage profit for mooring work (LCM) maintenance and eventual replacement per District Ordinance.*

Assigned Fund Balance (a.k.a. Specified Reserves for budgetary purposes) - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance (a.k.a. Operating Reserves for budgetary purposes) - represents amounts which are unconstrained in that they may be spent for any purpose. The general fund must have a positive unassigned fund balance.



Glossary (Cont.)

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Master Plan Definitions (in order of appearance in Master Plan):

Open Water: The 520-acre harbor area, mostly used for navigation and mooring purposes. The Open Water Area also includes the shoreline from Point San Luis to Shell Beach, a 2400-foot rubble mound breakwater, and areas around three piers.

Harford Pier: The “backbone” of Port San Luis Harbor, Harford Pier is an historic working pier that serves commercial and recreation fishing and boating, and is a primary focus of Port activities.

Harford Landing: An 8.7-acre site at the base of Harford Pier that provides supportive land area to coastal-dependent and coastal-related uses at the main harbor, as well as serves visitor needs on the waterfront. Harford Landing is comprised of parking, launching facilities, a boatyard, and several buildings.

Harbor Terrace: 32-acre hillside property overlooking San Luis Obispo Bay along Avila Beach Drive that is currently used as storage area for boat owners, fishermen, and the Harbor District. Development of Harbor Terrace is a primary long-term objective of the Harbor District.

Beach and Bluffs: A linear strip of land seaward of the County right-of-way of Avila Beach Drive, which provides recreational opportunities including coastal access, beach-oriented activities, informal parking, and ocean views.

Lightstation: A 25-acre site that includes the historic Point San Luis Lighthouse and several other buildings, served by a private road and trail with controlled public access.

Avila Beach, Pier and Parking Lot: The Avila Beach and Pier make up the “front porch” of the Avila community and primarily support recreational water-oriented activities. The Avila Parking Lot is located one block north of the beach and serves the parking needs of beach and pier users.



Glossary (Cont.)

Acronyms:

ABCSD: Avila Beach Community Services District, a community services district providing services including water, sewer, fire protection, and street lighting services, and other miscellaneous items to the Avila Beach community. <http://avilabeachcsd.org>

ACA: The Patient Protection and Affordable Care Act, a federal statute signed into law in March 2010 as a part of the healthcare reform agenda of the Obama administration.

CDP: Coastal Development Permit, the regulatory mechanism by which proposed developments in the coastal zone are brought into compliance with the policies of Chapter 3 of the Coastal Act.

CPI: Consumer Price Index, a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

CSDA: California Special Districts Association, a not-for-profit association to promote good governance and improved core local services through professional development, advocacy, and other services for all types of independent special districts. <http://www.csda.net>

FEMA: Federal Emergency Management Agency, a federal agency that coordinates the response to disasters in the United States. <http://www.fema.gov>

GASB: Governmental Accounting Standards Board, the independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles. <http://www.gasb.org>

GFOA: Government Finance Officers Association, a professional association of state, provincial and local finance officers in the United States and Canada. <http://www.gfoa.org>

LCM: Landing Craft Mechanized, the District's work boat.

OES: San Luis Obispo County Office of Emergency Services, an agency committed to serving the public before, during and after times of emergency by promoting effective coordination between agencies, and encouraging preparedness of the public and organizations involved in emergency response. <http://www.slocounty.ca.gov/OES.htm>

SCC: California State Coastal Conservancy, a State agency established to protect and improve natural lands and waterways, help people get to and enjoy the outdoors, and sustain local economies along the length of California's coast and around San Francisco Bay. <http://scc.ca.gov>

SEIU: Service Employee International Union, labor union representing the District's miscellaneous employees. <http://www.seiulocal620.org>

TRAN: Tax Revenue Anticipation Note, note issued by states or municipalities to finance current operations before tax revenues are received. When the issuer collects the taxes, the proceeds are then used to retire debt.