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June 26, 2018

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

**Re: 2018-19 Port San Luis Harbor District Budget**

Dear President Brandy, Honorable Commissioners:

It is my pleasure to present the 2018-2019 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,

A handwritten signature in blue ink, appearing to read "Andrea Lueker", is written over the typed name.

Andrea Lueker  
*Harbor Manager*



# 2018/19 Operating and Capital Budget

## JULY 1, 2018 – JUNE 30, 2019



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, 2017**. 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, 2017**

*Christopher P. Merrill*

Executive Director



**NOTE:** Hyperlinks are active. Click on the page number or page text to go to that page.

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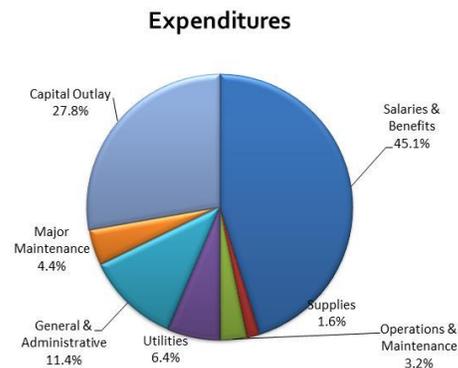
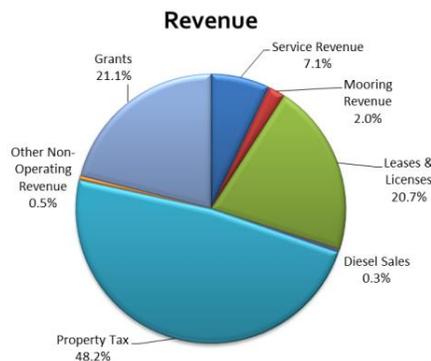
## Budget at a Glance



## Budgetary Highlights

Budget Summary		Comparison to 2017/18 Projections				
Operating Revenue	\$2,176,000	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	1.0%
Non-Operating Revenue	3,507,600	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	0.3%
Operating Expenditures	(5,026,300)	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	6.4%
Major Maintenance and Capital Projects (net of grant funding)	(867,000)	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	56.1%
Net Income (Loss)	(209,700)	<input type="checkbox"/>	Increase	<input checked="" type="checkbox"/>	Decrease	156.7%
Prior Year Specified Reserve Usage	303,600	<input checked="" type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease	51.6%
Specified Reserve Funding	-	<input type="checkbox"/>	Increase	<input checked="" type="checkbox"/>	Decrease	100.0%
Increase (Decrease) in Operating Reserves	\$93,900	<input type="checkbox"/>	Increase	<input checked="" type="checkbox"/>	Decrease	80.6%

- The 2018/19 budget utilizes \$303,600 in prior year specified reserves to fund major maintenance, capital asset purchases and improvements and to fund a portion of the 2018 election. It places \$93,900 into operating reserves.
- Operating revenue is budgeted to increase 1.0% compared to 2017/18 projections. The budget includes CPI fee increase for the District's mooring operations and a \$1 per night increase in RV camping rates. Operating revenues are budgeted to remain relatively consistent with current year projections.
- Non-Operating Revenue is budgeted to increase 0.3% compared to 2017/18 projections. Base property tax revenues are budgeted to increase 2% while unitary tax revenues are projected to decrease by \$30,100 as the Diablo Canyon Power Plant begins the decommissioning process. See pages 35-37 for further detail on revenue.
- Operating expenditures are budgeted to increase 6.4% compared to 2017/18 projections. This increase is largely due to an increase in Salaries, Wages and Benefits and also the funding of the 2018 election during the 2018/19 fiscal year. Additional detail on operating expenditures can be found on page 38.
- The District anticipates revenues exceeding operating expenditures by \$657,300 which will be used to fund a portion of Major Maintenance and Capital Projects costs of \$2,384,000. Additional major maintenance and capital project costs will be funded using \$303,600 in specified reserves and \$1,517,000 in anticipated grants. See pages 48-57 for further major maintenance and capital project detail.





## Priorities and Issues

### Mission Statement

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.”

### Value Statements

Port San Luis:

- Values honesty because it builds trust.
- Promotes respect and understanding of the Harbor District and surrounding community.
- Strives to carry out its mission responsibly, ethically, and with integrity.
- Protects and serves throughout our community and environment.
- Fosters a positive attitude through patience, gratitude and empathy.
- Takes a proactive approach by being resourceful, dependable, and responsive.





## Priorities and Issues (Cont.)

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

### MAJOR OBJECTIVES AND GOALS DETERMINED BY THE HARBOR COMMISSION MARCH 26, 2018

#### Objective #1: Keep Harbor Functional for Boaters

- **Goals 2018-2019**
  - Dredge the harbor with planning and preparation for timely execution included in the budget.
  - Continue participation in regional sediment management efforts.
  - Explore options to extend reach with mobile hoist or other means.

#### Objective #2: Expand Money Generate Opportunities to Support Harbor Operations that are Consistent with Affordability and Accessibility for the Public

- **Goals 2018-2019**
  - Continue oversight of Harbor Terrace project with site planning for harbor yard, trailer boat storage, and fishermen's gear storage.
  - Develop plan to repair terminus of Harford Pier with sequencing events to boost financial returns from Harford Pier funding materials.
  - Develop, issue, and advertise RFP's for leases for available footprint.
  - Explore other financial opportunities, parking meters, to promote revenue and turnover.

#### Objective #3: Ensure Efficient and Effective Facilities to Deliver Critical District Services

- **Goals 2018-2019**
  - Assess needs of staff and facilities requirements, including update for developments on Harford Pier and Harbor Terrace, and identification of opportunities for improvement.
  - Review District Master Plan to determine any needs for updates.

#### Objective #4: Plan for Long-term Financial Sustainability

- **Goals 2018-2019**
  - Identify alternative scenarios for financial future of District to inform planning.



## Priorities and Issues (Cont.)

### OTHER OBJECTIVES AND GOALS DETERMINED BY THE HARBOR COMMISSION MARCH 26, 2018

#### **Objective #5: Establish Financial Sustainability for Avila Pier, Parking, and Uses**

- **Goals for 2018-2019**
  - Complete Avila Pier Community Meeting survey report and identify funding opportunities (grants, Friends of Avila Pier, solar panels on parking, etc.)
  - Decide on desired future of Avila Pier, parking, and use, including funding opportunities and partnerships.

#### **Objective #6: Attract and Retain Needed Staff Expertise and Encourage High Morale for Effective Performance.**

- **Goals for 2018-2019**
  - Continue efforts to motivate staff and complete negotiation of two contracts with fair terms.

#### **Objective #7: Maintain a Safe, Boater Friendly/Accommodating Atmosphere for Commercial and Recreational Boaters (local and transient).**

- **Goals for 2018-2019**
  - Coordinate with Coast Guard, auxiliary or others to conduct boat safety inspection program
  - Review service needs and requests from boaters and identify opportunities to accommodate them.
  - Gain more active engagement and support from Coast Guard.

#### **Objective #8: Ensure that all Facilities and Events Maintain a High Level of Safety for All Staff, Visitors.**

- **Goals for 2018-2019**
  - Track enforcement efforts (citations, misdemeanors, etc.) and complete ordinance change with District Attorney and County Counsel support.)
  - Monitor use of District Harbor Patrol by other agencies.

#### **Objective #9: Maintain and Nurture Productive Strategic Alliances between the County, City, State, and Federal Agencies, Organizations and the Community at Large to Benefit the District's Objectives.**

- **Goals for 2018-2019**
  - Implement communication plan (for example: social media, viewpoints, letters to editor, etc.) to present role and results of District with public to increase understanding, use, and support

#### **Objective #10: Ensure that Board Policies and Ordinances are Up to Date and Align with the Goals of the District.**

- **Goals for 2018-2019**
  - Complete review and revision of Harbor Patrol section through Lexipol.
  - Identify any other policies and ordinances that Board Members or Staff recommends for review.



## 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:**

Increases in ongoing revenues are expected to keep pace with increases in ongoing District expenses, subject to the impacts of the legislative factors mentioned below. The upward trend in enterprise revenues, specifically RV camping and parking revenues, continued through February 2018. Revenues for these items correlate with weather conditions, which make it difficult to predict.

Economic trends have stabilized over the last couple years. Property Tax revenues are estimated to increase by 5.0% in 2018/19. According to data presented by the Bureau of Labor Statistics the Unemployment rates in the San Luis Obispo Area have decreased to 3.1% in December 2017 from a high of 10.5% in January of 2010.

Certain economic factors such as uncertainty in the stock market, low 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 largest employer in San Luis Obispo County, Pacific Gas & Electric Co., announced the closure of the Diablo Canyon power plant by 2025. Diablo provides 1,500 head-of-household jobs locally, and the effect of its closure in 2025 is certainly not inconsequential. Additionally, the District receives approximately \$390,000 in tax revenues annually associated with the plant. Knowing the timeline of the plant's closure will allow the County and Harbor District to plan ways to make up lost tax dollars as well as allow those individuals employed at the plant plan for future employment.

### **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 unfunded portion of the net pension liability was \$3,593,614.

In December of 2016, CalPERS announced its plan to lower the discount rate from 7.5% to 7.0% over the next three years. Lowering the discount rate means that employers, like the District, that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities in upcoming years.

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 2017 the required minimum contribution is \$133 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 as of June 30, 2017 estimated the District's unfunded liability at \$1,293,125.



## Short-Term Factors Influencing Decisions (Cont.)

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 as Congress evaluates the repeal and replacement of the existing ACA. The District is projecting a double digit increase in its 2019 health insurance costs.

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, 2017 the District spent \$644,900, including grant funded projects, and recorded depreciation expense of \$696,500. This was possible due to use of \$19,700 in grant funds from the Surrendered and Abandoned Vessel Exchange (SAVE) funds from the Division of Boating and Waterways and \$18,500 from the Central California Joint Cable Fisheries Liaison Committee along with other small grants. For fiscal year ending June 30, 2019 the District has budgeted \$2,482,000 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 \$1,517,000 for the 2018/19 fiscal year.

The District made the decision to close the Avila Pier in June of 2015 due to safety concerns identified in an inspection done by Shoreline Engineering, Inc. After closure, the District worked with an outside consultant, Netzel Grigsby to complete a Feasibility Study in early 2017 to determine the viability of replacing the Avila Pier as it is currently configured, and the potential for funding the project through a myriad of options and the time frame. The completed study provided the Board of Commissioners with recommendations, which they approved in March 2017 and worked on during 2017/18 fiscal year, which included creation of a the 501c3, Friends of Avila Pier (FOAP). Moving forward, prior to determining the specific project and embarking on fundraising, the Board of Commissioners consensus in April 2018 was to have a study completed by an engineering firm/engineer to determine more specific costs for pier options including the current dimensions as well as a shorter pier and the cost for removal.

A 2016 agreement between the Harbor District and the Avila Beach Community Services District (ABCSD) re-established the Harbor District's 35% capacity rights to the wastewater treatment plant in Avila Beach; this entitlement comes with an obligation to fund 35% of related capital improvements. The ABCSD is anticipating that there will be regulatory changes for the ocean outfall that would require treatment plant



### Short-Term Factors Influencing Decisions (Cont.)

upgrades. The District is obligated to participate in this project, and for example; if the project costs \$1 million, the District's share would be \$350,000. Payment options include; using reserve funds, finding grants or participating in a low-interest loan from the State Revolving Fund (SRF). The SRF is a fund administered by the State of California to provide low-interest loans for investments in water and sanitation infrastructure including sewage treatment.

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.

The Final Budget is presented to the Harbor Commission at the June Board of Commissioners 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 31<sup>st</sup> of each year.

	January	February	March	April	May	June	July
Staff compares current year projections with budgeted amounts	X	X					
Mid-year 2017/18 Budget review at Harbor Commissioner meeting		February 27, 2018					
Harbor Commission approves 2018/19 budget calendar		February 27, 2018					
Harbor Commission reviews first draft of 2018/19 Budget, provides input			March 27, 2018				
First draft of 2018/19 Budget updated per Harbor Commission direction			X	X			
Harbor Commission reviews and adopts Preliminary 2018/19 Budget, provides input				April 24, 2018			
Staff posts Public Notice of adoption of Preliminary 2018/19 Budget, Public hearing to adopt changes to Fee Schedule, Public hearing for adoption of Final Budget				April 25, 2018			
Staff revises 2018/19 Preliminary Budget per Harbor Commission direction				X	X		
Updates on issues affecting Preliminary 2018/19 Budget are presented at Harbor Commission meeting					May 22, 2018		
Public Hearing to adopt changes to Fee Schedule at Harbor Commission meeting					May 22, 2018		
Staff prepares Final 2018/19 budget					X	X	
Public Hearing to adopt Final 2018/19 Budget						June 26, 2018	
Final 2018/19 Budget transmitted as necessary to SLO County departments						X	X

Dates listed in red are regularly scheduled Harbor Commission meetings. The public is welcome to attend and provide input. Meetings are held on the fourth Tuesday of every month at 6PM.



## **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.

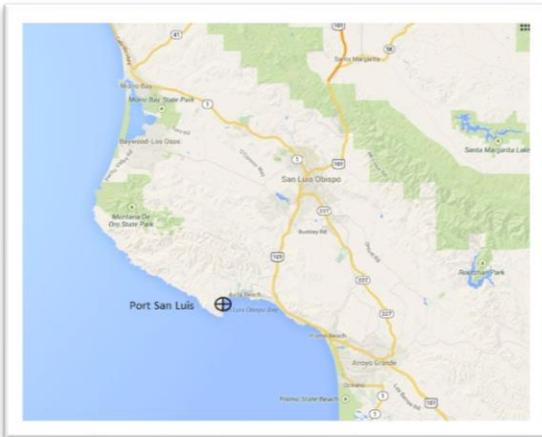
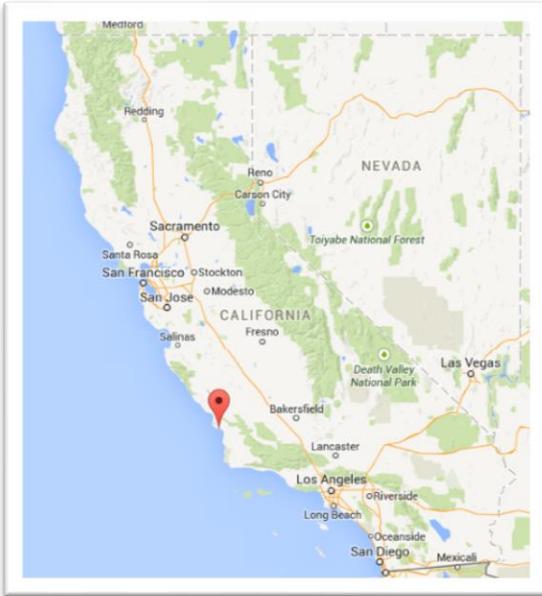


## About Us



## 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





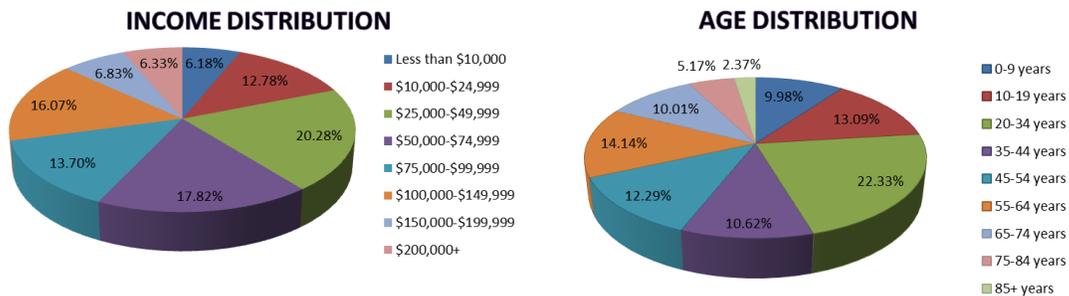
## Where is Port San Luis (Cont.)?

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 280,101 as of January 1, 2018. This is a 0.03% increase from the January 1, 2017 estimates.

SLO County Population by City	
Arroyo Grande	17,912
Atascadero	31,147
Paso Robles	31,559
Grover Beach	13,560
Morro Bay	10,503
Pismo Beach	8,233
San Luis Obispo	46,548
Unincorporated	120,639
<b>Total (Estimated)</b>	<b>280,101</b>

\*Source: California Department of Finance



\*Source: US Census Bureau

The County's median household income is estimated at \$64,014 in 2016. This is more than the estimated median income for the State of California of \$63,783.

The median age of San Luis Obispo County residents was estimated at 39.0 years in 2016 as compared to 36.0 years in the state of California.



## 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.

### Demographic and Economic Statistics

Calendar Year	Population	Personal Income (in thousands)	Per Capital Personal Income	Unemployment Rate
2008	269,337	10,709,753	40,204	5.7%
2009	270,429	10,237,494	38,179	9.0%
2010	273,231	10,532,649	38,994	10.0%
2011	270,966	10,966,438	40,322	9.9%
2012	271,483	12,008,355	43,698	8.5%
2013	272,177	12,547,278	45,388	6.4%
2014	272,357	12,823,005	45,947	5.3%
2015	274,293	14,034,209	49,873	4.4%
2016	277,977	Not Avail.	Not Avail.	4.5%
2017	280,101	Not Avail.	Not Avail.	3.6%

\*Source: San Luis Obispo County Comprehensive Annual Financial Report

### Principal Taxpayers (Fiscal Year 2018)

Taxpayer	Industry	Assessed Value (in thousands)	% of Total County Assessed Value
Pacific Gas & Electric	Utility	\$2,663,682	4.99%
Phillips 66 Company	Oil Refinery	118,650	0.22%
CAP VIII – Mustang Village LLC	Apartments	90,677	0.17%
E&J Gallo Winery	Winery	76,338	0.14%
Firestone Walker LLC	Brewer	65,986	0.12%
AT&T California	Telephone	61,100	0.11%
Pasquini Charles Jr. TRE ETAL	Multi-Property Owner	60,244	0.11%
Brodiaea Inc.	Land Management	57,716	0.11%
Dynegy Morro Bay LLC	Utility	57,158	0.11%
Jamestown Premier SLO Court St. LP	Commercial	42,442	0.08%
<b>Total Top 10 Taxpayers</b>		<b>\$3,293,991</b>	<b>6.17%</b>

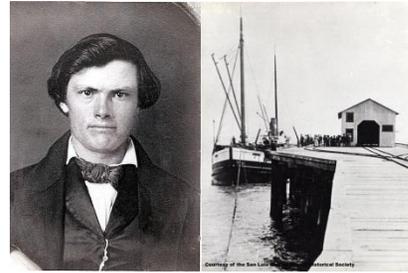
\*Source: County of San Luis Obispo Property Tax "2017-18 Property Tax Perspective"



## 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:**

Facilities for launching trailer-able boats to fish for rockfish, salmon, sea bass and other species depending on season and presence of fish. The Port also hosts a very active commercial fishing industry that continues its significant rebound from its low point in 2005 of \$870,000 in landings to a value of over \$2,700,000 in 2016, a more than threefold increase and the highest since 1998. Commercial fishing in Port San Luis reached approximately 977,000 pounds in 2016 and rose nearly 106% between 2013 and 2016. The top species landed in the Port are Brown Rockfish, Gopher Rockfish, Black and Yellow Rockfish, Cabazon and Dungeness crab. Port San Luis was also the top port for Pacific Hagfish in California in 2016 landing 388,000 pounds. The Port has a completed Commercial Fishing Economic Impact Report on their website that provides further data on the fisheries.

### **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 19<sup>th</sup> 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. Visitors can access the Lighthouse by scheduled trolley trip and docent led hikes. Adventurous individuals can also access the Lighthouse by arriving on the popular Coast Guard Beach, walking up the stairs and self-touring the Lighthouse grounds.

### **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. In early 2018, the District entered into a 50 year ground lease for development/operation of the site. Ground breaking is scheduled for Spring 2019 with completion within the calendar year. 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.

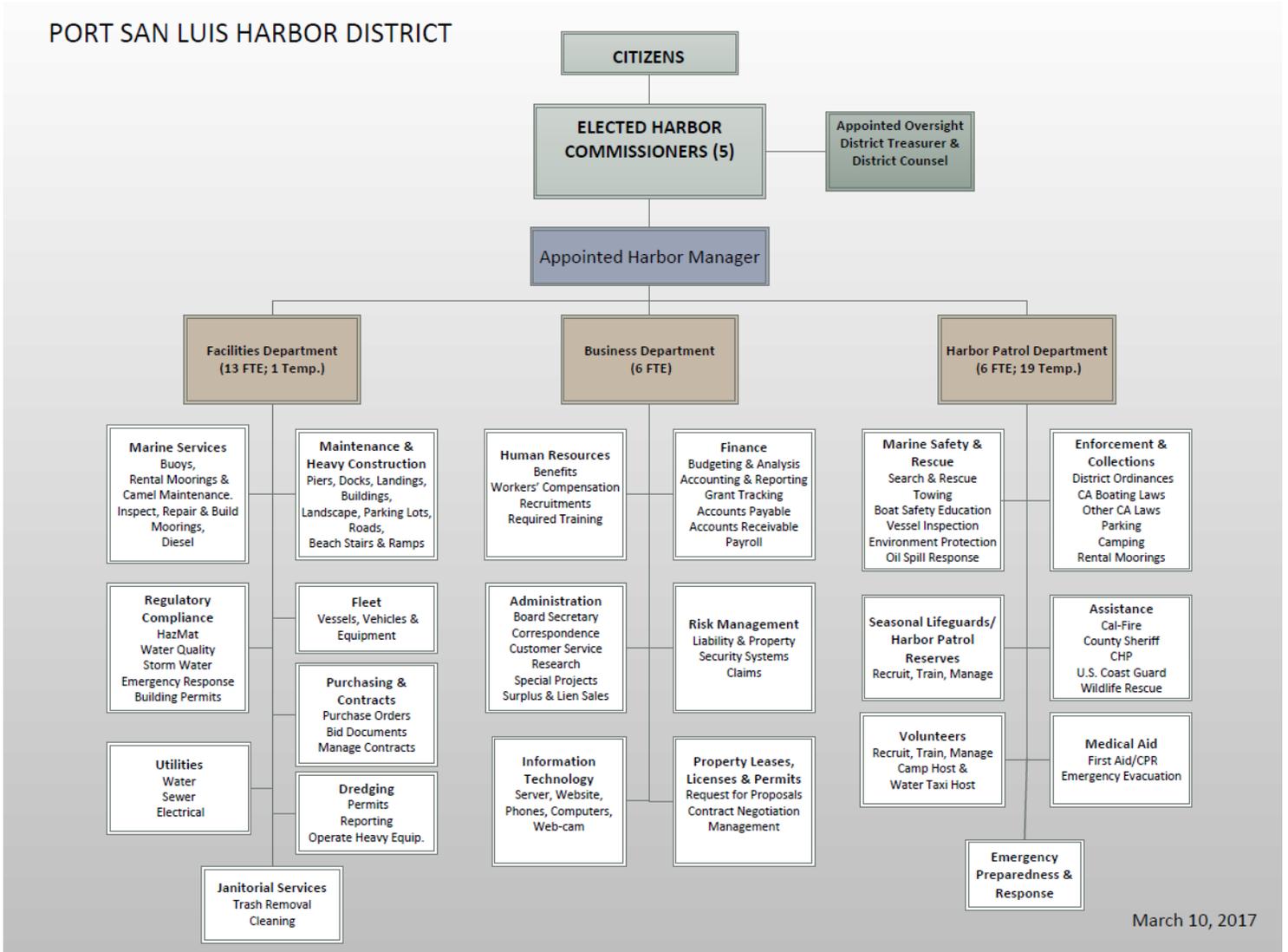


Port San Luis Today (Cont.)





## Organizational Chart





## Staffing Authorization

	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
<b>Administration</b>			
Harbor Manager	1	1	1
<b>Business Department</b>			
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
<b>Facilities Department</b>			
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	6	6	6
Mooring Crew Leadworker	1	1	1
Port Maintenance Worker Deckhand	1	1	1
<b>Harbor Patrol Department</b>			
Chief Harbor Patrol Officer	1	1	1
Supervising Harbor Patrol Officer	0	1	1
Harbor Patrol Officer	5	4	4
Harbor Patrol Reserves (20 hours per month)	4	4	4
<b>Temporary Seasonal Workers</b>			
Temporary Port Maintenance Worker	1	1	1
Lifeguards	15	15	15
<b>TOTAL STAFFING</b>	<u>46</u>	<u>46</u>	<u>46</u>

\* The 2018/19 budget does not include any changes in staffing levels.



## Department Summary

### Administration and Business Department

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, boat storage, 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.
- Manages website and social media posts.

#### 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.)

### Administration and Business Department

#### Budget Summary

	2016/17 Actual	2017/18 Projected	2018/19 Budget	% Change from Projections
Wages	\$ 530,800	\$ 540,500	\$ 552,000	2.1%
Benefits & Payroll Taxes	279,400	284,600	327,800	15.2%
Contract Labor	600	700	1,100	57.1%
Pension Obligation Debt	310,200	-	-	0.0%

\* The District paid off its pension obligation debt during the 2016/17 fiscal year. Health insurance rates are budgeted to increase 10% effective January 1, 2019. The District's pension liability payments are budgeted to increase 16.6% over 2017/18 projections. Worker's compensation rates are expected to increase 22% in 2018/19.

#### Operating Indicators

	2012/13	2013/14	2014/15	2015/16	2016/17
Recruitments opened	3	3	6	12	7
Lien sales conducted	4	2	1	0	1
RFP's released	4	5	5	6	3
Special event permits processed	65	55	64	61	59
Leases managed (as of June 30 <sup>th</sup> )	10	10	10	10	13
Licenses managed (as of June 30 <sup>th</sup> )	11	11	10	12	11
Claims filed against the District	6	1	1	0	2
Mooring patrons	164	154	154	153	148
Skiff storage patrons	51	50	50	47	50
Boat storage patrons	35	34	48	44	49
Gear storage patrons	12	13	14	13	15
Grants received	4	2	3	3	1
Amount of grants received	\$749,926	\$231,857	\$44,781	\$53,500	\$8,000



## Department Summary (Cont.)

### Administration and Business Department Goals

(From pages 6-7)

#### Objective #1: Keep Harbor Functional for Boaters

- **Goals 2018-2019**
  - Dredge the harbor with planning and preparation for timely execution included in the budget.
  - Continue participation in regional sediment management efforts.
  - Explore options to extend reach with mobile hoist or other means.

#### Objective #2: Expand Money Generate Opportunities to Support Harbor Operations that are Consistent with Affordability and Accessibility for the Public

- **Goals 2018-2019**
  - Continue oversight of Harbor Terrace project with site planning for harbor yard, trailer boat storage, and fishermen's gear storage.
  - Develop plan to repair terminus of Harford Pier with sequencing events to boost financial returns from Harford Pier funding materials.
  - Develop, issue, and advertise RFP's for leases for available footprint.
  - Explore other financial opportunities, parking meters, to promote revenue and turnover.

#### Objective #3: Ensure Efficient and Effective Facilities to Deliver Critical District Services

- **Goals 2018-2019**
  - Assess needs of staff and facilities requirements, including update for developments on Harford Pier and Harbor Terrace, and identification of opportunities for improvement.
  - Review District Master Plan to determine any needs for updates.

#### Objective #4: Plan for Long-term Financial Sustainability

- **Goals 2018-2019**
  - Identify alternative scenarios for financial future of District to inform planning.

#### Objective #5: Establish Financial Sustainability for Avila Pier, Parking, and Uses

- **Goals for 2018-2019**
  - Complete Avila Pier Community Meeting survey report and identify funding opportunities (grants, Friends of Avila Pier, solar panels on parking, etc.)
  - Decide on desired future of Avila Pier, parking, and use, including funding opportunities and partnerships.

#### Objective #6: Attract and Retain Needed Staff Expertise and Encourage High Morale for Effective Performance.

- **Goals for 2018-2019**
  - Continue efforts to motivate staff and complete negotiation of two contracts with fair terms.

#### Objective #7: Maintain a Safe, Boater Friendly/Accommodating Atmosphere for Commercial and Recreational Boaters (local and transient).

- **Goals for 2018-2019**
  - Coordinate with Coast Guard, auxiliary or others to conduct boat safety inspection program
  - Review service needs and requests from boaters and identify opportunities to accommodate them.
  - Gain more active engagement and support from Coast Guard.

#### Objective #8: Ensure that all Facilities and Events Maintain a High Level of Safety for All Staff, Visitors.

- **Goals for 2018-2019**
  - Track enforcement efforts (citations, misdemeanors, etc.) and complete ordinance change with District Attorney and County Counsel support.)
  - Monitor use of District Harbor Patrol by other agencies.

#### Objective #9: Maintain and Nurture Productive Strategic Alliances between the County, City, State, and Federal Agencies, Organizations and the Community at Large to Benefit the District's Objectives.

- **Goals for 2018-2019**
  - Implement communication plan (for example: social media, viewpoints, letters to editor, etc.) to present role and results of District with public to increase understanding, use, and support

#### Objective #10: Ensure that Board Policies and Ordinances are Up to Date and Align with the Goals of the District.

- **Goals for 2018-2019**
  - Complete review and revision of Harbor Patrol section through Lexipol.
  - Identify any other policies and ordinances that Board Members or Staff recommends for review.



## Department Summary (Cont.)

### Facilities Department

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.)

### Facilities Department

#### Budget Summary

	2016/17 Actual	2017/18 Projected	2018/19 Budget	% Change from Projections
Wages	\$ 828,700	\$ 878,000	\$ 915,400	4.3%
Benefits	469,400	513,400	597,600	16.4%
Contract Labor	8,700	20,100	19,500	-3.0%

\* Health insurance rates are budgeted to increase 10% effective January 1, 2019. The District's pension liability payments are budgeted to increase 16.6% over 2017/18 projections. Worker's compensation rates are expected to increase 22% in 2018/19.

#### Operating Indicators

	2012/13	2013/14	2014/15	2015/16	2016/17
Dredge hours	655	467	520	493	535
Boats fueled	199	215	285	288	340
Invitations to Bid released	6	7	4	4	6
Major maintenance projects completed	10	7	7	9	6
Amount of major maintenance completed	\$309,572	\$116,176	\$179,320	\$244,573	\$138,991
Capital projects completed	10	18	10	9	12
Amount of capital projects completed	\$538,463	\$1,263,366	\$508,896	\$230,747	\$505,924
Grants received	2	3	3	1	2
Amount of grants received	\$34,200	\$248,400	\$19,764	\$4,000	\$41,000





## Department Summary (Cont.)

### Facilities Department Goals

(From pages 6-7)

#### Objective #1: Keep Harbor Functional for Boaters

- **Goals 2018-2019**
  - Dredge the harbor with planning and preparation for timely execution included in the budget.
  - Continue participation in regional sediment management efforts.
  - Explore options to extend reach with mobile hoist or other means.

#### Objective #2: Expand Money Generate Opportunities to Support Harbor Operations that are Consistent with Affordability and Accessibility for the Public

- **Goals 2018-2019**
  - Continue oversight of Harbor Terrace project with site planning for harbor yard, trailer boat storage, and fishermen's gear storage.
  - Develop plan to repair terminus of Harford Pier with sequencing events to boost financial returns from Harford Pier funding materials.
  - Develop, issue, and advertise RFP's for leases for available footprint.
  - Explore other financial opportunities, parking meters, to promote revenue and turnover.

#### Objective #3: Ensure Efficient and Effective Facilities to Deliver Critical District Services

- **Goals 2018-2019**
  - Assess needs of staff and facilities requirements, including update for developments on Harford Pier and Harbor Terrace, and identification of opportunities for improvement.
  - Review District Master Plan to determine any needs for updates.

#### Objective #4: Plan for Long-term Financial Sustainability

- **Goals 2018-2019**
  - Identify alternative scenarios for financial future of District to inform planning.

#### Objective #5: Establish Financial Sustainability for Avila Pier, Parking, and Uses

- **Goals for 2018-2019**
  - Complete Avila Pier Community Meeting survey report and identify funding opportunities (grants, Friends of Avila Pier, solar panels on parking, etc.)
  - Decide on desired future of Avila Pier, parking, and use, including funding opportunities and partnerships.

#### Objective #6: Attract and Retain Needed Staff Expertise and Encourage High Morale for Effective Performance.

- **Goals for 2018-2019**
  - Continue efforts to motivate staff and complete negotiation of two contracts with fair terms.

#### Objective #7: Maintain a Safe, Boater Friendly/Accommodating Atmosphere for Commercial and Recreational Boaters (local and transient).

- **Goals for 2018-2019**
  - Coordinate with Coast Guard, auxiliary or others to conduct boat safety inspection program
  - Review service needs and requests from boaters and identify opportunities to accommodate them.
  - Gain more active engagement and support from Coast Guard.

#### Objective #8: Ensure that all Facilities and Events Maintain a High Level of Safety for All Staff, Visitors.

- **Goals for 2018-2019**
  - Track enforcement efforts (citations, misdemeanors, etc.) and complete ordinance change with District Attorney and County Counsel support.)
  - Monitor use of District Harbor Patrol by other agencies.

#### Objective #9: Maintain and Nurture Productive Strategic Alliances between the County, City, State, and Federal Agencies, Organizations and the Community at Large to Benefit the District's Objectives.

- **Goals for 2018-2019**
  - Implement communication plan (for example: social media, viewpoints, letters to editor, etc.) to present role and results of District with public to increase understanding, use, and support

#### Objective #10: Ensure that Board Policies and Ordinances are Up to Date and Align with the Goals of the District.

- **Goals for 2018-2019**
  - Complete review and revision of Harbor Patrol section through Lexipol.
  - Identify any other policies and ordinances that Board Members or Staff recommends for review.



## Department Summary (Cont.)

### Harbor Patrol Department

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, one Supervising Harbor Patrol Officer, four full time Harbor Patrol officers, fifteen seasonal lifeguards, and four reserves.

#### 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 Harbor Patrol reserve 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 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.



## Department Summary (Cont.)

### Harbor Patrol Department

#### Budget Summary

	2016/17 Actual	2017/18 Projected	2018/19 Budget	% Change from Projections
Wages	\$ 524,800	\$ 533,000	\$ 556,300	4.4%
Benefits	222,100	250,300	279,400	11.6%
Contract Labor	96,200	85,400	96,500	13.0%

\* Health insurance rates are budgeted to increase 10% effective January 1, 2019. The District's pension liability payments are budgeted to increase 16.6% over 2017/18 projections. Worker's compensation rates are expected to increase 22% in 2018/19.

#### Harbor Patrol Operating Indicators

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/17
Agency to agency assistance	223	188	155	141	161
Wildlife rescues	117	75	109	64	32
Parking citations	473	741	483	583	339
Water taxi passengers	Not avail.	3,506	5,377	5,609	5,731
Avila parking lot spaces sold	62,716	69,923	84,353	79,591	70,174
RV camping nights sold	12,058	13,744	13,840	13,931	13,827
Grants received	0	1	0	1	2
Amount of grants received	\$0	\$11,759	\$0	\$2,950	\$15,864

#### Lifeguard Operating Indicators

Calendar Year	2013	2014	2015	2016	2017
Rescues	20	26	26	17	7
Medical aids	159	171	74	102	78
Contacts for beach fire compliance	18	16	18	10	3
Contacts for dog law compliance	737	662	895	900	928
Contacts for alcohol compliance	939	516	684	935	735



## Department Summary (Cont.)

### Harbor Patrol Department Goals

(From pages 6-7)

#### Objective #1: Keep Harbor Functional for Boaters

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  - Identify any other policies and ordinances that Board Members or Staff recommends for review.



## Consolidated Budget



## Consolidated Financial Schedule

	Capital Outlay			
	General Fund	Fund	Enterprise Fund	Total Budget
<b>Revenues</b>				
Charges for Services	\$ -	\$ -	\$ 511,400	\$ 511,400
Mooring Fees	-	-	146,300	146,300
Lease and License	-	-	1,493,600	1,493,600
Diesel Sales	-	-	24,700	24,700
Property Taxes	3,471,600	-	-	3,471,600
Interest	14,000	-	21,000	35,000
Other Financing Sources	-	-	-	-
Other Non-Operating Revenue	-	-	1,000	1,000
Grant Funding	-	213,800	1,303,200	1,517,000
Fund Transfer	(473,600)	473,600	-	-
<b>Total Revenues</b>	<b>\$ 3,012,000</b>	<b>\$ 687,400</b>	<b>\$ 3,501,200</b>	<b>\$ 7,200,600</b>
<b>Expenditures by Category</b>				
Salaries, Wages & Benefits	\$ 2,381,200	\$ -	\$ 964,400	\$ 3,345,600
Supplies	88,600	-	29,300	117,900
Operations & Maintenance	152,700	-	87,700	240,400
Utilities	295,800	-	180,100	475,900
General & Administrative	516,300	-	330,200	846,500
Major Maintenance	-	202,700	124,300	327,000
Capital Projects	-	484,700	1,572,300	2,057,000
<b>Total Expenditures by Category</b>	<b>\$ 3,434,600</b>	<b>\$ 687,400</b>	<b>\$ 3,288,300</b>	<b>\$ 7,410,300</b>
<b>Expenditures by Function</b>				
Administration	\$ 1,050,100	\$ -	\$ 709,400	\$ 1,759,500
Maintenance	1,372,300	-	864,300	2,236,600
Safety	1,012,200	-	18,000	1,030,200
Major Maintenance	-	202,700	124,300	327,000
Capital Projects	-	484,700	1,572,300	2,057,000
<b>Total Expenditures by Function</b>	<b>\$ 3,434,600</b>	<b>\$ 687,400</b>	<b>\$ 3,288,300</b>	<b>\$ 7,410,300</b>
<b>Revenues less Expenditures</b>	<b>\$ (422,600)</b>	<b>\$ -</b>	<b>\$ 212,900</b>	<b>\$ (209,700)</b>
Specified Reserve Usage	\$ 124,900	\$ -	\$ 178,700	\$ 303,600
Specified Reserve Funding	\$ -	\$ -	\$ -	\$ -
<b>Increase/(Decrease) in Operating Reserves</b>	<b>\$ (297,700)</b>	<b>\$ -</b>	<b>\$ 391,600</b>	<b>\$ 93,900</b>
<b>Estimated Beginning Fund Balance as of July 1, 2018</b>	<b>\$ 1,340,200</b>	<b>\$ (10,708)</b>	<b>\$ 2,371,600</b>	<b>\$ 3,701,092</b>
<b>Estimated Ending Fund Balance as of June 30, 2019</b>	<b>\$ 917,600</b>	<b>\$ (10,708)</b>	<b>\$ 2,584,500</b>	<b>\$ 3,491,392</b>
<b>Percentage Change in Fund Balance</b>	<b>-31.5%</b>	<b>0.0%</b>	<b>9.0%</b>	<b>-5.7%</b>



## 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 31.5%. The source of revenue for the General Fund is primarily property tax. Property tax revenue has increased slowly over the last few years with \$2,780,200 in revenue in 2009/10 versus 2018/19 expected property tax revenue of \$3,471,600 which is a 24.9% increase over the last ten years and an average of 2.5% per year. During the same period salaries and benefits have increased from \$1,795,500 in 2009/10 versus expected wages of \$2,381,200 in 2018/19 which is a 32.6% increase over the last ten years or 3.3% per year. These trends, coupled with increased maintenance costs on aging infrastructure, are 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 9%. Enterprise Fund operating revenues in 2009/10 were \$1,327,900 versus \$2,176,000 expected in 2018/19 or a 63.9% increase. During the same period salaries and benefits have increased from \$754,500 in 2009/10 versus expected wages of \$964,400 in 2018/19 which is a 27.8% increase over the last ten years or 2.8% 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		
	2016/17 Actual	2017/18 Projected	2018/19 Budget	2016/17 Actual	2017/18 Projected	2018/19 Budget	2016/17 Actual	2017/18 Projected	2018/19 Budget	2016/17 Actual	2017/18 Projected	2018/19 Budget
<b>Revenues</b>												
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471,400	\$ 510,200	\$ 511,400	\$ 471,400	\$ 510,200	\$ 511,400
Mooring Fees	-	-	-	-	-	-	129,800	140,000	146,300	129,800	140,000	146,300
Lease and License	-	-	-	-	-	-	1,462,700	1,485,700	1,493,600	1,462,700	1,485,700	1,493,600
Diesel Sales	-	-	-	-	-	-	26,900	19,600	24,700	26,900	19,600	24,700
Property Taxes	3,351,600	3,433,000	3,471,600	-	-	-	-	-	-	3,351,600	3,433,000	3,471,600
Interest	15,300	16,400	14,000	-	-	-	22,500	24,600	21,000	37,800	41,000	35,000
Other Financing Sources	-	21,100	-	-	-	-	-	-	-	-	21,100	-
Other Non-Operating Revenue	(1,000)	-	-	-	-	-	(12,200)	700	1,000	(13,200)	700	1,000
Grant Funding	36,100	-	-	41,900	178,200	213,800	25,700	-	1,303,200	103,700	178,200	1,517,000
Fund Transfer	(385,900)	(303,100)	(453,600)	385,900	303,100	453,600	-	-	-	-	-	-
<b>Total Revenues</b>	<b>3,016,100</b>	<b>3,167,400</b>	<b>3,032,000</b>	<b>427,800</b>	<b>481,300</b>	<b>667,400</b>	<b>2,126,800</b>	<b>2,180,800</b>	<b>3,501,200</b>	<b>5,570,700</b>	<b>5,829,500</b>	<b>7,200,600</b>
<b>Expenditures by Category</b>												
Salaries, Wages & Benefits	2,372,800	2,208,200	2,381,200	-	-	-	898,100	897,700	964,400	3,270,900	3,105,900	3,345,600
Supplies	86,000	87,200	88,600	-	-	-	25,800	27,800	29,300	111,800	115,000	117,900
Operations & Maintenance	134,300	150,200	152,700	-	-	-	75,500	96,900	87,700	209,800	247,100	240,400
Utilities	287,600	314,300	295,800	-	-	-	167,000	188,200	180,100	454,600	502,500	475,900
General & Administrative	436,600	440,400	516,300	-	-	-	195,300	315,000	305,200	631,900	755,400	821,500
Major Maintenance	-	-	-	79,200	220,300	167,700	59,700	74,200	124,300	138,900	294,500	292,000
Capital Projects	-	-	-	348,600	261,000	499,700	157,400	178,200	1,617,300	506,000	439,200	2,117,000
<b>Total Expenditures by Category</b>	<b>3,317,300</b>	<b>3,200,300</b>	<b>3,434,600</b>	<b>427,800</b>	<b>481,300</b>	<b>667,400</b>	<b>1,578,800</b>	<b>1,778,000</b>	<b>3,308,300</b>	<b>5,323,900</b>	<b>5,459,600</b>	<b>7,410,300</b>
<b>Increase (Decrease)</b>	<b>(301,200)</b>	<b>(32,900)</b>	<b>(402,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548,000</b>	<b>402,800</b>	<b>192,900</b>	<b>246,800</b>	<b>369,900</b>	<b>(209,700)</b>
Specified Reserve Usage	180,900	107,600	124,900	-	-	-	-	92,700	178,700	180,900	200,300	303,600
Specified Reserve Funding	(17,500)	(73,000)	-	-	-	-	(7,500)	(12,000)	-	(25,000)	(85,000)	-
<b>Funding/(funded by) Operating Reserve</b>	<b>\$ (137,800)</b>	<b>\$ 1,700</b>	<b>\$ (277,700)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 540,500</b>	<b>\$ 483,500</b>	<b>\$ 371,600</b>	<b>\$ 402,700</b>	<b>\$ 485,200</b>	<b>\$ 93,900</b>



## District Revenue

The District generates a majority of its revenue through property taxes. For the 2018/19 fiscal year, property taxes are budgeted to bring in \$3,471,600. This amount is based on estimates received from the County of San Luis Obispo and includes a projected 2% increase in base property taxes. The budget assumes unitary tax revenue decrease by \$30,100 from prior year projections as PG&E begins the decommissioning process of the Diablo Canyon Nuclear Power Plant.

Lease, License and RV camping revenue are the second largest revenue source. This amount is calculated based on current lease agreements and trends. For 2018/19 it is estimated that this will be \$1,493,600. This is a 5.3% increase from 2017/18 projections and includes a \$1 per night increase in RV camping rates and a CPI increase in boat and gear storage fees. Fees were last increased on July 1, 2016. The development of the Harbor Terrace project could impact RV camping revenues as construction begins though the impact is unknown at this time. The 2018-19 budget assumes that there are no impacts to RV camping revenues during the 2018/19 fiscal year.

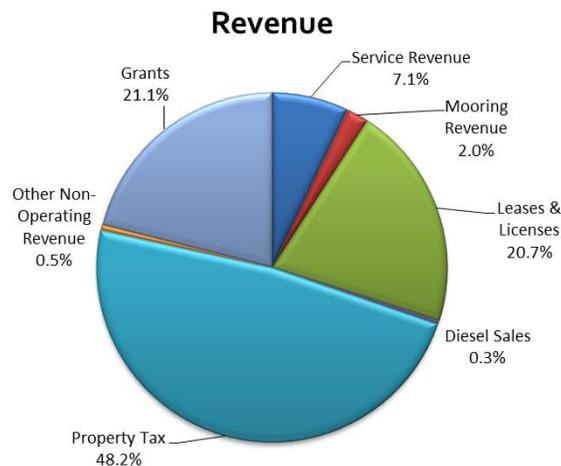
Service revenue, including parking, citation and administrative revenues is budgeted to be \$511,400. The District assumed that 2018/19 revenues for these items would be in-line with 2017/18 projections.

The District has budgeted to receive \$146,300 from its mooring operations in 2018/19. This amount is calculated based on 2017/18 projections and includes a CPI increase in mooring fees. This includes quarterly payments for permanent moorings and associated inspections and repair services, and daily rental mooring payments.

Port San Luis has its own diesel facility and offers fuel to boaters. This service is budgeted to bring in \$24,700 in revenue for the 2018/19 fiscal year. This is consistent with prior year actual revenues.

Grant revenue is budgeted to bring in \$1,517,000 in 2018/19. These funds are to be used towards abandoned vessel removal, a Harbor Patrol boat, the extension of the mobile hoist pier, and a sea-level rise analysis. The District has historically received funds to help cover expenditures related to dog waste bags as well as assistance with costs related to Washington DC lobbying efforts. Projected grant revenue for these two items have been included in the budget as well.

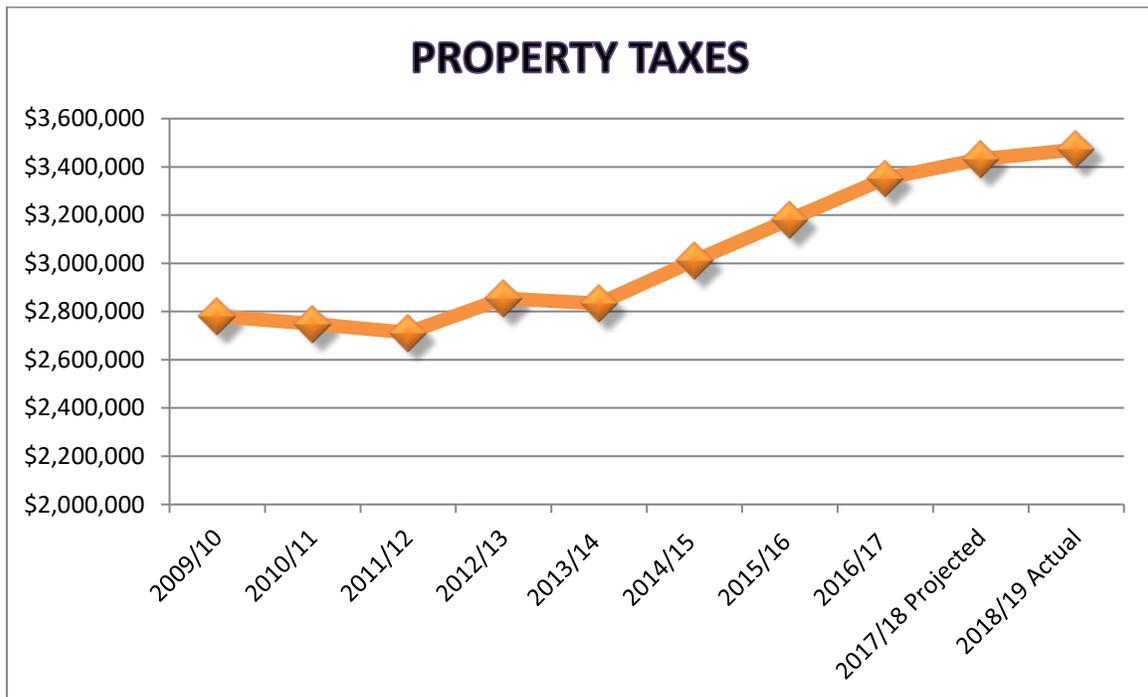
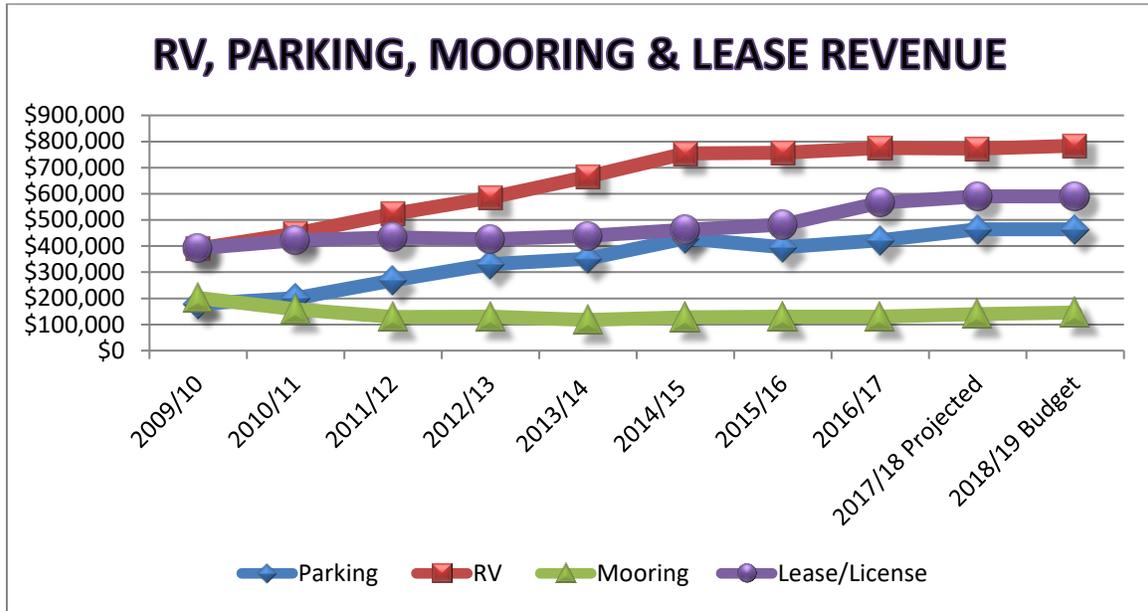
The chart below shows each of the major revenue sources in relation to the total revenue generated by the District for the fiscal year.





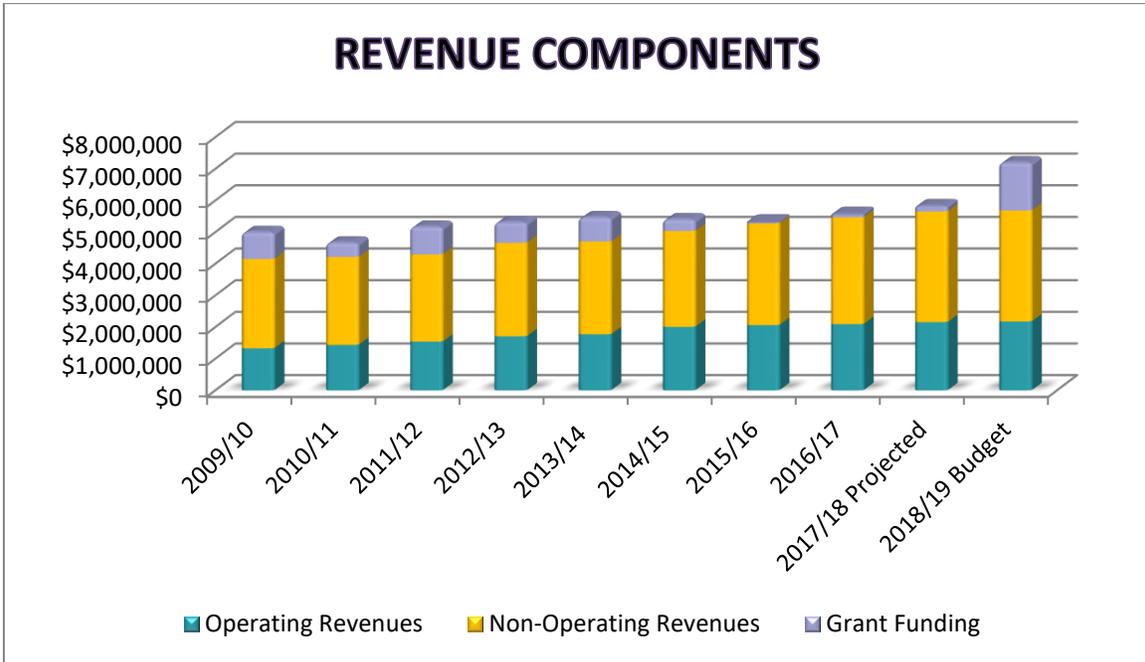
## Recent Revenue Trends

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





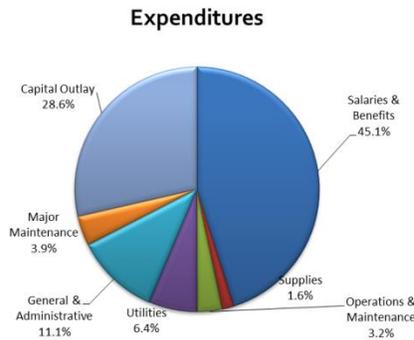
## Recent Revenue Trends (Cont.)





## District Expenditures

Expenditures for the 2018/19 budget are budgeted to be \$7,410,300. The following chart shows the percentage of funds spent on each major category of expenditure.



Salaries/Wages and Benefits are budgeted to be \$3,345,600. The budget includes annual cost of living adjustments per the memoranda of understanding between the District and bargaining units, and managers' employment contracts and assumes the District is at a full staffing level. Health insurance premiums are expected to increase by 10% beginning January 2019. 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. Worker's compensation rates are expected to increase by 22%. The budget does not include any new changes in authorized or funded positions.

Supplies are budgeted at \$117,900, a 2.5% increase from 2017/18 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.

Operations & Maintenance costs are budgeted at \$240,400, a 2.7% decrease from 2017/18 projections. Operations and maintenance expenditures include fuel, building and vehicle maintenance, signage, and beach maintenance among other things.

Utilities are budgeted to be \$475,900, a 5.3% decrease from 2017/18 projections. The District saw an increase in its water costs related to a true-up of prior year expenditures from the County of San Luis Obispo during the 2017/18 fiscal year. The budget assumes costs revert back to prior year levels with estimated 5% rate increases.

General and Administrative expenditures are budgeted to be \$821,500. Included in the 2018/19 budget is \$33,000 in treasurer fees, \$74,200 in legal fees, \$18,000 in parking enforcement fees, and \$65,000 in tax collection fees. The District's property insurance rates are budgeted to increase by 10%. The budget also includes \$90,000 to fund the 2018 election.

District Policy #3020 requires the placement of 1.75% of general and enterprise fund revenues into contingency funds spread out over all of the above-listed expense categories. Additionally 2% of revenues are required to be placed into an overall budget contingency line item used by the Harbor Commission for unusual budget circumstances or emergencies. This item is included in the General and Administrative expenditures described above.

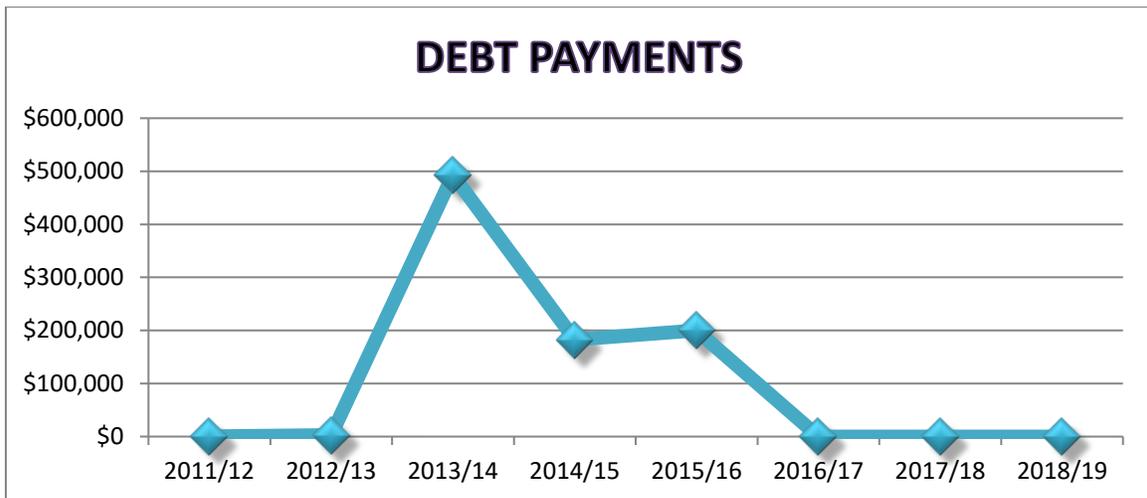
Detail on the major maintenance and capital projects can be found on pages 48-57.



## Debt

The District did not have any debt outstanding as of July 1, 2018. The District does not project to issue new debt during the 2017/18 or 2018/19 therefore does not have any budgeted expenditures related to debt in the 2018/19 fiscal year.

The chart below shows the District's historical debt payments as well as the budgeted payments for the 2018/19 fiscal year.





## Consolidated Budget Summary

	Last Year 2016/17		Current Year 2017/18		2018/19		% Change from 2017/18 Projections
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget	
<b>REVENUES</b>							
Service Revenue <i>(Avila Parking, Location Fees, Citations)</i>	\$ 521,000	\$ 471,400	\$ 486,500	\$ 510,200	\$ 511,400	\$ 511,400	0.2%
Mooring Revenue <i>(Moorage Fees, Equipment Sales, Skiff Space, Exclusive of Labor and O&amp;M)</i>	140,900	129,800	140,900	140,000	146,300	146,300	4.5%
Leases & Licenses <i>(Leases, Licenses, RVs, Utility Reimbursement)</i>	1,292,900	1,462,700	1,280,900	1,485,700	1,493,600	1,493,600	0.5%
Diesel Sales <i>(Exclusive of Labor, O&amp;M and Permits)</i>	19,600	26,900	19,600	19,600	24,700	24,700	26.0%
<b>Total Operating Revenue</b>	<b>1,974,400</b>	<b>2,090,800</b>	<b>1,927,900</b>	<b>2,155,500</b>	<b>2,176,000</b>	<b>2,176,000</b>	<b>1.0%</b>
Non-Operating Revenue/(Expenditure) <i>(Property Tax, Interest)</i>	3,182,200	3,376,200	3,310,800	3,495,800	3,507,600	3,507,600	0.3%
<b>REVENUES</b>	<b>\$ 5,156,600</b>	<b>\$ 5,467,000</b>	<b>\$ 5,238,700</b>	<b>\$ 5,651,300</b>	<b>\$ 5,683,600</b>	<b>\$ 5,683,600</b>	<b>0.6%</b>
<b>EXPENDITURES</b>							
Salaries/Wages/Benefits <i>Less: Prior year reserve use</i>	\$ 3,450,600 <i>(135,300)</i>	\$ 3,270,900 <i>(135,300)</i>	\$ 3,166,900	\$ 3,105,900	\$ 3,345,600	\$ 3,345,600	7.7%
Supplies	113,100	111,800	115,100	115,000	117,900	117,900	2.5%
Operations & Maintenance <i>Less: Prior year reserve use</i>	245,500 -	209,800 <i>(600)</i>	245,400	247,100	240,400	240,400	-2.7%
Utilities	465,100	454,600	491,200	502,500	475,900	475,900	-5.3%
General & Administrative <i>Budget Contingency</i> <i>Less: Prior year reserve use</i>	677,700 26,800 <i>(90,000)</i>	631,900 -	560,800 104,800	650,600 104,800	707,800 113,700 <i>(45,000)</i>	732,800 113,700 <i>(45,000)</i>	12.6% -100.0%
<b>OPERATING EXPENDITURES</b>	<b>\$ 4,753,500</b>	<b>\$ 4,498,100</b>	<b>\$ 4,684,200</b>	<b>\$ 4,725,900</b>	<b>\$ 4,956,300</b>	<b>\$ 4,981,300</b>	<b>5.4%</b>
<b>NET INCOME BEFORE MAJOR MAINTENANCE &amp; CAPITAL PROJECTS</b>	<b>\$ 403,100</b>	<b>\$ 968,900</b>	<b>\$ 554,500</b>	<b>\$ 925,400</b>	<b>\$ 727,300</b>	<b>\$ 702,300</b>	<b>-24.1%</b>
Major Maintenance Expense <i>Less: Grants</i> <i>Prior year reserve use</i>	224,300 <i>(30,000)</i> <i>(85,000)</i>	138,900 <i>(85,200)</i>	339,500 <i>(67,000)</i> <i>(87,000)</i>	294,500 <i>(68,200)</i> <i>(57,500)</i>	292,000 <i>(42,000)</i> <i>(107,000)</i>	327,000 <i>(42,000)</i> <i>(107,000)</i>	11.0% -38.4% 86.1%
Capital Project Outlay <i>Less: Grants</i> <i>Prior year reserve use</i>	822,400 <i>(383,500)</i> <i>(185,800)</i>	506,000 <i>(18,500)</i>	1,539,200 <i>(1,175,000)</i> <i>(122,800)</i>	439,200 <i>(110,000)</i> <i>(142,800)</i>	2,117,000 <i>(1,475,000)</i> <i>(151,600)</i>	2,057,000 <i>(1,475,000)</i> <i>(151,600)</i>	368.4% 1240.9% 6.2%
<b>MAJOR MAINTENANCE AND CAPITAL PROJECTS</b>	<b>\$ 362,400</b>	<b>\$ 541,200</b>	<b>\$ 426,900</b>	<b>\$ 355,200</b>	<b>\$ 633,400</b>	<b>\$ 608,400</b>	<b>71.3%</b>
<b>REVENUES less EXPENDITURES</b>	<b>\$ 40,700</b>	<b>\$ 427,700</b>	<b>\$ 127,600</b>	<b>\$ 570,200</b>	<b>\$ 93,900</b>	<b>\$ 93,900</b>	<b>-83.5%</b>
Reserve Set Aside	\$ -	\$ (25,000)	\$ (85,000)	\$ (85,000)	\$ -	\$ -	-100.0%
Budget Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Increase/(Decrease) in operating reserves</b>	<b>\$ 40,700</b>	<b>\$ 402,700</b>	<b>\$ 42,600</b>	<b>\$ 485,200</b>	<b>\$ 93,900</b>	<b>\$ 93,900</b>	<b>-80.6%</b>



## Consolidated Budget Detail

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Service Revenue</b>						
Administration	\$30,000	\$20,100	\$20,000	\$20,200	\$20,000	\$20,000
Branded Merchandise	-	1,600	8,200	1,700	1,700	1,700
Branded Merchandise COGS	-	(900)	(4,600)	(1,000)	(1,000)	(1,000)
Citations	22,000	18,500	22,000	16,100	18,000	18,000
Facilities Labor & Equipment	3,000	2,500	3,000	5,200	3,500	3,500
Avila Parking	459,000	421,700	430,900	464,200	464,200	464,200
Harbor Patrol & Lifeguards	7,000	7,900	7,000	3,800	5,000	5,000
Harbor Parking	-	-	-	-	-	-
Budget Transfer	-	-	-	-	-	-
<b>Service Revenue</b>	<b>\$521,000</b>	<b>\$471,400</b>	<b>\$486,500</b>	<b>\$510,200</b>	<b>\$511,400</b>	<b>\$511,400</b>

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Mooring Revenue</b>						
Anchorage Fees	\$2,000	\$1,100	\$2,000	\$1,100	\$1,200	\$1,200
Work Dock Rental Fee	1,000	1,100	1,000	1,000	1,000	1,000
Equipment Rental- Moorings	23,100	19,400	23,100	23,100	24,200	24,200
Mooring Operations	108,800	105,400	108,800	108,800	113,900	113,900
Fisherman's Discount	(14,400)	(13,900)	(14,400)	(14,400)	(14,400)	(14,400)
Mooring Equipment Sales	47,300	36,700	47,300	47,300	47,300	47,300
Mooring Equipment COGS	(26,900)	(20,000)	(26,900)	(26,900)	(26,900)	(26,900)
<b>Mooring Revenue</b>	<b>\$140,900</b>	<b>\$129,800</b>	<b>\$140,900</b>	<b>\$140,000</b>	<b>\$146,300</b>	<b>\$146,300</b>



## Consolidated Budget Detail (Cont.)

Lease & License Revenue	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissions- Laundry	\$4,000	\$3,400	\$4,000	\$3,600	\$3,600	\$3,600
Coastal Gateway Room Rental	2,200	2,700	4,000	2,800	3,000	3,000
Coin Showers	13,500	16,800	18,000	18,200	18,000	18,000
Harford Land Area- Leases	141,500	169,500	165,500	176,100	175,400	175,400
Piers- Leases	284,900	342,500	230,800	354,100	355,100	355,100
Piers- Licenses	28,400	30,600	28,300	36,300	37,300	37,300
Beaches- Leases	9,300	10,300	9,300	9,300	9,300	9,300
Beaches- Licenses	13,200	12,700	13,200	13,800	12,900	12,900
Boat & Gear Storage	51,100	55,000	51,100	59,600	56,500	56,500
Boat Washdown	1,000	2,600	2,000	2,600	2,600	2,600
Coin Hoist	6,000	4,700	5,000	4,500	4,500	4,500
RVs- Babe Lane	178,100	201,100	190,000	188,400	191,200	191,200
RVs- Other than Babe Lane	524,200	573,700	524,200	584,800	592,700	592,700
Utilities Reimbursement	35,000	36,700	35,000	31,000	31,000	31,000
Miscellaneous Operating Income	500	400	500	600	500	500
<b>Total Lease &amp; License Revenue</b>	<b>\$1,292,900</b>	<b>\$1,462,700</b>	<b>\$1,280,900</b>	<b>\$1,485,700</b>	<b>\$1,493,600</b>	<b>\$1,493,600</b>

Diesel Sales	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Diesel Sales	\$169,400	\$139,600	\$169,400	\$169,400	\$130,000	\$130,000
Diesel Cost of Goods Sold	(149,800)	(112,700)	(149,800)	(149,800)	(105,300)	(105,300)
<b>Total Diesel Sales</b>	<b>\$19,600</b>	<b>26,900</b>	<b>19,600</b>	<b>\$19,600</b>	<b>\$24,700</b>	<b>\$24,700</b>

Non-Operating Revenue	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Interest Income	\$17,000	\$37,800	\$20,000	\$41,000	\$35,000	\$35,000
Finance Charge Income	1,500	2,100	1,000	700	1,000	1,000
Tax Proceeds	3,160,000	3,351,600	3,288,800	3,433,000	3,471,600	3,471,600
Other Financing Sources	2,700	-	-	21,100	-	-
Misc. Non-Operating Inc. (Exp.)	1,000	(15,300)	1,000	-	-	-
Budget Transfer	-	-	-	-	-	-
<b>Total Non-Operating Revenue</b>	<b>\$3,182,200</b>	<b>\$3,376,200</b>	<b>\$3,310,800</b>	<b>\$3,495,800</b>	<b>\$3,507,600</b>	<b>\$3,507,600</b>



## Consolidated Budget Detail (Cont.)

Salaries, Wages & Benefits	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissioner Wages	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Employee Wages	1,843,600	1,848,400	1,920,400	1,915,500	1,987,700	1,987,700
Health Insurance	460,900	378,700	405,500	379,200	427,800	427,800
Workers Compensation	101,600	96,200	92,900	92,900	127,400	127,400
Payroll Taxes	138,800	137,500	149,500	146,600	156,600	156,600
Pension Costs	346,200	322,700	378,400	366,100	427,000	427,000
Recruitment	5,800	9,300	6,000	6,000	6,000	6,000
Misc. Employee Benefits	6,000	5,500	6,000	6,000	6,000	6,000
Unemployment Self Insurance	1,000	1,200	1,000	1,000	1,000	1,000
Contract Labor	45,000	9,300	20,800	20,800	20,900	20,900
Contract Security	85,400	96,200	85,400	85,400	96,200	96,200
Compensated Absence	30,000	-	11,700	11,700	11,700	11,700
Other Post-Employment Benefits	35,000	19,700	35,000	20,400	21,400	21,400
Tax Revenue Anticipation Note	315,300	310,200	-	-	-	-
Salaries, Wages & Benefits Contingency	-	-	18,300	18,300	19,900	19,900
<b>Total Salaries, Wages &amp; Benefits</b>	<b>\$3,450,600</b>	<b>\$3,270,900</b>	<b>\$3,166,900</b>	<b>\$3,105,900</b>	<b>\$3,345,600</b>	<b>\$3,345,600</b>

Supplies	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Office	\$27,600	\$25,400	\$21,800	\$21,800	\$21,800	\$21,800
Shop	12,000	13,000	9,000	9,000	9,000	9,000
Sanitation	36,000	37,900	37,000	37,000	37,000	37,000
Harbor Patrol / Lifeguards	16,000	12,500	12,000	12,000	12,000	12,000
Mooring	1,000	4,500	1,500	2,700	2,700	2,700
Dredge	4,000	-	1,000	1,000	1,000	1,000
Clothing/Equipment	16,500	18,500	14,500	14,500	14,500	14,500
Supply Contingency	-	-	18,300	17,000	19,900	19,900
<b>Total Supplies</b>	<b>\$113,100</b>	<b>\$111,800</b>	<b>\$115,100</b>	<b>\$115,000</b>	<b>\$117,900</b>	<b>\$117,900</b>



## Consolidated Budget Detail (Cont.)

Operations & Maintenance	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Building/Facility	\$25,400	\$24,200	\$21,900	\$24,900	\$20,400	\$20,400
Vandalism	2,000	-	1,000	1,000	1,000	1,000
Dredge	10,000	6,000	10,000	7,900	8,000	8,000
Electronic Equipment	7,700	5,100	4,000	4,000	5,000	5,000
Vehicles & Equipment	19,200	33,800	16,700	16,700	16,700	16,700
Crane	4,000	3,000	4,000	4,000	4,000	4,000
Coastal Gateway	2,000	1,800	1,000	1,000	2,000	2,000
Patrol Boats	15,000	12,000	12,000	13,500	12,000	12,000
LCM	1,500	-	1,500	1,500	1,500	1,500
Boatyard Maintenance	2,000	-	1,000	1,000	1,000	1,000
Camp Host	1,000	500	1,000	1,000	1,000	1,000
Water Taxi Host	3,500	6,400	5,000	5,000	5,000	5,000
Signs	4,500	5,100	5,000	5,000	5,000	5,000
Road/Revetment	9,000	5,100	8,000	6,000	8,000	8,000
General Maintenance	15,000	21,600	15,000	20,700	18,000	18,000
Sport Launch	2,000	-	2,000	6,800	2,000	2,000
Beaches	12,000	11,700	10,000	9,600	10,000	10,000
Public Hoist	2,000	300	2,000	14,300	2,000	2,000
Tools	5,000	5,000	6,000	4,000	6,000	6,000
Fuel	43,000	29,000	37,000	35,700	37,000	37,000
Piers	22,000	17,900	22,000	20,500	22,000	22,000
Ice/Diesel Facility	9,000	7,600	8,000	7,400	8,000	8,000
Lighthouse	7,500	2,800	7,500	8,900	7,500	7,500
Water & Sewer System	7,600	3,200	13,000	5,300	6,000	6,000
Storm Water	1,000	-	1,000	1,000	1,000	1,000
Fire Protection	5,400	3,900	5,400	4,400	5,400	5,400
Dock & Landing	7,200	3,800	6,100	5,000	5,000	5,000
Operations & Maintenance Contingency	-	-	18,300	11,000	19,900	19,900
<b>Total Operations &amp; Maintenance</b>	<b>\$245,500</b>	<b>\$209,800</b>	<b>\$245,400</b>	<b>\$247,100</b>	<b>\$240,400</b>	<b>\$240,400</b>



## Consolidated Budget Detail (Cont.)

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Utilities</b>						
Electricity	\$62,500	\$70,100	\$66,800	\$70,200	\$73,300	\$73,300
Telephone	24,300	24,200	22,800	22,100	21,100	21,100
Gas	2,900	2,300	2,300	2,400	2,500	2,500
Sewer	62,500	66,300	59,700	60,500	48,500	48,500
Trash	74,600	53,700	56,700	72,500	64,400	64,400
Haz Mat Disposal	4,300	6,000	4,300	4,300	4,300	4,300
Water – Lopez	200,000	199,800	229,200	229,200	213,600	213,600
Water/Sewer – Avila	34,000	32,200	31,100	28,800	28,300	28,300
Utility Contingency	-	-	18,300	12,500	19,900	19,900
Budget Transfer	-	-	-	-	-	-
<b>Total Utilities</b>	<b>\$465,100</b>	<b>\$454,600</b>	<b>\$491,200</b>	<b>\$502,500</b>	<b>\$475,900</b>	<b>\$475,900</b>

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>General &amp; Administrative</b>						
Advertising & Promo.	\$3,000	\$1,600	\$3,000	\$2,400	\$3,000	\$3,000
Travel, Meals, Lodging	33,000	19,000	30,000	30,000	30,000	30,000
Education/Training	14,100	7,200	11,400	11,400	12,600	12,600
Dues & Subscriptions	17,700	18,700	16,800	21,900	23,200	23,200
Legal Advertising	2,400	1,500	2,400	2,400	2,400	2,400
Cash (Over) / Short	-	-	-	-	-	-
Capital Lease - Principal	2,400	2,400	-	-	-	-
Capital Lease - Interest	100	100	-	-	-	-
Bank Charges	35,000	35,700	33,000	39,400	38,000	38,000
Bad Debt	7,200	2,100	7,200	-	5,000	5,000
Consultants	70,100	68,400	28,300	28,300	33,100	33,100
Legislative Advocacy	8,400	8,400	8,400	8,400	8,400	8,400
Computers & Equip.	5,400	2,800	4,200	4,200	4,200	4,200
Parking	19,300	17,300	12,000	18,000	18,000	18,000
Legal Fees	60,000	89,000	65,900	129,700	74,200	74,200
Audits	10,500	7,500	11,000	11,000	10,000	10,000
Tax Collection Fees	65,000	60,200	65,000	65,000	65,000	65,000
Treasurer Fees	30,000	31,800	30,000	43,600	33,000	33,000
Permits	7,700	8,500	6,300	15,100	19,000	19,000
Elections	95,000	82,800	-	-	90,000	90,000
Property Insurance	156,600	136,500	172,300	163,600	180,000	180,000
Cities Redevelopment	15,000	10,300	15,000	33,400	15,000	15,000
Bonds	800	800	800	800	800	800
LAFCO Fees	16,000	16,300	16,500	19,000	20,000	20,000
Coastal Conservancy	-	-	-	-	-	25,000
Board Dis. Funds	2,500	2,500	2,500	2,500	2,500	2,500
Harbor Manager Dis. Funds	500	500	500	500	500	500
G&A Contingency	-	-	18,300	-	19,900	19,900
Budget Contingency	26,800	-	104,800	104,800	113,700	113,700
<b>Total General &amp; Administrative</b>	<b>\$704,500</b>	<b>\$631,900</b>	<b>\$665,600</b>	<b>\$755,400</b>	<b>\$821,500</b>	<b>\$846,500</b>



## Consolidated Budget Detail (Cont.)

Major Maintenance	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Abandoned Vessel	\$30,000	\$19,400	\$30,000	\$30,000	\$30,000	\$30,000
Avila Pier	-	-	45,000	45,000	15,000	50,000
ADA Modifications	-	-	17,500	2,000	-	-
Boom Truck	-	-	10,000	10,000	10,000	10,000
Dredge Pump	11,500	11,400	12,000	12,000	25,000	25,000
Electronic Documents	-	-	10,000	10,000	20,000	20,000
Lighthouse Road	-	-	25,000	25,000	-	-
Lift Station					20,000	20,000
Maintenance	27,800	27,700	20,000	20,000		
Mooring Costs/LCM	40,000	7,300	40,000	10,500	40,000	40,000
Pier Maintenance	65,000	65,000	65,000	65,000	75,000	75,000
Repave Parking Lots	25,000	8,100	40,000	40,000	32,000	32,000
Revetment	25,000	-	25,000	25,000	15,000	15,000
Water Tank	-	-	-	-	10,000	10,000
<b>Total Major Maintenance</b>	<b>\$224,300</b>	<b>\$138,900</b>	<b>\$339,500</b>	<b>\$294,500</b>	<b>\$292,000</b>	<b>\$327,000</b>
<b>Major Maintenance Funding</b>						
Specified Reserve Use	\$85,000	\$-	\$87,000	\$57,500	\$107,000	\$107,000
Operating Reserve Use	109,300	53,700	185,500	168,800	143,000	178,000
Grant Funding	30,000	85,200	67,000	68,200	42,000	42,000
<b>Total Funding</b>	<b>\$224,300</b>	<b>\$138,900</b>	<b>\$339,500</b>	<b>\$294,500</b>	<b>\$292,200</b>	<b>\$327,000</b>



## Consolidated Budget Detail (Cont.)

Capital Projects	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Channel Markers	\$-	\$-	\$4,400	\$39,400	\$-	\$-
Cantilever Rack	-	-	-	-	10,000	10,000
Crane	25,000	11,400	10,000	10,000	50,000	50,000
Dock	20,000	-	-	-	-	-
Fire Systems	25,000	7,700	17,008	10,000	25,000	25,000
Harbor Patrol Boat	-	-	150,000	21,100	150,000	150,000
Harbor Patrol Boat Engines	-	-	18,000	18,000	-	-
Harbor Terrace	45,000	40,000	85,900	85,900	45,000	45,000
Harbor Terrace: District Use Are	-	-	-	-	70,000	70,000
Harbor Terrace: Gear Storage	-	-	25,000	25,000	60,000	60,000
Hoist	55,000	54,100	8,400	5,700	-	-
District Staff Landing	39,000	-	37,300	39,000	75,000	75,000
Lifeguard Towers	-	-	-	-	15,000	-
Lighthouse Duplex	40,000	220,300	-	-	-	-
Lift	-	-	-	-	75,000	75,000
Mobile Hoist Pier	365,000	-	1,000,000	-	1,300,000	1,300,000
Parking	12,000	5,900	25,000	25,000	40,000	40,000
Rescue Vehicle	30,700	30,700	-	-	-	-
Sea Level Rise Analysis	-	-	75,000	75,000	75,000	75,000
Sewage Treatment Plant	75,000	45,900	75,000	75,000	75,000	75,000
Skiff	-	-	-	-	7,000	7,000
Trailer Boat Launch	40,000	39,900	8,200	10,100	-	-
Underground Storage Tank	-	-	-	-	45,000	-
Vehicle Replacement Program	10,000	9,400	-	-	-	-
Water Taxi Boat	40,700	40,700	-	-	-	-
<b>Total Capital Projects</b>	<b>\$822,400</b>	<b>\$506,000</b>	<b>\$1,539,208</b>	<b>\$439,200</b>	<b>\$ 2,117,000</b>	<b>\$ 2,057,000</b>
<b>Capital Project Funding</b>						
Specified Reserve Use	\$185,800	\$-	\$122,800	\$142,800	\$151,600	\$151,600
Operating Reserve Use	253,100	487,500	241,408	186,400	490,400	430,400
Grant Funding	383,500	18,500	1,175,000	110,000	1,475,000	1,475,000
<b>Total Funding</b>	<b>\$822,400</b>	<b>\$506,000</b>	<b>\$1,539,208</b>	<b>\$439,200</b>	<b>\$2,117,000</b>	<b>\$2,057,000</b>



## Major Maintenance

	Project Title: Abandoned Vessel Removal		
	Description: Removal, storage and disposal of abandoned vessels.		
	Amount: \$30,000		
	Funding Source:	<input type="checkbox"/> Operating Revenue	<input checked="" type="checkbox"/> Grant Revenue – Division of Boating and Waterways
<p>Cost considerations: The District would be responsible for a 10% match that would be absorbed in the operating budget. This project could save costs in the future as vessels that are identified as falling into disrepair can be destroyed before they sink and cause environmental damage.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #1: <i>Keep harbor functional for boaters.</i></p>			

	Project Title: Avila Pier Rehabilitation		
	Description: Provide support for the continued Avila Pier Rehabilitation Project.		
	Amount: \$50,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: Per the Board of Commissioners consensus as of April 2018, this project will have a study completed by an engineering firm/engineer to determine more specific costs for pier options including the current dimensions as well as shorter pier and the cost of removal. This project would move this rehabilitation project forward and would not result in additional operating costs at this time.</p> <p>Relation to District Objectives: This project achieves the District's Other Major Objective #5: <i>Establish financial sustainability for Avila Pier, parking, and uses.</i></p>			

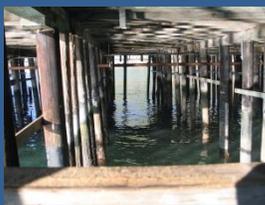
	Project Title: Boom Truck		
	Description: Maintenance and repairs to the boom truck.		
	Amount: \$10,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: This project maintains an existing asset. It will not result in additional operating costs.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #3: <i>Ensure efficient and effective facilities to deliver critical District services.</i></p>			



## Major Maintenance (Cont.)

	Project Title: Dredge Pump Maintenance		
	Description: Annual maintenance on the District's dredge pump including rewinding the motor.		
	Amount: \$25,000		
Funding Source:	<input type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves – Dredge Reserve
<p>Cost considerations: This project is a recurring annual project. The District's dredge pump requires annual maintenance prior to dredge season. The project will not result in future operating costs.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #1: <i>Keep Harbor functional for boaters.</i></p>			

	Project Title: Electronic Documents		
	Description: Conversion of approximately 40 file boxes into an electronic format.		
	Amount: \$20,000		
Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input type="checkbox"/> Specified Reserves
<p>Cost considerations: It is estimated that the District has upwards of 200 boxes that ultimately would need to be converted to electronic format in future fiscal years. After the boxes have been converted, there would be an additional cost to have the contents destroyed (estimated at \$300 for 20 boxes). Additionally, some staff time would be needed up front to help create a filing system for the electronic documents. This would help save time in the future by making it easier to locate documents.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public.</i></p>			

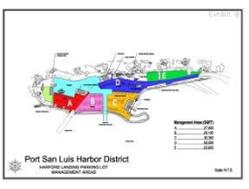
	Project Title: Harford Pier Lumber		
	Description: Lumber for annual maintenance to the Harford Pier.		
	Amount: \$75,000		
Funding Source:	<input checked="" type="checkbox"/> Operating Revenue - \$65,000	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves - \$10,000 – Building Reserve
<p>Cost considerations: This project is a recurring annual project. This project purchases up to 15,000 board feet of lumber and up to forty, forty-five foot long piles to maintain the Harford Pier. It will not result in additional operating costs.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #2 &amp; #3: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility to the public; Ensure efficient and effective facilities to deliver critical District services.</i></p>			



## Major Maintenance (Cont.)

	Project Title: Sewer Lift Station Maintenance		
	Description: Panel upgrades to lift stations 1 & 2.		
	Amount: \$20,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: This project would replace the existing panels. There is no impact on future operating costs by doing the project.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #3: <i>Ensure efficient and effective facilities to deliver critical District services.</i></p>			

	Project Title: Mooring Capital Costs		
	Description: Repairs and maintenance to the District's mooring boat (LCM).		
	Amount: \$40,000		
	Funding Source:	<input type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: This project is a recurring annual project. This project maintains an existing asset. It will not result in additional operating costs.</p> <p>Relation to District Objectives: This project achieves the District's Major Objectives #1 &amp; #2: <i>Keep Harbor functional for boaters; Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility to the public</i></p>			

	Project Title: Parking Lot Maintenance		
	Description: Repaving, sealing and restriping of approximately 50,000 feet of the entrance to the Harford Landing parking lot (Area D, dark blue).		
	Amount: \$32,000		
	Funding Source:	<input type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: District staff has divided its parking areas into 5 sections. The current plan is to do annual maintenance on the parking lots, rotating through each section so that each is redone every 5 years. There is no impact on future operating costs by doing the project.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i></p>			



## Major Maintenance (Cont.)

	Project Title: Revetment		
	Description: Repair to the concrete area at the trailer boat sport launch jetty and other areas where the revetment has been undermined and sloughed off.		
	Amount: \$15,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: This project maintains an existing asset. It will not result in additional operating costs.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #1: <i>Keep Harbor functional for boaters.</i></p>			

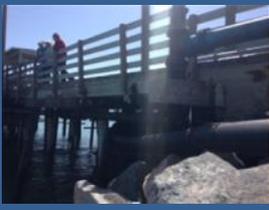
	Project Title: Water Tank		
	Description: Water booster pump and controls.		
	Amount: \$10,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: The water booster pump is needed to increase the line pressure from the Lopez water line to achieve the head pressure needed to fill the water tank. The purchase of the new pump replaces an existing asset to it is not anticipated to increase operating costs. The District does anticipate a reduction in electric costs resulting from the purchase of the pump though the amount is difficult to determine.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #2 &amp; #3: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility to the public; Ensure efficient and effective facilities to deliver critical District services.</i></p>			



## Capital Projects

	<b>Lumber and Pile Storage</b>		
	Description: Harbor Yard storage to compensate for footprint reduction and increase organization, related Harbor Terrace development. Amount: \$10,000		
Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input type="checkbox"/> Specified Reserves
Cost considerations: District staff does not anticipate this project to result in additional operating costs.			
Relation to District Objectives: This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i>			

	<b>Project Title: Diesel Powered Pile Driver</b>		
	Description: Diesel-powered pile driver implement for continuation of pile driving. Also to be used with the Lift for pile driving during dredge season and redundancy. Amount: \$50,000		
Funding Source:	<input checked="" type="checkbox"/> Operating Revenue - \$34,900	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves – \$15,100, Crane Reserve
Cost considerations: Prior to the purchase of the Diesel Powered Pile Driver, District staff will review and ensure the equipment meets the use requirements for the District. The annual maintenance of this asset is estimated between \$2,500 and \$5,000.			
Relation to District Objectives: This project achieves the District's Major Objective #1: <i>Keep Harbor functional for boaters.</i>			

	<b>Project Title: Fireline Repairs</b>		
	Description: Maintenance to the Harford Pier fireline system. Amount: \$25,000		
Funding Source:	<input type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves – Facilities Reserve
Cost considerations: This project maintains an existing asset. It will not result in additional operating costs.			
Relation to District Objectives: This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i>			



## Capital Projects (Cont.)

	Project Title: Harbor Patrol Boat		
	Description: To be determined after an assessment of vessel needs is completed.		
	Amount: \$150,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue - \$50,000	<input checked="" type="checkbox"/> Grant Revenue - \$100,000 to be solicited
<p>Cost considerations: During FY 17/18, the Harbor Patrol Department assessed their vessel needs and determined the specific capabilities each vessel must have to best meet the needs of the Department, and boating public/commercial fishing fleet. The funding approved in the FY17-18 budget is again requested for FY 18/19 for matching funds for grant applications. Staff anticipates a new vessel will be funded with a combination of grant funding, funds from the surplus of Boat 1 and these matching funds.</p> <p>Relation to District Objectives: This project achieves the District's Other Objectives #7 &amp; #8: <i>Maintain a safe, boater friendly/accommodating atmosphere for commercial and recreational boaters (local and transient); Ensure that all facilities and events maintain a high level of safety for all staff, visitors.</i></p>			

	Project Title: Harbor Patrol Landing		
	Description: New landing for use by Harbor Patrol, LCM, District skiffs and water taxi on the west side of the Harford Pier.		
	Amount: \$75,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: This project would create a new landing. Annual maintenance to this landing is estimated at \$1,000 per year. Installation would allow for more public use of the east side floating dock and predominately Public Safety/District use on the west side. This project will be brought before the Board of Commissioners to approve project scope prior to commencement.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #3: <i>Ensure efficient and effective facilities to deliver critical District services.</i></p>			



## Capital Projects (Cont.)

	<b>Project Title: Harbor Terrace</b>		
	<b>Description:</b> Consultants, construction monitoring, legal, and marketing for the Harbor Terrace project.		
<b>Amount:</b> \$45,000			
<b>Funding Source:</b>	<input checked="" type="checkbox"/> Operating Revenue - \$26,400	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves – \$18,600 Harbor Terrace Reserve
<b>Cost considerations:</b> Budgeted funds for this project include expenditures for construction monitoring, legal, and marketing. It is anticipated that the project will begin produce revenue for the District during the 2019/20 fiscal year. This project would not increase operating costs as it would be run by a third party. For more information on the project, see page 89.			
<b>Relation to District Objectives:</b> This project achieves the District’s Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i>			

	<b>Project Title: Harbor Terrace: Gear Storage</b>		
	<b>Description:</b> Infrastructure for new gear storage area (concrete, drainage, lighting, security, etc.)		
<b>Amount:</b> \$60,000			
<b>Funding Source:</b>	<input type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves - Facilities Reserve
<b>Cost considerations:</b> This project replaces the current gear storage area. District staff does not anticipate that this project will result in additional operating costs.			
<b>Relation to District Objectives:</b> This project achieves the District’s Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i>			

	<b>Project Title: Harbor Terrace: Harbor District Use Area</b>		
	<b>Description:</b> Infrastructure for District-use area including pavement, sea trains, etc.		
<b>Amount:</b> \$70,000			
<b>Funding Source:</b>	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input type="checkbox"/> Specified Reserves
<b>Cost considerations:</b> This project constructs a new use area for the Harbor District. It is estimated to cost approximately \$5,000 per year to maintain.			
<b>Relation to District Objectives:</b> This project achieves the District’s Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i>			



## Capital Projects (Cont.)

	Project Title: Lift		
	Description: Reach lift for Harbor Terrace area.		
	Amount: \$75,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: Annual maintenance costs on this asset are estimated at \$5,000 per year.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i></p>			

	Project Title: Mobile Hoist Pier Extension		
	Description: Pier extension, engineering and construction.		
	Amount: \$1,300,000		
	Funding Source:	<input type="checkbox"/> Operating Revenue	<input checked="" type="checkbox"/> Grant Revenue – BUILD (formerly TIGER grant) application submitted, SLOCOG grant received
<p>Cost considerations: Annual maintenance costs as a result of the extension are estimated at \$9,000 per year. The District continues to explore Federal Grants, such as the BUILD Federal Grant Program. If this competitive Federal Grant Program is funded, this project could qualify for funding. The District has secured a \$200,000 match from SLOCOG for this project.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #1: <i>Keep Harbor functional for boaters.</i></p>			

	Project Title: Parking Pay Stations		
	Description: Convert existing pay station to 120 volt.		
	Amount: \$10,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: Annual maintenance on the parking meters is estimated at \$1,100 per year. Additionally, the District would pay an annual fee for the machine estimated at \$1,500 per year.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i></p>			



## Capital Projects (Cont.)

	<b>Project Title: Parking Plan Implementation</b>			
	<b>Description:</b> Purchase of a parking machine to begin implementation of the Parking Management Plan in the Harford land area lot.			
	<b>Amount:</b> \$30,000			
<b>Funding Source:</b>	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue	<input type="checkbox"/> Specified Reserves	
<b>Cost considerations:</b> Annual maintenance on the parking machines is estimated at \$1,100 per year plus an annual service fee of roughly \$1,500. Additionally, the plan would result in additional enforcement efforts by the District's Harbor Patrol department. The goal would be to increase the District's parking and citation revenues by \$50,000 per year.				
<b>Relation to District Objectives:</b> This project achieves the District's Major Objective #2: <i>Expand money generating opportunities to support Harbor operations that are consistent with affordability and accessibility for the public</i>				

	<b>Project Title: Sea Level Rise Analysis</b>			
	<b>Description:</b> Sea level rise analysis pursuant to AB 691. Analysis is due July 1, 2019.			
	<b>Amount:</b> \$75,000			
<b>Funding Source:</b>	<input type="checkbox"/> Operating Revenue	<input checked="" type="checkbox"/> Grant Revenue – source unknown (to be solicited)	<input type="checkbox"/> Specified Reserves	
<b>Cost considerations:</b> Depending on the results of the analysis, the District could have additional future operating costs. The amount of these costs is unknown until the analysis is performed.				
<b>Relation to District Objectives:</b> This project achieves the District's Major Objective #3: <i>Ensure efficient and effective facilities to deliver critical District services.</i>				

	<b>Project Title: Sewer Treatment Plant</b>			
	<b>Description:</b> District's 35% share of the Avila Beach Community Services District capital improvements.			
	<b>Amount:</b> \$75,000			
<b>Funding Source:</b>	<input checked="" type="checkbox"/> Operating Revenue - \$42,100	<input type="checkbox"/> Grant Revenue	<input checked="" type="checkbox"/> Specified Reserves - \$32,900 Utility Reserve	
<b>Cost considerations:</b> The Avila Beach Community Services District owns, operates and maintains existing wastewater treatment and disposal facilities that presently serve the District. Pursuant to this agreement, the District is responsible for its proportionate share of capital expenditures at the wastewater treatment plant. These projects could have an effect on future operating costs though the amounts are difficult to estimate.				
<b>Relation to District Objectives:</b> This project achieves the District's Major Objective #3: <i>Ensure efficient and effective facilities to deliver critical District services.</i>				



## Capital Projects (Cont.)

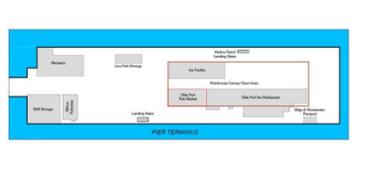
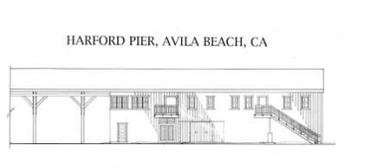
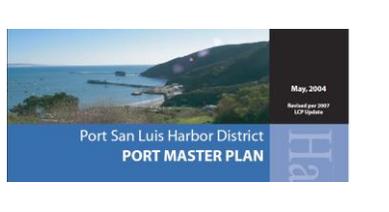
	Project Title: Skiff		
	Description: Purchase of a replacement skiff to be used by the District's pier crew.		
	Amount: \$7,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: The purchase of this asset would merely replace an existing asset. District staff does not anticipate that it would result in additional operating costs.</p> <p>Relation to District Objectives: <i>This project does not fall into the criteria as provided in the District's Objectives &amp; Goals; however, this asset is utilized by the pier crew for required inspections and maintenance of the District's piers.</i></p>			

	Project Title: Underground Storage Tank Replacement		
	Description: Preparation of bid documents for replacement of the UST.		
	Amount: \$45,000		
	Funding Source:	<input checked="" type="checkbox"/> Operating Revenue	<input type="checkbox"/> Grant Revenue
<p>Cost considerations: The District is required to replace the Underground Storage Tank by 2025. This is the first step in the process. The preparation of the bid documents will assist in the grant application process in future fiscal years.</p> <p>Relation to District Objectives: This project achieves the District's Major Objective #3: <i>Ensure efficient and effective facilities to deliver critical District services.</i></p>			



## Unfunded Major Maintenance and Capital Projects

Due to budgetary constraints, certain major maintenance and capital projects were not able to be included in the 2018/19 budget or funded in the next five years. The following projects are deferred until funding becomes available. Estimates of costs have not been escalated for probable increase in such costs.

	<p>Front St. Staircase \$93,500: Includes \$18,500 for engineering and \$75,000 for demolition and replacement of the staircase.</p>
	<p>Harbor Office Remodel \$265,000: Complete remodel of main office over a three year period.</p>
	<p>Harford Pier Redevelopment: The planning and direction for this project began in May 2017 with Board of Commissioners direction provided in August 2017. The short-term goals, as directed at the August 10, 2017 Harford Planning Pier Terminus Planning Workshop, have begun.</p>
	<p>Harford Pier Canopy \$65,000: Reroof and replace flashings on flat portion of Harford Pier canopy.</p>
	<p>Master Plan Updates \$35,000: Updates to the Harbor District Master Plan. Master Plan was last updated in 2004.</p>
	<p>Lifeguard Tower \$15,000: New lifeguard tower for Avila Beach.</p>



## Unfunded Major Maintenance and Capital Projects (Cont.)

	<p>Message Board \$16,000: Changeable message board used to educate the public about potential hazards and current conditions.</p>
	<p>Staff pool vehicle \$12,000: Additional vehicle for use by staff on business-related travel. (Note: photo is a sample of a possible vehicle, vehicle-type would be determined once funding is identified).</p>



## Specified Reserve Funding and Use

Reserve Description	Consolidated Budget				Notes
	2017/18 Projected Ending Balance	Reserve Funding	2018/19 Budgeted Reserve Use	Ending Balance	
Avila Pier	\$ 45,000	\$ -	\$ -	\$ 45,000	
Building Improvement	35,000	-	(10,000)	25,000	Harford Pier lumber
Coastal Gateway	17,400	-	-	17,400	
Computer	15,300	-	-	15,300	
Crane	15,100	-	(15,100)	-	Crane cab refurbishment
Commissioner Discretionary Funds	710	-	-	710	
Dredge	64,900	-	(25,000)	39,900	Dredge Pump
Election	45,000	-	(45,000)	-	
Equipment	11,500	-	-	11,500	Boom truck
Facilities	753,450	-	(117,000)	636,450	Parking lot maintenance (\$32,000), Fireline (\$25,000), Gear Storage (\$60,000)
Harbor Terrace	54,100	-	(18,600)	35,500	
Harford Pier	40,000	-	-	40,000	
Hoist	58,700	-	-	58,700	
LCM Maintenance Fund	168,100	-	(40,000)	128,100	
Other Post Employment Benefits	69,000	-	-	69,000	
Safety Equipment	12,000	-	-	12,000	
Utility Replacement	50,000	-	(32,900)	17,100	Sewer treatment plant capital projects
Vehicle Replacement	500	-	-	500	
Water Tank	31,000	-	-	31,000	
Waste Treatment Plant	40,000	-	-	40,000	
<b>Total Specified Reserves</b>	<b>\$ 1,526,760</b>	<b>\$ -</b>	<b>\$ (303,600)</b>	<b>\$ 1,223,160</b>	

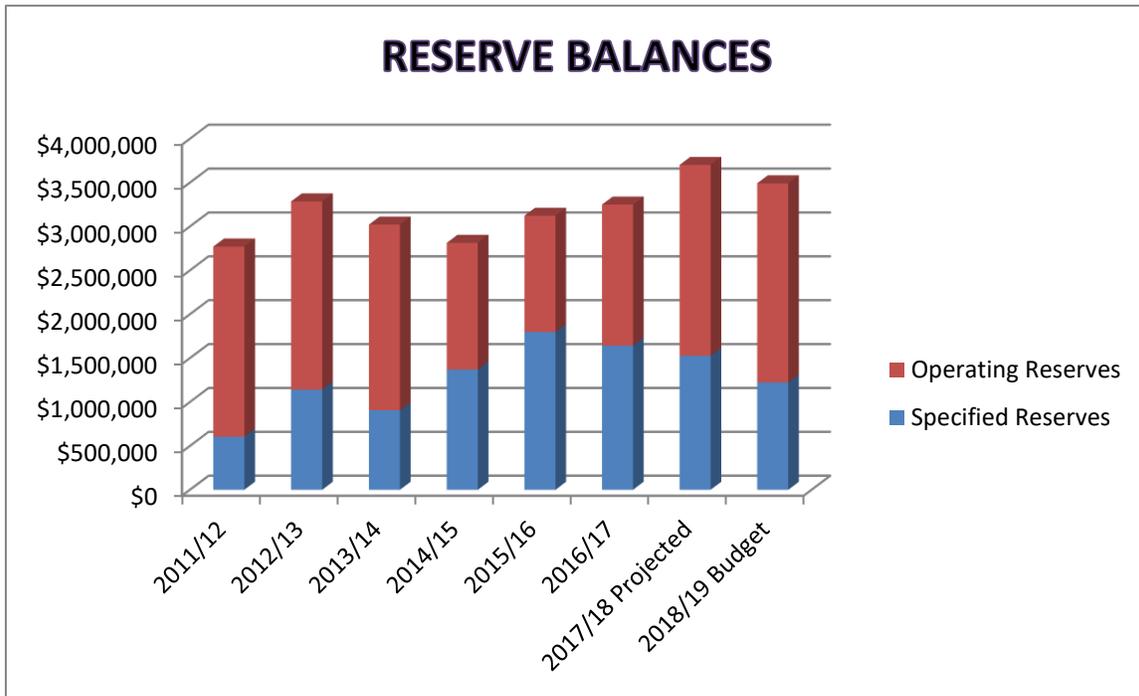
**Unassigned Fund Balance**                      **\$ 2,174,300**    **\$ 93,900**    **\$ -**                      **\$ 2,268,200**  
(Operating Reserve)

**Notes:**

- Per District policy, at least \$1.3M in operating reserves is required for cash flow purposes.
- 2017/18 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.



## 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 2016/17		Current Year 2017/18		2018/19		% Change from 2017/18 Projections
	Amended Budget	Actual	Budget	Projected	Preliminary Budget	Final Budget	
<b>REVENUES</b>							
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&amp;M)</i>	-	-	-	-	-	-	0.0%
Leases & Licenses <i>(Leases, Licenses, RVs, Utility Reimbursement)</i>	-	-	-	-	-	-	0.0%
Diesel Sales <i>(Exclusive of Labor, O&amp;M and Permits)</i>	-	-	-	-	-	-	0.0%
<b>Total Operating Revenue</b>	-	-	-	-	-	-	0.0%
Non-Operating Revenue/(Expenditure) <i>(Property Tax, Interest)</i>	3,177,000	3,365,900	3,305,800	3,470,500	3,485,600	3,485,600	0.4%
<b>REVENUES</b>	<b>\$ 3,177,000</b>	<b>\$ 3,365,900</b>	<b>\$ 3,305,800</b>	<b>\$ 3,470,500</b>	<b>\$ 3,485,600</b>	<b>\$ 3,485,600</b>	<b>0.4%</b>
<b>EXPENDITURES</b>							
Salaries/Wages/Benefits <i>Less: Prior year reserve use</i>	\$ 2,502,200 (135,300)	\$ 2,372,800 (135,300)	\$ 2,243,200 -	\$ 2,208,200 -	\$ 2,381,200 -	\$ 2,381,200 -	7.8%
Supplies	84,000	86,000	86,000	87,200	88,600	88,600	1.6%
Operations & Maintenance <i>Less: Prior year reserve use</i>	154,600 -	134,300 (600)	148,700 -	150,200 -	152,700	152,700	1.7%
Utilities	289,000	287,600	289,400	314,300	295,800	295,800	-5.9%
General & Administrative <i>Budget Contingency</i> <i>Less: Prior year reserve use</i>	463,800 25,300 (90,000)	436,600 -	334,300 52,400 -	388,000 52,400 -	459,400 56,900 (45,000)	459,400 56,900 (45,000)	18.4% 100.0% -100.0%
<b>OPERATING EXPENDITURES</b>	<b>3,293,600</b>	<b>3,136,400</b>	<b>3,154,000</b>	<b>3,200,300</b>	<b>3,389,600</b>	<b>3,389,600</b>	<b>5.9%</b>
<b>NET INCOME BEFORE MAJOR MAINTENANCE &amp; CAPITAL PROJECTS</b>	<b>(116,600)</b>	<b>229,500</b>	<b>151,800</b>	<b>270,200</b>	<b>96,000</b>	<b>96,000</b>	<b>64.5%</b>
Major Maintenance Expense <i>Less: Grants</i> <i>Prior year reserve use</i>	133,100 (30,000) (31,500)	79,200 (78,000) -	235,800 (63,800) (27,500)	220,300 (68,200) (27,500)	167,700 (38,800) (33,100)	202,700 (38,800) (33,100)	-8.0% -43.1% 20.4%
Capital Project Outlay <i>Less: Grants</i> <i>Prior year reserve use</i>	223,700 - (158,500)	348,600 - -	360,800 (175,000) (60,100)	261,000 (110,000) (80,100)	499,700 (175,000) (46,800)	484,700 (175,000) (46,800)	85.7% 0.0% -41.6%
<b>MAJOR MAINTENANCE AND CAPITAL PROJECTS</b>	<b>\$ 136,800</b>	<b>\$ 349,800</b>	<b>\$ 270,200</b>	<b>\$ 195,500</b>	<b>\$ 373,700</b>	<b>\$ 393,700</b>	<b>101.4%</b>
<b>REVENUES less EXPENDITURES</b>	<b>\$ (253,400)</b>	<b>\$ (120,300)</b>	<b>\$ (118,400)</b>	<b>\$ 74,700</b>	<b>\$ (277,700)</b>	<b>\$ (297,700)</b>	<b>498.5%</b>
Reserve Set Aside	\$ -	\$ (17,500)	\$ (73,000)	\$ (73,000)	\$ -	\$ -	-100.0%
Budget Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Increase/(Decrease) in operating reserves</b>	<b>\$ (253,400)</b>	<b>\$ (137,800)</b>	<b>\$ (191,400)</b>	<b>\$ 1,700</b>	<b>\$ (277,700)</b>	<b>\$ (297,700)</b>	<b>17611.8%</b>



## General Fund Budget Detail

Non-Operating Revenue	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Interest Income	\$13,600	\$15,300	\$16,000	\$16,400	\$14,000	\$14,000
Finance Charge Income	-	-	-	-	-	-
Tax Proceeds	3,160,000	3,351,600	3,288,800	3,433,000	3,471,600	3,471,600
Other Financing Sources	2,400	-	-	21,100	-	-
Misc. Non-Operating Inc. (Exp.)	1,000	(1,000)	1,000	-	-	-
Budget Transfer	-	-	-	-	-	-
<b>Total Non-Operating Revenue</b>	<b>\$3,177,000</b>	<b>\$3,365,900</b>	<b>\$3,305,800</b>	<b>\$3,470,500</b>	<b>\$3,485,600</b>	<b>\$3,485,600</b>

Salaries, Wages & Benefits	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissioner Wages	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600
Employee Wages	1,334,000	1,340,300	1,367,700	1,365,000	1,416,500	1,416,500
Health Insurance	324,600	261,300	289,100	266,000	300,000	300,000
Workers Compensation	75,600	70,000	68,300	68,200	93,500	93,500
Payroll Taxes	100,000	98,900	106,500	104,500	111,600	111,600
Pension Costs	198,900	140,800	269,500	260,700	304,100	304,100
Recruitment	5,600	8,900	4,400	4,200	4,200	4,200
Misc. Employee Benefits	4,100	3,800	4,300	4,100	4,100	4,100
Unemployment Self Insurance	1,000	800	1,000	1,000	1,000	1,000
Contract Labor	36,100	8,200	16,200	18,300	18,400	18,400
Contract Security	85,400	96,200	85,400	85,400	96,200	96,200
Compensated Absence	-	-	-	-	-	-
Other Post-Employment Benefits	-	11,800	-	-	-	-
Tax Revenue Anticipation Note	315,300	310,200	-	-	-	-
Salaries, Wages & Benefits Contingency	-	-	9,200	9,200	10,000	10,000
<b>Total Salaries, Wages &amp; Benefits</b>	<b>\$2,502,200</b>	<b>\$2,372,800</b>	<b>\$2,243,200</b>	<b>\$2,208,200</b>	<b>\$2,381,200</b>	<b>\$2,381,200</b>



## General Fund Budget Detail (Cont.)

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Supplies</b>						
Office	\$16,700	\$15,900	\$13,300	\$13,700	\$13,700	\$13,700
Shop	5,700	6,300	5,600	5,800	5,800	5,800
Sanitation	32,800	34,400	33,300	33,600	33,600	33,600
Harbor Patrol /Lifeguards	16,000	12,500	12,000	12,000	12,000	12,000
Mooring	100	700	200	400	400	400
Dredge	600	-	100	200	100	100
Clothing/Equipment	12,100	16,200	12,300	13,000	13,000	13,000
Supply Contingency	-	-	9,200	8,500	10,000	10,000
<b>Total Supplies</b>	<b>\$84,000</b>	<b>\$86,000</b>	<b>\$86,000</b>	<b>\$87,200</b>	<b>\$88,600</b>	<b>\$88,600</b>

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Operations &amp; Maintenance</b>						
Building/Facility	\$18,400	\$15,700	\$13,200	\$16,200	\$13,300	\$13,300
Vandalism	1,200	-	600	1,000	1,000	1,000
Dredge	1,500	900	1,500	1,200	1,200	1,200
Electronic Equipment	7,000	4,700	4,000	3,700	4,600	4,600
Vehicles & Equipment	11,400	24,700	12,100	12,200	12,200	12,200
Crane	2,800	2,100	2,800	2,800	2,800	2,800
Coastal Gateway	300	1,200	200	200	300	300
Patrol Boats	15,000	12,000	12,000	13,500	12,000	12,000
LCM	200	-	200	200	200	200
Boatyard Maintenance	-	-	-	-	-	-
Camp Host	200	-	200	200	200	200
Water Taxi Host	500	-	800	800	800	800
Signs	1,900	3,800	3,800	3,800	3,800	3,800
Road/Revetment	4,900	3,500	5,600	4,100	5,500	5,500
General Maintenance	7,200	10,200	6,800	9,800	8,500	8,500
Sport Launch	300	-	300	1,000	300	300
Beaches	8,400	7,300	7,000	9,600	10,000	10,000
Public Hoist	1,200	-	200	2,100	300	300
Tools	3,100	3,300	3,400	2,600	3,900	3,900
Fuel	30,100	21,400	27,300	26,300	27,200	27,200
Piers	17,800	13,200	15,400	14,300	15,400	15,400
Ice/Diesel Facility	1,400	1,100	1,200	1,100	1,200	1,200
Lighthouse	7,500	2,800	7,500	8,900	7,500	7,500
Water & Sewer System	5,300	2,300	7,400	3,700	4,200	4,200
Storm Water	700	-	700	700	700	700
Fire Protection	5,200	3,500	4,400	3,900	4,800	4,800
Dock & Landing	1,100	600	900	800	800	800
Operations & Maintenance Contingency	-	-	9,200	5,500	10,000	10,000
<b>Total Operations &amp; Maintenance</b>	<b>\$154,600</b>	<b>\$134,300</b>	<b>\$148,700</b>	<b>\$150,200</b>	<b>\$152,700</b>	<b>\$152,700</b>



## General Fund Budget Detail (Cont.)

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Utilities</b>						
Electricity	\$27,200	\$41,100	\$27,200	\$41,000	\$42,800	\$42,800
Telephone	15,700	15,700	14,900	14,300	13,700	13,700
Gas	1,600	1,800	1,100	1,900	1,900	1,900
Sewer	43,800	46,200	41,800	42,200	33,800	33,800
Trash	59,200	41,000	39,800	55,400	49,200	49,200
Haz Mat Disposal	2,500	4,200	3,000	3,000	3,000	3,000
Water – Lopez	107,400	107,400	123,200	123,200	114,800	114,800
Water/Sewer – Avila	31,600	30,200	29,200	27,000	26,600	26,600
Utility Contingency	-	-	9,200	6,300	10,000	10,000
Budget Transfer	-	-	-	-	-	-
<b>Total Utilities</b>	<b>\$289,000</b>	<b>\$287,600</b>	<b>\$289,400</b>	<b>\$314,300</b>	<b>\$295,800</b>	<b>\$295,800</b>

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>General &amp; Administrative</b>						
Advertising	\$1,800	\$1,000	\$1,800	\$1,500	\$1,900	\$1,900
Travel, Meals, Lodging	19,800	8,500	18,600	13,400	13,400	13,400
Education/Training	12,400	5,400	7,800	8,600	9,500	9,500
Dues & Subscriptions	11,000	12,000	10,200	14,000	14,900	14,900
Legal Advertising	1,400	900	1,400	1,400	1,400	1,400
Cash (Over) / Short	-	-	-	-	-	-
Capital Lease - Principal	2,400	2,400	-	-	-	-
Capital Lease - Interest	100	100	-	-	-	-
Bank Charges	5,300	5,400	5,000	5,900	5,700	5,700
Bad Debt	-	-	-	-	-	-
Consultants	60,400	58,900	15,400	25,100	29,300	29,300
Legislative Advocacy	5,000	5,000	5,000	5,000	5,000	5,000
Computers & Equip.	3,200	1,700	2,600	2,500	2,500	2,500
Parking	-	-	-	-	-	-
Legal Fees	24,000	53,400	26,400	51,900	29,700	29,700
Audits	6,300	4,500	6,600	6,600	6,000	6,000
Tax Collection Fees	65,000	60,200	65,000	65,000	65,000	65,000
Treasurer Fees	18,000	19,100	18,000	26,200	19,800	19,800
Permits	5,400	4,500	4,100	8,000	10,000	10,000
Elections	95,000	82,800	-	-	90,000	90,000
Property Insurance	94,000	81,900	103,400	98,200	108,000	108,000
Cities Redevelopment	15,000	10,300	15,000	33,400	15,000	15,000
Bonds	500	500	500	500	500	500
LAFCO Fees	16,000	16,300	16,500	19,000	20,000	20,000
Coastal Conservancy	-	-	-	-	-	-
Board Dis. Funds	1,500	1,500	1,500	1,500	1,500	1,500
Harbor Manager Dis. Funds	300	300	300	300	300	300
Budget Contingency	-	-	9,200	-	10,000	10,000
G&A Contingency	25,300	-	52,400	52,400	56,900	56,900
<b>Total General &amp; Administrative</b>	<b>\$489,100</b>	<b>\$436,600</b>	<b>\$386,700</b>	<b>\$440,400</b>	<b>\$516,300</b>	<b>\$516,300</b>



## General Fund Budget Detail (Cont.)

Major Maintenance	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Abandoned Vessel	\$30,000	\$19,400	\$30,000	\$30,000	\$30,000	\$30,000
Avila Pier	-	-	45,000	45,000	15,000	50,000
ADA Modifications	-	-	17,500	2,000	-	-
Boom Truck	-	-	7,000	7,000	7,000	7,000
Dredge Pump	8,100	1,700	1,800	1,800	3,800	3,800
Electronic Documents	-	-	6,000	6,000	12,000	12,000
Lighthouse Road	-	-	25,000	25,000	-	-
Lift Station Maintenance	7,000	6,900	5,000	5,000	5,000	5,000
Mooring Costs/LCM	-	-	-	-	-	-
Pier Maintenance	45,500	45,500	45,500	45,500	52,500	52,500
Repave Parking Lots	17,500	5,700	28,000	28,000	22,400	22,400
Revetment	25,000	-	25,000	25,000	15,000	15,000
Water Tank	-	-	-	-	5,000	5,000
<b>Total Major Maintenance</b>	<b>\$133,100</b>	<b>\$79,200</b>	<b>\$235,800</b>	<b>\$220,300</b>	<b>\$167,700</b>	<b>\$202,700</b>
<b>Major Maintenance Funding</b>						
Specified Reserve Use	\$31,500	\$-	\$27,500	\$27,500	\$33,100	\$33,100
Operating Reserve Use	71,600	1,200	144,500	124,600	95,800	130,800
Grant Funding	30,000	78,000	63,800	68,200	38,800	38,800
<b>Total Funding</b>	<b>\$133,100</b>	<b>\$79,200</b>	<b>\$235,800</b>	<b>\$220,300</b>	<b>\$167,700</b>	<b>\$202,700</b>



## General Fund Budget Detail (Cont.)

Capital Projects	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Channel Markers	\$-	\$-	\$4,400	\$39,400	\$-	\$-
Cantilever Rack	-	-	-	-	7,000	7,000
Crane	17,500	8,000	7,000	7,000	35,000	35,000
Dock	16,000	-	-	-	-	-
Fire Systems	17,500	5,400	11,900	7,000	17,500	17,500
Harbor Patrol Boat	-	-	150,000	21,100	150,000	150,000
Harbor Patrol Boat Engines	-	-	18,000	18,000	-	-
Harbor Terrace	30,000	10,500	30,000	30,000	-	-
Harbor Terrace: District Use Are	-	-	-	-	49,000	49,000
Harbor Terrace: Gear Storage	-	-	-	-	-	-
Hoist	-	54,100	8,400	5,700	-	-
District Staff Landing	39,000	-	37,300	39,000	75,000	75,000
Lifeguard Towers	-	-	-	-	15,000	-
Lighthouse Duplex	40,000	220,300	-	-	-	-
Lift	-	-	-	-	52,500	52,500
Mobile Hoist Pier	-	-	-	-	-	-
Parking	12,000	5,900	-	-	-	-
Rescue Vehicle	30,700	30,700	-	-	-	-
Sea Level Rise Analysis	-	-	75,000	75,000	75,000	75,000
Sewage Treatment Plant	18,800	11,500	18,800	18,800	18,800	18,800
Skiff	-	-	-	-	4,900	4,900
Trailer Boat Launch	-	-	-	-	-	-
Underground Storage Tank	-	-	-	-	-	-
Vehicle Replacement Program	-	-	-	-	-	-
Water Taxi Boat	2,200	2,200	-	-	-	-
<b>Total Capital Projects</b>	<b>\$223,700</b>	<b>\$348,600</b>	<b>\$360,800</b>	<b>\$261,000</b>	<b>\$499,700</b>	<b>\$484,700</b>
<b>Capital Project Funding</b>						
Specified Reserve Use	\$158,500	\$-	\$60,100	\$80,100	\$46,800	\$46,800
Operating Reserve Use	65,200	348,600	125,700	70,900	277,900	262,900
Grant Funding	-	-	175,000	110,000	175,000	175,000
<b>Total Funding</b>	<b>\$223,700</b>	<b>\$348,600</b>	<b>\$360,800</b>	<b>\$261,000</b>	<b>\$499,700</b>	<b>\$484,700</b>



## Enterprise Fund Budget Summary

	Last Year 2016/17		Current Year 2017/18		2018/19		% Change from 2017/18 Projections
	Amended Budget	Actual	Budget	Projected	Preliminary Budget	Final Budget	
<b>REVENUES</b>							
Service Revenue <i>(Avila Parking, Location Fees, Citations)</i>	\$ 521,000	\$ 471,400	\$ 486,500	\$ 510,200	\$ 511,400	\$ 511,400	0.2%
Mooring Revenue <i>(Moorage Fees, Equipment Sales, Skiff Space, Exclusive of Labor and O&amp;M)</i>	140,900	129,800	140,900	140,000	146,300	146,300	4.5%
Leases & Licenses <i>(Leases, Licenses, RVs, Utility Reimbursement)</i>	1,292,900	1,462,700	1,280,900	1,485,700	1,493,600	1,493,600	0.5%
Diesel Sales <i>(Exclusive of Labor, O&amp;M and Permits)</i>	19,600	26,900	19,600	19,600	24,700	24,700	26.0%
<b>Total Operating Revenue</b>	<b>1,974,400</b>	<b>2,090,800</b>	<b>1,927,900</b>	<b>2,155,500</b>	<b>2,176,000</b>	<b>2,176,000</b>	<b>1.0%</b>
Non-Operating Revenue/(Expenditure) <i>(Property Tax, Interest)</i>	5,200	10,300	5,000	25,300	22,000	22,000	-13.0%
<b>REVENUES</b>	<b>\$ 1,979,600</b>	<b>\$ 2,101,100</b>	<b>\$ 1,932,900</b>	<b>\$ 2,180,800</b>	<b>\$ 2,198,000</b>	<b>\$ 2,198,000</b>	<b>0.8%</b>
<b>EXPENDITURES</b>							
Salaries/Wages/Benefits <i>Less: Prior year reserve use</i>	\$ 948,400	\$ 898,100	\$ 923,700	\$ 897,700	\$ 964,400	\$ 964,400	7.4%
Supplies	29,100	25,800	29,100	27,800	29,300	29,300	5.4%
Operations & Maintenance <i>Less: Prior year reserve use</i>	90,900	75,500	96,700	96,900	87,700	87,700	-9.5%
Utilities	176,100	167,000	201,800	188,200	180,100	180,100	-4.3%
General & Administrative <i>Budget Contingency</i>	213,900	195,300	226,500	262,600	248,400	273,400	4.1%
<i>Less: Prior year reserve use</i>	1,500	-	52,400	52,400	56,800	56,800	100.0%
<i>Less: Prior year reserve use</i>	-	-	-	-	-	-	0.0%
<b>OPERATING EXPENDITURES</b>	<b>1,459,900</b>	<b>1,361,700</b>	<b>1,530,200</b>	<b>1,525,600</b>	<b>1,566,700</b>	<b>1,591,700</b>	<b>4.3%</b>
<b>NET INCOME BEFORE MAJOR MAINTENANCE &amp; CAPITAL PROJECTS</b>	<b>519,700</b>	<b>739,400</b>	<b>402,700</b>	<b>655,200</b>	<b>631,300</b>	<b>606,300</b>	<b>-7.5%</b>
Major Maintenance Expense <i>Less: Grants</i>	91,200	59,700	103,700	74,200	124,300	124,300	67.5%
<i>Prior year reserve use</i>	-	(7,200)	(3,200)	-	(3,200)	(3,200)	0.0%
	(53,500)	-	(59,500)	(30,000)	(73,900)	(73,900)	146.3%
Capital Project Outlay <i>Less: Grants</i>	598,700	157,400	1,178,408	178,200	1,617,300	1,572,300	782.3%
<i>Prior year reserve use</i>	(383,500)	(18,500)	(1,000,000)	-	(1,300,000)	(1,300,000)	100.0%
	(27,300)	-	(62,700)	(62,700)	(104,800)	(104,800)	67.1%
<b>MAJOR MAINTENANCE AND CAPITAL PROJECTS</b>	<b>\$ 225,600</b>	<b>\$ 191,400</b>	<b>\$ 156,708</b>	<b>\$ 159,700</b>	<b>\$ 259,700</b>	<b>\$ 214,700</b>	<b>34.4%</b>
<b>REVENUES less EXPENDITURES</b>	<b>\$ 294,100</b>	<b>\$ 548,000</b>	<b>\$ 245,993</b>	<b>\$ 495,500</b>	<b>\$ 371,600</b>	<b>\$ 391,600</b>	<b>-21.0%</b>
Reserve Set Aside	\$ -	\$ (7,500)	\$ (12,000)	\$ (12,000)	\$ -	\$ -	100.0%
Budget Transfer In/(Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Increase/(Decrease) in operating reserves</b>	<b>\$ 294,100</b>	<b>\$ 540,500</b>	<b>\$ 233,993</b>	<b>\$ 483,500</b>	<b>\$ 371,600</b>	<b>\$ 391,600</b>	<b>-19.0%</b>



## Enterprise Fund Budget Detail

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Service Revenue</b>						
Administration	\$30,000	\$20,100	\$20,000	\$20,200	\$20,000	\$20,000
Location Fees	-	-	-	-	-	-
Branded Merchandise	-	1,600	8,200	1,700	1,700	1,700
Merchandise COGS	-	(900)	(4,600)	(1,000)	(1,000)	(1,000)
Citations	22,000	18,500	22,000	16,100	18,000	18,000
Facilities Labor & Equipment	3,000	2,500	3,000	5,200	3,500	3,500
Avila Parking	459,000	421,700	430,900	464,200	464,200	464,200
Harbor Patrol & Lifeguards	7,000	7,900	7,000	3,800	5,000	5,000
Harbor Parking	-	-	-	-	-	-
Budget Transfer	-	-	-	-	-	-
<b>Total Service Revenue</b>	<b>\$521,000</b>	<b>\$471,400</b>	<b>\$486,500</b>	<b>\$510,200</b>	<b>\$511,400</b>	<b>\$511,400</b>

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Mooring Revenue</b>						
Anchorage Fees	\$2,000	\$1,100	\$2,000	\$1,100	\$1,200	\$1,200
Work Dock Rental Fee	1,000	1,100	1,000	1,000	1,000	1,000
Equipment Rental-Moorings	23,100	19,400	23,100	23,100	24,200	24,200
Mooring Operations	108,800	105,400	108,800	108,800	113,900	113,900
Fisherman's Discount	(14,400)	(13,900)	(14,400)	(14,400)	(14,400)	(14,400)
Mooring Equipment Sales	47,300	36,700	47,300	47,300	47,300	47,300
Mooring Equipment COGS	(26,900)	(20,000)	(26,900)	(26,900)	(26,900)	(26,900)
<b>Total Mooring Revenue</b>	<b>\$140,900</b>	<b>\$129,800</b>	<b>\$140,900</b>	<b>\$140,000</b>	<b>\$146,300</b>	<b>\$146,300</b>



## Enterprise Fund Budget Detail (Cont.)

Lease & License Revenue	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissions- Laundry	\$4,000	\$3,400	\$4,000	\$3,600	\$3,600	\$3,600
Coastal Gateway Room Rental	2,200	2,700	4,000	2,800	3,000	3,000
Coin Showers	13,500	16,800	18,000	18,200	18,000	18,000
Harford Land Area- Leases	141,500	169,500	165,500	176,100	175,400	175,400
Piers- Leases	284,900	342,500	230,800	354,100	355,100	355,100
Piers- Licenses	28,400	30,600	28,300	36,300	37,300	37,300
Beaches- Leases	9,300	10,300	9,300	9,300	9,300	9,300
Beaches- Licenses	13,200	12,700	13,200	13,800	12,900	12,900
Boat & Gear Storage	51,100	55,000	51,100	59,600	56,500	56,500
Boat Washdown	1,000	2,600	2,000	2,600	2,600	2,600
Coin Hoist	6,000	4,700	5,000	4,500	4,500	4,500
RVs- Babe Lane	178,100	201,100	190,000	188,400	191,200	191,200
RVs- Other than Babe Lane	524,200	573,700	524,200	584,800	592,700	592,700
Utilities Reimbursement	35,000	36,700	35,000	31,000	31,000	31,000
Miscellaneous Operating Income	500	400	500	600	500	500
<b>Total Lease &amp; License Revenue</b>	<b>\$1,292,900</b>	<b>\$1,462,700</b>	<b>\$1,280,900</b>	<b>\$1,485,700</b>	<b>\$1,493,600</b>	<b>\$1,493,600</b>

	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
<b>Diesel Sales</b>						
Diesel Sales	\$169,400	\$139,600	\$169,400	\$169,400	\$130,000	\$130,000
Diesel Cost of Goods Sold	(149,800)	(112,700)	(149,800)	(149,800)	(105,300)	(105,300)
<b>Total Diesel Sales</b>	<b>\$19,600</b>	<b>26,900</b>	<b>19,600</b>	<b>\$19,600</b>	<b>\$24,700</b>	<b>\$24,700</b>

Non-Operating Revenue	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Interest Income	\$3,400	\$22,500	\$4,000	\$24,600	\$21,000	\$21,000
Finance Charge Income	1,500	2,100	1,000	700	1,000	1,000
Tax Proceeds	-	-	-	-	-	-
Other Financing Sources	300	-	-	-	-	-
Misc. Non-Operating Inc. (Exp.)	-	(14,300)	-	-	-	-
<b>Total Non-Operating Revenue</b>	<b>\$5,200</b>	<b>\$10,300</b>	<b>\$5,000</b>	<b>\$25,300</b>	<b>\$22,000</b>	<b>\$22,000</b>



## Enterprise Fund Budget Detail (Cont.)

Salaries, Wages & Benefits	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Commissioner Wages	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400
Employee Wages	509,600	508,100	552,700	550,500	571,200	571,200
Health Insurance	136,300	117,400	116,400	113,200	127,800	127,800
Workers Compensation	26,000	26,200	24,600	24,700	33,900	33,900
Payroll Taxes	38,800	38,600	43,000	42,100	45,000	45,000
Pension Costs	147,300	181,900	108,900	105,400	122,900	122,900
Recruitment	200	400	1,600	1,800	1,800	1,800
Misc. Employee Benefits	1,900	1,700	1,700	1,900	1,900	1,900
Unemployment Self Insurance	-	400	-	-	-	-
Contract Labor	8,900	1,100	4,600	2,500	2,500	2,500
Contract Security	-	-	-	-	-	-
Compensated Absence	30,000	-	11,700	11,700	11,700	11,700
Other Post-Employment Benefits	35,000	7,900	35,000	20,400	21,400	21,400
Tax Revenue Anticipation Note	-	-	-	-	-	-
Salaries, Wages & Benefit Contingency	-	-	9,100	9,100	9,900	9,900
<b>Total Salaries, Wages &amp; Benefits</b>	<b>\$948,400</b>	<b>\$898,100</b>	<b>\$923,700</b>	<b>\$897,700</b>	<b>\$964,400</b>	<b>\$964,400</b>

Supplies	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Office	\$10,900	\$9,500	\$8,500	\$8,100	\$8,100	\$8,100
Shop	6,300	6,700	3,400	3,200	3,200	3,200
RV Camping	-	-	-	-	-	-
Sanitation	3,200	3,500	3,700	3,400	3,400	3,400
Harbor Patrol/Lifeguards	-	-	-	-	-	-
Mooring	900	3,800	1,300	2,300	2,300	2,300
Dredge	3,400	-	900	800	900	900
Clothing/Equipment	4,400	2,300	2,200	1,500	1,500	1,500
Supply Contingency	-	-	9,100	8,500	9,900	9,900
<b>Total Supplies</b>	<b>\$29,100</b>	<b>\$25,800</b>	<b>\$29,100</b>	<b>\$27,800</b>	<b>\$29,300</b>	<b>\$29,300</b>



## Enterprise Fund Budget Detail (Cont.)

Operations & Maintenance	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Building/Facility	\$7,000	\$8,500	\$8,700	\$8,700	\$7,100	\$7,100
Vandalism	800	-	400	-	-	-
Dredge	8,500	5,100	8,500	6,700	6,800	6,800
Electronic Equipment	700	400	-	300	400	400
Vehicles & Equipment	7,800	9,100	4,600	4,500	4,500	4,500
Crane	1,200	900	1,200	1,200	1,200	1,200
Coastal Gateway	1,700	600	800	800	1,700	1,700
Patrol Boats	-	-	-	-	-	-
LCM	1,300	-	1,300	1,300	1,300	1,300
Boatyard Maintenance	2,000	-	1,000	1,000	1,000	1,000
Camp Host	800	500	800	800	800	800
Water Taxi Host	3,000	6,400	4,200	4,200	4,200	4,200
Signs	2,600	1,300	1,200	1,200	1,200	1,200
Road/Revetment	4,100	1,600	2,400	1,900	2,500	2,500
General Maintenance	7,800	11,400	8,200	10,900	9,500	9,500
Sport Launch	1,700	-	1,700	5,800	1,700	1,700
Beaches	3,600	4,400	3,000	-	-	-
Public Hoist	800	300	1,800	12,200	1,700	1,700
Tools	1,900	1,700	2,600	1,400	2,100	2,100
Fuel	12,900	7,600	9,700	9,400	9,800	9,800
Piers	4,200	4,700	6,600	6,200	6,600	6,600
Ice/Diesel Facility	7,600	6,500	6,800	6,300	6,800	6,800
Lighthouse	-	-	-	-	-	-
Water & Sewer System	2,300	900	5,600	1,600	1,800	1,800
Storm Water	300	-	300	300	300	300
Fire Protection	200	400	1,000	500	600	600
Dock & Landing	6,100	3,200	5,200	4,200	4,200	4,200
Operations & Maintenance Contingency	-	-	9,100	5,500	9,900	9,900
<b>Total Operations &amp; Maintenance</b>	<b>\$90,900</b>	<b>\$75,500</b>	<b>\$96,700</b>	<b>\$96,900</b>	<b>\$87,700</b>	<b>\$87,700</b>



## Enterprise Fund Budget Detail (Cont.)

Utilities	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Electricity	\$35,300	\$29,000	\$39,600	\$29,200	\$30,500	\$30,500
Telephone	8,600	8,500	7,900	7,800	7,400	7,400
Gas	1,300	500	1,200	500	600	600
Sewer	18,700	20,100	17,900	18,300	14,700	14,700
Trash	15,400	12,700	16,900	17,100	15,200	15,200
Haz Mat Disposal	1,800	1,800	1,300	1,300	1,300	1,300
Water – Lopez	92,600	92,400	106,000	106,000	98,800	98,800
Water/Sewer – Avila	2,400	2,000	1,900	1,800	1,700	1,700
Utility Contingency	-	-	9,100	6,200	9,900	9,900
Budget Transfer	-	-	-	-	-	-
<b>Total Utilities</b>	<b>\$176,100</b>	<b>\$167,000</b>	<b>\$201,800</b>	<b>\$188,200</b>	<b>\$180,100</b>	<b>\$180,100</b>

General & Administrative	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Advertising	\$1,200	\$600	\$1,200	\$900	\$1,100	\$1,100
Travel, Meals, Lodging	13,200	10,500	11,400	16,600	16,600	16,600
Education/Training	1,700	1,800	3,600	2,800	3,100	3,100
Dues & Subscriptions	6,700	6,700	6,600	7,900	8,300	8,300
Legal Advertising	1,000	600	1,000	1,000	1,000	1,000
Cash (Over) / Short	-	-	-	-	-	-
Capital Lease - Principal	-	-	-	-	-	-
Capital Lease - Interest	-	-	-	-	-	-
Bank Charges	29,700	30,300	28,000	33,500	32,300	32,300
Bad Debt	7,200	2,100	7,200	-	5,000	5,000
Consultants	9,700	9,500	12,900	3,200	3,800	3,800
Legislative Advocacy	3,400	3,400	3,400	3,400	3,400	3,400
Computers & Equip.	2,200	1,100	1,600	1,700	1,700	1,700
Parking	19,300	17,300	12,000	18,000	18,000	18,000
Legal Fees	36,000	35,600	39,500	77,800	44,500	44,500
Audits	4,200	3,000	4,400	4,400	4,000	4,000
Tax Collection Fees	-	-	-	-	-	-
Treasurer Fees	12,000	12,700	12,000	17,400	13,200	13,200
Permits	2,300	4,000	2,200	7,100	9,000	9,000
Elections	-	-	-	-	-	-
Property Insurance	62,600	54,600	68,900	65,400	72,000	72,000
Cities Redevelopment	-	-	-	-	-	-
Bonds	300	300	300	300	300	300
LAFCO Fees	-	-	-	-	-	-
Coastal Conservancy	-	-	-	-	-	25,000
Board Dis. Funds	1,000	1,000	1,000	1,000	1,000	1,000
Harbor Manager Dis. Funds	200	200	200	200	200	200
Budget Contingency	1,500	-	52,400	52,400	9,900	9,900
G&A Contingency	-	-	9,100	-	56,800	56,800
<b>Total General &amp; Administrative</b>	<b>\$215,400</b>	<b>\$195,300</b>	<b>\$278,900</b>	<b>\$315,000</b>	<b>\$305,200</b>	<b>\$330,200</b>



## Enterprise Fund Budget Detail (Cont.)

Major Maintenance	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Abandoned Vessel	\$-	\$-	\$-	\$-	\$-	\$-
Avila Pier	-	-	-	-	-	-
ADA Modifications	-	-	-	-	-	-
Boom Truck	-	-	3,000	3,000	3,000	3,000
Dredge Pump	3,400	9,700	10,200	10,200	21,200	21,200
Electronic Documents	-	-	4,000	4,000	8,000	8,000
Lighthouse Road	-	-	-	-	-	-
Lift Station					15,000	15,000
Maintenance	20,800	20,800	15,000	15,000		
Mooring Costs/LCM	40,000	7,300	40,000	10,500	40,000	40,000
Pier Maintenance	19,500	19,500	19,500	19,500	22,500	22,500
Repave Parking Lots	7,500	2,400	12,000	12,000	9,600	9,600
Revetment	-	-	-	-	-	-
Water Tank	-	-	-	-	5,000	5,000
<b>Total Major Maintenance</b>	<b>\$91,200</b>	<b>\$59,700</b>	<b>\$103,700</b>	<b>\$74,200</b>	<b>\$124,300</b>	<b>\$124,300</b>
<b>Major Maintenance Funding</b>						
Specified Reserve Use	\$53,500	\$-	\$59,500	\$30,000	\$73,900	\$73,900
Operating Reserve Use	37,700	52,500	41,000	44,200	47,200	47,200
Grant Funding	-	7,200	3,200	-	3,200	3,200
<b>Total Funding</b>	<b>\$91,200</b>	<b>\$59,700</b>	<b>\$103,700</b>	<b>\$74,200</b>	<b>\$124,300</b>	<b>\$124,300</b>



## Enterprise Fund Budget Detail (Cont.)

Capital Projects	Last Year 2016/17		Current Year 2017/18		2018/19	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Channel Markers	\$-	\$-	\$-	\$-	\$-	\$-
Cantilever Rack	-	-	-	-	3,000	3,000
Crane	7,500	3,400	3,000	3,000	15,000	15,000
Dock	4,000	-	-	-	-	-
Fire Systems	7,500	2,300	5,108	3,000	7,500	7,500
Harbor Patrol Boat	-	-	-	-	-	-
Harbor Patrol Boat Engines	-	-	-	-	-	-
Harbor Terrace	15,000	29,500	55,900	55,900	45,000	45,000
Harbor Terrace: District Use Are	-	-	-	-	21,000	21,000
Harbor Terrace: Gear Storage	-	-	25,000	25,000	60,000	60,000
Hoist	55,000	-	-	-	-	-
District Staff Landing	-	-	-	-	-	-
Lifeguard Towers	-	-	-	-	-	-
Lighthouse Duplex	-	-	-	-	-	-
Lift	-	-	-	-	22,500	22,500
Mobile Hoist Pier	365,000	-	1,000,000	-	1,300,000	1,300,000
Parking	-	-	25,000	25,000	40,000	40,000
Rescue Vehicle	-	-	-	-	-	-
Sea Level Rise Analysis	-	-	-	-	-	-
Sewage Treatment Plant	56,200	34,400	56,200	56,200	56,200	56,200
Skiff	-	-	-	-	2,100	2,100
Trailer Boat Launch	40,000	39,900	8,200	10,100	-	-
Underground Storage Tank	-	-	-	-	45,000	-
Vehicle Replacement Program	10,000	9,400	-	-	-	-
Water Taxi Boat	38,500	38,500	-	-	-	-
<b>Total Capital Projects</b>	<b>\$598,700</b>	<b>\$157,400</b>	<b>\$1,178,408</b>	<b>\$178,200</b>	<b>\$1,617,300</b>	<b>\$1,572,300</b>
<b>Capital Project Funding</b>						
Specified Reserve Use	\$27,300	\$-	\$62,700	\$62,700	\$104,800	\$104,800
Operating Reserve Use	187,900	138,900	115,708	115,500	212,500	167,500
Grant Funding	383,500	18,500	1,000,000	-	1,300,000	1,300,000
<b>Total Funding</b>	<b>\$598,700</b>	<b>\$157,400</b>	<b>\$1,178,408</b>	<b>\$178,200</b>	<b>\$1,617,300</b>	<b>\$1,572,300</b>



## Our Future



## Five Year Major Maintenance Plan

Major Maintenance Costs						
Description	2018/19	2019/20	2020/21	2021/22	2022/23	Notes
Abandoned Vessel	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	Removal, storage & disposal of abandoned vessels
<i>Grant Funding</i>	<i>(30,000)</i>	<i>(30,000)</i>	<i>(30,000)</i>	<i>(30,000)</i>	<i>(30,000)</i>	<i>Division of Boating and Waterways</i>
Avila Pier	50,000	50,000	50,000	50,000	50,000	Avila Pier rehabilitation. 2018/2019 study to be completed by engineering firm/engineer to determine specific costs for pier options.
Boom Truck	10,000	-	-	-	-	Maintenance to the boom truck.
Dredging Pump	25,000	15,000	15,000	15,000	15,000	Rewind motor in 2018/19. Budget for new pump in 2026/27.
<i>Dredge Reserve Use</i>	<i>(25,000)</i>	<i>(15,000)</i>	<i>(15,000)</i>	<i>(9,900)</i>	-	<i>Dredge reserve</i>
Electronic Documents	20,000	-	-	-	-	Scanning of approximately 40 file boxes.
Harford Pier Lumber	75,000	85,000	95,000	105,000	115,000	Lumber to replace pilings on pier, increased to adjust for increasing lumber costs
<i>Building Reserve Use</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(5,000)</i>	-	<i>Building improvement reserve</i>
Lift Station Maintenance	20,000	-	-	-	-	Lift stations 1&2 panel upgrades.
Lighthouse Road Maintenance	-	-	-	25,000	-	Maintenance on Lighthouse Road
<i>Grant Funding</i>	-	-	-	<i>(25,000)</i>	-	<i>PG&amp;E grant mitigation funds</i>
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>(40,000)</i>	<i>(8,100)</i>	<i>LCM maintenance reserve</i>
Parking Lot Maintenance	32,000	25,000	25,000	25,000	25,000	Parking lot maintenance, repaving, sealing, restriping, etc.
<i>Facilities Reserve Use</i>	<i>(32,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>(25,000)</i>	<i>Facilities reserve</i>
Revetment	15,000	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.
Water Tank	10,000	7,500	32,500	-	-	2018/19 water booster pump, 2019/20 develop Repair & Public Bid documents, 2020/21 coating and repairs.
<i>Water Tank Reserve Use</i>	-	<i>(7,500)</i>	<i>(23,500)</i>	-	-	<i>Water tank reserve</i>
<i>Additional Projected Special Project Grant Funding</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>(12,000)</i>	<i>\$8,000 for CMANC Washington DC from the Central California Joint Cable Fisheries Liaison Committee, \$4,000 for Mutt Mitts from the Avila Beach Civic Association.</i>
<b>Total</b>	<b>\$ 178,000</b>	<b>\$ 138,000</b>	<b>\$ 132,000</b>	<b>\$ 143,100</b>	<b>\$ 199,900</b>	



## Five Year Capital Project Plan

Capital Projects & Asset Replacement (vehicles, equipment, etc)						
Description	2018/19	2019/20	2020/21	2021/22	2022/23	Notes
Air Compressor	\$ -	\$ -	\$ -	\$ 30,000	\$ -	Portable air compressor.
Boom truck	-	25,000	25,000	25,000	25,000	Purchase or lease of new boom truck.
<i>Equipment reserve use</i>	-	(7,500)	(4,000)	-	-	Equipment reserve
Cantilever Rack Storage	10,000	-	-	-	-	Lumber storage on Harbor Terrace. Harbor Yard stoarge to compensate for footprint reduction and increase organization. Related to Harbor Terrace development.
Crane	50,000	-	-	-	-	Cab rehabilitation, diesel-powered pile driver.
<i>Crane reserve use</i>	(15,100)	-	-	-	-	Crane reserve
Dredge Hose	-	20,000	-	-	-	Replace hose every four years
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.
<i>Facilities Reserve Use</i>	(25,000)	-	-	-	-	Facilities reserve
Harbor Patrol Boat Engines	-	20,000	-	20,000	-	New engine every other year
Harbor Patrol Boat	150,000	-	-	-	-	Boat 2 sponsons, Replace boat 1
<i>Grant Funding</i>	(100,000)	-	-	-	-	Grant to be solicited
Harbor Patrol Landing	75,000	-	-	-	-	Westside landing
Harbor Terrace	45,000	-	-	-	-	Consultants, construction monitoring, legal, accounting, marketing, etc.
<i>Harbor Terrace Reserve</i>	(18,600)	-	-	-	-	Harbor Terrace reserve
Harbor Terrace: Gear Storage	60,000	-	-	-	-	Infrastructure for new gear storage area (concrete, drainage, lighting, security, etc.)
<i>Facilities Reserve Use</i>	(60,000)	-	-	-	-	Facilities reserve
Harbor Terrace: Harbor District Use Area	70,000	-	-	-	-	Infrastructure for new District-use area (paved portions, sea trains, etc.)
Lifeguard Towers	-	15,000	-	-	-	Avila Beach towers.
Lift	75,000	-	-	-	-	Reach lift for Harbor Terrace storage area
Mobile Hoist Pier Extension	1,300,000	-	-	-	-	Pier extension engineering and construction.
<i>Grant Funding</i>	(1,300,000)	-	-	-	-	SLOCOG and BUILD (pending) grants
Parking Pay Station	10,000	15,000	15,000	-	-	Avila pay stations, to be replaced every 5 years. Convert pay station to 120 volt in 2018/2019.
Parking Plan Implementation Pay Station	30,000	-	-	-	-	Phase I in 2017/18, Phase II in 2018/19.
Sea Level Rise Analysis	75,000	-	-	-	-	Pursuant to AB 691, assessment due 1/1/19.
<i>Grant Funding</i>	(75,000)	-	-	-	-	Grants to be solicited.
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>	(32,900)	(17,100)	-	-	-	Utility reserve
<i>Waste Treatment Reserve Use</i>	-	-	(38,800)	(1,200)	-	Waste treatment reserve
Skiff	7,000	-	-	-	-	Pier crew skiff.
Trailer Boat Hoist Crane	-	-	-	7,500	29,500	Recoating project, 21/22 develop Repair & Public Bid documents, 22/23 coating and repairs.
Underground Storage Tank Replacement	-	-	-	-	-	Bid documents for replacement of UST. Documents will assist in grant application processes.
Vehicle Replacement Program	-	30,000	-	35,000	-	2019/20 Replace HP F250, 2021/22 Replace HP Dodge.
<b>Total</b>	<b>\$ 430,400</b>	<b>\$ 175,400</b>	<b>\$ 97,200</b>	<b>\$ 211,300</b>	<b>\$ 149,500</b>	



## Five Year Projections

	2018/19	2019/20	2020/21	2021/22	2022/23
Operating Revenues	\$2,176,000	\$2,264,100	\$2,472,800	\$2,691,200	\$2,562,000
Non-Operating Revenues	3,507,600	3,564,300	3,630,800	3,700,100	3,772,400
<b>Total Revenues</b>	<b>5,683,600</b>	<b>5,828,400</b>	<b>6,103,600</b>	<b>6,391,300</b>	<b>6,334,400</b>
Operating Expenditures	(5,026,300)	(5,213,100)	(5,574,500)	(5,758,500)	(6,090,100)
<b>Net Available for Major Maintenance and Capital Projects</b>	<b>\$657,300</b>	<b>\$590,300</b>	<b>\$529,100</b>	<b>\$632,800</b>	<b>\$244,300</b>
Major Maintenance and Capital Projects	(2,384,000)	(465,500)	(427,500)	(502,500)	(424,500)
Grant Funding	1,517,000	42,000	42,000	67,000	42,000
<b>Reserve Funding (Use)</b>	<b>\$(209,700)</b>	<b>\$166,800</b>	<b>\$143,600</b>	<b>\$197,300</b>	<b>\$(138,200)</b>
<i>Specified Reserve Use</i>	<i>\$(303,600)</i>	<i>\$(122,100)</i>	<i>\$(201,300)</i>	<i>\$(81,100)</i>	<i>\$(78,100)</i>
<i>Specified Reserve Funding</i>	<i>\$-</i>	<i>\$45,000</i>	<i>\$-</i>	<i>\$45,000</i>	<i>\$-</i>
<i>Operating Reserve Funding (Use)</i>	<i>\$93,900</i>	<i>\$243,900</i>	<i>\$344,900</i>	<i>\$233,400</i>	<i>\$(60,100)</i>

### 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 2019/20 and \$100,000 per year beginning in 2020/21.
- Boating related revenues (moorings, diesel sales, etc.) are projected to increase 5% every 5 years. The 2018/19 budget includes a fee increase therefore the next projected fee increase is expected to occur July 1, 2023.
- 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 construction during the 2018/19 fiscal year. The budget assumes a decrease in camping revenues during the construction with revenue generation from the project beginning in 2019/20. The projections assume that the District is permitted to continue camping operations on Nobi Point and Woodyard during the initial years of the Harbor Terrace project until the revenue can be stabilized.

### Non-Operating Revenue:

- Base property taxes are projected to increase at a rate of 3% per year. Unitary taxes are projected to decrease at a rate of \$30,100 per year as the Diablo Canyon Nuclear Power Plant is decommissioned.
- Investment income is projected to decrease in 2019/20 as the District spends down cash, but then increase during the remaining years as cash balances grow.



## Five Year Projections (Cont.)

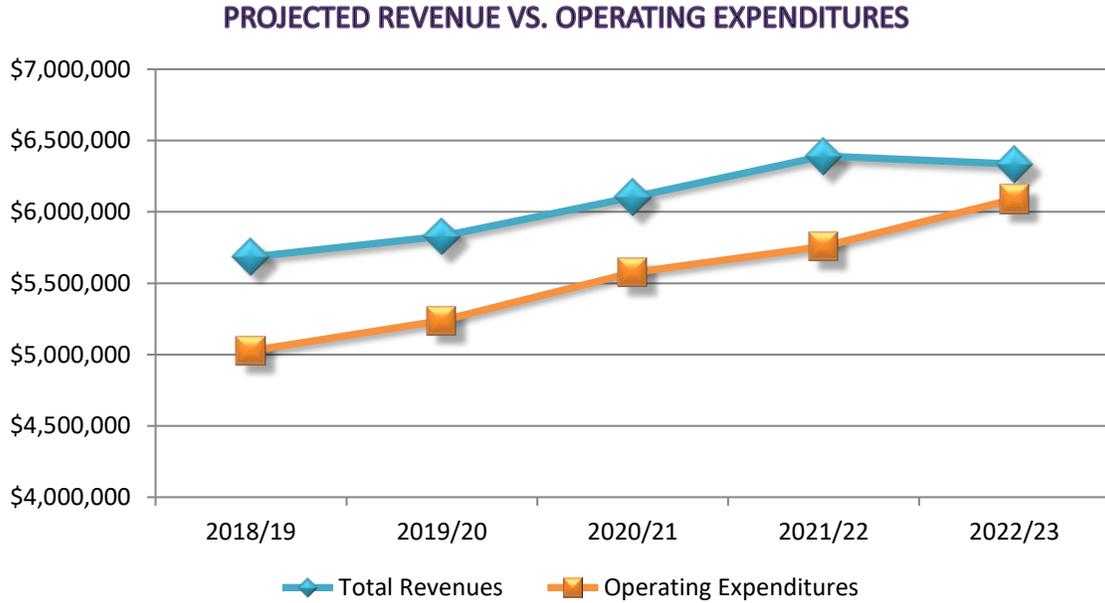
### Operating Expenditures:

- Salaries, Wages and Benefits:
  - Wages are projected to increase at a rate of 3% per year, consistent with negotiated employment contracts.
  - Health insurance is projected to increase 10% per year while worker's compensation insurance is budgeted to increase 5% per year.
  - Pension costs are projected to rise at an average rate of 11.75% per year consistent with the most recent information received from CalPERS. In December of 2016, CalPERS announced its plan to lower the discount rate from 7.5% to 7.0% over a three year period. Lowering the discount rate means that employers, like the District, that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities in upcoming years.
- 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:
  - Parking enforcement is projected to increase 3%, consistent with parking revenue growth.
  - Tax collection fees are projected to increase 3%, consistent with projected tax revenue increases.
  - Property insurance is projected to increase 5% per year.
  - Cities redevelopment fees, legislative advocacy, bonds and discretionary funds are projected to remain consistent.

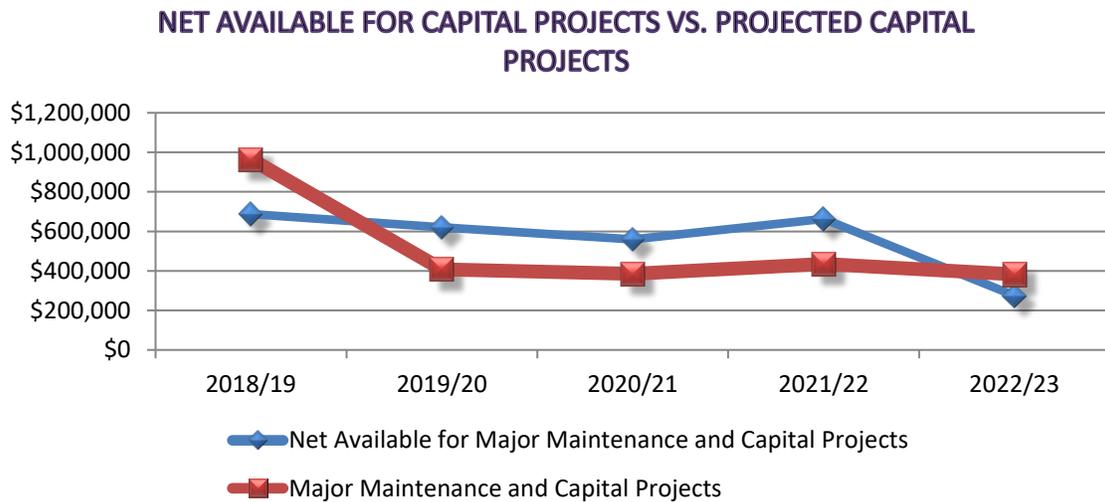
**Major Maintenance and Capital Projects:** Detail on the projected major maintenance and capital projects is found on pages 78-79.



## Five Year Projections (Cont.)



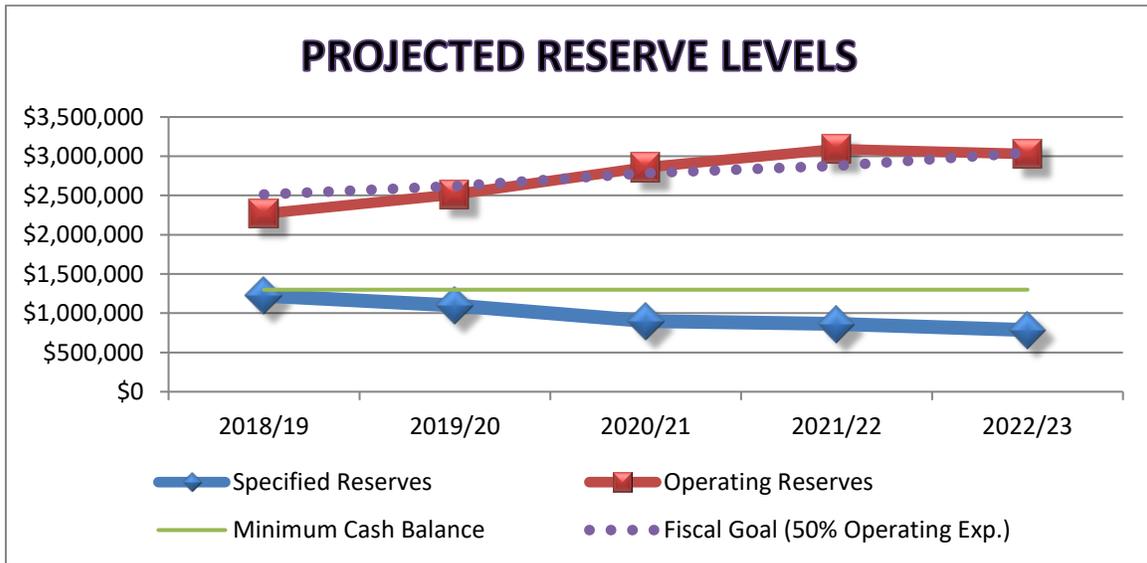
The difference between the projected revenue and operating expenditures is used to fund major maintenance and capital projects. Detail on the projected capital projects can be found on page 79.



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)

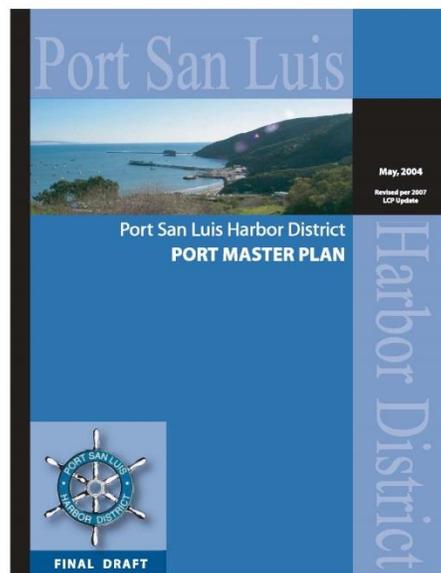
Port San Luis should be a harbor with protected, maintained, and enhanced resources that balances the environmental, social, and economic needs of the District and the various user groups. (Chapter 3 of the Port San Luis Master Plan)

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.)

(From the Port San Luis Master Plan)

### 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. [The 2018/19 budget includes \$25,000 to continue this 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 2018/19 budget includes \$1,300,000 to extend the mobile hoist pier.]

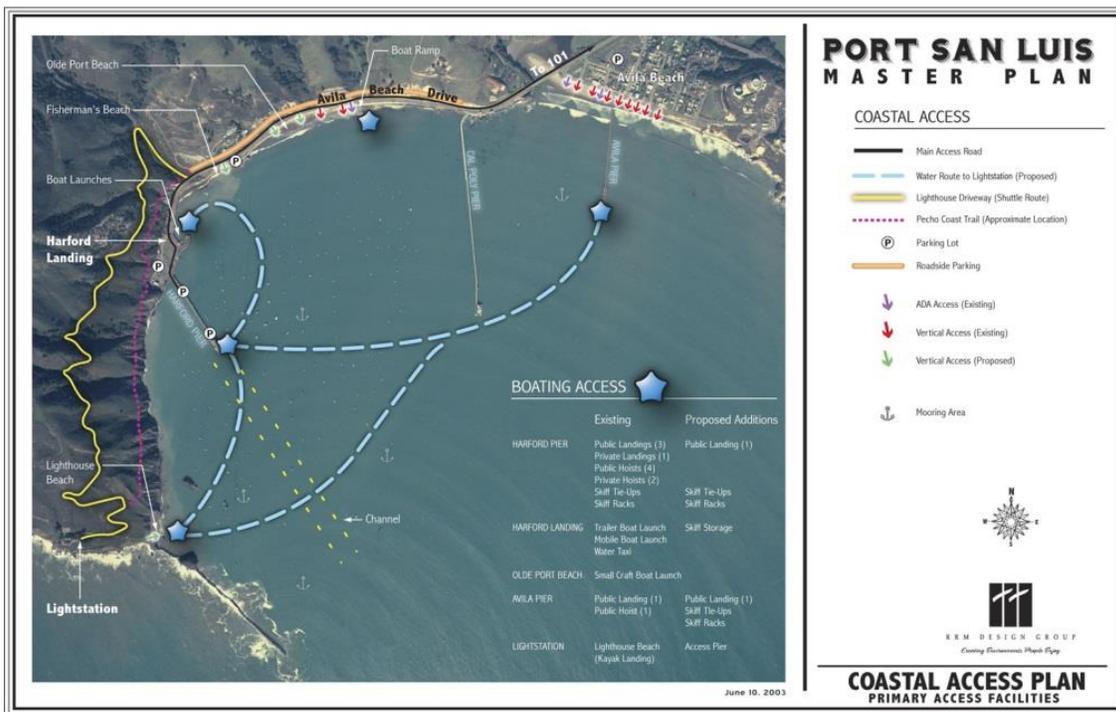


FIGURE 19

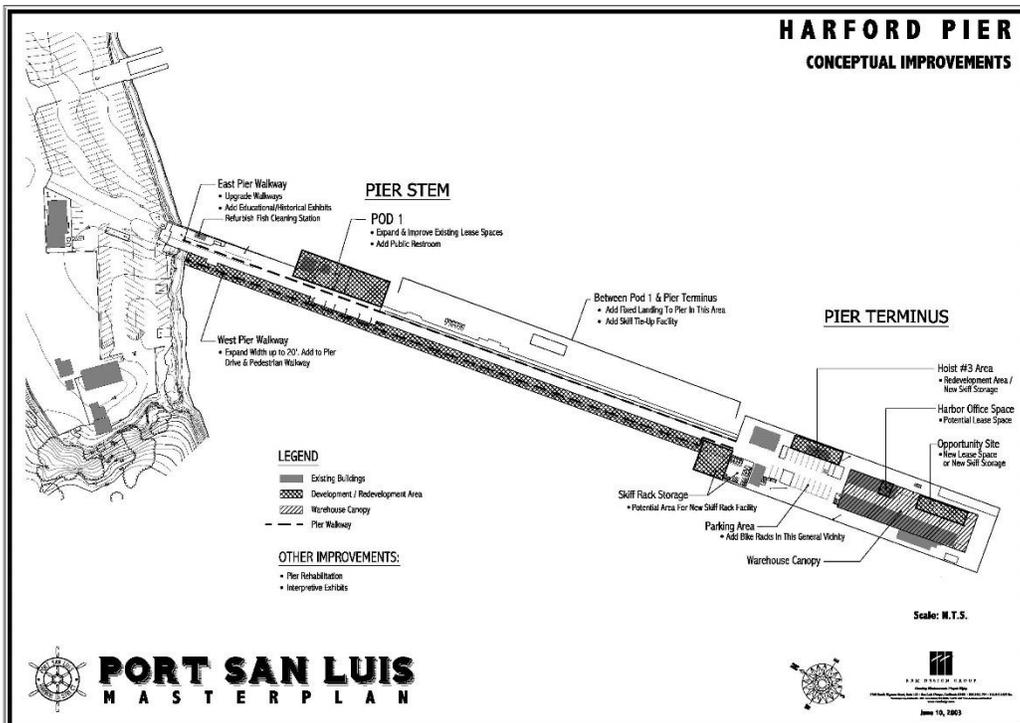


## Long-Term Goals and Strategies (Cont.)

(From the Port San Luis Master Plan)

### 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.





## Long-Term Goals and Strategies (Cont.)

(From the Port San Luis Master Plan)

### Harford Landing

1. **Waterfront Pedestrian Path:** Improve the paths along the revetment from the far west end of the parking lot, along the shoreline, and past the trailer boat launch to connect Harford Landing to other Port properties.
2. **Interpretive Exhibits:** Add interpretive stations at key locations including information on the marine environment, cultural resources and history of the harbor. *[Started, exhibits placed in front of Coastal Gateway building and on Harford Pier.]*
3. **Mobile Boat Hoist:** Upgrade the existing concrete pier with steel guide rails and guard handrails. Extend the pier seaward. Ad riprap to the area to dissipate wave energy. *[CEQA study is complete. \$1,300,000 included in 2018/19 budget for extension.]*
4. **Skiff Storage:** Add skiff storage somewhere near existing trailer boat launch or in the east parking lot area.
5. **Administration Building:** If Harbor Offices are consolidated and relocated, consider converting part of the bottom floor of the building into a Visitor and/or Information Center. The top floor has potential as additional lease space. *[Currently included on the Unfunded Major Maintenance and Capital Project list.]*
6. **Bike Storage:** Provide bike racks to encourage bike transportation.
7. **Central Pedestrian Path:** Improve the paths along the revetment from the far west end of the parking lot, along the shoreline, and past the trailer boat launch to connect Harford Landing to other Port properties.
8. **Maintenance Complex:** If Harbor Offices are consolidated and relocated, consider converting the buildings and yard into additional lease space.
9. **Scuba Diving and Kayak Stage Area:** Provide a scuba and kayak launch area with amenities such as launch pad, outdoor shower, benches and stairs or ramp to the water.
10. **West Parking Lot Elevation:** Raise elevation of west parking lot to reduce effects of wave action and storm surges.
11. **Jetty:** Create permanent seating structures for visitors.

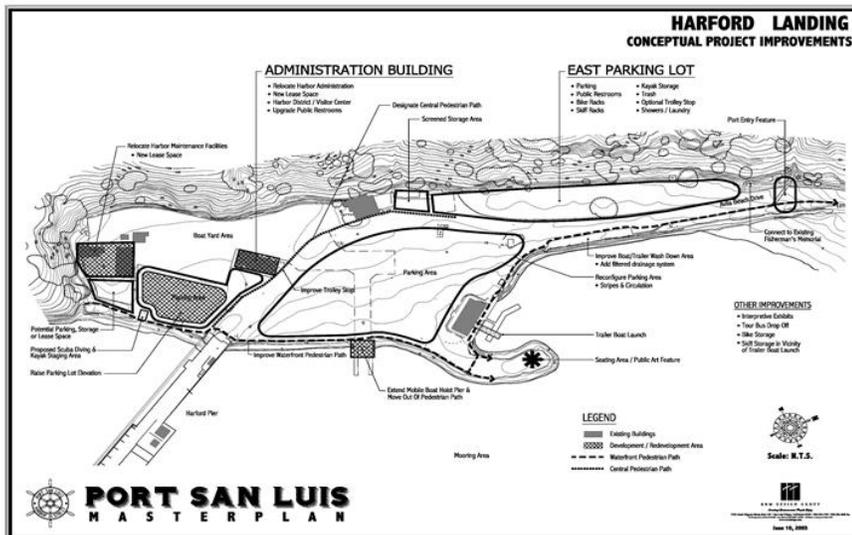


FIGURE 13





## Long-Term Goals and Strategies (Cont.)

(From the Port San Luis Master Plan)

### 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:** In early 2018, the District entered into a 50 year ground lease for development/operation of the Harbor Terrace site. The project was then granted substantial conformance in March 2018 in regard to a revised site plan. Ground breaking is scheduled for Spring 2019 with completion anticipated within the calendar year.





## Long-Term Goals and Strategies (Cont.)

(From the Port San Luis Master Plan)

### 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.

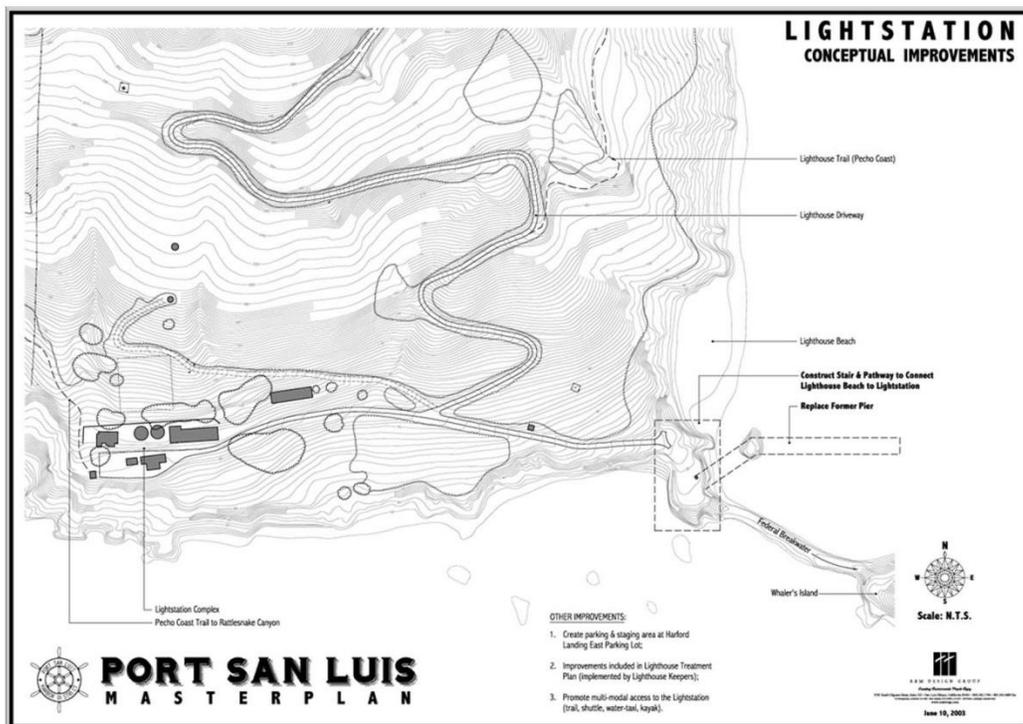


FIGURE 16



## Long-Term Goals and Strategies (Cont.)

(From the Port San Luis Master Plan)

### 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; Project is listed as an unfunded project on page 58].
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.

Note: The District made the decision to close the Avila Pier in June of 2015 due to safety concerns identified in an inspection done by Shoreline Engineering, Inc. After closure, the District worked with an outside consultant, Netzel Grigsby to complete a Feasibility Study in early 2017 to determine the viability of replacing the Avila Pier as it is currently configured, and the potential for funding the project through a myriad of options and the time frame. The completed study provided the Board of Commissioners with recommendations, which they approved in March 2017 and worked on during the 2017/18 fiscal year. Creation of a Friend of Avila Pier (FOAP) and confirming a plan for the Pier were all accomplished

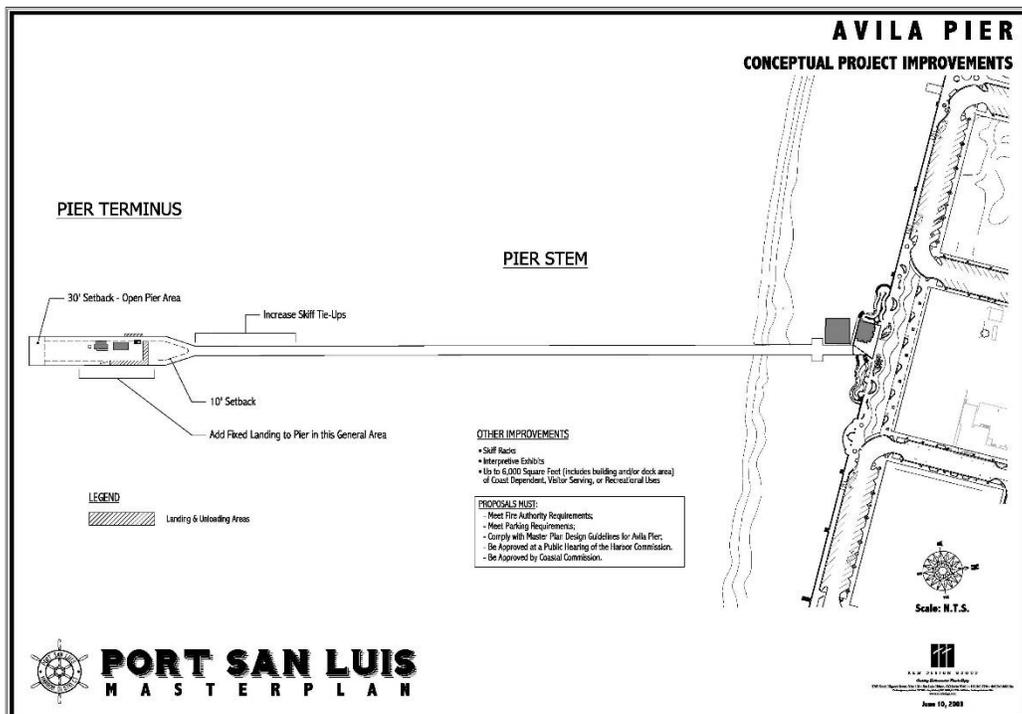


FIGURE 17



## 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 15<sup>th</sup> each year and the Final Budget shall be adopted prior to June 30<sup>th</sup>.
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:* District policy states 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. The District shall place an additional 1.75% of revenues into budget contingency accounts spread out over all major expense categories.

### 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 \$696,500 in 2016/17. 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 2018/19 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.



## District Policies and Guidelines (Cont.)

- 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.
- 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, 2016 through June 30, 2017, is above \$22.1 billion (per County's Tax Rate Book), making the debt limit approximately \$3.3 billion. The District does not have and does not intend to issue debt during the 2018-19 fiscal year.

### **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 2018/19 estimated expenditures the operating reserve should be approximately \$2.5 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.



## District Policies and Guidelines (Cont.)

- **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.

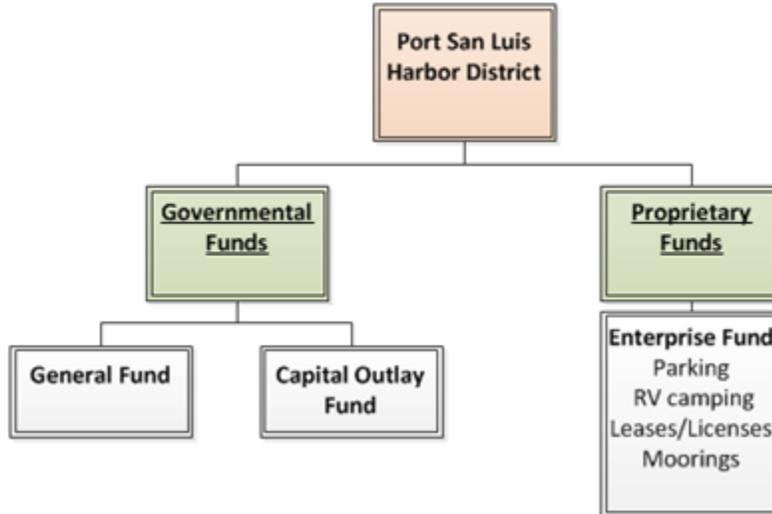
### **Accounting Basis**

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** – A financial plan for a specified period of time that matches projected revenues and planned expenditures to municipal services, goals and objectives.

**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. The District shall place an additional 1.75% of revenues into budget contingency accounts spread out over all major expense categories.

**Budget and Fiscal Policies** – General and specific guidelines adopted by the Harbor Commission that govern financial plan preparation and administration.

**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).

**Capital Project Funds** – Fund type used to account for financial resources used in acquiring or building major capital facilities other than those financed by the Proprietary Fund.

**Department** – A major organizational unit of the District that has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

**Enterprise Funds** – Fund type used to account for operations that are financed and operated in a manner similar to private sector enterprises and it is the District's intent that the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges.

**Fiscal Year** – The beginning and ending period for recording financial transactions. The District has specified July 1 to June 30 as its fiscal year.

**Fund** – An accounting entity that records all financial transactions for specific activities or government functions. The three generic fund types used by the District are: General Fund, Capital Project Fund, and Enterprise Fund.

**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).



## Glossary (Cont.)

**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.

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.

**General Fund** – The primary operating fund of the District, all revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General fund. Except for subvention or grant revenues restricted for specific uses, General fund resources can be utilized for any legitimate governmental purpose.

**Operating Budget** – The portion of the budget that pertains to daily operations and delivery of basic governmental services.



## Glossary (Cont.)

### 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>