

SAN MATEO COUNTY HARBOR DISTRICT

504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018



FINAL INTEGRATED OPERATING AND CAPITAL BUDGET FISCAL YEAR ENDING JUNE 30, 2016

Board of Harbor Commissioners

Glenn Lazof
Interim General Manager

Debra Galarza
Director of Finance

Scott Grindy
Harbor Master

Marcia Schnapp
Interim Human Resource Manager



San Mateo County Harbor District

TRANSMITTAL LETTER

Honorable Members of the Board of Harbor Commissioners and Residents of San Mateo County:
We present to you the San Mateo County Harbor District's Final Integrated Operating and Capital Budget for Fiscal Year 2015-2016 in the amount of \$9,639,060. The Harbor Commission and Staff, through budget meetings and budget workshops, have worked hard to present a Budget that is not only balanced, projecting a modest surplus of \$41 thousand, but also incorporates questions and concerns of the public, Commission, District Staff, and other County constituents and stakeholders. Specifically, the Budget addresses the needs and challenges facing the Harbor District as a whole, as well as the needs of Pillar Point Harbor and Oyster Point Marina/Park individually. Staff recommends adoption of this budget.

BACKGROUND

Harbor District's Scope of Operations: The District was founded in 1933 with boundaries coterminous with the County of San Mateo. Pillar Point Harbor in Princeton, the 6th largest commercial fishing harbor in the State, was designated by the State of California Harbors and Navigation Code Section 70.5 as a harbor of safe refuge, along with other harbors lining the coastline of California. The District began to create Pillar Point Harbor as a harbor of refuge for the commercial fishing fleet and other vessels in the late 1940s. After the Army Corps of Engineers built the federal breakwater in 1959-61, major harbor developments in the 1980s were financed by loans from the California Department of Boating and Waterways ("DBW"), now a Division of the State Parks Department. In 1977, the District took over operations of the City of South San Francisco's Oyster Point Marina/Park under a Joint Powers Agreement and completed that marina's development with more DBW loans through the 1980s. The District's loan balance for the DBW funds totaled \$19.77 million in 1997. Remaining debt will be just under \$5 million by the end of FY2015-16.

The District operates as an enterprise agency, receiving operational revenues from berth rents, live aboard fees, small boat launch fees, lease rents, and other fees and charges toward meeting operational expenses. In addition, the District contributes substantial resources towards providing services and maintenance of a number of public facilities and activities.

These include:

- o Coastal trail access and maintenance;
- o Beach access;
- o Public fishing piers
- o Park and landscape maintenance
- o Public parking
- o Free Wi-Fi
- o Trash Removal
- o Bay trail access and maintenance;
- o Search and Rescue Operations
- o Toxic Environmental Clean-up
- o Public events
- o Public restrooms
- o Public Education

These non-enterprise public services and activities serve a broader segment of the County population and visitors than just boaters. The District receives no direct revenues from the public for these facilities or services. Rather the District uses its share of the property tax revenue paid to all special districts within the County to offset these costs to continue to provide these popular facilities and services. Examples include partnering with the federal government on addressing federal beach erosion and also



San Mateo County Harbor District

repair of a popular well-used shoreline trail. Both projects have significant community interest and affect a wide range of visitors to the Pillar Point Harbor area.

In addition to operational responsibilities at Pillar Point Harbor in Princeton and Oyster Point Marina/Park in South San Francisco, the District also assists other agencies both within and outside the County, including the City of San Francisco for vessel traffic control assistance during major events (America's Cup) and Search and Rescue operations in conjunction with the US Coast Guard out of Yerba Buena Island in San Francisco Bay. Oyster Point Marina/Park, in addition to bay-side Search and Rescue activities (rescue of those aboard a boat that got caught under the shallow part of the San Mateo Bridge, rescue of wind surfers in distress), it may assist County communities having San Francisco Bay shorelines with water transit-related emergency preparation and response. Lastly, the District may join with the County and its municipalities in addressing the challenges of adapting to sea level rise.

DISTRICT FINANCIAL HIGHLIGHTS

Debt Retirement: The Harbor District is on track to retire its remaining debt to the Division of Boating and Waterways ahead of the original schedule of 2020. When the District makes its next debt service payment to DBW in FY2015-16 the outstanding loan balance DBW will be below \$5.0 million, down from the original \$19.77 million, for a net benefit to the District of almost \$15 million.

The District pays an annual combined principal and interest payment of \$1.4 million a year to DBW. Once fully paid in 4 years, the District will be able to direct these monies towards the enhancement of the harbors through new projects or the repair or replacement of existing facilities.

With interest rates at historic lows, Staff and the Commission are reviewing loan refinancing alternatives that may save the District even more money, and enable the debt to be retired even more quickly, or use the additional savings towards enhancing District properties for the benefit of the public and harbor users.

Cash Reserves: It is projected that, as of the end of Fiscal Year 2014-15 and again at the end of Fiscal Year 2015-16, the District will have in excess of \$16 million in gross reserves, of which only \$1.4 million is restricted for annual debt service payment to DBW. The Harbor Commission, using its discretionary authority, assigns unrestricted cash to cover debt service, short term operating costs, emergency response needs, capital improvements, and a set-aside allocation to cover the District's entire unfunded post-employment benefit liability obligation. These designated uses can be adjusted by the Commission as needed to plan for changing future needs.



San Mateo County Harbor District

The table below summarizes District reserves and loan balances from 2005 to 2015. In addition to an increase in reserve balances of close to \$5 million, outstanding debt has fallen by over \$14 million during the same period, for a combined net benefit to the District of over \$19 million. Over the years, Staff and the Commission have worked hard to improve the finances of the District and the results speak for themselves:

	FYE 2005-Actual	FYE2016-Projected	Variance + (-)
Reserve Balance	\$11,486,935	\$16,396,802	\$ 4,909,867
Loan Balance	\$19,459,470	\$4,953,696	\$14,505,774
Net Benefit to District			\$19,415,641

Capital Improvements: The Harbor District continues to maintain and enhance its harbor, water and land based facilities based on review of periodic facilities condition surveys. The District continues to update its schedule of capital improvements and repairs needed in coordination with the District’s budget process.

BUDGET HIGHLIGHTS

What is a Budget? The District’s budget is Staff’s best estimate of the expenditures needed to operate and maintain District facilities for the upcoming fiscal year. It is an itemized summary of estimated revenues and expenditures for a given period, in this case, Fiscal Year 2015-16. But the budget is more than just a projection of receipts and disbursements: It is a working document of a financial plan for the Harbor Commission and the public that identifies the operating costs considered essential to the successful operation of the District for that given period. It is subject to amendment, when circumstances warrant, e.g., responding to unanticipated emergency events, such as storm damage to facilities caused by a natural or human-made disaster, such as a major storm or a toxic spill. When unexpected or unplanned events occur, as happens during the fiscal year, Staff requests the Commission to amend the original adopted budget.

Budget Accounting: In accordance with the Governmental Accounting Standards Board (GASB), the District’s funds are classified as proprietary funds and further classified as Enterprise funds. Whereas GASB is silent on the requirements for budgeting, it does have recommendations, one of which is to clearly state the basis on which it was drafted. The District’s budget *had been* on a full accrual basis. The full accrual basis is a method of accounting that recognizes revenues when earned and expenses when incurred regardless when cash is received or paid and includes depreciation. This budget is on a modified accrual basis in which some expenditures being recognized on an accrual basis, others on a



San Mateo County Harbor District

cash basis. A cost of an enterprise fund not typically included in the operating budget is the depreciation of the fixed assets and infrastructure of the utility. In general, depreciation should be considered by the community when preparing a cost analysis to determine charges and fees. Depreciation is calculated in order to recognize the annual expense associated with the use of an asset in a given reporting period. However, it is not a cash event. This year's budget excluded depreciation (\$1,624,254) and included the principal on the debt. If you are budgeting outstanding debt service, then depreciation is usually not included in the budget. Another change that will happen for the upcoming Fiscal Year 2016-17 will be that a five year Capital Improvement Plan will be included in the budget.

Budget Process: The Harbor District's process for preparing its annual budget begins mid-year for the following year's budget. District Finance staff begins with a presentation of the current fiscal year's budget mid-year performance analysis. The Harbor Commission reviews the mid-year budget report in February. Once reviewed, Staff incorporates the current year's budget performance-to-actual and identifies those items that will similar in the next budget year. Staff then prepares a preliminary budget which is introduced by the Harbor Commission at a public hearing in March. The Commission continues to include the preliminary budget at each Commission meeting as Commission, public and staff comments are incorporated into each succeeding preliminary budget until adoption of the final budget, which occurs in late June. This enables maximum opportunity for public review and comment, and for the Commission to consider and review refinements and other changes to the document during the process. By statute the Harbor Commission adopts a Preliminary Budget, usually in early May, and publishes a public notice that the Preliminary Budget is available for public review. This statutory review period is followed by preparation of the final budget for Commission action before the end of the fiscal year in June.

Estimated Revenue: Total revenue for Fiscal Year 2015-16 is projected to be \$9.68 million. This is comprised of projected Operating Revenues from harbor users of \$3,788,250, and represents an increase of 4% over last year's budget, largely due to increases in rents resulting from CPI adjustments.

Non-Operating Revenues for FY 2015-16 are projected to be \$5.667 million, of which property taxes and ERAF are part of, comprise \$5.55 million of non-enterprise revenues. Educational Revenue Augmentation Funds (ERAF) revenue is projected to be a net \$0.9 million for FY2015-16

Estimated Expenses: Combined Expenditures for FY2015-16 are projected to be \$9.64 million. Of this amount, operating expenditures are projected to be \$7.36 million, principal and interest payments on the DBW loans are \$1.393 million, and capital project outlays are projected to be \$710 thousand, consisting largely of repair and replacement projects for both Oyster Point Marina/Park and Pillar Point Harbor, along with design and permitting costs for a handful of future projects. DBW debt service in 2015 will diminish the District's loan balance to approximately \$4.9 million.

Reserves for Unfunded Post-Employment Termination Benefit Liability: In 2009 the District eliminated the post-employment benefit for all new hires after July 1, 2009. Prior to this date, the



San Mateo County Harbor District

District offered a post-employment health insurance benefit for those employees hired prior to that date and who have 12 years or more of service. The benefit lasts for 50% of the time employed. So if an employee works for 12 years, they would be eligible for 6 years of benefits subsequent to leaving the District. As those employees who are eligible for the benefit leave the District, and their post-employment benefits expire, the District's liability falls. Currently the District has set aside a sum of \$3.6 million to fully cover this obligation.

FUTURE OUTLOOK

Absent the County's LAFCO reports which have been recommending dissolution of the District since 1977, the future outlook for the District is sound. The District has substantially reduced its debt, and increased its reserves. The District will expand its efforts to seek ways to increase and diversify its revenues, to respond more cost-effectively to the opportunities and challenges arising from Pillar Point Harbor's growing importance as a regional coastal destination and activity center, to continue to work closely with the City of South San Francisco to continue to promote development opportunities that they will approve to help lessen the deficits at the Oyster Point Marina/Park. In addition, both harbors will continue their activities to maintain their respective Clean Marina Certifications, as well as expand activities with the San Mateo County Resource Conservation District to further identify and address the upland sources and causes of water quality impacts.

With its County-wide jurisdiction, the Harbor District will work with all County and public entities to continue to address the serious sea level challenges facing San Mateo County.

With an eye towards increased efficiencies, the District is planning on introducing a cost-accounting system to better identify revenues and costs related to enterprise vs. non-enterprise services and activities.

All-in-all, the District is poised to continue to enhance harbor and public use areas for the benefit of all County and non-County residents who come to enjoy all the harbors, parks and shoreline areas the District offers.

ACKNOWLEDGEMENTS

Preparation of the Budget, as always, has been a team effort of the Commissioners, management and staff.

SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080



FINAL OPERATING AND CAPITAL BUDGET FISCAL YEAR ENDING JUNE 30, 2016

Board of Harbor Commissioners

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Interim General Manager**

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San Mateo County Harbor District
Board of Harbor Commissioners

<u>TITLE</u>	<u>NAME</u>	<u>TERM EXPIRES</u>
PRESIDENT	Tom Mattusch	December 31, 2016
VICE PRESIDENT	Nicole David	December 31, 2018
SECRETARY	Robert Bernardo	December 31, 2018
TREASURER	Pietro Parravano	December 31, 2016
COMMISSIONER	Sabrina Brennan	December 31, 2016

**FINAL OPERATING AND CAPITAL BUDGET
FISCAL YEAR ENDING JUNE 30, 2016**

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SAN MATEO COUNTY HARBOR DISTRICT



BUDGET SUMMARY

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

BUDGET SUMMARY

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
Operating Revenues	4,272,223	3,788,250	3,735,188	4,734,281	4,013,833
Non-Operating Revenues	7,438,059	5,117,300	3,977,464	5,510,000	5,667,029
TOTAL REVENUES	11,710,282	8,905,550	7,712,652	10,244,281	9,680,862
Operating Expenses	6,952,457	8,001,809	5,293,873	7,340,801	7,535,966
Non-Operating Expense	713,812	679,282	0	0	1,393,094
SUB-TOTAL OPERATING AND NON-OPER EXPENSES	7,666,269	8,681,092	5,293,873	7,340,801	8,929,060
Total Capital Projects Expense	1,421,008	777,686	122,049	122,049	710,000
SUB-TOTAL EXPENDITURES & CAPITAL	9,087,277	9,458,778	5,415,922	7,462,850	9,639,060
<i>NET INCREASE(DECREASE)</i>	<i>2,623,005</i>	<i>(553,228)</i>	<i>2,296,730</i>	<i>2,781,431</i>	<i>41,802</i>

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
OPERATING REVENUE:					
Berth Fees	1,727,500	1,119,083	0	0	2,846,583
Mooring Fees	41,000	0	0	0	41,000
Launch Ramp Fees	91,000	25,000	0	0	116,000
Dock Boxes	0	6,500	0	0	6,500
Misc. Fees	55,300	11,550	0	0	66,850
Rents & Concessions	480,000	205,000	0	0	685,000
RV Parking (Fishing)	50,450	0	0	0	50,450
Event Fees	22,750	500	0	0	23,250
Commercial Activity Permits	9,000	1,500	0	0	10,500
Sales	6,500	1,200	0	0	7,700
State- DBAW - Abandoned Vessel	75,000	85,000	0	0	160,000
Total Operating Revenues	2,558,500	1,455,333	0	0	4,013,833
NON-OPERATING REVENUE:					
Taxes	0	0	5,500,000	0	5,500,000
Interest Income	0	0	77,700	0	77,700
Grant-State Mandated Costs	0	0	87,629	0	87,629
Miscellaneous Revenues	0	0	1,700	0	1,700
Total Non-Operating Revenues	0	0	5,667,029	0	5,667,029
TOTAL SOURCES OF FUNDS (REVENUE)	2,558,500	1,455,333	5,667,029	0	9,680,862

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	1,091,591	689,999	790,057	36,000	2,607,647
Overtime	16,000	16,000	8,000	0	40,000
Other Pay	25,000	25,000	0	0	50,000
Total Salaries and Wages	1,132,591	730,999	798,057	36,000	2,697,647
Benefits Expense:					
Pension Contributions	265,758	163,733	135,778	0	565,270
Health Insurance Costs - Current Employees	243,758	163,710	127,235	34,315	569,018
Worker's Compensation Insurance	79,300	67,000	5,444	400	152,144
Other Insurance - Current Employees	16,025	11,500	14,100	300	41,925
Insurance Costs - Retirees	68,082	52,571	29,515	29,515	179,683
Social Security and Taxes	16,496	10,375	20,507	2,832	50,209
Auto Allowance	4,200	4,200	4,900	0	13,300
Employment Assistance Program	1,300	1,100	670	600	3,670
Total Benefits	694,919	474,189	338,148	67,962	1,575,218
TOTAL SALARY AND PAYROLL BURDEN	1,827,511	1,205,188	1,136,205	103,962	4,272,865

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
OPERATING EXPENSES:					
Advertising	11,200	8,000	2,500	8,000	29,700
Bad Debt Expense	65,000	75,000	0	0	140,000
Communications	21,000	13,100	12,500	0	46,600
WiFi Services	4,440	6,500	0	0	10,940
Computer - Hardware and software	11,750	5,000	7,500	0	24,250
Postage	9,000	4,000	9,000	100	22,100
Meetings/Travel/ Training	21,600	20,300	6,500	9,800	58,200
Auto Mileage Reimbursement	500	400	1,500	200	2,600
Memberships/ Exams/ Subscriptions	400	250	17,500	0	18,150
Personnel Tests	1,100	1,150	2,500	0	4,750
Property & Casualty Insurance	135,000	139,200	0	14,935	289,135
Fuel	12,000	6,400	0	0	18,400
Operating Supplies	67,900	31,500	0	0	99,400
Office Supplies	7,500	5,400	19,685	3,800	36,385
Uniform Expenses	9,000	7,500	0	0	16,500
Legal Services	55,000	15,000	100,000	270,361	440,361
Contractual Services-IT	10,500	13,000	21,000	4,000	48,500
Contractual Services-Professional	50,000	79,800	75,000	0	204,800
Outside Contractual Services	163,400	127,080	33,150	21,500	345,130
Special Events Expense	6,500	6,500	0	0	13,000
Bank & Credit Card Fees	16,400	22,300	750	0	39,450
Office Space and Equipment Rentals	0	4,500	85,800	0	90,300
Repair and Maintenance	467,000	132,500	0	0	599,500
Garbage Collections	158,300	26,500	0	0	184,800
Harbor/ Marina Equipment	17,150	5,000	0	0	22,150
Vessel Destruction	65,000	75,000	0	0	140,000
Water and Electrical Utility Expenses	168,500	108,000	0	0	276,500
LAFCO Fees	0	0	7,500	0	7,500
Property Tax Admin. Fee	0	0	29,000	0	29,000
Employee Appreciation Dinner	0	0	0	5,000	5,000
Total Operating Expenses	1,555,140	938,880	431,385	337,696	3,263,101
Total All Operating, Salary and Benefit Expenses	3,382,651	2,144,068	1,567,590	441,658	7,535,966
NON-OPERATING EXPENSES:					
Debt Service-Principal	501,927	477,647	0	0	979,573
Interest Expense - DBAW Loan	211,885	201,635	0	0	413,520
Total Non-Operating Expenses	713,812	679,282	0	0	1,393,094
TOTAL OE&E EXPENSE	4,096,462	2,823,350	1,567,590	441,658	8,929,060

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

BUDGET SUMMARY

DESCRIPTION	PILLAR POINT HARBOR	OYSTER POINT MARINA/ PARK	ADMINISTRATION	COMMISSION	TOTAL
CAPITAL PROJECTS (2015-2016 BUDGET APPROPRIATION ONLY):					
Oyster Point Marina:					
Correct Flooding Issues	0	25,000	0	0	25,000
Trash Compactor	0	40,000	0	0	40,000
Dock 12 Referishment	0	50,000	0	0	50,000
Pillar Point Harbor:					
Mooring Replacements	25,000	0	0	0	25,000
Leasee Sidewalk	35,000	0	0	0	35,000
Rip Rap Fishing Pier Repair	100,000	0	0	0	100,000
Radon Boat Replacement or Repair	120,000	0	0	0	120,000
Harbor Office Remodel	50,000	0	0	0	50,000
Romeo Pier	50,000	0	0	0	50,000
Trench Drains at Boat Launch Ramp	10,000	0	0	0	10,000
Launch Ramp Restroom Design	35,000	0	0	0	35,000
Inner Harbor Dredging	70,000	0	0	0	70,000
Total Capital Projects (2015-16 Appropriations)	495,000	115,000	0	0	610,000
CAPITAL PROJECTS (CARRYOVER):					
Pillar Point Harbor:					
West Trail - Fix Erosion	100,000	0	0	0	100,000
Total Capital Projects (Carryover Appropriations)	100,000	0	0	0	100,000
Total All Capital Projects	595,000	115,000	0	0	710,000
TOTAL ALL COSTS	4,691,462	2,938,350	1,567,590	441,658	9,639,060
TOTAL USES OF FUNDS (EXPENDITURES)	4,691,462	2,938,350	1,567,590	441,658	9,639,060
NET ADDITION TO (REDUCTION FROM) RESERVES	(2,132,962)	(1,483,017)	4,099,439	(441,658)	41,802

Budget Summary

Fiscal Year Ending June 30, 2016

1. This year's budget Operating and Non-Operating Revenue and the Operating and Non-Operating Expenses are balanced. This was attainable because several repairs and maintenance projects had been completed in previous years, attrition and of senior staff at higher salaries and benefits are being replaced with new staff who will have lower salaries and benefits. In addition the District estimates that new lease negotiations on three lease renewals will enhance revenues. In addition, capital projects have been evaluated by staff and several are budgeted for design and permitting for FY2015-16 only.
2. The total liability benefit will be booked to the liability based on vesting determination and increased costs. However, only that portion of the separated employees receiving the benefit is included in the budget.

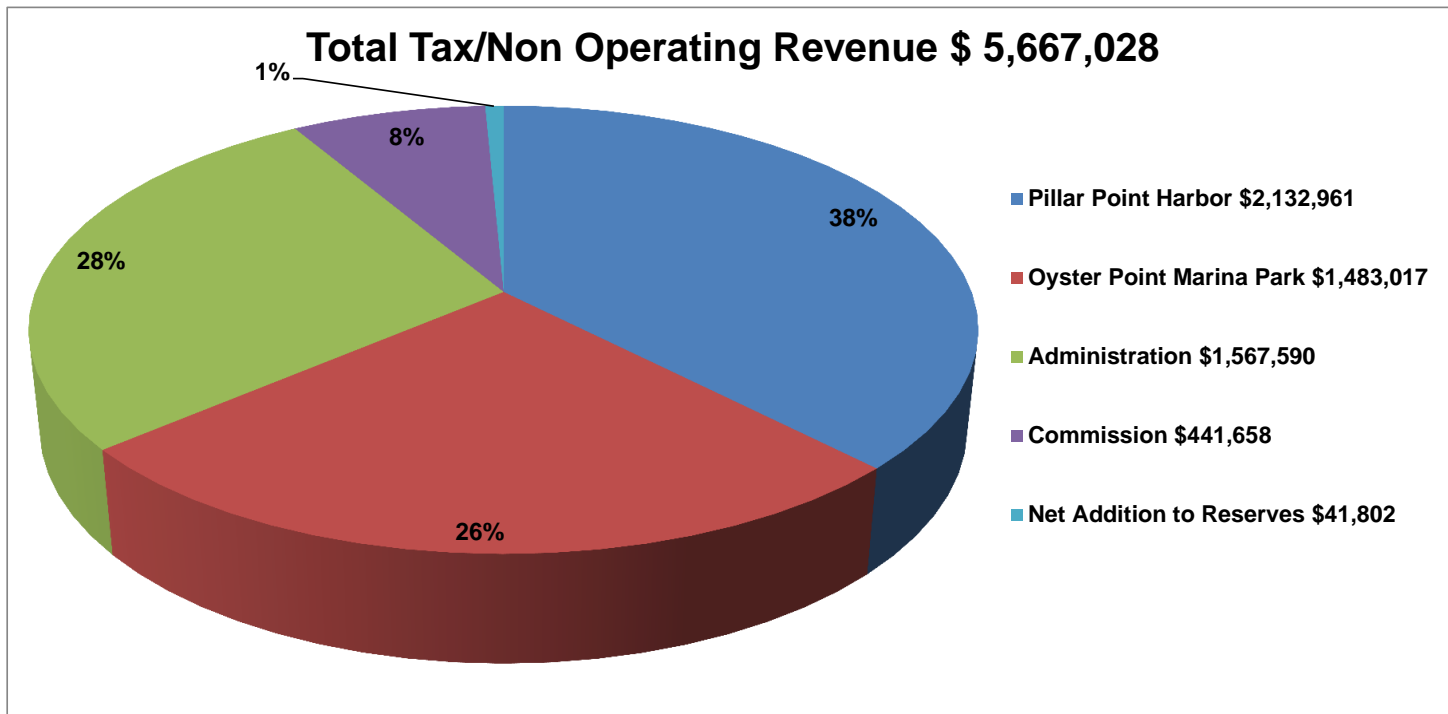
SAN MATEO COUNTY HARBOR DISTRICT



BUDGET GRAPHS

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

What Percentage of Tax/Non Operating Revenues does
Each Department Use to cover Expenditures, including capital



Noted: All departments are engaged in General Public purpose activities as presented in Exhibit A

EXHIBIT A:

Public Purpose Activities-User Fees do not cover these Services-Covered by Taxes

- Search and rescue
- Bay trail maintenance
- Landscape maintenance
- Coastal trail access
- Beach access
- Parking
- Public restrooms
- Public fishing piers
- Harbor of refuge
- Free Wifi
- Some public events
- Trash removal

Oyster Point Marina Park Public Access

Beach Access-Swimming



Windsurf Launch Ramp



Oyster Point Marina Park Public Services-ADA Compliant Restrooms



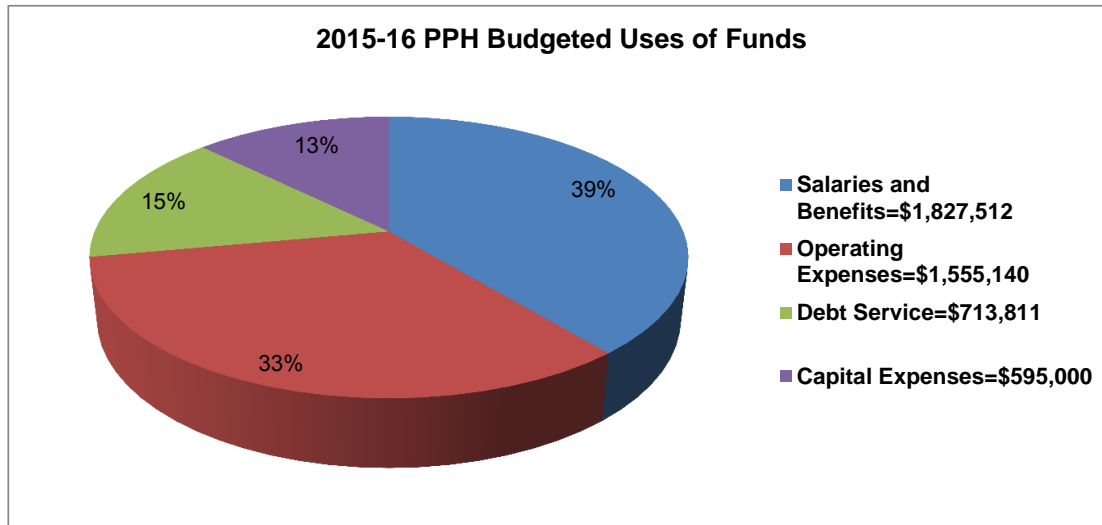
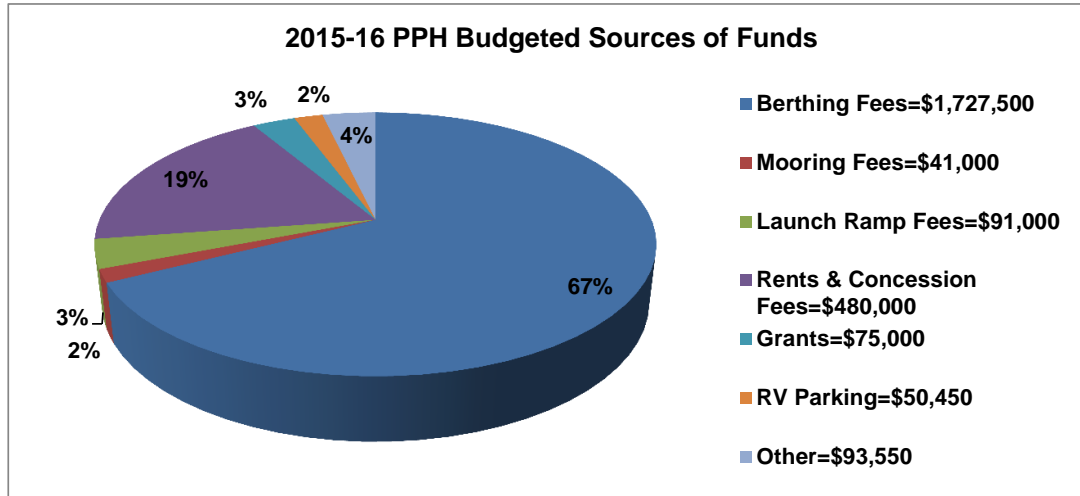
Search and Rescue Operations

Pillar Point is unique because it provides search and rescue services to all boaters. Over the past two decades, its dedicated crew performed an average of 110 rescues annually, saved more than 100 lives, and millions of dollars in boats and equipment. They train with and assist the U.S. Coast Guard.



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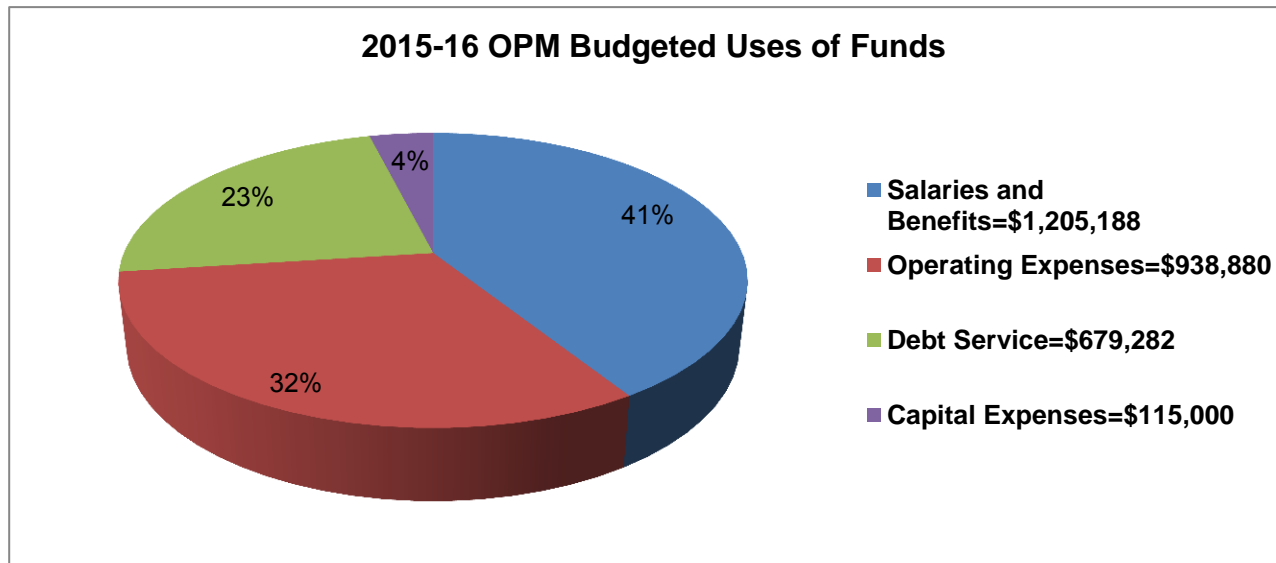
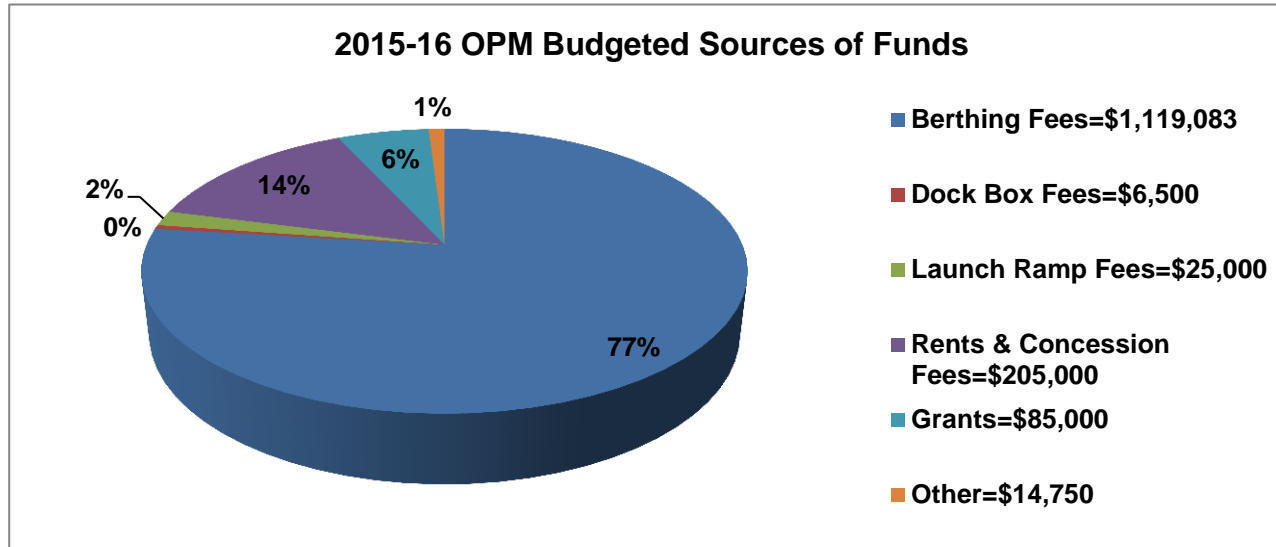
Where does Pillar Point Harbor Gets its Money and Where the Money is Spent



TOTAL SOURCES: \$2,558,500 - TOTAL USES: \$4,691,463 = \$2,151,733 Deficit

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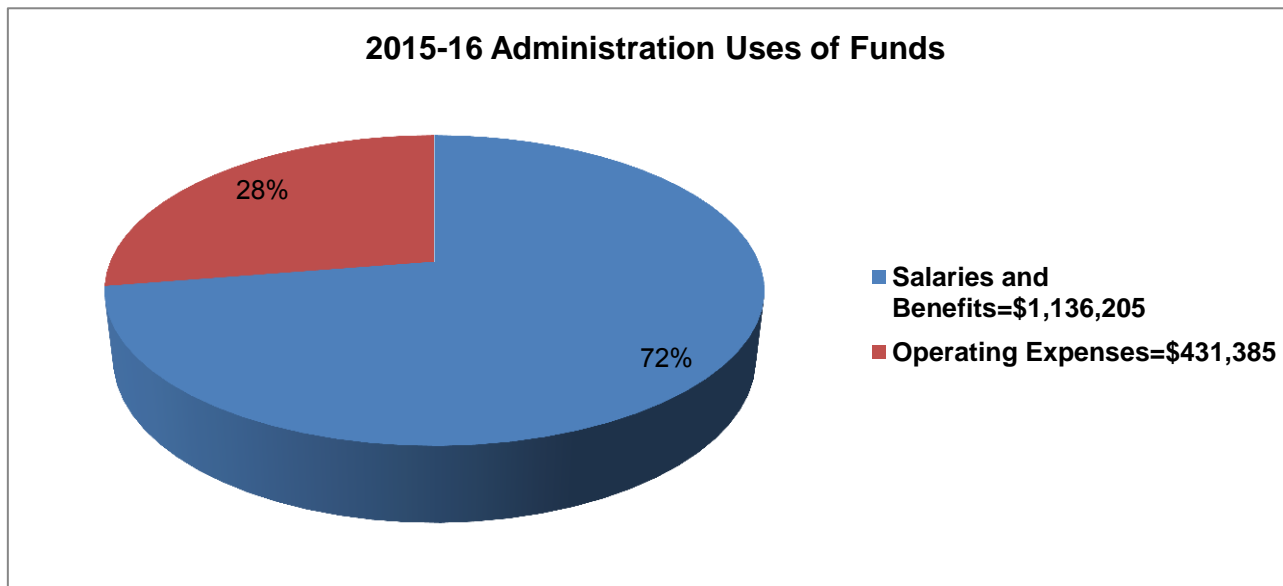
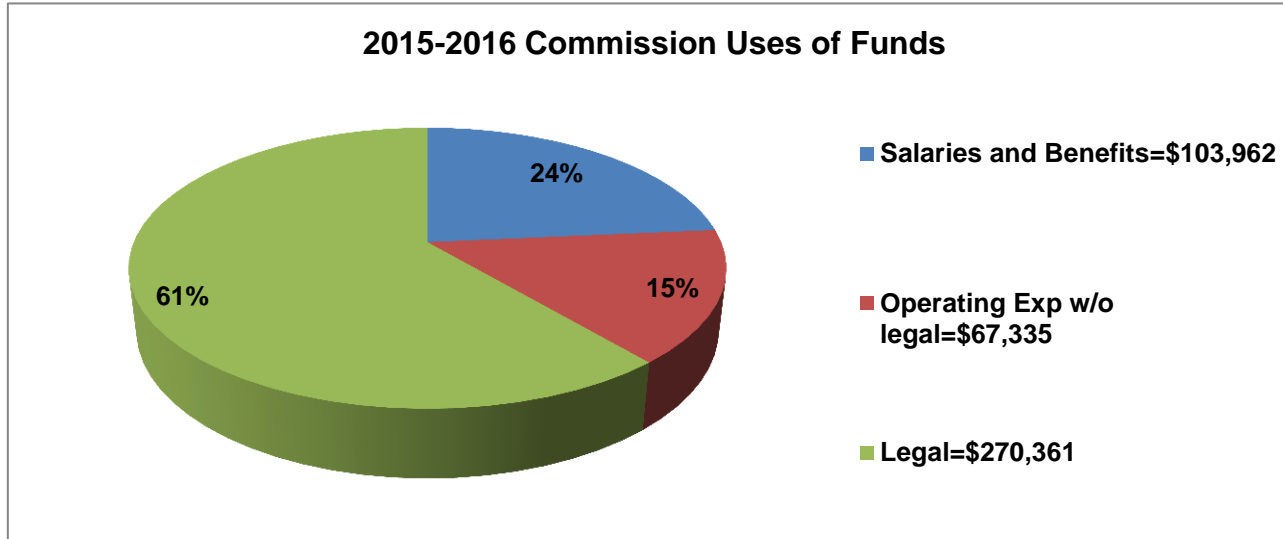
Where does Oyster Point Marina Gets its Money and Where the Money is Spent



TOTAL SOURCES: \$1,455,333 - TOTAL USES: \$2,938,350 = 1,483,017 Deficit

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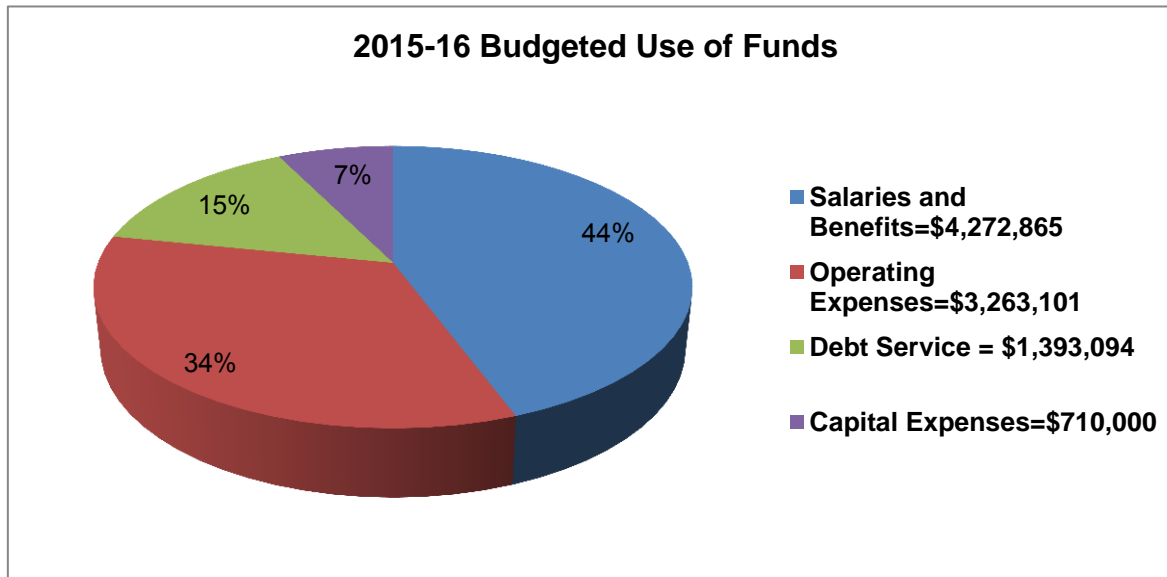
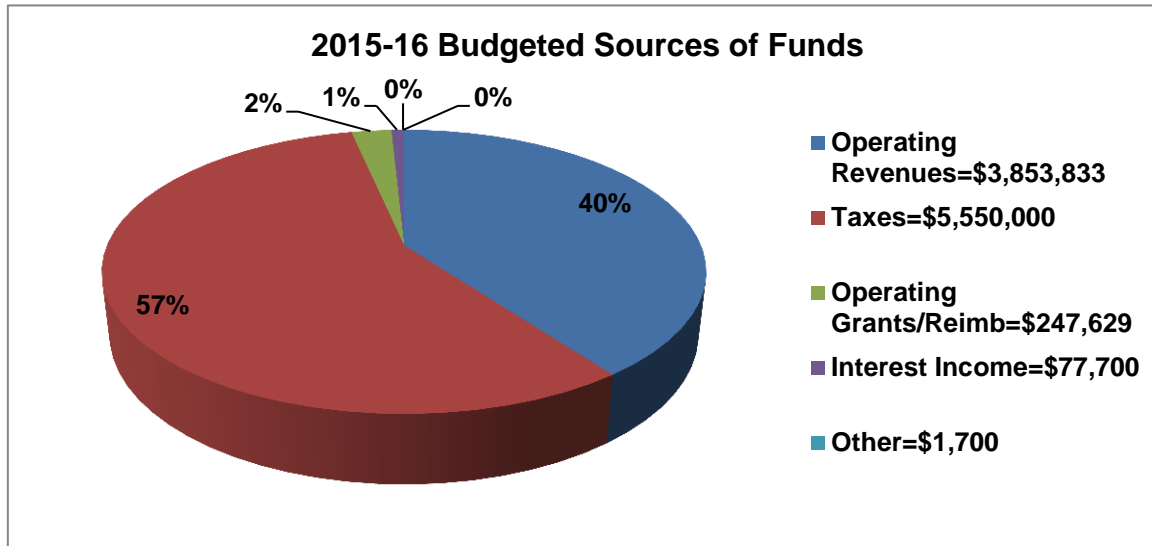
Where does Administration & Commission Spend Money



TOTAL USES COMMISSION = \$441,658
TOTAL USES ADMINISTRATION=\$1,567,590

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

Where the District Gets its Money and Where the Money is Spent



TOTAL SOURCES: \$9,680,862, TOTAL USES: \$9,639,060 = \$41,802 Addition to Reserves

SAN MATEO COUNTY HARBOR DISTRICT



RESERVES

Estimated Reserves

Estimate of Cash Reserves:

Estimated Beginning Balance 6/30/2015	\$	16,355,000
Estimated Increase to Cash FYE 6/30/2016	\$	41,802
Estimated Ending Balance 6/30/2016	\$	16,396,802
Restricted for Debt Service-DBW Loan Collateral	\$	1,787,961
Committed for Emergency Reserve	\$	1,619,464
Committed for Reserve for District Office	\$	1,526,217
Committed for Capital Improvements Reserves	\$	586,500
Assigned for Encumbrances	\$	500,000
Assigned for Payable Liability	\$	300,000
Assigned for Customer Deposits and Prepayments	\$	500,000
Assigned for Unfunded Termination Benefit Liability	\$	3,795,197
Unassigned	\$	5,781,463
<u>Total Estimated Ending Cash for 6/30/2016</u>		<u>\$ 16,396,802</u>

*A deposit of \$794,008.05 on 3/6/15 for PO Lot Sales remains unassigned

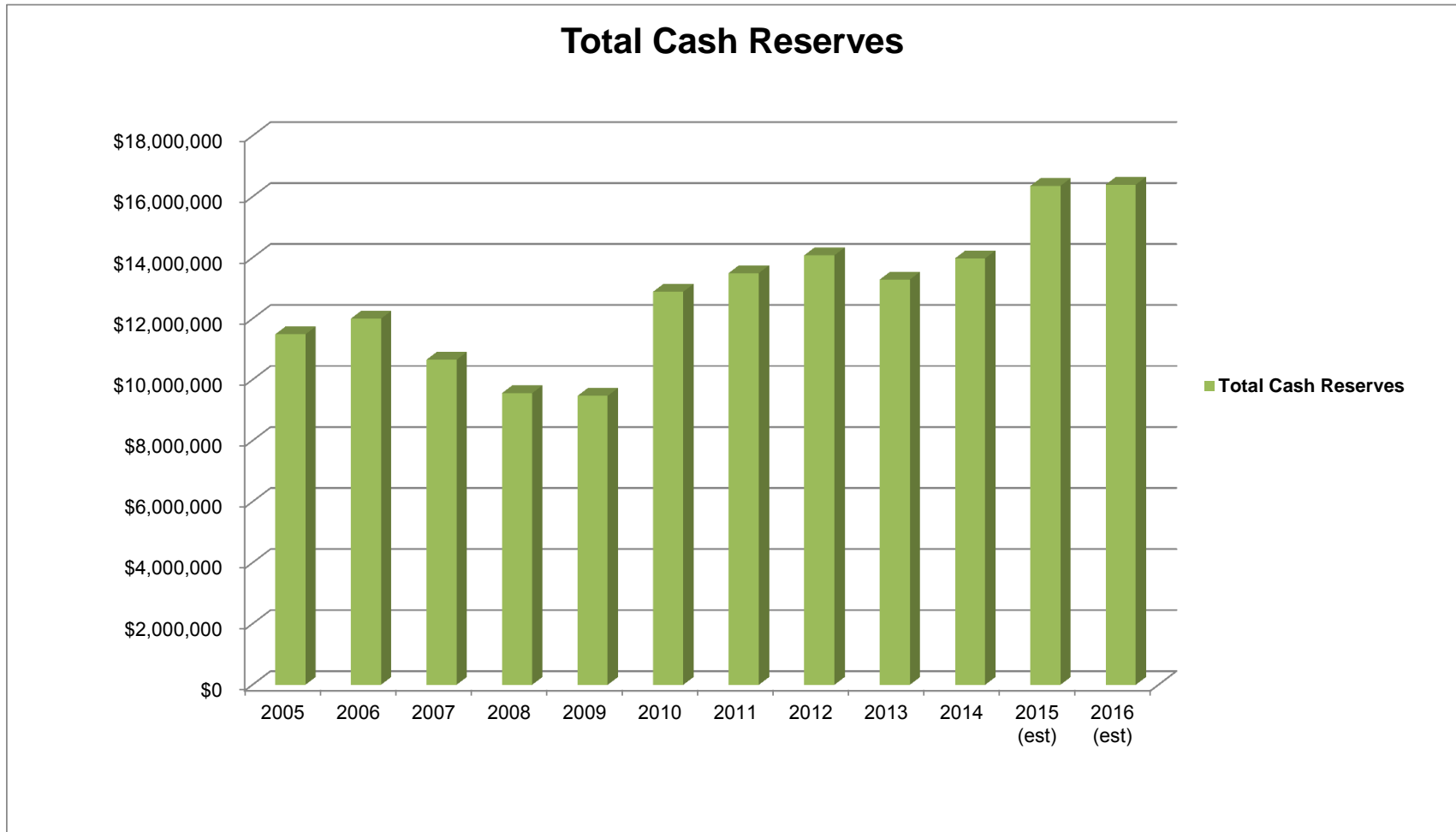
Restricted: Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or enabling legislation

Committed: Amounts that can be used for the specific purposes determined by a formal action of the government's highest level of decision making authority. Committed amounts can be changed by formal action of the decision making authority if necessary.

Assigned: Amounts that are intended to be used by government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned: Residual classification and includes all spendable amounts not contained in other classifications.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**



SAN MATEO COUNTY HARBOR DISTRICT



REVENUES

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

DESCRIPTION	COMBINED REVENUES				
	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 FINAL BUDGET
Operating Revenues	4,272,223	3,788,250	3,735,188	4,734,281	4,013,833
Non-Operating Revenues	7,438,059	5,117,300	3,977,464	5,510,000	5,667,029
TOTAL REVENUES	11,710,282	8,905,550	7,712,652	10,244,281	9,680,862

Operating Revenues-Direct Harbor Users

- Berthing
- Rents & Concessions
- Commercial Activity Fee
- Launch Ramp
- RV Lot
- Laundry
- Boat Wash
- Hoist Fees
- Key Fees
- Event Fees
- Miscellaneous



**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

PILLAR POINT HARBOR

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING REVENUE:					
Berth Fees	1,644,761	1,674,000	1,303,147	1,714,349	1,727,500
Mooring Fees	42,346	41,000	28,758	38,344	41,000
Launch Ramp Fees	88,325	81,500	77,121	91,000	91,000
Misc. Fees	77,447	37,900	769,230	762,198	53,800
Crab Pot Storage Fee	5,050	5,800	1,400	1,500	1,500
Rents & Concessions	457,280	433,000	384,795	479,827	480,000
RV Parking (Fishing)	37,311	35,000	46,590	49,590	50,450
Event Fees	0	22,100	13,750	11,230	22,750
Commercial Activity Permits	18,685	9,000	4,100	9,000	9,000
Sales	13,359	6,500	7,872	6,500	6,500
Operational Grants					
State- DBAW - Abandoned Vessel	0	30,000	2,500	75,000	75,000
Total Operating Revenues	2,384,566	2,375,800	2,639,263	3,238,539	2,558,500

Pillar Point Harbor

Fiscal Year Ending June 30, 2016

1. The Pillar Point Commercial and Recreational fishing community has reported that 2014-15 was a sub-par year. Salmon continues to be described as “terrible” by most off the Half Moon Bay coast. There was an uptick in crab boats that was related to restrictions that opened certain districts up to fishing at different times of the year, but overall crab was described by commercial crabbers as “not good”. It is reported that most of the commercial crab fishermen had given up a month and a half into the season. Overall salmon and crab has been down locally the last couple of years. Albacore did not show despite warm water. Rockfish and lingcod continue to do well for a smaller segment of the market. No rate increases have been factored into this current budget.
2. Budgeted revenue from lease rents and concessions is expected to increase as a result of CPI lease rent adjustments, percentage rents, and offloading fees. As the economy improves, it is hoped that foot traffic to the harbor and related patronage of the harbor and lessee facilities will increase.
3. Grant monies received from Division of Boating and Waterways Grant for Abandoned Vessel Abatement are expected to continue to be received and Pillar Point will continue to remove and salvage abandoned vessels as necessary even though grant funding from the State will not completely cover the costs of abatement. The District will consider alternative methods of cost recovery if/when grants are not available.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

OYSTER POINT MARINA PARK REVENUES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING REVENUE:					
Berth Fees	1,189,745	1,098,400	857,063	1,138,486	1,119,083
Dock Boxes	6,380	6,400	4,840	6,490	6,500
Launch Ramp Fees	21,748	17,850	14,421	19,500	25,000
Misc. Fees	18,077	19,200	9,159	11,331	11,550
Rents & Concessions	371,029	235,000	181,885	241,885	205,000
Event Fees	0	500	235	1,500	500
Commercial Activity Permits	7,037	3,200	900	350	1,500
Sales	2,222	1,900	824	1,200	1,200
Operational Grants					
State- DBAW - Abandoned Vessel	21,420	30,000	26,598	75,000	85,000
Reimbursements on Projects(Dock 8)	2,000,000	0	0	0	0
Federal - DBAW - Guest Dock	250,000	0	0	0	0
Total Operating Revenues	3,887,658	1,412,450	1,095,925	1,495,742	1,455,333

Oyster Point Marina/Park

Fiscal Year Ending June 30, 2016

1. Operating revenues for FY2015-16 are projected to decrease from FY2013-14. This projection is the net result of flat berth rentals and decreases in grant reimbursements. However, new developments in the Oyster Point area are beginning due to increase demands from Biotech companies which may bring more foot traffic to the Marina/Park in the future.
2. Grant monies received from Division of Boating and Waterways Grant for Abandoned Vessel Abatement are not expected to fully cover the costs of abatement. Oyster Point will continue to remove and salvage abandoned vessels as necessary despite the lack of grant funding from the State. The District will consider alternative methods of cost recovery if/when grants are not available.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

ADMINISTRATION REVENUES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
NON-OPERATING REVENUE:					
Taxes	5,265,173	5,050,000	3,898,011	5,397,961	5,500,000
Interest Income	76,179	66,200	43,690	76,200	77,700
State Mandated Cost Grant	0	0	34,739	34,739	87,629
Miscellaneous Revenues	96,708	1,100	1,024	1,100	1,700
Total Non-Operating Revenues	5,438,059	5,117,300	3,977,464	5,510,000	5,667,029

Administration

Fiscal Year Ending June 30, 2016

1. For FY2015-16, interest income is projected to be \$76 thousand. Interest income is expected to increase slightly as the Federal Reserve is expected to raise the Fed Funds Rate mid-2015.
2. Property tax revenues are projected to be \$4.6 million. The FY2015-16 property tax revenue estimate is an increase from current year projections. This estimate is based upon current trends in property values plus information received from the San Mateo County Assessor's Office.
3. Excess "ERAF" (Educational Revenue Augmentation Fund) was included in last year's budget for the first time. ERAF distributions received have been consistent revenue source and this budget includes the expected ERAF revenue of \$850K. "RDA" (Redevelopment Agency) monies are not included in the property tax estimate as they are uncertain and dependent on State Budget policy decisions. The ERAF estimate is 8%-9% less than last year as in FY 2014-15 ERAF had a one- time released approximately 6% of its reserves.

SAN MATEO COUNTY HARBOR DISTRICT



EXPENSES

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

COMBINED EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 14-15 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense	2,938,126	2,462,350	1,836,080	2,365,639	2,697,647
Benefits Expense	1,321,439	1,494,225	1,042,493	1,503,659	1,575,218
Total Salary and Payroll Burden	4,259,565	3,956,575	2,878,574	3,869,298	4,272,865
OPERATING EXPENSES	2,692,892	4,045,234	2,415,299	3,471,503	3,263,101
NON-OPERATING EXPENSES	713,812	679,282	0	0	1,393,094
Total Expenses without Capital Outlay	7,666,269	8,681,092	5,293,873	7,340,801	8,929,060
CAPITAL PROJECTS	1,421,008	777,686	122,049	122,049	710,000
TOTAL OPERATING EXPENSES & CAPITAL	9,087,277	9,458,778	5,415,922	7,462,850	9,639,060

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/14	FY 14-15 PROJECTED ANNUAL	FY 15-16 FINAL BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	928,556	999,850	741,987	952,400	1,091,591
Overtime	14,238	16,500	5,042	5,500	16,000
Other Pay	0	15,000	20,438	25,000	25,000
Total Salaries and Wages	942,795	1,031,350	767,467	982,900	1,132,591
Benefits Expense:					
Pension Contributions	225,332	252,100	187,419	264,028	265,758
Health Insurance Costs - Current Employee:	211,766	215,088	181,353	254,768	243,758
Worker's Compensation Insurance	72,787	79,300	76,978	79,300	79,300
Other Insurance - Current Employees	15,820	18,289	15,820	17,562	16,025
Insurance Costs - Retirees	36,861	24,150	27,761	54,994	68,082
Social Security and Taxes	14,374	15,969	11,953	16,229	16,496
Auto Allowance	4,400	8,400	2,100	4,400	4,200
Employment Assistance Program	1,246	1,300	935	1,300	1,300
Total Benefits	582,585	614,596	504,319	692,581	694,919

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING EXPENSES:					
Advertising	10,076	11,204	6,865	13,731	11,200
Bad Debt Expense	20,944	65,000	0	65,000	65,000
Communications	25,140	28,600	20,214	22,600	21,000
Wifi Services	0	9,600	1,841	4,800	4,440
Computer Hardware and Software	3,969	11,750	6,794	11,750	11,750
Postage	6,919	30,100	9,614	8,800	9,000
Meetings/Travel/ Training	1,219	6,300	5,130	4,575	21,600
Auto Mileage Reimbursement	256	500	307	500	500
Memberships/ Dues/ Subscriptions	138	262	262	400	400
Recruitment and Personnel Tests	80	2,000	158	450	1,100
Property & Casualty Insurance	112,167	131,830	123,565	125,000	135,000
Fuel	11,708	12,500	8,484	10,600	12,000
Operating Supplies	67,400	70,124	40,235	59,600	67,900
Office Supplies	12,191	9,000	3,057	6,500	7,500
Uniform Expenses	9,721	10,500	6,507	8,000	9,000
Special Events Expense	5,887	6,500	3,040	6,500	6,500
Legal Services	7,735	60,000	30,510	38,000	55,000
Contractual Services-IT	0	18,500	4,479	6,500	10,500
Contractual Services-Professional	43,162	151,982	42,189	90,000	50,000
Outside Contractual Services	133,167	158,808	98,422	148,300	163,400
Bank & Credit Card Fees	17,520	20,150	14,126	16,040	16,400
Repair and Maintenance	356,987	486,610	143,381	409,000	467,000
Garbage Collections	146,579	154,300	112,284	153,750	158,300
Trash Compactor	54,678	0	0	0	0
Harbor/ Marina Equipment	56,259	25,300	0	5,000	17,150
Vessel Destruction	6,573	83,427	53,543	75,000	65,000
Water and Electrical Utility Expenses	174,316	169,688	145,041	151,203	168,500
Total Operating Expenses	1,284,789	1,734,535	880,047	1,441,599	1,555,140
NON-OPERATING EXPENSES:					
Depreciation	821,391	603,178	0	558,065	0
Debt Service-Principal	0	0	0	0	501,927
Interest Expense - DBAW Loan	170,412	168,627	0	123,587	211,885
Total Non-Operating Expenses	991,803	771,805	0	681,652	713,812

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Rip Rap Repair - Fishing Pier					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	100,000
Johnson Pier Repairs					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	121,484	1,370	0	0	0
West Trail - Fix Erosion					
Carry Over Money	0	0	0	0	100,000
2015-16 Budget Appropriation	15,402	408,309	49,768	49,768	0
PPH Leasee Sidewalk					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	35,000
Trench Drains at Boat Launch Ramp					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	10,000
Add'l 71 Berths, Bulkhead					
Carry Over Money	15,994	3,316	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
North HMB Shoreline (Surfers Beach)					
Carry Over Money	91,159	89,316	89,316	89,316	0
2015-16 Budget Appropriation	0	0	0	0	0
Pay Station Parking PPH					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	50,000	0	0	0
Dredge Launch Ramp					
Carry Over Money	322,917	1,830	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Patrol Boat-Repairs					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	120,000

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Harbor Office Remodel					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	9,279	8,299	8,299	50,000
Restroom-West Basin					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	116,240	0	0	0	0
Tenant Sewer Project					
Carry Over Money	241,968	12,441	193	193	0
2015-16 Budget Appropriation	0	0	0	0	0
Mooring Replacements					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	9,950	0	7,500	7,500	25,000
Restrooms - Launch Ramp Pre Cast					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	25,000	0	0	35,000
Post Office Lot					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	-38,638	-38,638	0
Removal of Romeo Pier					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	61,200	5,404	5,404	50,000
Inner Harbor Dredging					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	70,000	0	0	70,000
Total Capital Projects	935,114	752,061	121,842	121,842	595,000
TOTAL EXPENSES	4,737,087	4,904,347	2,273,674	3,920,574	4,691,462

Pillar Point Harbor

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Pillar Point Harbor budget for salaries and payroll related burden is expected to increase by approximately \$120 thousand over FY2014-15 projections. This is due to one vacant harbor worker position in addition to an expected cost of living adjustment for all employees and step increases for employees not at the maximum range of the salary schedule. The cost of living adjustment, based on the December 31, 2014 Labor CPI for San Francisco-Oakland-San Jose, is 2.09%.
2. The FY2015-16 budget for other operating expenses is \$107,084 greater than FY2014-15 projected expenses. FY2015-16 has several deferred repairs and maintenance projects that needed to be addressed and those repairs and maintenance projects focus on safety and immediately needed repairs. The largest repair is a \$100,000 cost for asphalt repairs in and around the facility.
3. Interest payments to the Division of Boating and Waterways (DBAW) have been included in this budget at \$-211,885 thousand as set in the Loan Agreement with the DBAW.
4. Capital expenditures in the FY2015-16 budget total \$ 595 thousand of which \$100,000 are carryover funds. Current projects include design for the Launch Ramp restrooms, Mooring replacements, Rip Rap Fishing Pier Repair, Radon Boat repair, design for Harbor Office remodel, Romeo Pier engineering engagement, design and permit for trench drains at boat launch ramp, inner harbor dredging and design and permitting emergency repair for the erosion at the West Trail.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	679,097	668,300	513,762	670,739	689,999
Overtime	10,669	17,000	9,805	16,000	16,000
Other Pay	0	20,000	4,313	25,000	25,000
Total Salaries and Wages	689,766	705,300	527,879	711,739	730,999
Benefits Expense:					
Pension Contributions	154,377	189,000	115,960	162,999	163,733
Health Insurance Costs - Current Employee:	140,507	147,746	104,374	139,910	163,710
Worker's Compensation Insurance	54,479	55,000	53,566	67,000	67,000
Other Insurance - Current Employees	12,630	22,650	20,024	11,250	11,500
Insurance Costs - Retirees	33,293	39,288	34,414	53,019	52,571
Social Security and Taxes	10,015	23,200	8,668	10,241	10,375
Auto Allowance	4,400	8,400	2,100	4,200	4,200
Employment Assistance Program	1,030	1,100	772	1,030	1,100
Total Benefits	410,730	486,384	339,877	449,649	474,189

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING EXPENSES:					
Advertising	5,116	8,000	5,383	8,000	8,000
Bad Debt Expense	49,259	65,000	0	65,000	75,000
Communications	14,452	18,800	13,150	12,800	13,100
Wifi Expense	0	8,000	3,784	6,500	6,500
Computer Hardware and Software	5,813	5,000	6,887	4,750	5,000
Postage	3,053	4,000	2,267	3,800	4,000
Meetings/Travel/ Training	2,286	6,300	1,262	2,550	20,300
Auto Mileage Reimbursement	117	400	136	250	400
Memberships/ Dues/ Subscriptions	138	200	183	250	250
Personnel Tests	80	1,100	375	550	1,150
Property & Casualty Insurance	112,167	137,800	123,565	137,500	139,200
Fuel	5,327	6,800	3,331	5,400	6,400
Operating Supplies	40,299	27,038	12,889	29,550	31,500
Office Supplies	8,903	7,000	2,771	4,500	5,400
Uniform Expenses	6,748	8,000	4,848	7,000	7,500
Special Events Expense	2,946	6,500	4,434	6,500	6,500
Legal Services	22,332	22,000	7,627	10,000	15,000
Contractual Services-IT	0	13,000	7,679	12,500	13,000
Contractual Services-Professional	23,903	135,822	42,714	114,400	79,800
Outside Contractual Services	133,652	176,689	93,087	121,700	127,080
Bank & Credit Card Fees	17,869	22,250	15,118	19,400	22,300
Office Space and Equipment Rentals	3,828	4,200	1,882	3,500	4,500
Repair and Maintenance	46,061	117,725	48,732	64,500	132,500
Garbage Collections	21,655	26,500	17,491	25,500	26,500
Harbor/ Marina Equipment	37,509	5,000	0	5,000	5,000
Vessel Destruction	24,120	65,880	66,495	75,000	75,000
Water and Electrical Utility Expenses	87,487	128,300	61,602	113,000	108,000
Total Operating Expenses	675,118	1,027,304	547,692	859,400	938,880
NON-OPERATING EXPENSES:					
Depreciation	1,449,319	988,195	0	0	0
Debt Service-Principal	0	0	0	0	477,647
Interest Expense - DBAW Loan	180,204	160,470	0	123,587	201,635
Total Non-Operating Expenses	1,629,523	1,148,665	0	123,587	679,282

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
West Restroom Remodel					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	3,507	0	0	0	0
Refurbishment Dock 12					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	50,000
Replacement of Guest Dock					
Carry Over Money	48,424	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
East Basin Restroom Renovation					
Carry Over Money	251,123	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Trash Compactor					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	40,000
Correct Flooding Issues					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	25,000	0	0	25,000
Dock 11					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	170,966	0	0	0	0
Electrical Pad for Kayak					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	11,875	625	207	207	0
Total Capital Projects	485,894	25,625	207	207	115,000
TOTAL EXPENSES	3,891,031	3,393,278	1,415,656	2,144,582	2,938,350

Oyster Point Marina/Park

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Oyster Point Marina budget for salaries and payroll related burden is expected to increase by approximately \$27 thousand over FY2014-15 estimates. This is due to an expected cost of living adjustment for all employees and step increases for employees not at the maximum range of the salary schedule. The cost of living adjustment, based on the December 31, 2014 Labor CPI for San Francisco-Oakland-San Jose is 2.09%.
2. Interest payments to the Division of Boating and Waterways (DBAW) have been included in this budget at \$201,635 thousand as set in the Loan Agreement with the DBAW.
3. Capital projects budgeted at \$115,000 include design and permitting for Dock 12 repair, a new trash compactor, and engineering to correct flooding at the Harbor Master's office during high tide.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

ADMINISTRATION EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	1,263,902	684,200	511,493	630,000	790,057
Overtime	5,664	5,500	2,242	5,000	8,000
Total Salaries and Wages	1,269,565	689,700	513,734	635,000	798,057
Benefits Expense:					
Pension Contributions	133,037	154,200	71,397	147,000	135,778
Health Insurance Costs - Current Employee:	91,398	110,146	46,299	100,974	127,235
Worker's Compensation Insurance	4,031	4,800	3,087	4,650	5,444
Other Insurance - Current Employees	10,177	14,974	7,415	13,281	14,100
Insurance Costs - Retirees	0	3,588	6,708	13,416	29,515
Social Security and Taxes	12,542	11,595	6,681	11,608	20,507
Auto Allowance	8,400	8,400	4,200	4,200	4,900
Employment Assistance Program	570	670	325	650	670
Total Benefits	260,155	308,373	146,112	295,779	338,148

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

ADMINISTRATION EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
OPERATING EXPENSES:					
Advertising	1,899	1,500	127	127	2,500
Communications	10,321	12,500	5,460	5,460	12,500
Computer Hardware and Software	1,691	9,000	2,749	7,000	7,500
Postage	5,896	32,474	3,619	8,000	9,000
Meetings/Travel/ Training	3,285	5,000	1,027	6,500	6,500
Auto Mileage Reimbursement	1,048	1,500	1,084	1,084	1,500
Memberships/ Dues/ Subscriptions	12,976	17,300	16,454	17,500	17,500
Recruitment and Personnel Tests	1,520	40,400	841	1,500	2,500
Office Supplies	17,325	-1,548	5,851	13,100	19,685
Office Equipment	0	0	0	0	0
Legal Services	53,447	70,000	36,128	75,000	100,000
Contractual Services-IT	0	21,000	7,912	28,000	21,000
Contractual Services-Professional	45,075	60,158	25,108	110,000	75,000
Outside Contractual Services	42,976	65,150	10,112	61,150	33,150
Bank & Credit Card Fees	560	750	252	750	750
Office Space and Equipment Rentals	95,063	101,970	45,148	97,500	85,800
LAFCO Fees	5,516	7,500	6,182	6,182	7,500
Building Procurement Fees			102,116		
Property Tax Admin. Fee	45,131	29,000	23,218	28,322	29,000
Total Operating Expenses	343,730	473,654	293,390	467,175	431,385
Depreciation	14,571	13,956	0	13,956	0
TOTAL EXPENSES	1,888,021	1,485,683	953,237	1,411,910	1,567,590

Administration

Fiscal Year Ending June 30, 2016

1. For FY2015-16, the Administration salary and payroll burden is projected increase due to a new General Manager's wage and benefits increase. In addition an expected cost of living adjustment for all employees. The cost of living adjustment, based on the December 31, 2014 Labor CPI for San Francisco-Oakland-San Jose is 2.09%. The General Manager salary has been estimated at half a year at \$125/hour for an interim position. This estimated temporary position would not include any District benefits. The remaining half a year is estimated at the normal salary and benefit schedule for the permanent replacement. In addition, \$60 thousand has been budgeted for temporary staff to assist in additional administrative short term workload issues. Health Insurance costs are estimated at a 10% increased based on discussions with union representation.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

HARBOR COMMISSION EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 3/31/2015	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
SALARIES AND BENEFITS:					
Salaries and Wages Expense:					
Base Salary and Wages	36,000	36,000	27,000	36,000	36,000
Total Salaries and Wages	36,000	36,000	27,000	36,000	36,000
Benefits Expense:					
Pension Contributions	0	0	0	0	0
Health Insurance Costs - Current Employee:	44,112	56,488	32,364	41,400	34,315
Worker's Compensation Insurance	228	400	207	350	400
Other Insurance - Current Employees	310	320	148	250	300
Insurance Costs - Retirees	19,656	23,888	16,536	20,300	29,515
Social Security and Taxes	3,121	3,226	2,525	2,800	2,832
Employment Assistance Program	542	550	406	550	600
Total Benefits	67,969	84,872	52,185	65,650	67,962
OPERATING EXPENSES:					
Advertising	19,546	26,500	4,071	7,500	8,000
Election Expense	188,487	533,646	513,378	513,378	0
Postage	17	250	21	100	100
Meetings/Travel/ Training	5,498	12,500	7,738	9,300	9,800
Auto Mileage Reimbursement	0	200	0	200	200
Memberships/ Dues/ Subscriptions	433	0	0	0	0
Property & Casualty Insurance	14,456	17,545	14,398	14,500	14,935
Office Supplies	1,328	3,950	3,008	1,600	3,800
Legal Services	137,951	170,000	124,060	130,000	270,361
Contractual Services-IT	0	4,000	439	500	4,000
Contractual Services-Professional	0	0	0	0	0
Outside Contractual Services	17,605	36,351	22,908	21,451	21,500
Employee Appreciation Dinner	3,934	4,800	4,149	4,800	5,000
Total Operating Expenses	389,255	809,742	694,169	703,329	337,696
TOTAL EXPENSES	493,224	930,614	773,355	804,979	441,658

Harbor Commission

Fiscal Year Ending June 30, 2016

1. Total Commission budget for FY2015-16 is \$ 829,635 thousand compared with an estimated \$703,329 thousand. Legal fees are estimated at \$213,000 or 94% higher than FY2014-15 projected due to anticipated increases in legal costs. The cost for legal services is based upon the most recent monthly legal invoices averaging approximately \$22 thousand a month for Commission related legal issues.

SAN MATEO COUNTY HARBOR DISTRICT



CAPITAL IMPROVEMENT PROJECTS

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

Capital Improvement Projects

	<u>Budgeted Projects</u>		<u>Estimated Carryover</u>		<u>Combined Projects</u>	
Oyster Point Marina:						
Correct Flooding Issues	\$ 25,000	\$	-	\$	25,000	
Compactor	\$ 40,000	\$	-	\$	40,000	
Dock 12 Referbishment	\$ 50,000	\$	-	\$	50,000	Design & Permitting Only
Total Oyster Point Marina	\$ 115,000	\$	-	\$	115,000	
Pillar Point Harbor:						
Mooring Replacements	\$ 25,000	\$	-	\$	25,000	
Leasee Sidewalk	\$ 35,000	\$	-	\$	35,000	Design & Permitting Only
Rip Rap Fishing Pier Repair	\$ 100,000	\$	-	\$	100,000	Design & Permitting Only
Radon Boat Replacement or Repair	\$ 120,000	\$	-	\$	120,000	
Harbor Office Remodel	\$ 50,000	\$	-	\$	50,000	Design & Permitting Only
Romeo Pier	\$ 50,000	\$	-	\$	50,000	Design & Permitting Only
Trench Drains at Boat Launch Ramp	\$ 10,000	\$	-	\$	10,000	Design & Permitting Only
Launch Ramp Restroom Design	\$ 35,000	\$	-	\$	35,000	Design & Permitting Only
Inner Harbor Dredging	\$ 70,000	\$	-	\$	70,000	
West Trail-Fix Erosion		\$	100,000	\$	100,000	
	\$ 425,000	\$	100,000	\$	595,000	
TOTAL DISTRICT	\$ 540,000	\$	100,000	\$	710,000	

SAN MATEO COUNTY HARBOR DISTRICT



GLOSSARY

Accrual Basis- A method of accounting that recognizes revenues when earned and expenditures when incurred regardless of when cash is received or paid.

Accrued Liabilities – Unpaid liabilities

Administrative Budget Adjustment –

The Board of Harbor Commissioners has authorized the General Manager to transfer appropriation authority between budget items after the budget is adopted provided that the transfer is within a single department's budget. Any such approved transfer is an Administrative Budget Adjustment.

Adopted Budget – The adopted budget is the District's annual fiscal plan, which is approved by the Board of Harbor Commissioners. The adopted budget establishes the legal authority for the expenditure of funds.

ADA - Americans with Disability Act. Federal law which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, state and local government services, public access, commercial facilities and transportation.

Appropriation - A legal authorization granted by the Board of Harbor Commissioners to make expenditures and to incur obligations for specific purposes. An appropriation usual is limited in amount, and in the time in which it may be expended.

Balanced Budget – A budget in which resources, including estimated revenue and other sources such as bond proceeds,

and approved fund balances/net assets, meet or exceed uses.

Budget - A plan for financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Adjustment – A transfer of appropriation authority that has formal approval of the Board of Harbor Commissioners and is enacted after the budget is adopted.

Capital Budget - A plan for proposed capital outlays and the means of financing them.

Capitalized Expenditures - Expenditures resulting in the acquisition and/or construction of fixed assets.

Capital Improvement Program - A multi-year plan for capital expenditures, with details on anticipated annual expenditures, with information about the resources estimated to be available to finance the projected expenditures.

Capital Improvement Projects – Listing of intended capitalized expenditures.

Carryover – Appropriation authority granted by the Board in a prior fiscal year.

Cash Basis- A method of accounting in which revenues and expenses are recognized and recorded when cash received, not necessarily when earned.

DBAW – California Department Boating and Waterways.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

Debt Service – Annual principal and interest payments on borrowed money.

Depreciation – A non-cash expense that reduces the value of the District's assets to reflect that the asset has aged and has been used during the period in which the expense is recorded.

Designation of Fund Balance – Unreserved fund balance may be designated by the District to be set aside for a specific purpose. The designation indicates that a portion of fund equity is not available for current appropriation, as it has been set aside to comply with the District's plan for future uses.

Encumbrances – Commitments for unperformed contracts for goods and services.

EMS – Environmental Management Systems

ERAF – Educational Revenue Augmentation Fund. A fund into which County auditors deposit a share of property taxes revenues that would otherwise be allocated to cities, counties and special districts. The purpose of the fund is to ensure local schools receive specified Proposition 98 funding.

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which the District determines its financial position and the results of its operations. The District's fiscal year is from July 1 through June 30.

Fixed Assets – Land and other long-lived assets, such as buildings, improvements, vehicles/equipment, with a value greater

than the capitalization threshold of \$10,000 stated in the District's Fixed Asset Procedure.

Fund Accounting – Refers to accounting for an entity using multiple funds. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Fund Balance – Fund balance is the difference between governmental fund assets and fund liabilities.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board

General Fund – The fund used by the District to capture all accounting activities.

Generally Accepted Accounting Principles – Uniform standards and guidelines for financial accounting and reporting.

Grants - Contributions of gifts of cash or other assets to/from another government agency, foundations or private entities, to be used for a specific purpose.

HMB – Half Moon Bay

Infrastructure – The physical system, including the fixed assets, necessary for the District to function.

**San Mateo County Harbor District
Fiscal Year 2015-2016 Final Operating and Capital Budget**

JPA – Joint Powers Agreement.

LAFCO – Local Agency Formation Commission

LED – Light- Emitting Diode

Liability – An obligation or debt resulting from a past transaction or event.

Net Assets - The difference between a proprietary fund assets and liabilities.

Operating Budget – plan for current operating expenditures (as opposed to capital or debt service expenditures) and the proposed means of financing them.

Modified Accrual- A method of accounting in which revenues are recognized in the period in which they become available and measurable (usually 60 days). Some expenditures are recognized on an accrual basis, other on a cash basis.

Operating Expenditures - Expenses related directly to the District's primary activities.

Operating Revenues - Revenues directly related to the District's primary activities.

PTO – Paid Time Off.

Reimbursements – Repayments of amounts remitted on behalf of another agency.

Reserve - (1) An account used to earmark a portion of fund balance to indicate that it is not appropriate for expenditure; and (2) an account used to earmark a portion of fund equity as legally segregated for a specific future use.

Reserved Fund Balance - The portion of fund balance that is not available to finance expenditures of the subsequent accounting period, including items such as encumbrances, inventory, prepaid items, and notes receivable.

Resources – Total revenue, interdepartmental charges and bond proceeds budgeted for the fiscal year.

RDA – Redevelopment Agencies

SSF – South San Francisco

Termination Benefit – District paid insurance premiums for qualified individuals that have left District employment.

Unfunded Liabilities – Liabilities for which no funding has been set aside to address.

Uses – Total planned expenditures and changes to fund balance for the budget year.

to
**Amend the Fiscal Year 2015-16
Integrated Operating and Capital Budget
of the
San Mateo County Harbor District**

Whereas, In accordance with Section 6093 of the Harbors and Navigation Code of the State of California, the Board of Harbor Commissioners of the San Mateo County Harbor District (Board), introduced and adopted the Preliminary Integrated Operating and Capital Budget for Fiscal Year 2015-16 on May 6, 2015; and

Whereas, In accordance with Section 6093.1 of the Harbors and Navigation Code, the Board published a notice in the San Mateo County Times on May 16, 2015 specifying that:

- (a) The Preliminary budget had been adopted as set forth above;
- (b) Copies of the preliminary budget were available for public inspection on the District's website, as well as at Pillar Point Harbor Harbormaster's office, Oyster Point Marina/Park Harbormaster's Office, and the District's Administrative Office; and
- (c) On 6:30 p.m., June 17, 2015 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco, California the Board would hold a public hearing for the purpose of fixing the Final Integrated Operating and Capital Budget for Fiscal Year 2015-16, and

Whereas, A public hearing was held as set forth above in accordance with Section 6093.2 of the Harbors and Navigation Code, at which time the Board heard from any taxpayer that chose to appear and be heard; and

Whereas, It is in the best interest of the taxpayers of the District that the Final Integrated Operating and Capital Budget for Fiscal Year 2015-16 be adopted in the format set forth in Exhibit A, attached hereto, and by reference incorporated herein.

Now, Therefore, Be It Resolved that the Board hereby fixes and adopts a Final Integrated Operating and Capital Budget for Fiscal Year 2015-16 in the amount of \$9,639,060.00 as set forth in Exhibit A, attached hereto and by reference incorporated herein; and

Be It Further Resolved, that the Board shall report the Final Integrated Budget to the Board of Supervisors of the County of San Mateo in accordance with Section 6093.3 of the Harbors and Navigation Code of the State of California.

Approved this 17th day of June, 2015 at the regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:


For: Bernardo, Brennan, David, Mattusch, Parravano

Against: None

Absent: None

Abstention: None

Attested


Debbie Nixon
Deputy Secretary

BOARD OF HARBOR COMMISSIONERS


Tom Mattusch
President

RESOLUTION 21-15

A RESOLUTION ADOPTING THE FINAL 2015-16 INTEGRATED OPERATING AND CAPITAL BUDGET

JUNE 17, 2015