



TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: February 8, 2023

SUBJECT: Approval of Contract Amendment – Central Electric Company (Electrical Service Upgrade Project at 333 Lake Avenue)

Recommendation: *Authorize the Port Director to execute a contract change order with Central Electric Company in the amount of \$2,199, increasing the not to exceed contract amount from \$58,300 to \$60,499.*

BACKGROUND

In June 2022, the Port Commission approved a contract with Central Electric Company for electrical service upgrades to the property located at 333 Lake Avenue in an amount not to exceed \$58,300.

The electrical upgrades project was anticipated to commence in Fall 2022, but due to supply chain issues and parts availability, progress stalled. The project is now anticipated to commence later this month, however, a new prevailing wage rate took effect January 1, 2023, and a contract amendment is needed to account for the increased labor rates.

ANALYSIS

The existing contract with Central Electric Company includes 262.92 man hours. Applying the adjusted prevailing wage rate to this total equates to an additional funding need of \$2,199.

The contract currently has a 5% contingency in the amount of \$2,776, however, staff recommends maintaining the contingency in the event additional funds are needed once the project starts.

IMPACT ON PORT DISTRICT RESOURCES

Adequate funding is available in the Buildings Restoration fund balance (F011) to cover this marginal increase.



TO: Port Commission
FROM: Holland MacLaurie, Port Director
DATE: February 10, 2023
SUBJECT: Review of Draft FY24 Budget and 5-Year Capital Improvement Program

- Recommendation:** *Discuss the proposed FY24 draft budget and capital improvement projects, and:*
- 1. Review and approve contributions to the Reserve Fund, Capital Improvement Fund and Dredge Intermediate Fund; and,*
 - 2. Provide direction to staff on proposed projects to include in the FY24 Capital Improvement Program (CIP); and*
 - 3. Provide direction to staff on any other fee increase(s), and other revisions to incorporate into the final budget for presentation on February 23, 2023.*

BACKGROUND

The FY24 draft budget report (Attachment B) is presented concurrently with the proposed 5-Year Capital Improvement Plan (CIP). The CIP is incorporated into the draft budget document. The draft budget provides detailed worksheets depicting the operating budget and debt service, a recommended funding level for dredge equipment / projects (Dredge Intermediate Fund), and recommended capital projects and capital outlay.

Each year, staff presents a balanced budget, giving the Commission the ability to deliberate reserve funding, projects, capital outlay and consider fee increases and the projected debt service ratio. The draft FY24 budget exceeds the required debt service ratio of 1.25%.

The FY24 draft budget anticipates continued strength in slip rent revenue, visitor services such as launch and visitor berthing, and boatyard revenue. Visitor berthing revenue has outperformed expected revenues over several budget cycles and launch revenue has continued to exceed budget expectations since FY19. Additionally, concession income continues to climb steadily back to pre-pandemic levels.

ANALYSIS

Reserve Policy

The Port District's Reserve Policy identifies the target amount to be held in reserve as 25% of the District's annual operating expenses in the current fiscal year's adopted budget. In FY19, the Port District first met its reserve funding goal of 25% of annual operating expenses.

In October 2022, the Port Commission approved resolution 22-28, authorizing a one-time expenditure from the Reserve Fund in the amount of \$825,000 for the 2222 East Cliff Drive Deck Replacement Project. At that time, the Commission determined that concession income derived from 2222 East Cliff Drive, Suites 200, 204, 208, 212, 216, and 220 would reimburse the Reserve Fund in an amount not less than \$117,857 per annum for 7 years, beginning in Fiscal Year 24.

The draft FY24 budget includes a proposed contribution in the amount of \$310,651, which is comprised of the annual \$117,857 reimbursement, and an additional contribution of \$192,794 to keep pace with budgeted expenses. With these contributions, the Reserve Fund balance increases to approximately \$1,596,295.

Capital Improvement Program (CIP)

The annual funding goal for the Capital Improvement Program was initially set at \$500,000, and in February 2020, was increased to \$750,000, if practicable. The draft budget proposes a lower contribution in FY24 totaling \$350,000.

While the annual funding goal remains at \$750,000, several FY24 budget impacts, including increased personnel services costs and increased insurance premiums (premiums are anticipated to rise 114% or \$602,934 over the FY23 budget), pose a significant challenge to reaching even the initial \$500,000 funding level.

As a result, the draft FY24 budget proposes new funding in the amount of \$350,000, and assignment of \$920,000 in existing Unallocated CIP Funds to support identified projects¹. If additional proceeds are identified through the budget review process, the Commission may wish to restore funds to the Unallocated CIP Fund or include additional funding for critical infrastructure repair, like piling replacement.

The draft FY24 budget proposes to reallocate CIP project funding as follows:

- January 22 Tsunami Fund (F044) – \$35,473 to Twin Lakes Haul (F047)
- Pier Rehabilitation (F009) – \$85,000 to Piling Replacement (F005)

One new project is proposed for funding in FY24:

- Twin Lakes Haul (F047) - \$175,000 contribution + \$35,473 reallocation (as stated above)

¹ The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.

Dredging Equipment – Dredge Intermediate Fund

A proposed contribution of \$143,000 to the DIF supplements funding projected to remain at the end of FY23, bringing the total balance to approximately \$289,665. Planned maintenance and replacements for FY24 are listed in the draft budget report under “Dredge Intermediate Fund.”

There are currently no unfunded DIF items in the FY24 draft budget.

Staffing

Employee bargaining groups (Harbor Management Group, Harbor Employees’ Association, and Operating Engineers Local No. 3) entered into new labor contracts for the period January 1, 2022, through December 31, 2024. These new contracts establish salary costs for the term of the agreements and any increases have been factored into the FY24 draft budget.

The FY24 budget does not propose any changes to the current employee count, which is established at 29 full-time equivalent (FTE) employees.

Overall, Personnel Services costs in FY24 are approximately 6.5% over FY23, which is attributable to negotiated contract increases and CalPERS-related pension costs.

Additional information regarding personnel costs is outlined in the FY24 draft budget.

Capital Outlay

Three capital outlay items are funded in the FY24 budget:

FY24 Budget Program	Item	Amount
Buildings	Replacement Truck	\$45,000
Harbor Patrol	Body Worn Cameras	\$17,000
Harbor Patrol	Firearms and Safety Equipment	\$7,500
Total Capital Outlay		\$69,000

Debt Service Coverage Ratio Projections

The District’s agreements with BBVA Compass Bank (now PNC Bank) include covenants to maintain adequate coverage for debt service for the life of the loans. These Debt Service Coverage Ratio (“DSCR”) covenants provide that the District will prescribe and collect fees and charges for services at least equal to 125% of the debt service after operating and maintenance expenses for the fiscal year.

A debt service coverage projection for audited FY21 and FY22, FY23 (projected), and the draft FY24 budget is included in the draft budget. The DSCR, which does not factor in any anticipated increase to slip rent in FY24, meets the 125% requirement.

Revenue and Fees

The 2022 Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward area is 4.9%. The 10-year average CPI rate is 3%. The Port District's 10-year average rate increase over the same period is 2%. See Attachment A.

The draft budget is presented as a balanced budget. No increase has been applied to marina fees in the draft budget. As noted under "Debt Service Coverage Ratio Projections" above, the DSCR meets the 125% threshold, but any significant reduction in revenue or increase in expenditures may negatively impact the projected DSCR.

SUMMARY

Staff is seeking direction from the Commission as outlined in the recommendation. Key discussion topics include:

- Does the Commission wish to include an increase to marina fees in the draft budget? If yes, what level of increase should be presented? (A 1% slip rent increase generates approximately \$50,000 in additional revenue, excluding dry storage.)
- Capital Improvement Plan projects and funding sources, including Dredge Intermediate Fund
- Reserve fund contribution

The draft FY24 budget will be amended as needed to incorporate direction received from the Commission. The FY24 budget will be presented at a special public session on Thursday, February 23, 2023, for review and approval.

ATTACHMENTS – A. Historic Slip Fee Increases
B. Draft Budget and Proposed 5-Year Capital Improvement Plan

**Santa Cruz Port District
Historic Annual Slip Rent Increases
FY14 – FY23**

Year	Slip Rent Increase (South Harbor)	Slip Rent Increase (North Harbor)	CPI (Calendar Year)¹	CPI Rate
FY 14	2.5%	2.5%	2012	2.68%
FY 15	2.6%	2.6%	2013	2.58%
FY 16	2.7%	2.7%	2014	2.7%
FY 17	0%	0%	2015	3.2%
FY18	2%	2%	2016	3.53%
FY19	2%	2%	2017	2.9%
FY20	2.5%	2.5%	2018	4.5%
FY21	2.5%	2.5%	2019	2.45%
FY22	0%	0%	2020	2%
FY23	3.2%	3.2%	2021	4.2%
10-YR AVERAGE	2.0%	2.0%		3.07%

¹ Budget prep / analysis occurs at the end of the calendar year preceding the start of the next fiscal year.



SANTA CRUZ PORT DISTRICT

DRAFT OPERATING BUDGET

FISCAL YEAR 2024

APRIL 1, 2023 - MARCH 31, 2024

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PORT DIRECTOR'S BUDGET MESSAGE

Honorable Chairman and Members of the Port Commission:

The Port District's annual budget is a key planning tool which helps demonstrate to the public and harbor constituents the District's strategic direction, sources of funding and types of planned expenditures. I am pleased to transmit to you the proposed budget for the Santa Cruz Port District for the fiscal year beginning April 1, 2023, and ending March 31, 2024.

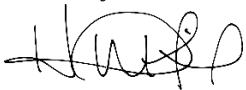
The Port District's finances have historically been managed and reported in accordance with Generally Accepted Accounting Principles (GAAP), and with applicable statements published by the Government Accounting Standards Board (GASB). The Port District does not have a specific written policy governing budget development or administration, but operates with a balanced budget where operating revenues are equal to or exceed operating expenditures.

Development of the FY24 budget was guided by the Port District's mission statement and the Port Commission's adopted priorities for 2023. Priorities include building long-term financial sustainability, addressing key infrastructure needs, and strengthening community outreach – all while carefully monitoring District revenues and expenses.

While the District has exhibited continued growth over the last decade, the harbor's success remains largely dependent on weather, ocean conditions, the health of the fishery, and other economic factors.

Recognition is given to all staff members and managers who have assisted in the development of this year's budget. Please be assured that extreme care and effort will be devoted to the effective administration of the FY24 budget to sustain success well into the future.

Sincerely,



Holland MacLaurie
Port Director

POLICY STATEMENTS

RESERVE POLICY

The Port District's Reserve Policy, adopted in FY16 (included in Attachment C), states the Port Commission's intent to preserve capital to finance three months of operations, and to fund future capital improvements at a minimum level to ensure the sustainability of harbor infrastructure. The reserve funding goal was first achieved in the FY19 budget and since policy adoption, annual contributions have been budgeted at the level needed to meet the reserve funding goal. The only exception has been the FY21 budget when a programmed reserve fund contribution was suspended in response to anticipated revenue reductions due to the novel Coronavirus ("COVID-19") pandemic.

In FY23, the Port Commission approved resolution 22-28, authorizing a one-time expenditure from the Reserve Fund in the amount of \$825,000 for the 2222 East Cliff Drive Deck Replacement Project. To restore the reserve fund to the desired funding level, the Commission determined that concession income derived from 2222 East Cliff Drive, Suites 200, 204, 208, 212, 216, and 220 will reimburse the Reserve Fund in an amount not less than \$117,857 per annum for 7 years, beginning in Fiscal Year 24.

The Port Commission's annual funding goal for future capital improvements was initially set at \$500,000 annually. The Commission has expressed a desire to increase the annual Capital Improvement Program ("CIP") funding goal from \$500,000 to \$750,000 annually, if practicable.

INVESTMENT POLICY

In FY19, the Port Commission adopted an investment policy (included as Attachment C), which provides direction to the Port Director on the prudent and beneficial investment of District funds in accordance with laws governing the investment of local agency funds.

UNFUNDED ACCRUED LIABILITY PENSION MANAGEMENT POLICY

The Port District's Unfunded Accrued Liability Pension Management Policy, adopted in FY23 (included in Attachment C) is intended to strategically address the existing and any future unfunded accrued liability (UAL) associated with the Port District's California Public Employees' Retirement System (CalPERS) pension plans. In accordance with guidance set forth in the policy, the Port District will pre-pay the entire UAL payment in the amount of approximately \$384,316 by July 31, 2023, and include an additional discretionary payment in the amount of \$21,642.

POLICY STATEMENTS (CONT.)

The Port District finances have historically been managed and reported in accordance with Generally Accepted Accounting Principles (GAAP), and with applicable statements published by the Government Accounting Standards Board (GASB). The Port District does not have specific written policies governing how the budget was to be created or administered. Budget administration and planning incorporates the following assumptions and practices first adopted in FY13:

1. **Balanced Budget**

The Port District operates with a balanced budget where operating revenues are equal to or exceed operating expenditures. Imbalances to the budget that result from increased expenses, decreased revenues, or a combination of the two, will require a budget revision.

2. **Fixed Assets**

Fixed (or capital) assets are tangible items individually valued at \$5,000 or more. Examples of fixed assets would be vehicles, equipment, boats, etc. For accounting purposes, fixed assets with an estimated useful life of at least two years after acquisitions are capitalized.

3. **Capital Improvements**

Capital improvements are physical assets, constructed or installed, with a useful life of ten years or longer and a cost of \$25,000 or more. Services that ultimately result in such physical assets are also budgeted as capital improvements (e.g., engineering design, architectural services, etc.).

4. **Depreciation**

Depreciation is reported annually as an operating expense (approximately \$1.7 million projected in FY22). The full amount of annual depreciation has not been included in the operating budget.

5. **Appropriations**

Appropriation balances may be transferred from one expenditure account to another within the operating budget without Port Commission approval. Capital improvement budgets are not considered to be part of any transferable appropriation balance. Any increase in total appropriations must be approved by the Port Commission.

6. **Reserves**

Reserve funds are not available for use to offset any expenditures that exceed total appropriations. Reserves may only be used as approved by the Port Commission.

7. **Use of Restricted/Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted net assets are applied first.

8. **Staffing Levels**

The total number of full-time equivalent (FTE) employees shall be approved by the Port Commission.

BUDGET USER GUIDE

General Fund (i.e., operating) revenues and expenses are presented in the Financial Summaries. FY22 Actual, FY23 Budget and Projected Actual, and FY24 Proposed Budget figures are presented for comparison. Terms used in the Financial Summaries and in the program budgets that follow are defined below.

Capital Outlay

Expenses associated with acquiring capital (or "fixed") asset items individually valued at \$5,000 or more. Examples of fixed assets would be vehicles, equipment, boats, etc.

Charges for Services

Revenues received as reimbursement to the Port District for the use of staff, equipment or other resources beyond the services included with other user fees or rents. Examples may include standby of marine rescue personnel for aquatics competitions, emergency response services and after-hours call back for fuel sales.

Debt Service

Principal and interest payments on loans.

Fines

Fines (or "bail amounts") for parking or other citations paid directly to the Port District.

Fuel Sales

Receipts at the fuel pump.

Intergovernmental Revenues

Funds received by the Port District from another government agency. Examples include dredging expenditure reimbursement received from the U.S. Army Corps of Engineers (USACE), contributions from the County of Santa Cruz for marine rescue services, and grants from state, federal or local government sources.

Other/Miscellaneous

Revenues shown as Other/Miscellaneous include sales of key fobs, merchandise, proceeds from lien sales or disposal of surplus items, etc.

Personnel Services

All costs associated with Port District staff compensation for regular and temporary employees, including payroll taxes, workers' compensation, unemployment insurance, pension, and employee benefits.

Rents

Rents encompass payments received by the Port District from its land-based tenants. Revenues are classified as either base rent, percentage rents or utility chargebacks as applicable.

Services and Supplies

Costs for all services provided to the Port District by contract or work order, utilities, insurance premiums, purchase of items not classified as fixed assets or "capital outlay," etc.

Transfers In/Out

Transfers between Port District funds (e.g. allocations to the Dredge Intermediate Fund may involve a transfer from the General Fund, or any combination of those and other funds).

User Fees

Fees established by the Port Commission for various uses of Port District facilities including boat slips, dry storage, RV, and general parking.

FY24 BUDGET SUMMARY

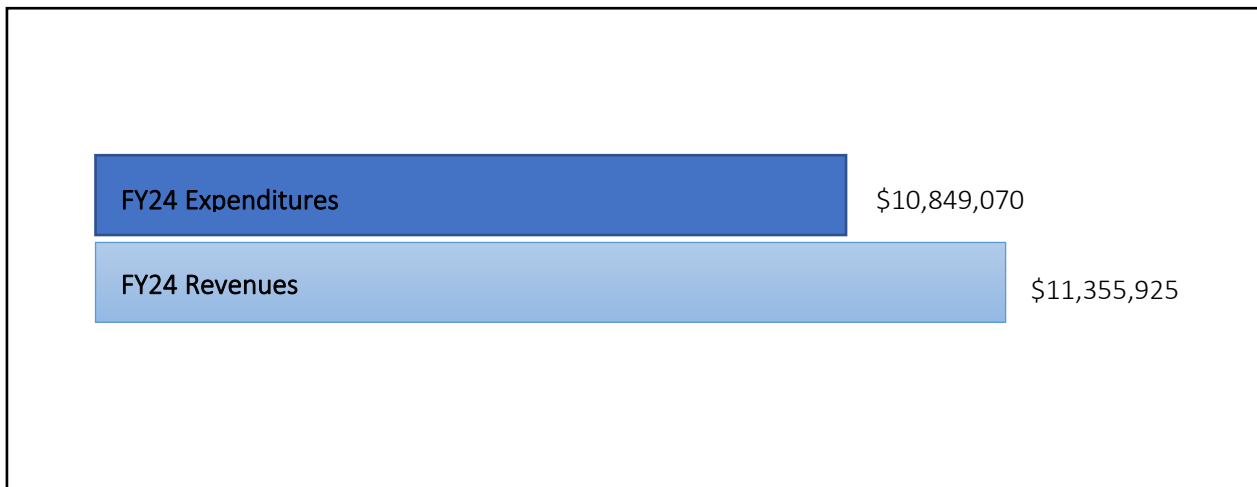
The draft FY24 budget is presented as a balanced budget with no increase to marina fees. As a balanced budget, operating revenues are equal to or exceed operating expenditures. A summary of the FY24 General Fund budget is presented below:

FY24 REVENUES BY CATEGORY

USER FEES	\$7,101,275
RENTS	\$2,189,400
CHARGES FOR SERVICE	\$32,000
FINES	\$98,000
FUEL SALES	\$810,000
BOATYARD	\$356,250
INTERGOVERNMENTAL	\$575,000
GRANTS	\$24,000
OTHER / MISCELLANEOUS	\$170,000
TOTAL:	\$11,355,925

FY24 EXPENDITURES BY CATEGORY

PERSONNEL SERVICES	\$4,689,646
SERVICES & SUPPLIES	\$4,724,106
CAPITAL OUTLAY	\$69,500
DEBT SERVICE	\$1,365,818
OTHER LIABILITIES	\$0
TOTAL:	\$10,849,070



GENERAL FUND REVENUE BUDGET

The table below shows the distribution of estimated General Fund revenues for FY24, which total \$11,355,925. This represents an increase of approximately 9.6% over FY23 budgeted revenues.

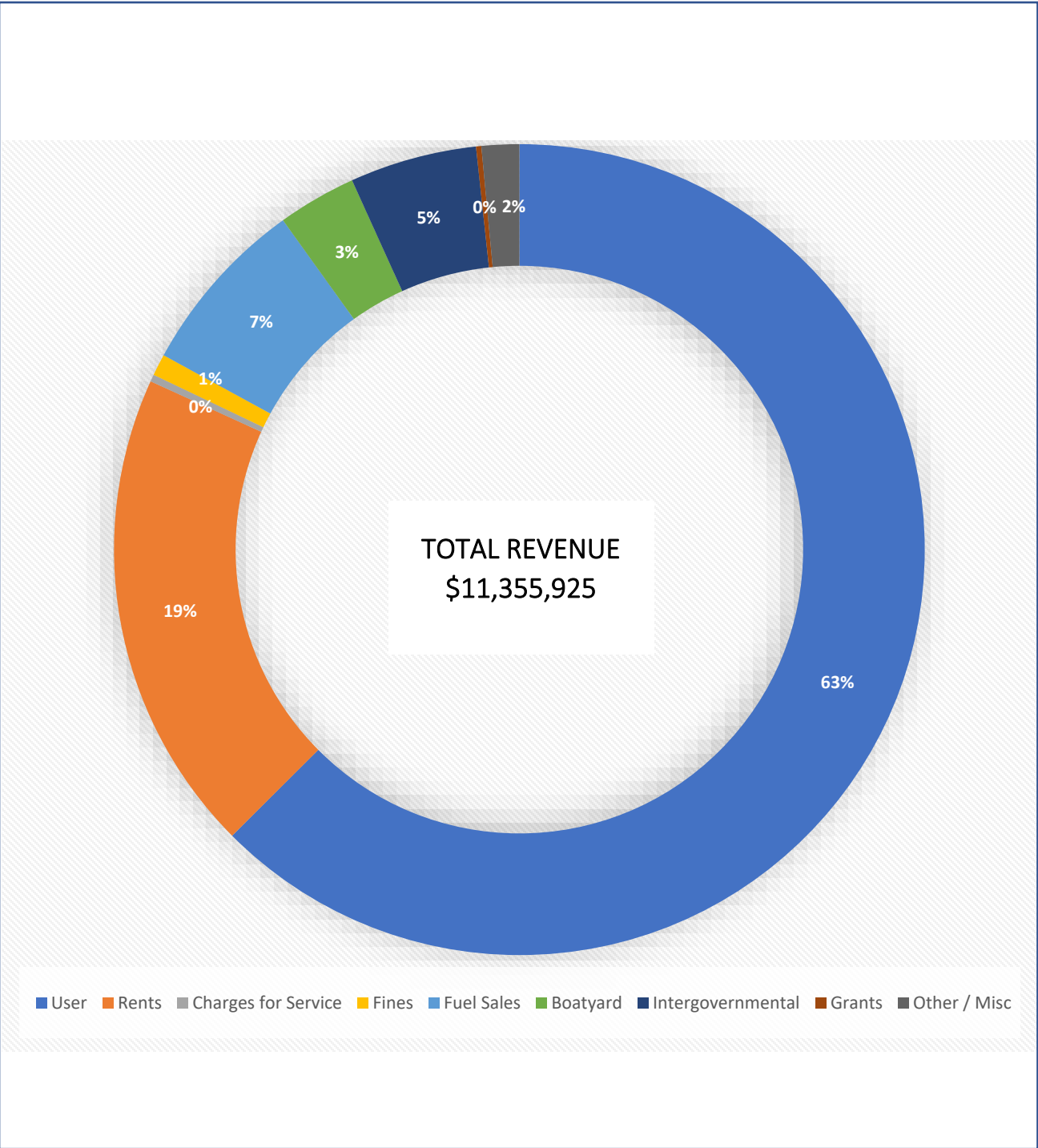
	FY23 BUDGET	FY23 PROJECTION	FY24 BUDGET
User Fees	\$7,007,525	\$7,324,061	\$7,101,275
Rents	2,020,000	2,276,589	2,189,400
Charges for Service	32,010	28,253	32,000
Fines	93,000	120,171	98,000
Fuel Sales	690,000	1,020,592	810,000
Boatyard	329,000	439,284	356,250
Intergovernmental	50,000	575,000	575,000
Grants	42,000	33,472	24,000
Other / Misc.	100,000	256,288	170,000
TOTAL:	\$10,363,535	\$12,073,710	\$11,355,925

FISCAL YEAR REVENUE HIGHLIGHTS

- Projected revenue for FY23 is anticipated to exceed budgeted figures by approximately 16.5% due to the following:
 - Receipt of \$525,000 from the U.S. Army Corps of Engineers for dredging reimbursement.
 - Increased interest earnings of approximately \$83,000.
 - Increased fuel sales of approximately \$328,000 (corresponding increase to fuel expenses).
 - Assessment of uninsured vessel fee (generated approximately \$30,000 in misc. income).
 - User fees such as visitor berthing, launch, and parking continue to outpace budget.
 - Concession income continues to outpace budget.
 - Boatyard operations continue to outpace budget.
- FY24 budget includes \$525,000 in reimbursement from the U.S. Army Corps of Engineers.¹
- FY24 budget anticipates \$20,000 less in Division of Boating and Waterways’ SAVE grant funding.
- FY24 budget anticipates continued strength in slip rent revenue, visitor services (such as visitor berthing, launch, and parking), boatyard revenue, and concession income.

¹ Since FY18, reimbursement from the USACE has not been included in annual budgets due to uncertainties in funding. The FY24 budget does not continue this former practice, and includes \$525,000 in Intergovernmental revenues. This change is being made because for the first time, the Port District’s \$525,000 reimbursement for operation and maintenance of the federal entrance channel was included in the FY23 final omnibus appropriations package (Energy & Water Appropriations), which was signed by the President on December 29, 2022. Inclusion in the President’s budget significantly reduces uncertainties regarding funding availability.

FY24 OPERATING REVENUES BY CATEGORY



GENERAL FUND EXPENDITURE BUDGET

The table below shows the distribution of estimated General Fund expenditures for FY24, which total \$10,849,070. This represents an increase of approximately 11% over FY23 budgeted revenues.

	FY23 BUDGET	FY23 PROJECTION	FY24 BUDGET
Personnel Services	\$4,401,490	\$4,155,218	\$4,689,646
Services & Supplies	4,041,086	4,672,713	4,724,106
Capital Outlay	4,000	3,850	69,500
Debt Service Payments	1,329,240	1,319,377	1,365,818
Other Liabilities	0	0	0
TOTAL:	\$9,775,816	\$10,151,158	\$10,849,070

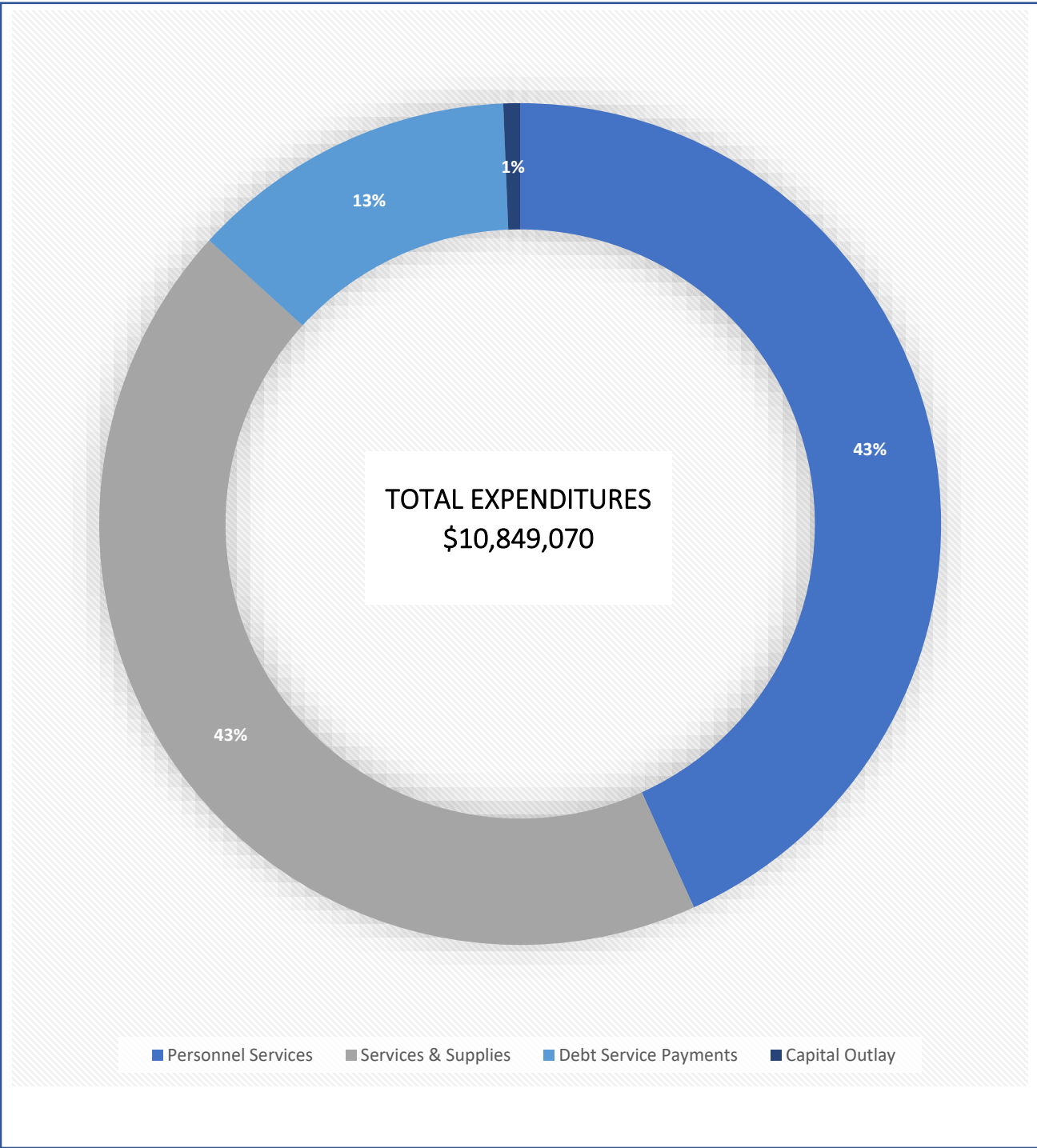
FISCAL YEAR REVENUE HIGHLIGHTS

- Projected salary and benefit costs (Personnel Services) for FY23 will be less than budget by approximately 5.6% due to annual premium savings for workers’ compensation coverage, and an extended vacancy in the Administrative Services department (1 Administrative Services Manager).
- Personnel Services costs are anticipated to increase in FY24 by approximately 6.5% due to negotiated contract increases, workers’ comp premium increases, and CalPERS-related pension costs.
- Projected employer pension expenses in FY24 will total approximately \$673,550, which represents 14% of the anticipated Personnel Services expenditures.
 - Of that pension expense total, \$21,642 is allocated for an additional discretionary payment to CalPERS to assist in proactively reducing the District’s unfunded accrued liability (UAL).
- FY24 Services and Supplies costs are proposed at a level that is approximately 17% higher than FY23. This significant increase is primarily related to escalating insurance premium costs².
- FY24 Capital Outlay costs include:
 - \$45,000 – New / Used Truck (Maintenance)
 - \$17,000 – Body Worn Cameras (Harbor Patrol)
 - \$7,500 – Firearms and Equipment (Harbor Patrol)
- In FY24, there are no identified expenditures noted as “Other Liabilities.”

The expenditure summary in FY24 (and previous budget years) does not include transfers to the Dredge Intermediate Fund. Fund transfers are included in the budget as Non-Operating Expenditures. In FY24, the budgeted fund transfer to the Dredge Intermediate Fund is \$143,000.

² Insurance premium costs for FY24 are estimated to increase to \$1,129,765. This represents an approximate 50% increase over actual FY23 costs, and approximately 114% increase over FY23 budgeted costs (\$602,984).

FY24 OPERATING EXPENDITURES BY CATEGORY



EXPENDITURES BY DEPARTMENT AND PROGRAM

Department and Program	FY 22 Actual	FY 23 Budget	FY 23 Projected	FY 24 Budget
100 Administrative Services Department				
110 Administration	\$ 851,750	\$ 826,625	\$ 754,329	\$ 889,563
120 Finance & Purchasing	183,585	227,216	193,473	239,618
130 Property Management	669,572	555,579	700,053	842,315
140 Environmental & Permitting	95,646	192,405	169,068	189,158
190 Port Commission Support	107,747	78,145	65,990	78,653
Department Total	\$ 1,908,300	\$ 1,879,970	\$ 1,882,913	\$ 2,239,308
200 Operations Department				
210 Harbor Patrol	\$ 712,258	\$ 807,951	\$ 791,242	\$ 863,451
220 Marina Management	495,234	563,149	548,964	611,835
230 Rescue Services	104,969	125,105	113,541	144,756
240 Parking	352,770	373,217	405,159	384,271
250 Events	13,111	34,399	25,670	33,179
280 Fuel Services	740,951	493,291	872,878	516,338
500 Boatyard	326,084	361,913	358,203	408,535
Department Total	\$ 2,745,377	\$ 2,759,025	\$ 3,115,656	\$ 2,962,365
300 Facilities Maint. & Engineering				
310 Docks, Piers & Marine Structures	\$ 320,346	\$ 340,916	\$ 510,122	\$ 679,068
320 Utilities Maintenance	97,358	104,396	103,090	109,072
330 Building Maintenance	321,330	410,949	395,717	465,185
340 Grounds Maintenance	790,111	838,072	905,822	865,519
350 Aeration Program	49,912	57,385	40,513	59,229
360 Fishery Support	8,587	16,027	14,004	17,024
390 Capital Projects	410,707	466,799	397,891	363,503
400 Dredging Operations	1,324,629	1,569,037	1,462,202	1,653,480
Department Total	\$ 3,322,981	\$ 3,803,581	\$ 3,829,362	\$ 4,212,080
Total Operating Budget	\$ 7,976,658	\$ 8,442,576	\$ 8,827,931	\$ 9,413,753

Note: Interest expense for debt service is included in Program 390-Capital Projects above.

DEBT SERVICE

The tables below detail the repayment of revenue bond issues and other long-term financing utilized by the Port District. FY24 debt service payments (including principal and interest) total \$1,721,135, which is approximately 3.7% lower than FY23 budgeted figures, due to a decrease in interest expense.

LONG TERM DEBT BALANCES						
	Maturity Date	Interest Rate	Balance 3/31/22	Principle Reductions	Balance 3/31/2023	Current Portion
2013A Bonds	2/1/2030	3.090%	\$7,774,104	\$869,768	\$6,904,336	\$896,853
2013B Bonds (Taxable)	11/1/2026	4.740%	845,512	234,713	610,799	249,833
2018A Rev. Obligation	8/1/2033	3.500%	1,412,420	101,694	1,310,726	105,285
2018B Rev. Obligation	8/1/2033	3.500%	1,291,354	92,978	1,198,376	96,261
497 Lake Avenue	12/1/2041	4.000%	945,880	16,898	928,982	17,586
Total Long-Term Debt			\$ 12,269,270	\$ 1,316,051	\$ 10,953,219	\$ 1,365,818

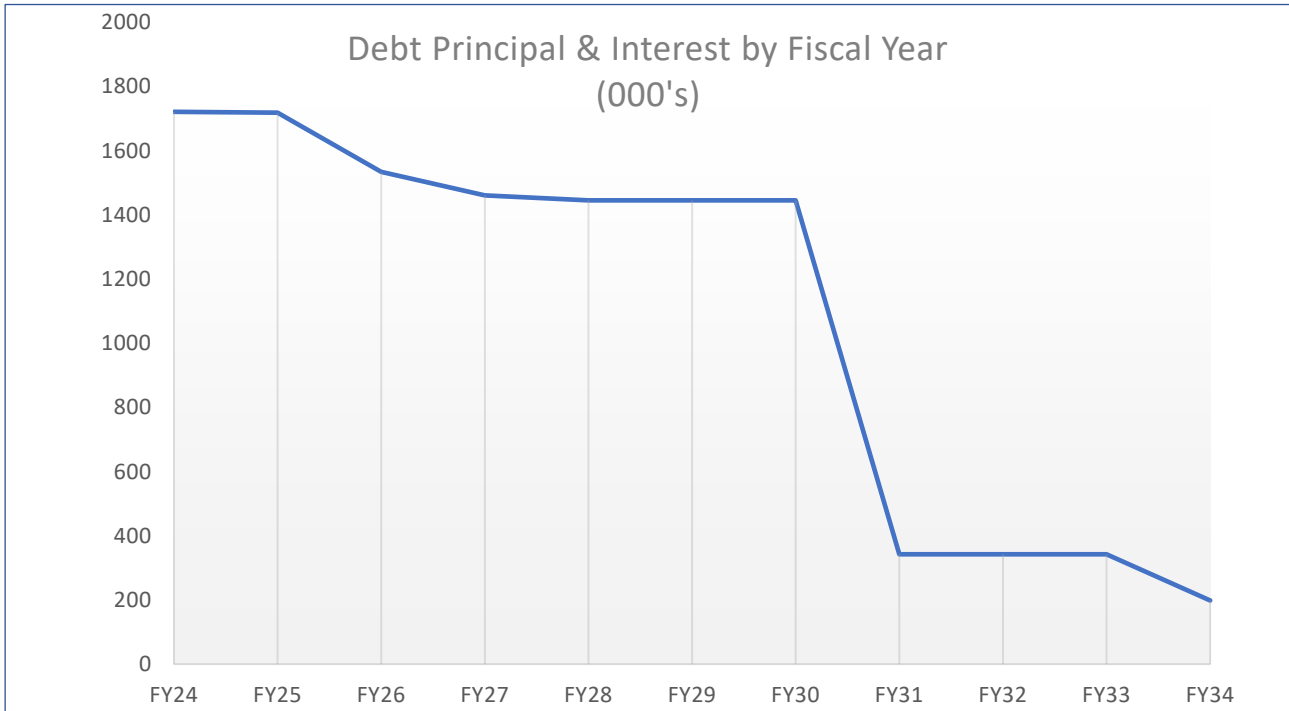
PROJECTED DEBT SERVICE PAYMENTS FOR THE 5 YEARS FY24-FY28 (PRINCIPAL & INTEREST)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
2013A Bonds	\$1,103,269	\$1,103,269	\$1,103,269	\$1,103,269	\$1,103,269
2013B Bonds (Taxable)	275,824	273,187	88,611	15,288	0
2018A Rev. Obligation	150,247	150,248	150,247	150,247	150,248
2018B Rev. Obligation	137,369	137,369	137,368	137,369	137,369
497 Lake Avenue	54,425	54,425	54,425	54,425	54,425
Total Annual Debt Service	\$ 1,721,135	\$ 1,718,498	\$ 1,533,921	\$ 1,460,599	\$ 1,445,311

PURPOSE OF EXISTING DEBT:

- 2013A Bonds:** Structured to finance (i) the Refunding of Prior Tax-Exempt Obligations, (ii) the cost of a new dredge, (iii) a surety bond for a debt service reserve fund (the "Reserve Fund"), and (iv) all related costs of issuance.
- 2013B Bonds:** Structured to finance (i) the Refunding of the Prior Taxable Obligations, (ii) the outstanding balance of the District's OE3 pension obligation, and (iii) all related costs of issuance.
- 2018A Rev. Obligation:** Structured to finance (i) the Santa Cruz Harbor Pile Replacement Project
- 2018B Rev. Obligation:** Structured to finance (i) the Santa Cruz Harbor Seawall Replacement Project
- 497 Lake Avenue** Structured to finance (i) the purchase of a commercial property carrying a professional administrative zoning status located at 497 Lake Avenue, Santa Cruz, CA.

DEBT SERVICE (CONT.)

The table below illustrates the District’s principal and interest payments for the period FY24 to FY34. The Port District will achieve significant cost savings in FY31, assuming no additional borrowing occurs.



The Port District is required to maintain adequate coverage for debt service for the life of its Series 2013 and Series 2018 loans. Debt Service Ratio (DSR) covenants required the District to prescribe and collect fees and charges for services at least equal to 125% of its debt service after operating and maintenance expenses for the fiscal year. Debt Service Coverage Ratios (DSRs) for FY21 and FY22 (audited), FY23 (budgeted), FY23 (projected) and FY24 (draft budget) are presented below and provided in more detail in Attachment A:

DEBT SERVICE COVERAGE PROJECTION

	FY21 <i>(Audited)</i>	FY22 <i>(Audited)</i>	FY23 <i>(Budget)</i>	FY23 <i>(Projected)</i>	FY24 <i>(Draft Budget)</i>
Debt Service Coverage Ratio	1.98X	2.74X	1.33X	2.12X	1.36X
Required Ratio	1.25X	1.25X	1.25X	1.25X	1.25X

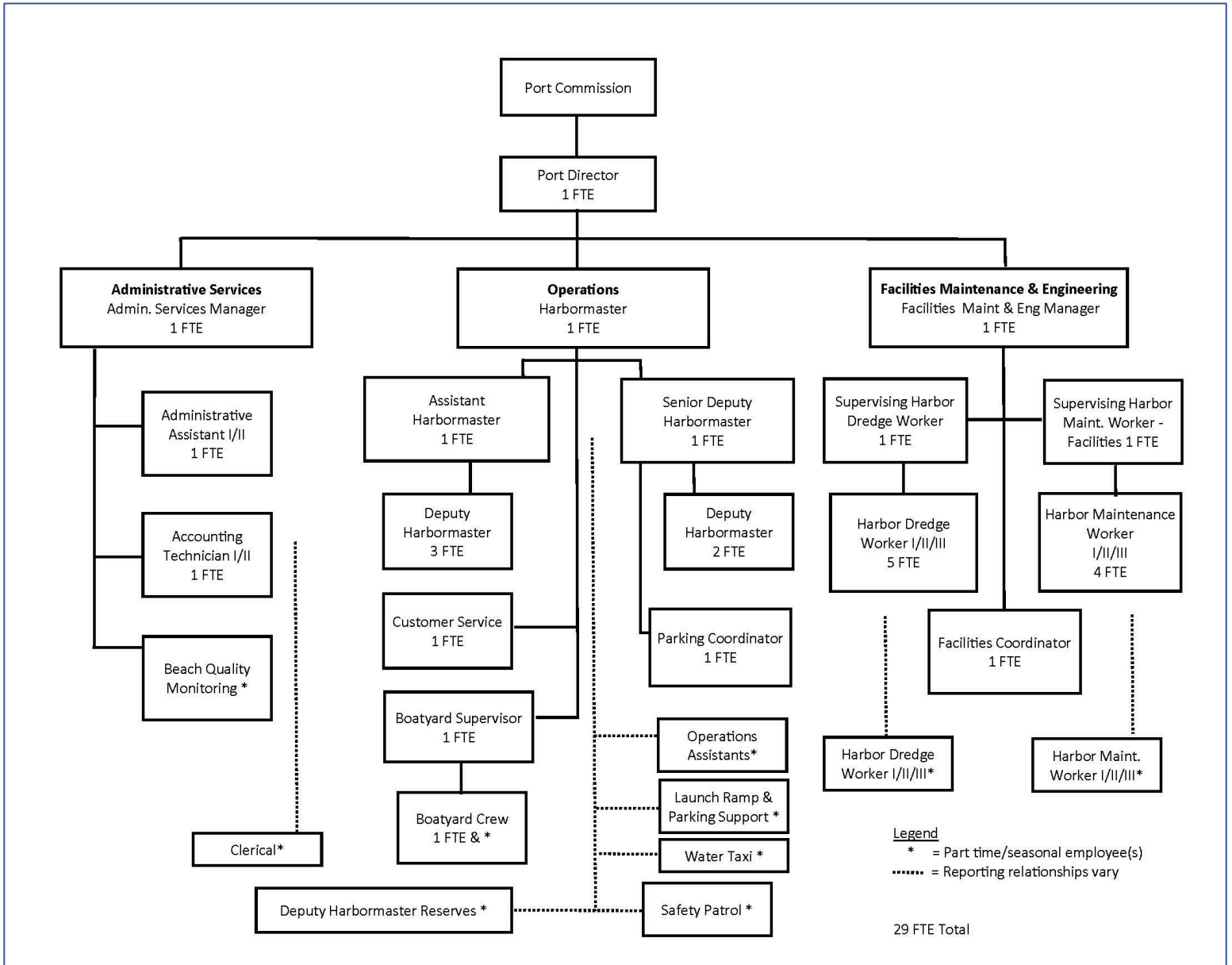
FUND BALANCE PROJECTIONS

Listed below are descriptions of the Port District's major funds and projected balances as of March 31, 2023.

General Fund	The General Fund is the primary operating fund of the Port District. This fund is used to account for all financial transactions and resources, except those required or requested in another fund. The projected General Fund balance as of March 31, 2023, is estimated to total \$26,058,494.
Dredge Intermediate Fund	The Dredge Intermediate Fund is the primary funding source for identified priorities and equipment replacement / repair needs for the dredge operation. The projected Dredge Intermediate Fund balance as of March 31, 2023, is estimated to total \$146,665.
Reserve Fund	The Reserve Fund accounts for resources restricted to expenditures for specified purposes (i.e., unforeseen emergencies or extraordinary circumstances). The Port District strives to hold in reserve an amount equal to 25% of the District's annual operating expenses. The projected Reserve Fund balance as of March 31, 2023, is estimated to total 1,285,644 (\$825,000 draw on reserves was utilized in FY23).
Capital Improvement Fund	The Capital Improvement Fund accounts for all financial resources used for the acquisition or construction of major capital improvement projects. The projected Capital Improvement Fund balance as of March 31, 2023, is estimated to total \$2,359,053.
Election Fund	The Election Fund is the primary funding source for biennial Port Commission election expenses. The projected Election Fund balance as of March 31, 2023, is estimated to total \$100,000. This fund typically carries a balance of \$200,000, which will be reduced to \$150,000 in FY24 (and beyond) due to election expense savings associated with the transition from at-large to district based elections.
PNC Reserve Fund	The PNC Reserve Fund accounts for restricted funds held as a condition of the District's debt refunding efforts completed in FY14. The projected PNC Reserve Fund balance as of March 31, 2023, is estimated to total 1,017,738.

PERSONNEL PROFILE

The Port District’s organization chart for FY24 is presented below. Positions shown with an associated FTE (full-time equivalent) number are regular, permanent positions assigned to each department. Positions shown with an asterisk and no FTE number are part-time temporary and/or seasonal workers.



FTE EMPLOYEE COUNTY BY FISCAL YEAR

FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
27	27	29	29	29	28	29	29

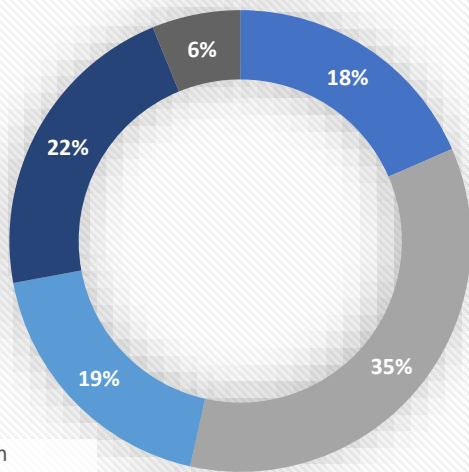
PERSONNEL PROFILE (CONT.)

The table below shows year-over-year salary and benefit cost comparisons for all employees (regular FTE and temporary/seasonal). Overall, Personnel Services costs in FY24 are approximately 6.5% higher than FY23. This increase is primarily due to negotiated contract increases, workers’ compensation premium increases, and CalPERS-related pension costs.

SALARIES & BENEFITS BUDGET

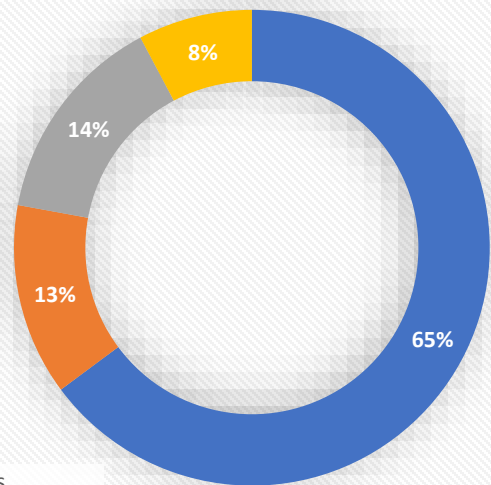
	FY23 BUDGET	FY23 PROJECTION	FY24 BUDGET
Administrative Services	\$810,870	\$697,837	\$866,468
Operations ³	1,549,956	1,483,315	1,642,102
Boatyard ⁴	267,938	224,556	290,281
Facilities Maint. & Eng.	808,289	821,240	872,172
Dredging ⁵	964,437	928,271	1,018,623
TOTAL:	\$4,401,490	\$4,155,218	\$4,689,646

FY24 SALARIES & BENEFITS BY DEPARTMENT



- Admin
- Operations
- Maintenance
- Dredge
- Boatyard

FY24 PERSONNEL COST BY CATEGORY



- Wages
- Health Benefits
- Pension
- Overhead

³ The Customer Services Representative position is budgeted in Administration, but labor has been allocated to the Operations Department (Marina Management).

⁴ The Boatyard is shown separately for additional clarity, but is overseen by the Operations Department.

⁵ The Dredging Operation is shown separately for additional clarity, but is overseen by Facilities Maintenance and Engineering.

DEPARTMENTS AND PROGRAMS

ADMINISTRATIVE SERVICES DEPARTMENT

The Administrative Services Department is comprised of the following programs:

- Administration
- Finance and Purchasing
- Property Management
- Environmental and Permitting
- Port Commission Support

The table below summarizes the distribution of expenditures by category and program for the Administrative Services Department. Individual program details are also provided.

EXPENDITURE SUMMARY

Expenditure by Category	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$638,722	\$810,870	\$697,837	\$866,468	6.8%
Services & Supplies	1,269,579	1,069,100	1,185,076	1,391,031	30.1%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$1,908,300	\$1,879,970	\$1,882,913	\$2,257,499	20%

Expenditure by Program	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Administration	\$851,750	\$826,625	\$754,329	\$891,514	7.8%
Finance & Purchasing	183,858	227,216	193,473	239,618	5.5%
Property Mgmt.	669,572	555,579	700,053	858,555	54.5%
Enviro & Permitting	95,646	192,405	169,068	189,158	-1.7%
Port Comm. Support	107,747	78,145	65,990	78,653	0.7%
Total Expenditures	\$1,908,300	\$1,879,970	\$1,882,913	\$2,257,499	20%

PROGRAM HIGHLIGHTS:

Projected salary and benefit costs (Personnel Services) for FY23 will be less than budget by approximately 14% due to an extended vacancy in the department (Administrative Services Manager position).

FY24 Services and Supplies within the Administrative Services Department are anticipated to increase 30.1% over the prior fiscal year. This significant increase is due to escalating insurance premium costs, of which approximately 36.5% of the total estimated premium is paid from the Property Management program.

Both regular and part-time/temporary wages in the Environmental and Permitting program have been marginally reduced in FY24, resulting in a 1.7% decrease in overall program expenditures.

ADMINISTRATION

Administration encompasses the daily oversight of all Port District operations and programs, long-term planning, budget preparation, human resources and benefits management, website maintenance, customer service, public outreach and promotional activities, coordination with local and regional governments and organizations, and various activities undertaken by the Port Director and Administrative Services staff.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$375,245	\$466,825	\$426,287	\$505,692	8.3%
Services & Supplies	476,505	359,800	328,042	385,822	7.2%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$851,750	\$826,625	\$754,329	\$891,514	7.8%

FINANCE & PURCHASING

Finance and purchasing activities include accounting for all Port District assets, revenues, and expenses, administering payroll using an outside payroll processing contractor, preparing budget monitoring and quarterly reports, contracting for services, preparing for, and participating in annual outside audits of Port District financial statements, performing tenant-related audits, and tracking grant-related expenditures and reimbursements. Finance and purchasing staff perform ongoing work to develop and refine purchasing procedures and financial reporting for transparency purposes.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$135,918	\$172,816	\$141,111	\$185,218	7.2%
Services & Supplies	47,667	54,400	52,362	54,400	0%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$183,585	\$227,216	\$193,473	\$239,618	5.5%

PROPERTY MANAGEMENT

Property management activities include serving as the primary contact for landside tenants, negotiating new and revised leases and easements, advertising space available for rent, monitoring rental payments and applying rent adjustments. Utilities, garbage service and sanitary district charges for the District's rental properties are included as expenses in this program. Revenues for utility, garbage and sanitary district charges paid by tenants through the Port District are included in Rents. Utility charges paid directly by the tenant to the service provider are not included in the operating budget.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$24,120	\$29,529	\$15,853	\$31,596	6.9%
Services & Supplies	645,452	526,050	684,199	826,959	57.2% ⁶
Capital Outlay	0	0	0	0	-
Total Expenditures	\$669,572	\$555,579	\$700,053	\$858,555	54.5%

⁶ Significant increase is attributed to escalating insurance premium costs.

ENVIRONMENTAL & PERMITTING

The environmental and permitting work includes managing the beach quality monitoring and hydrogen sulfide protocol during dredging activities, negotiating new permits and amendments with the Army Corps of Engineers, US Environmental Protection Agency, California Coastal Commission, Regional Water Quality Control Board, Monterey Bay National Marine Sanctuary, Monterey Bay Unified Air Pollution Control District and other agencies for dredging and disposal operations and permitting for other construction activities, stormwater management and environmental programs. Environmental and permitting oversees the harbor's Clean Marina Program.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$50,203	\$80,455	\$60,495	\$77,208	-4.0% ⁷
Services & Supplies	45,444	111,950	108,573	111,950	0%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$95,646	\$192,405	\$169,068	\$189,158	-1.7%

PORT COMMISSION SUPPORT

Activities that provide staff support for the Port Commission include developing meeting agendas, staff reports and minutes; coordinating with the County Elections Department and ensuring compliance with the Brown Act; intergovernmental relations and adopted Port Commission policies and procedures.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$53,235	\$61,245	\$54,090	\$66,753	8.9%
Services & Supplies	54,511	16,900	11,900	11,900	-29.6% ⁸
Capital Outlay	0	0	0	0	-
Total Expenditures	\$107,747	\$78,145	\$65,990	\$78,653	0.7%

⁷ Both regular and part-time / temporary wages in the Environmental and Permitting program have been marginally reduced, resulting in a 1.7% decrease in overall program expenditures.

⁸ Decrease is attributed to a \$5,000 reduction in CVRA expenses (expenses associated with the District's transition to district-based elections). Costs in excess of \$5,000 are budgeted in Administration.

DEPARTMENTS AND PROGRAMS

OPERATIONS DEPARTMENT

The Operations Department is comprised of the following programs:

- Harbor Patrol
- Marina Management
- Rescue Services
- Parking Services
- Events
- Fuel Services
- Boatyard

The table below summarizes the distribution of expenditures by category and program for the Operations Department. Individual program details are also provided.

EXPENDITURE SUMMARY

Expenditure by Category	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$1,556,751	\$1,824,394	\$1,707,871	\$1,932,383	5.9%
Services & Supplies	1,188,626	934,631	1,407,785	1,039,760	11.2%
Capital Outlay	0	0	0	24,500	-
Total Expenditures	\$2,745,377	2,759,025	\$3,115,656	\$2,972,143	7.7%

Expenditure by Program	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Harbor Patrol	\$712,258	\$807,951	\$791,242	\$865,036	7.1%
Marina Management	495,234	563,149	548,964	612,616	8.8%
Rescue Services	104,969	125,105	113,541	145,536	16.3%
Parking Services	352,770	373,217	405,159	386,271	3.5%
Events	13,111	34,399	25,670	33,179	-3.5%
Fuel Services	740,951	493,291	872,878	518,191	5.0%
Boatyard	326,084	361,913	358,203	411,315	13.6%
Total Expenditures	\$2,745,377	\$2,759,025	\$3,115,656	\$2,972,143	7.7%

PROGRAM HIGHLIGHTS:

Projected Services & Supplies for FY23 will exceed budget by approximately 51% due to increased fuel sales, which subsequently increase fuel expenses. The fuel program continues to remain profitable due to strong program oversight and management.

FY24 Services and Supplies within the Operations Department are anticipated to increase 11.2% over the prior fiscal year. This increase is due to escalating insurance premium costs, which are spread across the Harbor Patrol, Marina Management, Rescue Services, Fuel Services, and Boatyard programs.

HARBOR PATROL

Harbor Patrol, with limited assistance from contract operators, currently provides security and enforcement of Port District ordinances, California Harbors and Navigation, Penal and Vehicle Codes. Deputy Harbormasters provide site security and traffic control, make arrests, prepare incident reports, and provide mutual aid response to other law enforcement agencies. In addition to law enforcement duties, deputy Harbormasters perform vessel search and rescue services, and a wide range of program management and customer services.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$603,479	\$671,770	\$658,070	\$713,480	6.2%
Services & Supplies	108,779	136,181	133,171	151,557	11.3%
Capital Outlay	0	0	0	24,500	-
Total Expenditures	\$712,258	\$807,951	\$791,242	\$865,036	7.1%

MARINA MANAGEMENT

Deputy Harbormaster and Operations staff manage and assigns berths and dry storage space, monitor docks and dry storage areas for safety, staff the front counter 362 days per year, administer invoicing and payment processes, monitor vessel use and confirm current registration, perform vessel serviceability checks and electrolysis checks on an as needed basis, manage the waiting list, develop delinquency reports, conduct lien sales, and provide customer service.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$456,642	\$527,774	\$488,951	\$562,907	6.6%
Services & Supplies	38,592	35,375	60,013	49,709	40.5% ⁹
Capital Outlay	0	0	0	0	-
Total Expenditures	\$495,234	\$563,149	\$548,964	\$612,616	8.8%

RESCUE SERVICES

Rescue services are provided by Harbor Patrol using one of two patrol vessels (Zodiac patrol vessel *Scout* and the new 36' Moose patrol vessel, *PB Kinnamon*). Rescues are typically conducted under the Coastal Incident Response Plan (CIRP) in coordination with City, County and State resources.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$60,205	\$73,105	\$60,100	\$75,627	3.4%
Services & Supplies	44,764	52,000	53,441	69,909	34.4% ¹⁰
Capital Outlay	0	0	0	0	-
Total Expenditures	\$104,969	\$125,105	\$113,541	\$145,536	16.3%

⁹ Significant increase is attributed to escalating insurance premium costs.

¹⁰ Significant increase is attributed to escalating insurance premium costs.

PARKING SERVICES

Parking services encompass oversight and daily maintenance of the automated concession parking lot equipment serving 2222 East Cliff Drive, the Crow's Nest and its Beach Market, Café El Palomar, the SUP Shack, and Harbor Beach; beach parking permit sales, slip licensee and employee parking permits, launch ramp parking, and permits, shuttle van and water taxi services, and parking ordinance enforcement. The Parking Coordinator and Harbor Patrol provide parking services with assistance from part-time/temporary staff.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$168,767	\$211,217	\$234,765	\$217,271	2.9%
Services & Supplies	184,003	162,000	170,394	169,000	4.3%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$352,770	\$373,217	\$405,159	\$386,271	3.5%

EVENTS

This program is jointly managed by Operations and Administrative Services, and comprises permitting, transportation and security for special events hosted by the Port District, the Crow's Nest Thursday night beach barbecues, beach volleyball tournaments, regattas, and other special events.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$12,616	\$26,899	\$20,372	\$25,679	-4.53% ¹¹
Services & Supplies	495	7,500	5,298	7,500	0%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$13,111	\$34,399	\$25,670	\$33,179	-3.5%

FUEL SERVICES

The Port District took over operation and maintenance of the harbor's fuel dock in July 2010. The program is managed by Deputy Harbormaster staff. Recurring program costs include staff, fuel purchases, taxes, storage tank fees and maintenance, inspections, insurance, credit card fees, regulatory compliance and spill prevention equipment and supplies.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$38,141	\$45,691	\$38,920	\$47,138	3.2%
Services & Supplies	702,810	447,600	833,958	471,052	5.2%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$740,951	\$493,291	\$872,878	\$518,191	5.0%

¹¹ Part-time / temporary wages in the Events program has been marginally reduced, resulting in a 4.53% decrease to Personnel Services.

BOATYARD

The Port District took over staffing, operation, and maintenance of the boatyard in 2014. Recurring program costs include personnel, spill prevention equipment, supplies, stormwater filtration costs, and equipment maintenance and fuel. The boatyard is not projected to require proceeds to support expenditures in FY24.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$216,901	\$267,938	\$224,556	\$290,281	8.3%
Services & Supplies	109,183	93,975	133,647	121,034	28.8% ¹²
Capital Outlay	0	4,000	3,850	0	-
Total Expenditures	\$326,084	\$361,913	\$358,203	\$411,315	13.6%

¹² Significant increase is attributed to escalating insurance premium costs and increased costs for filtration system repair and maintenance.

DEPARTMENTS AND PROGRAMS

FACILITIES MAINTENANCE & ENGINEERING DEPARTMENT

The Facilities Maintenance and Engineering Department is comprised of the following programs:

- Docks, Pier, and Marine Structures (DP&M)
- Utilities Maintenance
- Building Maintenance
- Grounds Maintenance
- Aeration Program
- Fishery Support
- Capital Projects
- Dredge Operations

The table below summarizes the distribution of expenditures by category and program for the Facilities Maintenance and Engineering Department. Individual program details are also provided.

EXPENDITURE SUMMARY

Expenditure by Category	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$1,589,936	\$1,772,726	\$1,749,511	\$1,890,795	6.6%
Services & Supplies	1,733,044	2,030,855	2,079,852	2,347,987	15.6%
Capital Outlay	176,175	191,155	226,269	188,000	-1.6%
Total Expenditures	\$3,322,981	\$3,803,581	\$3,829,362	\$4,238,783	11.4%

Expenditure by Program	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
DP&M	\$320,346	\$340,916	\$510,122	\$695,064	103.8%
Utilities Maint.	97,358	104,396	103,090	109,072	4.5%
Building Maint.	321,330	410,949	395,717	467,331	13.7%
Grounds Maint.	790,111	838,072	905,822	872,519	4.1%
Aeration Program	49,912	57,385	40,513	59,229	3.2%
Fishery Support	8,587	16,027	14,004	17,024	6.2%
Capital Projects	410,707	466,799	397,891	363,503	-22.1%
Dredge Operations	1,324,629	1,569,037	1,462,202	1,655,041	5.4%
Total Expenditures	\$3,322,981	\$3,803,581	\$3,829,362	\$4,238,783	11.4%

PROGRAM HIGHLIGHTS:

FY24 Services and Supplies within the Facilities Maintenance and Engineering Department are anticipated to increase 15.6% over the prior fiscal year. This significant increase is due to escalating insurance premium costs, of which approximately 41% of the total estimated premium is paid from the Docks, Piers, and Marine Structures program.

DOCKS, PIERS, AND MARINE STRUCTURES

Activities in this program include maintenance and repairs of existing docks and piers; routine maintenance of piles and appurtenant equipment; maintenance of floats, seawalls, cranes, jetties, gates, brow piers and gangways.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$140,319	\$144,816	\$146,279	\$165,085	14%
Services & Supplies	180,027	196,100	363,843	529,979	170.4% ¹³
Capital Outlay	0	0	0	0	-
Total Expenditures	\$320,346	\$340,916	\$510,122	\$695,064	103.8%

UTILITIES MAINTENANCE

Utility maintenance includes repairs to landside and dock electrical and plumbing facilities; operation and maintenance of seven sanitary sewer lift stations; maintenance of parking lot, dock, and storage area lighting; and storm drain inspections and cleaning.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$77,111	\$71,646	\$79,332	\$76,322	6.5%
Services & Supplies	20,247	32,750	23,758	32,750	0%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$97,358	\$104,396	\$103,090	\$109,072	4.4%

BUILDING MAINTENANCE

There are 26 buildings housing over 40 tenants, harbor administration, operations and maintenance functions, restrooms and miscellaneous storage facilities throughout the harbor. Activities include the full spectrum of repairs, paint, carpet, roofing, HVAC, elevator service, alarm maintenance and cleaning/custodial services.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$96,054	\$137,724	\$116,877	\$146,507	6.3%
Services & Supplies	225,277	273,225	278,841	320,824	17.4% ¹⁴
Capital Outlay	0	0	0	45,000	-
Total Expenditures	\$321,330	\$410,949	\$395,717	\$467,331	13.7%

¹³ Significant increase is attributed to escalating insurance premium costs.

¹⁴ Significant increase is attributed to escalating insurance premium costs

GROUNDS MAINTENANCE

Harbor property encompasses approximately nine landside acres that attract thousands of visitors each year. Activities include maintenance of landscaped areas, parking lots and meters, signs, fences, walkways, and commemorative plazas; litter collection, control, and transport; recycling services; pressure washing of docks, street sweeping, and fish table cleaning and maintenance.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$380,233	\$410,572	\$449,659	\$437,519	6.5%
Services & Supplies	409,878	427,500	456,163	435,000	1.7%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$790,111	\$838,072	\$905,822	\$872,519	4.1%

AERATION PROGRAM

This program involves the annual installation of 24 electric powered aerators mounted in strategic locations throughout the harbor to respond to high fish count and low dissolved oxygen events. The harbor had experienced devastating fish kills, primarily schools of anchovies, in years past, requiring costly cleanup and repair operations. The current aeration program is a joint effort between the Facilities Maintenance and Engineering Department and the Harbor Patrol to monitor fish populations and dissolved oxygen levels, and be prepared to respond quickly to ameliorate poor conditions and prevent another kill.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$26,088	\$26,385	\$15,077	\$28,229	6.9%
Services & Supplies	23,825	31,000	25,436	31,000	0%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$49,912	\$57,385	\$40,513	\$59,229	3.2%

FISHERY SUPPORT

The commercial fishing fleet, resident fish buyer and the facilities that support their activities are supported by the Port District. The FY24 budget includes funding for maintenance of the hoists, working with commercial fishermen on landings administration, and for updating policies associated with the fishery.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$8,579	\$12,527	\$13,754	\$13,524	7.9%
Services & Supplies	9	3,500	250	3,500	0%
Capital Outlay	0	0	0	0	-
Total Expenditures	\$8,587	\$16,027	\$14,004	\$17,024	6.2%

CAPITAL PROJECTS

This program provides staffing to develop and manage the Port District's Capital Improvement Program. Work in this section may involve preliminary engineering, such as site inspections or concept development, grant applications, and other work in support of capital projects. Capital projects recommended for FY24 are detailed in the Capital Improvement Program later in this report.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$54	\$4,619	\$262	\$4,986	7.9%
Services & Supplies	410,652	462,180	397,629	358,517	-22.4% ¹⁵
Capital Outlay	0	0	0	0	
Total Expenditures	\$410,707	\$466,799	\$397,891	\$363,503	-22.1%

DREDGING OPERATIONS

Activities involve annual dredging of the federal entrance channel and selected areas of the inner-harbor, primarily the north harbor where sedimentation from Arana Gulch most impacts depths. Also included are maintenance and repairs to the dredges *Twin Lakes* and *Squirt* and other equipment required to perform dredging (e.g., crane, submersible pump, dozer, forklift, pipe welder, and anchors). The U.S. Army Corps of Engineers provides support for the dredging by reimbursing 35% of the average operations and maintenance costs. The Port District is currently being reimbursed \$525,000/year.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$861,499	\$964,437	\$928,271	\$1,018,623	5.6%
Services & Supplies	463,130	604,600	533,932	636,417	5.2%
Capital Outlay	176,175	191,155	226,269	143,000	-
Transfers Out	-176,175	-191,155	-226,269	-143,000	-
Total Expenditures	\$1,324,629	\$1,569,037	\$1,462,202	\$1,655,041	5.5%

¹⁵ Decrease is attributed to reduced interest expenses in FY24.

DREDGE INTERMEDIATE FUND

The table below details identified priorities and equipment replacement / repair needs for the dredge operation in FY24. A total contribution to the Dredge Intermediate Fund (DIF) in the amount of \$143,000 is proposed for FY24.

ASSET	ITEM	IDENTIFIED NEED
TWIN LAKES	Snorkel Elbow Replacement (cont. from FY23)	10,000
	Spare Parts Replacement	25,000
	Replacement Muffler for C32	10,000
	Extended Warranties for C32 and C18	40,000
		\$85,000
DAUNTLESS	Keel Cooler Replacement	10,000
		\$10,000
SQUIRT	Suction Hose	8,000
		\$8,000
MISCELLANEOUS	Skagit Winch Rebuilt (Partial Set Aside)	15,000
	Unspecified Allowance	25,000
		\$40,000
Total FY24 DIF Contribution:		\$143,000

At the conclusion of FY23, the remaining DIF balance is anticipated to total approximately \$146,665, and is allocated as follows:

- Snorkel Elbow Replacement (*Twin Lakes*): \$13,550 (add'l funding requested in FY24)
- Cab Roof Replacement (*Dauntless*): \$10,000
- Electrical System Rewiring (*Dauntless*): \$15,000
- 16" Flexible Dredge Hoses (*Miscellaneous*): \$30,000
- Unspecified Allowance (*Miscellaneous*): \$78,115¹⁶

Historical DIF Contributions

FY18	FY19	FY20	FY21	FY22	FY23	FY24
\$290,000	\$378,258	\$145,956	\$416,091	\$272,762	\$191,151	\$143,000

¹⁶ The Unspecified Allowance consists of a one-time \$75,000 contribution that was approved by the Port Commission on October 22, 2022. Small balances that remain after a project has been completed / closed out are absorbed into the Unspecified Allowance.

CAPITAL OUTLAY

The following capital outlay items are included in the FY24 budget:

DEPARTMENT	REQUEST	IDENTIFIED NEED
Harbor Patrol	Body Worn Cameras	\$17,000
Harbor Patrol	Firearms & Safety Equipment	7,500
Buildings	Replacement Truck ¹⁷	45,000
	Total:	\$85,000

¹⁷ This replacement truck was an unfunded capital outlay item in FY23. Recommended for funding in FY24.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program and fund balance propose \$350,000 in new funding for capital improvement projects in FY24, and assignment of \$920,000 in existing Unallocated CIP Funds¹⁸ in support of identified projects.

The proposed 5-Year Capital Improvement Program follows.

¹⁸ The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.



SANTA CRUZ PORT DISTRICT

FIVE-YEAR

CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2024 - FISCAL YEAR 2028

INTRODUCTION

This 5-year Capital Improvement Plan (CIP) presents the Santa Cruz Port District's plan for development, maintenance, improvement, and acquisition of infrastructure assets to benefit Santa Cruz Harbor's users, businesses, and visitors. It is intended to serve as a guidance document for planning, scheduling, and implementing capital improvements and planning projects over the next 5 years.

The 5-year CIP serves as a tool for prioritizing and selecting future projects, and provides an overview of works in progress. The CIP highlights the District's investments in infrastructure development and maintenance (i.e., capital improvements) and other significant capital expenditures. Studies of less than \$5,000, and capital expenditures for equipment, vehicles and vessels are typically not included in the CIP, though there are exceptions (e.g., previous water taxi and patrol vessel procurements).

CAPITAL IMPROVEMENT PLAN DEVELOPMENT

Annual updating of the 5-year CIP is an integral part of the budget process. The CIP is presented with the draft budget to provide time for review by the public and the Port Commission prior to consideration and incorporation into the final budget.

Prior to FY13, many capital improvements were budgeted and completed within line items in the operating budget, such as Pavement Repairs (F006), Building Restoration (F011), Restroom Building Rehabilitation (F012) and Dock Upgrades(F008). Those items are now presented as separate projects within the 5-year CIP with recommended funding amounts for ongoing rehabilitation and repair.

Each year, the Commission will adopt an updated 5-year CIP that will include prioritized short and long-term projects. The prioritized list will be used by staff in the development of the annual operating budget. The 5-year CIP will be published in advance of and discussed during a public meeting prior to adoption of the annual budget.

FUNDING THE CAPITAL IMPROVEMENT PLAN

Each year, funding is allocated to various large and small projects within the CIP. Non-specific CIP funding is contained in the Unallocated CIP Funds (F099), which is also referred to as the CIP Reserve Fund.

In FY16, the Port Commission adopted a Reserve Policy, which established funding goals for reserves and for the 5-year CIP. The Commission initially elected to contribute \$500,000 to the CIP fund each year, whenever practicable. The CIP fund would be allowed to grow over time so that large-scale projects could be planned and accomplished without impacting either the Reserve Fund or operations. In February 2020, the Commission increased the CIP funding goal to \$750,000 annually, whenever practicable.

While the annual funding goal remains at \$750,000, several FY24 budget impacts, including increased personnel services costs and increased insurance premiums (premiums are anticipated to rise 114% or \$602,934 over the FY23 budget), pose a significant challenge to reaching even the initial \$500,000 funding level.

As a result, a \$350,000 contribution is proposed in conjunction with utilizing \$920,000 of Unallocated CIP Funds¹⁹ to establish funding in the amount of \$1,270,000 for identified project needs.

ALTERNATIVE FUNDING OPTIONS

To address the FY24 CIP funding shortfall and achieve an increased contribution of \$500,000 (or more), the Commission may wish to consider reviewing and adjusting user fees or implementing a slip rent increase as part of the budget review process. A 1% slip rent increase equates to \$50,000 in additional revenue.

PROJECT DEVELOPMENT AND SELECTION PROCESS

The projects proposed in the FY24 CIP were derived from a variety of sources, including recommendations from Port District staff, Commission and public input, and projects identified in the Port District Priorities for 2023.

Although not typically included as capital improvements, planning studies may be included in the CIP as part of the planning effort. Studies of less than \$5,000 or capital expenditures for vehicles, equipment and vessels are typically funded in the operating budget.

Twelve (12) previously identified projects are proposed for funding in FY24. This total includes two (2) projects that were added mid-fiscal year (North Harbor Transformer Project and 2222 East Cliff Deck Replacement). Five (5) projects are proposed for closeout (i.e., removal from the list), and there is one (1) new project proposed for funding in FY24. A CIP Summary sheet outlining projects and funding levels is included as Appendix A. Not including the CIP Reserve Fund, the Fund Balance projection as of April 1, 2023, has 28 identified projects with some level of available funding.

PROPOSED PROJECTS

Several of the proposed projects in this CIP address ongoing infrastructure or facility maintenance needs and are typically programmed on an annual basis. Examples include Pavement Repairs (F006), Building Restoration (F011), and Restroom Building Rehabilitation (F012).

The following attachments provide additional detail regarding future funding needs and project descriptions:

- Appendix B: Capital Improvement Plan Detail – 5-year funding projections
- Appendix C: Capital Improvement Plan Detail – Project Descriptions (funded and unfunded)

ENVIRONMENTAL REVIEW

The development of this 5-year plan is not a project, as defined in the California Environmental Quality Act (CEQA), and an environmental review is not required for its adoption. Individual projects listed herein may be subject to CEQA and environmental reviews will be conducted during project implementation.

¹⁹ The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.

CAPITAL IMPROVEMENT PLAN DETAIL
APPENDIX A – CIP SUMMARY

The table below summarize FY23 CIP funding contributions, including mid-year transfers to individual funds.

CIP FUNDING SUMMARY	
Beginning Balance as of April 1, 2022	\$1,894,053
Transfer In – Westside Seawall Design (PC Approval 6/7/22)	\$4,292
Transfer In – North Harbor Transformers (PC Approval 9/27/22)	\$207,000
Transfer In – 2222 East Cliff Deck (PC Approval 12/13/22)	\$825,000
Transfer In – Murray Street Bridge (Escrow Funding rec'd XXXXXX)	\$400,000
Transfer In – Insurance Proceeds (January 15, 2022, Tsunami)	\$922,761
Total:	\$4,253,060
Anticipated FY23 Expenditures through March 31, 2023	(\$345,427)
	\$3,907,633

CAPITAL IMPROVEMENT PLAN DETAIL
APPENDIX A – CIP SUMMARY (CONT.)

The table below summarizes proposed FY24 CIP funding contributions (and reallocations) and details projected balances for individual funds as of April 1, 2023.

Project Name	Number	Beginning Balance April 1, 2022	FY23 Projected Expenditures	FY23 Contribution/ Reallocation	FY24 Proposed Reallocation	FY24 Funding Contribution	Projected Balance April 1, 2023
CF Marine Services Center	F003	10,000				0	\$10,000
Harbor Security Upgrades	HO01	12,404	(12,182)			12,000	\$12,222
Sanitary Sewer Lift Stations	F004	364,986	(22,545)				\$342,441
Piling Replacement	F005	30,000			85,000	500,000	\$615,000
Pavement Repairs	F006	52,716	(44,200)			100,000	\$108,516
Dock Upgrades	F008	82,097	0				\$82,097
Pier Rehabilitation	F009	129,322	(20,842)		(85,000)		\$23,480
Building Restoration	F011	205,630	(18,118)			20,000	\$207,512
Restroom Building Rehabilitation	F012	275,000	(24,396)			50,000	\$300,604
Sidewalk & Plaza Restoration	F013	33,000					\$33,000
Storm Drain System	F014	30,000				0	\$30,000
Water & Sewer System	F015	44,139				0	\$44,139
Parking Pay Station	F018	15,000	(14,981)			0	\$19
Aeration System Upgrades	F019	31,304				0	\$31,304
Ice Machine	F020	19,222				0	\$19,222
West Jetty Walkway	J001	799				0	\$799
7th and Brommer Recon	F021	134,467	(42,258)			25,000	\$117,209
SH Revetment & Seawall	F022	98,499	(63,760)	21,500			\$56,239
Murray Street Bridge	F024	(42,960)	(22,961)	400,000			\$334,079
Unallocated CIP Funds	F099	17,209		909,982	(920,000)		\$7,191
Aldo's Seawall Replacement	F027	188,441					\$188,441
Parking Upgrades	F028	46,321	(627)			25,000	\$70,694
Patrol Vessel Replacement	F033	2,182	0	(2,182)			Close Out
Boatyard Marine Ways Insp.	F035	8,000	(5,753)	(2,247)		0	Close Out
Harborwide Refuse Study	F039	10,000	(8,000)			3,000	\$5,000
Water Taxi	F040	0	0		0	0	Close Out
Maint Work Boat Replacement	F041	0	0		0	0	Close Out
Embankment Assessment	F042	6,274				70,000	\$76,274
Fuel System Upgrades	F043	40,000	(6,461)			55,000	\$88,539
January 22 Tsunami Fund	F044	50,000	(14,527)		(35,473)		Close Out
NH Transformer	F045		(20,328)	207,000		225,000	\$411,672
2222 East Cliff Deck Replacement	F046		(3,488)	825,000		10,000	\$831,512
Twin Lakes Haul <i>(New in FY24)</i>	F047				35,473	175,000	\$210,473
TOTAL:		\$1,894,053	\$ (345,427)	\$2,359,053	\$920,000	\$1,270,000	\$4,257,679

CAPITAL IMPROVEMENT PLAN DETAIL

APPENDIX B – 5-YEAR FUNDING PROJECTIONS

Projects within the Capital Improvement Program are categorized into one of the six following categories:

- Docks, Piers & Marine Structures
- Buildings
- Landside Infrastructure
- Utility Systems
- Planning Projects & Studies
- Miscellaneous Projects

The tables below summarize anticipated funding needs for each identified project / project category for the period FY24 to FY28. The proposed FY24 CIP contribution totals \$1,270,000 (comprised of \$920,000 in insurance proceeds and \$350,000 from the operating budget).

DOCKS, PIERS & MARINE STRUCTURES

	FY24	FY25	FY26	FY27	FY28	Total
Piling Replacement	500,000	75,000	125,000	250,000	50,000	\$1,000,000
Dock Upgrades	-	20,000	125,000	250,000	50,000	\$445,000
Pier Rehabilitation	-	20,000	-	-	50,000	\$90,000
BY Marine Ways Upgrades	-	40,000	-	85,000	-	\$125,000
	\$500,000	\$155,000	\$250,000	\$585,000	\$150,000	\$1,640,000
NOTABLE FY24 DOCKS, PIERS & MARINE STRUCTURE PROJECTS						
<ul style="list-style-type: none"> • Replacement of approximately 35-40 critical piles throughout the north and south harbor during the June 15 to Nov 30, 2023, • Sleeve 2 previously identified piles at the boatyard marine ways. 						

BUILDINGS

	FY24	FY25	FY26	FY27	FY28	Total
Building Restoration	20,000	75,000	25,000	50,000	50,000	\$220,000
Restroom Rehabilitation	50,000	150,000	100,000	100,000	75,000	\$475,000
2222 East Cliff Deck	10,000	-	-	5,000	-	\$15,000
2222 East Cliff Repaint ²⁰	-	50,000	-	-	-	\$50,000
2218 East Cliff Roof ²¹	-	75,000	-	-	-	\$75,000
Lighthouse Repaint	-	15,000	15,000	-	-	\$30,000
Harbor Office Updates	-	-	10,000	10,000	-	\$20,000
	\$80,000	\$365,000	\$150,000	\$165,000	\$125,000	\$885,000
NOTABLE FY24 BUILDING PROJECTS						
<ul style="list-style-type: none"> • Replacement of second story deck at 2222 East Cliff Drive. • Renovation of I-Dock restroom and shower facility. 						

LANDSIDE INFRASTRUCTURE

	FY24	FY25	FY26	FY27	FY28	Total
Pavement Repairs	100,000	75,000	75,000	75,000	75,000	\$400,000
Parking Pay Stations	-	5,000	5,000	25,000	-	\$35,000
Parking Upgrades	25,000	5,000	5,000	5,000	5,000	\$45,000
Sidewalk and Plaza Restoration	-	-	15,000	25,000	-	\$40,000
	\$125,000	\$85,000	\$100,000	\$130,000	\$80,000	\$520,000
NOTABLE FY24 LANDSIDE INFRASTRUCTURE PROJECTS						
<ul style="list-style-type: none"> • Anticipated paving repairs include storm-damaged concrete walkway near 493 Lake Avenue, fishery pier, and concession lot exit lanes. • Travel path upgrades in concession lot (paid for from Parking Upgrades). 						

²⁰ Previous funding for this project in the amount of \$10,000 is allocated in the Building Restoration fund balance.

²¹ Previous funding for this project in the amount of \$50,00 is allocated in the Building Restoration fund balance.

UTILITY SYSTEMS

	FY24	FY25	FY26	FY27	FY28	Total
Sanitary Sewer Upgrades	-	75,000	200,000	75,000	75,000	\$425,000
Fuel System Upgrades	55,000	-	-	10,000	10,000	\$75,000
Aeration Syst. Upgrades	-	10,000	-	10,000	-	\$20,000
Storm Drain Maintenance	-	-	5,000	-	5,000	\$10,000
Water & Sewer Maint.	TBD	TBD	TBD	TBD	TBD	TBD
NH Transformers	225,000	100,000	TBD	TBD	TBD	\$325,000
	-	-	15,000	25,000	-	\$40,000
	\$280,000	\$185,000	\$220,000	\$120,000	\$90,000	\$895,000
NOTABLE FY24 LANDSIDE INFRASTRUCTURE PROJECTS						
<ul style="list-style-type: none"> • Replacement of G-Dock sanitary sewer lift station. • Fuel System upgrades (new dispensers and hoses) • Replacement of 6 tsunami-damaged transformers in the north harbor. 						

PLANNING PROJECTS & STUDIES

	FY24	FY25	FY26	FY27	FY28	Total
Comm. Fishery Upgrades	TBD	TBD	TBD	TBD	TBD	TBD
West Side Master Plan	-	-	85,000	-	-	\$85,000
7 th & Brommer Site	25,000	TBD	TBD	TBD	TBD	\$25,000
SH Revetment. & Seawall	TBD	TBD	TBD	TBD	TBD	TBD
Harbor Wi-Fi	-	-	25,000	5,000	5,000	\$35,000
East Side Embankment	\$70,000	TBD	TBD	TBD	TBD	\$70,000
Arana Gulch Grade Control Feasibility Study	-	85,000	-	-	-	\$85,000
	\$95,000	\$85,000	\$110,000	\$5,000	\$5,000	\$300,000
NOTABLE FY24 PLANNING PROJECTS AND STUDIES						
<ul style="list-style-type: none"> • Continued planning for the repair and replacement of the west side seawall (SH Revetment & Seawall) • Contract for engineering services to determine repair/replacement options for the storm-damaged east side embankment. 						

MISCELLANEOUS PROJECTS

	FY24	FY25	FY26	FY27	FY28	Total
CIP Reserve Fund	TBD	TBD	TBD	TBD	TBD	TBD
Refuse / Recycling Study	3,000	-	-	-	-	\$3,000
Harbor Security Upgrades	12,000	12,000	-	12,000	-	\$36,000
West Jetty Walkway	TBD	TBD	TBD	TBD	TBD	TBD
<i>Twin Lakes</i> Haul	175,000	200,000	200,000	-	-	\$575,000
	\$190,000	\$212,000	\$200,000	\$12,000	-	\$614,000
NOTABLE FY24 PLANNING PROJECTS AND STUDIES						
<ul style="list-style-type: none"> • Refuse receptacle upgrades at beach plaza. • Installation of additional security cameras. • Set-aside funding for <i>Twin Lakes</i> haulout. 						

TOTAL 5-YEAR CIP FUNDING NEEDS

	FY24	FY25	FY26	FY27	FY28	Total
Docks, Piers & Structures	\$500,000	\$155,000	\$250,000	\$585,000	\$150,000	\$1,640,000
Buildings	\$80,000	\$365,000	\$150,000	\$165,000	\$125,000	\$885,000
Landside Infrastructure	\$125,000	\$85,000	\$100,000	\$130,000	\$80,000	\$520,000
Utility Systems	\$280,000	\$185,000	\$220,000	\$120,000	\$90,000	\$895,000
Planning Project/Studies	\$95,000	\$85,000	\$110,000	\$5,000	\$5,000	\$300,000
Miscellaneous Projects	\$190,000	\$212,000	\$200,000	\$12,000	-	\$614,000
	\$1,270,000	\$1,087,000	\$1,030,000	\$1,017,000	\$450,000	\$4,854,000

CAPITAL IMPROVEMENT PLAN DETAIL
APPENDIX C – PROJECT DESCRIPTIONS

FUNDED PROJECTS

F003	CF HARBOR SECURITY MARINE SERVICES CENTER
<i>Status:</i>	<i>Project on Hold</i>
<p>This project would involve improvements to the facilities located at 493 and 495 Lake Avenue, buildings that currently house H&H Fresh Fish, Johnny’s Harborside Restaurant, and the Santa Cruz Harbor Boatyard. The first phase of the project will involve outreach and preliminary planning for ice production and storage, evaluation of the expansion potential for the restaurant facility, and potential upgrades to serve the commercial fishery. Additional work will involve identification of funding sources/partners, and use of the boatyard during the City of Santa Cruz’s upcoming Murray Street Bridge Rehabilitation project.</p>	
HO01	HARBOR SECURITY UPGRADES
<i>Status:</i>	<i>Ongoing – funding recommended in FY24 for acquisition of additional security cameras</i>
<p>This project was approved to provide for increased security systems throughout the harbor to reduce unauthorized uses, and to improve monitoring and law enforcement capabilities. Cameras and recording devices with remote monitoring capabilities have been installed at key locations and expansion of the camera system is recommended. Fencing and lighting upgrades were previously completed in the north harbor dry storage and dredge yard.</p> <p>Previously completed projects include restroom door and gate rekeying in FY16, FY17 and FY19, and acquisition of electronic system components in FY19. Fabrication of dock gates to support the new electronic key system were funded as separate project (Dock Upgrades F008). Security cameras were installed in FY20, FY21, FY22, and FY23 (. Additional funding planned in FY24 is for additional cameras.</p>	
F004	SANITARY SEWER LIFT STATIONS
<i>Status:</i>	<i>Ongoing – adequate funding available for first phase of replacement (G-Dock lift station)</i>
<p>This project will continue to involve development of construction documents for upgrades or replacements as required, and coordination with the City of Santa Cruz and the County of Santa Cruz for future maintenance. Priority tasks previously identified include replacing the lift station control panels and performing ultrasound inspections of existing steel tubing, replacing, or relining existing tanks and upgrading access to pumps for maintenance.</p> <p>A comprehensive assessment of the nine existing sanitary sewer lift stations was performed in FY22. As a result of that assessment, construction documents for upgrades or replacements as required were drafted in FY23. Replacement of the G-Dock lift station will be placed out to bid in late FY23 or early FY24.</p>	
F005	PILING REPLACEMENT
<i>Status:</i>	<i>Ongoing - funding needed for critical piling replacements in FY24.</i>
<p>The Port District maintains approximately 700 piles to support its docks and piers. Over the last 5 years, approximately 225 piles have been repaired and/or replaced. Funding is requested in FY24 to address pile replacement needs in the north and south harbor (some damage attributed to tsunami and storm events).</p>	
F006	PAVEMENT REPAIRS
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>Ongoing project to maintain, resurface and restripe harbor parking lots and roads. Funding in FY24 is requested to repave storm-damaged concrete walkway near 493 Lake Avenue, fishery pier, and concession lot exit lanes.</p>	

F008	DOCK UPGRADES
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>The 30 distinct docks that make up the Santa Cruz Harbor provide berthing for over 800 vessels, fulfilling the mission of being a federal and state harbor of refuge. This funding provides for small projects involving repairs or upgrades to the existing docks and appurtenant structures such as gates, brow piers, ramps, etc.</p> <p>Fabrication of new aluminum dock gates supporting conversion to electronic key system for dock gates and restrooms was completed in FY19. Southeast harbor brow pier repairs completed in FY19; installation of new aluminum gangways acquired in FY21 for southeast harbor brow piers was completed in FY22.</p>	
F009	PIER REHABILITATION
<i>Status:</i>	<i>Ongoing – adequate funding available for proposed FY24 work.</i>
<p>The harbor’s three piers require periodic inspection and maintenance to ensure they remain safe for public access and serviceable for their various uses. This ongoing project provides periodic funding for inspections, repairs, and upkeep.</p> <p>In 2020, 10 piles supporting the east public pier were deemed to be in critical condition and in need of repair. In FY21, a repair project was completed in which 3 of the 10 piles were jacketed and filled with cementitious grout. Of the remaining piles, 4 were programmed for repair in FY22, and 3 were scheduled for repair in FY23. The planned project in FY22 was delayed, and as a result, 7 east public pier piles were jacketed in FY23 by in-house crews, which resulted in considerable cost savings.</p> <p>Two piles supporting the boatyard marine ways will be jacketed by in-house crews in FY24. As a result of in-house crews performing this work, \$85,000 is proposed to be transferred from Pier Rehabilitation to Piling Replacement.</p>	
F011	BUILDING RESTORATION
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>Projects to be programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in District-owned buildings that are rented out to various tenants.</p> <p>Future projects (FY24 and beyond) include 333 Lake Avenue rewiring and submetering, roofing and stairway replacement; re-roofing the concession lot restroom structure; roofing repairs at 2218 East Cliff Drive; exterior painting of 2222 East Cliff Drive; and other necessary maintenance and repair projects.</p>	
F012	RESTROOM BUILDING REHABILITATION
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>FY24 funding and ongoing funding recommended to facilitate phased rehabilitation of restroom facilities.</p> <p>Projects are planned on an annual basis to extend the useful life of the District’s 11 restroom buildings. After 4 of the 11 restroom buildings sustained flood damage as a result of the January 2022 tsunami, expediting repair work in FY23 was initiated. In FY24, demolition and replacement of the I-Dock restroom and shower facility is planned.</p>	
F013	SIDEWALK AND PLAZA RESTORATION
<i>Status:</i>	<i>Ongoing - no projects planned in FY24</i>
<p>No major restoration of sidewalks or plazas was completed in FY23. No additional funding recommended in FY24.</p>	

F014	STORM DRAIN SYSTEM
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project involves maintenance, repairs and cleaning of the harbor’s storm drainpipes, inlets and catch basins, and upgrades needed to comply with the State of California Industrial Stormwater Permit.	
F015	WATER & SEWER SYSTEMS
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project funds upgrades, improvements and major replacement / repair to the harbor’s water and sewer services.	
F018	PARKING PAY STATION UPGRADES
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project funds replacement of the aging parking meters with pay stations throughout the harbor, beginning on the west side. Future projects anticipate pay station replacement and rehabilitation.	
F019	AERATION SYSTEM UPGRADES
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
Annual maintenance of the aerator motors and floats is performed as part of the Aeration program. This project differs from the annual program as it provides for replacement of aerators worked beyond their rated capacity.	
F020	ICE MACHINE
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This project was initially funded to add cold storage and/or an ice delivery system to serve the commercial fishing fleet following replacement of the former Sunwell ice system. The resident buyer has a concept for improving ice production and delivery which may be an appropriate use of this funding subject to Port Commission review and approval.	
J001	WEST JETTY WALKWAY
<i>Status:</i>	<i>Project on Hold</i>
A Phase 1 project to complete resurfacing of the west jetty walkway was completed in 2012, utilizing grant funding provided by the Coastal Conservancy.	
Phase 2, which will complete an accessible walkway between AA-dock and Walton Lighthouse featuring donor-funded amenities including benches, plazas, a gateway and overlooks, is on hold pending completion of the Aldo’s restaurant building replacement, and subsequent West Side Master Plan.	
F021	7th & BROMMER RECON
<i>Status:</i>	<i>Ongoing – funding recommended in FY24</i>
Site assessment and engineering work for future development of the Port District’s property in the area of 7 th and Brommer, and coordination and interface with other opportunities in the area to ensure Port District and community interests are served.	
Site assessment of the Port District-owned parcel on northwest parcel was initiated in FY21 and continues. A marketing and feasibility study to consider opportunities that may be available to the Port District on County-owned property located on the southwest corner of 7 th and Brommer is ongoing.	

F022	SOUTH HARBOR REVETMENT & SEAWALL
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>Originally funded in FY15, this project was for engineering assessment and recommendations involving the seawall along the harbor’s west side. The seawall at 616 Atlantic Avenue was replaced in FY20 and is similar vintage to the west side seawall. FY23 funding initiated a comprehensive engineering assessment of the seawall including a dive inspection. The final assessment report is pending. Additional funding in future years will be needed to undertake replacement of the seawall.</p>	
F024	MURRAY STREET BRIDGE
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>Funding for this project will be made available by the City of Santa Cruz upon completion of necessary right-of-way certifications. In FY23, the Port District received a draw of escrow funding in the amount of \$400,000 to cover project related costs for the preliminary design and replacement of FF, Rowing, and Boatyard Docks.</p> <p>Port District coordination with the City of Santa Cruz on the Murray Street bridge reconstruction project. Contract services for engineering oversight and legal counsel will be needed.</p>	
F027	ALDO’S SEAWALL REPLACEMENT PROJECT
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>Construction of a new seawall was completed by Granite Construction in FY20. The project was partially funded by financing obtained in FY19. All loan funding has been expended. Approximately \$188,441 remains in the CIP following project close-out, to provide funding for any future District costs associated with accessway improvements and Tenant reconstruction of the restaurant structure.</p>	
F028	PARKING UPGRADES
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The Santa Cruz Harbor Parking Management Plan completed during FY16 included several recommendations for upgrading ADA parking facilities throughout the harbor. This project involves assessing current inventory and adding new accessible spaces in key locations.</p> <p>In FY21 one additional ADA space was added in the concession parking lot and existing spaces were relocated and reconfigured to bring them to current ADA standards. In FY22, funding to assess necessary upgrades to bring the path of travel between the concession lot public restroom and the beach plaza / concession area to current standards was completed. Work to complete the necessary path of travel upgrades is planned in FY24. Recently acquired bids for the improvement work indicate additional funding is necessary in FY24.</p>	
F039	HARBORWIDE REFUSE / RECYCLING STUDY
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>A harborwide refuse and recycling study was completed in FY23. While the final report pends Commission review, additional funding is being allocated in FY24 to address recommended improvements, like new/improved receptacles along the beach plaza.</p>	

F042	EMBANKMENT ASSESSMENT
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The embankment area at the site of the crane pad on the east access road adjacent to <i>Twin Lakes</i>’ off-season mooring has visible erosion, which was accelerated further by the January 2022 tsunami and again by the January 2023 winter storms. Funding was designated in FY22 to inspect the area, assess the significance of the erosion, and develop a repair plan suitable to support the crane and associated activities. A comprehensive assessment was completed in FY22, and an additional review of the area was performed by engineers after the tsunami event.</p> <p>Since considerable erosion occurred during the January 2023 storm events, funding in FY24 will be required to determine adequate repair / replacement options. The crane pad is currently compromised and cannot be used at full capacity. Costs associated with this project may be reimbursable by FEMA / CalOES.</p>	
F043	FUEL SYSTEM UPGRADES
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The Santa Cruz Port District operates a full-service fuel dock 7 days a week. Ensuring that adequate funding is available for future equipment repair is critical to ensuring a serviceable operation.</p> <p>In FY24, the Port District will facilitate replacement of all four fuel dispensers and hose reels.</p>	
F045	NORTH HARBOR TRANSFORMER
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>As a result of the January 15, 2022, tsunami, 6 electrical transformers in the north harbor were submerged and damaged. Replacement is required. In FY23, the Commission allocated \$207,000 to facilitate the design and replacement of the transformers. Design work is currently underway, and additional FY24 funding is required to procure new transformers and complete installation. Additional funding may be needed in future fiscal years if a phased installation plan is developed.</p>	
F046	2222 EAST CLIFF DECK REPLACEMENT
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>In October 2022, the Commission allocated \$825,000 from the reserve fund to facilitate the repair and replacement of the second story deck at 2222 East Cliff Drive. Additional funding is recommended in FY24 to cover any construction administration or oversight for this project.</p>	
F046	TWIN LAKES HAUL
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The District’s dredge, <i>Twin Lakes</i>, has been in service for approximately 7 years. Bi-annual inspections are routinely performed by a contracted third party knowledgeable in dredge operations and equipment. A recommendation has been made to haul the dredge (for comprehensive inspection and maintenance) within the next 1-3 years. FY24 funding is recommended as a partial set-aside.</p>	

UNFUNDED PROJECTS

WIFI SYSTEM

This project involves design and installation of a Wi-Fi system available to harbor customers and tenants. Installation costs are presumed to be borne by a Wi-Fi vendor to be selected through a public bidding process, though there are numerous other options researched by Port District staff which may impact the type of service provided, installation costs, ongoing monthly costs, vendor-provided support, maintenance and customer service, fee-based upgrade options, etc.

A feasibility study by an outside consultant is recommended to identify and assess available options. Any Wi-Fi system should include comprehensive vendor-provided support as a top priority. Should the Commission direct staff to pursue the project following completion of a feasibility study, subsequent development of an RFP for installation of a Wi-Fi system by a qualified consultant is recommended.

ARANA GULCH GRADE CONTROL STRUCTURE FEASIBILITY STUDY (FEMA HAZARD MITIGATION GRANT APPLICATION)

This project would involve developing a grant proposal to fund engineering design and construction of several sediment-reduction measures in Arana Gulch, upstream of the north harbor. Work on this project commenced in FY 11 with a preliminary application submitted on the Port District's behalf. The application process was suspended because the Port District is not eligible to serve as lead agency for the grant and cooperative agreements had not been executed with the City of Santa Cruz and the County of Santa Cruz for extraterritorial work sponsored by the Port District.

WEST SIDE MASTER PLAN

Master Plan study to follow reconstruction of a new restaurant at 616 Atlantic Avenue for the purposes of completing accessible public improvements along the walkway and jetty area between AA Dock and Walton Lighthouse, as envisioned in the 2008 West Jetty Walkway project. The West Side Master Plan needs to seamlessly tie in access to any future replacement of the SH Revetment and Seawall (F022).

ELEVATOR REPLACEMENT FUND

Fund for future replacement of Port District elevator(s).

ELECTRIC VEHICLE CHARGING STATION

Identification of location(s) for placement of electric vehicle charging station(s) throughout the harbor, including assessment of power requirements and ongoing utility costs and maintenance.

ATTACHMENT A – DEBT SERVICE DETAIL & COVERAGE RATIOS

	2021 <i>Audited</i>	2022 <i>Audited</i>	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024 <i>Budgeted</i>
Operating Revenues					
Charges for berthing and services	\$ 7,886,323	\$ 8,864,120	\$ 8,141,535	\$ 9,058,058	\$ 8,522,525
Rent and concessions	\$ 1,635,555	\$ 2,023,819	\$ 2,020,000	\$ 2,149,892	\$ 2,054,400
Total Operating Revenues	\$ 9,521,878	\$ 10,887,939	\$ 10,161,535	\$ 11,207,950	\$ 10,576,925
Operating Expenses					
Depreciation and Amortization	\$ 2,159,280	\$ 2,187,657	\$ -	\$ -	\$ -
CalPERS Net Pension Liability (Non-cash)	\$ 190,116	\$ 805,728	\$ -	\$ -	\$ -
OPEB Liability (Non-cash)	\$ 81,221	\$ 101,318	\$ -	\$ -	\$ -
Dredging Operations	\$ 1,357,222	\$ 1,324,630	\$ 1,569,037	\$ 1,462,202	\$ 1,653,480
Administrative Services	\$ 753,848	\$ 663,892	\$ 826,625	\$ 754,329	\$ 889,563
Grounds	\$ 733,457	\$ 790,109	\$ 838,072	\$ 905,822	\$ 865,519
Fuel Services	\$ 427,765	\$ 740,950	\$ 493,291	\$ 872,878	\$ 516,338
Harbor Patrol	\$ 669,826	\$ 712,258	\$ 807,951	\$ 791,242	\$ 863,451
Property Management	\$ 515,497	\$ 669,573	\$ 555,579	\$ 700,053	\$ 842,315
Marina Management	\$ 483,428	\$ 495,234	\$ 563,149	\$ 548,964	\$ 611,835
Buildings	\$ 323,175	\$ 321,331	\$ 410,949	\$ 395,717	\$ 465,185
Parking Services	\$ 248,637	\$ 352,771	\$ 373,217	\$ 405,159	\$ 384,271
Docks, Piers, Marine Structures	\$ 269,258	\$ 320,346	\$ 340,916	\$ 510,122	\$ 679,068
Debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ -
Finance & Purchasing	\$ 194,674	\$ 183,581	\$ 227,216	\$ 193,473	\$ 239,618
Environmental & Permitting	\$ 139,893	\$ 95,646	\$ 192,405	\$ 169,068	\$ 189,158
Utilities	\$ 86,067	\$ 97,358	\$ 104,396	\$ 103,090	\$ 109,072
Aeration	\$ 40,795	\$ 49,913	\$ 57,385	\$ 40,513	\$ 59,229
Rescue Services	\$ 84,414	\$ 104,968	\$ 125,105	\$ 113,541	\$ 144,756
Boatyard Operations	\$ 303,551	\$ 326,087	\$ 361,913	\$ 358,203	\$ 408,535
Port Commission Support	\$ 56,586	\$ 107,746	\$ 78,145	\$ 65,990	\$ 78,653
Capital Projects	\$ 1,630	\$ 54	\$ 9,819	\$ 262	\$ 8,186
Events	\$ -	\$ 13,111	\$ 34,399	\$ 25,670	\$ 33,179
Fishery Support	\$ 5,064	\$ 8,588	\$ 16,027	\$ 14,004	\$ 17,024
Tsunami Expense	\$ -	\$ 187,859	\$ -	\$ 188	\$ -
Total Expenses	\$ 9,125,404	\$ 10,660,708	\$ 7,985,596	\$ 8,430,491	\$ 9,058,436
Non-Operating Revenue (Expenses)					
County revenues for public services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Grants and Other Income	\$ 23,801	\$ 619,189	\$ 42,000	\$ 33,472	\$ 24,000
Dredging Reimbursement USACE	\$ 385,000	\$ 665,000	\$ -	\$ 525,000	\$ 525,000
Interest Income	\$ 80,131	\$ 30,375	\$ 50,000	\$ 132,714	\$ 85,000
Interest Expense	\$ (443,836)	\$ (410,652)	\$ (456,980)	\$ (397,629)	\$ (355,317)
Other Income (Expenses)	\$ 38,570	\$ 83,001	\$ 60,000	\$ 124,573	\$ 95,000
Total Non-Operating Income (Expenses)	\$ 133,666	\$ 1,036,913	\$ (254,980)	\$ 468,131	\$ 423,683
Debt Service Coverage Calculation					
(+) Gross Revenues	\$ 9,521,878	\$ 10,887,939	\$ 10,161,535	\$ 11,207,950	\$ 10,576,925
(-) Maintenance and operating expenses	\$ (9,125,404)	\$ (10,660,708)	\$ (7,985,596)	\$ (8,430,491)	\$ (9,058,436)
(+) Depreciation and Amortization	\$ 2,159,280	\$ 2,187,657	\$ -	\$ -	\$ -
(+) CalPERS Unfunded Liability (Non-cash)	\$ 190,116	\$ 805,728	\$ -	\$ -	\$ -
(+) OPEB Liability (Non-cash)	\$ 81,221	\$ 101,318	\$ -	\$ -	\$ -
(=) Net Operating Income	\$ 2,827,091	\$ 3,321,934	\$ 2,175,939	\$ 2,777,460	\$ 1,518,489
(+) Interest Income	\$ 80,131	\$ 30,375	\$ 50,000	\$ 132,714	\$ 85,000
(+) Non-operating Income	\$ 38,570	\$ 83,001	\$ 60,000	\$ 124,573	\$ 95,000
(+) Grants	\$ 73,801	\$ 669,189	\$ 92,000	\$ 83,472	\$ 74,000
(+) Dredging Reimbursement USACE	\$ 385,000	\$ 665,000	\$ -	\$ 525,000	\$ 525,000
(-) Net Revenues Available for Debt Service	\$ 3,404,593	\$ 4,769,499	\$ 2,377,939	\$ 3,643,219	\$ 2,297,489
(+) Current Portion Long Term Debt	\$ 1,274,163	\$ 1,329,940	\$ 1,329,940	\$ 1,319,377	\$ 1,329,940
(+) Interest Expense	\$ 443,836	\$ 410,652	\$ 456,980	\$ 397,629	\$ 355,317
(=) Total Debt Service	\$ 1,717,999	\$ 1,740,592	\$ 1,786,920	\$ 1,717,006	\$ 1,685,257
Debt Service Coverage Ratio (DSCR)	1.98x	2.74x	1.33x	2.12x	1.36x
Required DSCR	1.25x	1.25x	1.25x	1.25x	1.25x

ATTACHMENT B – REVENUE, EXPENSE, & NON-OP SUMMARY SHEET

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
OPERATING INCOME					
User	000-000-000-0000-4000	Slip Rent Permanent	\$4,804,000	\$4,796,098	\$4,797,000
User	000-000-000-0000-4002	Slip Rent Visitors	\$160,000	\$296,139	\$210,000
User	000-000-000-0000-4003	Annual Slip Rent Discount	(\$1,225)	(\$984)	(\$1,225)
Conc Rent	000-000-000-0000-4006	Tenant Concession Rent	\$1,885,000	\$2,149,892	\$2,054,400
Conc Rent	000-000-000-0000-4008	Misc. Tenant Rent (Sewer)	\$135,000	\$126,697	\$135,000
User	000-000-000-0000-4010	Launch Fees	\$150,000	\$174,790	\$155,000
User	000-000-000-0000-4012	Liveaboard	\$70,000	\$88,000	\$75,000
User	000-000-000-0000-4014	Catamaran Storage	\$26,000	\$27,749	\$26,000
User	000-000-000-0000-4016	North Harbor Dry Storage	\$185,000	\$192,470	\$185,000
User	000-000-000-0000-4018	7th Ave Dry Storage	\$116,000	\$121,662	\$116,000
User	000-000-000-0000-4020	Waiting List	\$120,000	\$139,800	\$120,000
User	000-000-000-0000-4024	Slip Leave Option	\$3,000	\$3,500	\$3,000
User	000-000-000-0000-4026	Partnership Fees	\$27,500	\$31,273	\$28,000
User	000-000-000-0000-4028	Sublease Fees	\$28,500	\$44,259	\$30,000
User	000-000-000-0000-4030	Variable/Utility Fees	\$197,500	\$210,090	\$200,000
User	000-000-000-0000-4032	Late Fees	\$50,000	\$53,428	\$50,000
Fines	000-000-000-0000-4036	Citations	\$93,000	\$120,171	\$98,000
Other / Misc	000-000-000-0000-4040	Credit Card Convenience Charges	\$22,000	\$27,243	\$22,000
User (Pkg)	000-000-000-0000-4100	Parking - Concession Lot	\$855,000	\$899,636	\$880,000
User (Pkg)	000-000-000-0000-4102	Parking - Launch Area			
User (Pkg)	000-000-000-0000-4104	Parking - Southwest			
User (Pkg)	000-000-000-0000-4106	Parking - North			
User (Pkg)	000-000-000-0000-4108	Parking - Southeast			
User (Pkg)	000-000-000-0000-4118	Meter Permits			
User (Pkg)	000-000-000-0000-4120	Slip Renter Parking Permits	\$25,000	\$31,159	\$26,000
User	000-000-000-0000-4122	RV Parking	\$185,000	\$204,631	\$195,000
Fuel	000-000-000-0000-4200	Fuel Sales Gasoline	\$285,000	\$438,707	\$345,000
Fuel	000-000-000-0000-4202	Fuel Sales Diesel	\$405,000	\$581,885	\$465,000
Other / Misc	000-000-000-0000-4204	Fuel Service Call Back Charges	\$10	\$10	
User	000-000-000-0000-4210	Wash Rack	\$6,250	\$10,362	\$6,500
BY	000-000-000-0000-4220	Boatyard Retail	\$11,500	\$22,497	\$16,500
BY	000-000-000-0000-4225	Boatyard Labor	\$1,000	\$500	\$750
BY	000-000-000-0000-4230	Boatyard Rental	\$2,500	\$4,795	\$3,000
BY	000-000-000-0000-4235	Boatyard Misc.	\$30,000	\$41,310	\$32,000
BY	000-000-000-0000-4240	Lay Days/Storage	\$122,000	\$189,392	\$140,000
BY	000-000-000-0000-4245	Vessel Haulout	\$130,000	\$139,926	\$132,000
BY	000-000-000-0000-4250	Vessel Berthing	\$32,000	\$40,865	\$32,000
	000-000-000-0000-4299	Unallocated Revenue			
OPERATING INCOME			\$10,161,535	\$11,207,950	\$10,576,925

Santa Cruz Port District
DRAFT FY24 BUDGET
 February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
EXPENSE SUMMARY BY PROGRAM					
		Administrative Services (110)	\$826,625	\$754,329	\$889,563
		Finance & Purchasing (120)	\$227,216	\$193,473	\$239,618
		Property Management (130)	\$555,579	\$700,053	\$842,315
		Environmental & Permitting (140)	\$192,405	\$169,068	\$189,158
		Port Commission Support (190)	\$78,145	\$65,990	\$78,653
		Harbor Patrol (210)	\$807,951	\$791,242	\$863,451
		Marina Management (220)	\$563,149	\$548,964	\$611,835
		Rescue Services (230)	\$125,105	\$113,541	\$144,756
		Parking Services (240)	\$373,217	\$405,159	\$384,271
		Events (250)	\$34,399	\$25,670	\$33,179
		Fuel Services (280)	\$493,291	\$872,878	\$516,338
		Docks, Piers, Marine Structures (310)	\$340,916	\$510,122	\$679,068
		Utilities (320)	\$104,396	\$103,090	\$109,072
		Buildings (330)	\$410,949	\$395,717	\$465,185
		Grounds (340)	\$838,072	\$905,822	\$865,519
		Aeration (350)	\$57,385	\$40,513	\$59,229
		Fishery Support (360)	\$16,027	\$14,004	\$17,024
		Capital Projects (390)	\$466,799	\$397,891	\$363,503
		Dredging Operations (400)	\$1,569,037	\$1,462,202	\$1,653,480
		Boatyard Operations (500)	\$361,913	\$358,203	\$408,535
		OPERATING EXPENSES	\$8,442,576	\$8,827,931	\$9,413,753
		OPERATING PROFIT	\$1,718,959	\$2,380,019	\$1,163,172
		NON OPERATING INCOME/(EXPENSE)			
Other / Misc	000-000-000-0000-4300	Harbor Services Charge	\$10,000	\$1,000	\$10,000
Other / Misc	000-000-000-0000-4308	Interest Income	\$50,000	\$132,714	\$85,000
Other / Misc	000-000-000-0000-4310	Other Income	\$50,000	\$119,989	\$85,000
Intergov	000-000-000-0000-4375	USACE Reimbursement		\$525,000	\$525,000
Grants	000-000-000-0000-4400	Grants - State		\$11,472	
Grants	000-000-000-0000-4405	Grants - DBAW	\$30,000	\$10,000	\$12,000
Intergov	000-000-000-0000-4406	County Rescue Contribution	\$50,000	\$50,000	\$50,000
Grants	000-000-000-0000-4408	Waste Oil Grant	\$12,000	\$12,000	\$12,000
Other / Misc	000-000-000-0000-4500	Gain/(Loss) on Asset Disposal		\$3,940	
	000-000-000-0000-4600	Cash Over/Under		(\$356)	
		Election Expense			
		Principal Debt Payments	(\$1,329,940)	(\$1,319,377)	(\$1,365,818)
		Capital Improvement Program	(\$382,000)	(\$2,741,053)	(\$350,000)
		Capitalized Expenses & DIF	(\$195,151)	(\$230,119)	(\$212,500)
		Depreciation		(\$1,680,020)	
		NET INCOME/(LOSS)	\$13,868	(\$2,724,790)	\$13,854
		INCOME PROJECTION NET OF DEPRECIATION / CAP EXP			
		Capital Improvement Program		\$2,790,292	
		Capitalized Expenses / Dredge Intermediate		\$230,119	
		Depreciation		\$1,680,020	
		PROJECTED NET INCOME FY23		\$1,975,641	
		FY24 Projected Reserve Fund Contributi			(\$310,651)
		FY24 Projected Election Fund Contributi			(\$50,000)

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		ADMINISTRATIVE SERVICES (110)			
	100-100-110-0000-5000	Salaries - Regular	\$289,179	\$252,736	\$314,128
	100-100-110-0000-5005	Salaries - Overtime	\$500	\$250	\$500
	100-100-110-0000-5010	Wages - Part Time/Temporary	\$1,000	\$500	\$5,000
	100-100-110-0000-5020	Salaries - Vacation Pay	\$5,000	\$8,672	\$6,000
	100-100-110-0000-5025	Salaries - Holiday Pay		\$1,199	
	100-100-110-0000-5055	Unemployment Insurance (SUI)	\$1,800	\$2,106	\$2,266
	100-100-110-0000-5060	FICA Medicare/Social Security	\$19,905	\$18,504	\$20,217
	100-100-110-0000-5075	Auto Allowance	\$2,400	\$2,400	\$2,400
	100-100-110-0000-5105	Workers' Compensation	\$8,850	\$6,315	\$10,443
	100-100-110-0000-5110	CalPERS Employer Share	\$31,433	\$28,058	\$35,590
	100-100-110-0000-5112	CalPERS Unfunded Liability	\$53,992	\$54,444	\$53,992
	100-100-110-0000-5115	Health Insurance	\$48,548	\$46,554	\$50,850
	100-100-110-0000-5120	Dental Insurance	\$3,351	\$3,134	\$3,351
	100-100-110-0000-5125	Long Term Disability/Life/AD&D	\$867	\$1,415	\$956
	100-100-110-0000-5200	Printing & Newsletter	\$14,000	\$13,431	\$14,000
	100-100-110-0000-5202	Legal Notices	\$1,000	\$500	\$1,000
	100-100-110-0000-5204	Advertising	\$3,000	\$5,000	\$3,000
	100-100-110-0000-5206	Postage	\$10,000	\$9,720	\$10,500
	100-100-110-0000-5208	Promotional Expense	\$11,000	\$2,426	\$11,000
	100-100-110-0000-5214	Office Supplies	\$14,000	\$15,750	\$14,300
	100-100-110-0000-5217	Supplies	\$1,000	\$750	\$1,000
	100-100-110-0000-5240	Miscellaneous Employee Training	\$2,000	\$1,000	\$2,000
	100-100-110-0000-5242	Pre-Employment Physicals	\$1,000	\$500	\$1,000
	100-100-110-0000-5256	Equipment Rental	\$1,000	\$500	\$500
	100-100-110-0000-5262	Insurance Premiums	\$27,500	\$37,695	\$56,571
	100-100-110-0000-5264	Insurance Claims	\$5,000	\$1,500	\$5,000
	100-100-110-0000-5266	Memberships, Dues, Subscriptions	\$14,000	\$13,500	\$14,000
	100-100-110-0000-5268	Meetings & Training	\$5,000	\$5,985	\$5,000
	100-100-110-0000-5270	Books	\$300		
	100-100-110-0000-5282	Bank Service Charges	\$16,000	\$14,000	\$15,000
	100-100-110-0000-5284	Credit Card Fees	\$40,000	\$40,072	\$41,000
	100-100-110-0000-5288	Employee Recognition	\$3,000	\$3,658	\$3,000
	100-100-110-0000-5290	Miscellaneous Expenses	\$1,000	\$500	\$1,000
	100-100-110-0000-5298	Interest Expense	\$2,000		
	100-100-110-0000-5310	Telephone & Alarms	\$26,000	\$16,806	\$22,000
	100-100-110-0000-5415	Miscellaneous Professional Services	\$12,000	\$9,600	\$12,000
	100-100-110-0000-5416	Legal Consultation	\$40,000	\$34,000	\$35,000
	100-100-110-0000-5420	Technical Services	\$21,000	\$18,500	\$21,000
	100-100-110-0000-5425	Contract Services	\$12,000	\$19,200	\$16,000
	100-100-110-0000-5450	Other Services	\$10,000	\$9,624	\$12,000
	100-100-110-0000-5465	Software License & Application	\$31,000	\$22,873	\$31,000
	100-100-110-0000-5470	LAFCO Assessment	\$14,000	\$11,359	\$14,000
	100-100-110-0000-5500	Mileage Reimbursement	\$1,000	\$500	\$1,000
	100-100-110-0000-5510	Meetings & Seminars	\$3,000	\$1,500	\$3,000
	100-100-110-0000-5694	Office Equipment R&M	\$10,000	\$5,000	\$10,000
	100-100-110-0000-5698	Equipment/Equipment R&M	\$8,000	\$12,000	\$8,000
	100-100-110-CO19-5000	COVID-19 Labor		\$405	
	100-100-110-TSUN-5000	2022 Tsunami Labor		\$188	
	100-100-110-TSUN-6300	2022 Tsunami Expenses			
		TOTAL ADMINISTRATIVE SERVICES	\$826,625	\$754,329	\$889,563

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		FINANCE & PURCHASING (120)			
	100-100-120-0000-5000	Salaries - Regular	\$113,606	\$91,042	\$123,407
	100-100-120-0000-5005	Salaries - Overtime	\$500		\$500
	100-100-120-0000-5010	Wages - Part Time/Temporary	\$1,000		\$1,000
	100-100-120-0000-5055	Unemployment Insurance (SUI)	\$957	\$431	\$957
	100-100-120-0000-5060	FICA Medicare/Social Security	\$8,678	\$5,489	\$8,810
	100-100-120-0000-5105	Workers' Compensation	\$3,740	\$2,669	\$4,413
	100-100-120-0000-5110	CalPERS Employer Share	\$8,177	\$7,299	\$9,259
	100-100-120-0000-5112	CalPERS Unfunded Liability	\$14,046	\$14,164	\$14,046
	100-100-120-0000-5115	Health Insurance	\$20,329	\$18,325	\$21,006
	100-100-120-0000-5120	Dental Insurance	\$1,416	\$1,324	\$1,416
	100-100-120-0000-5125	Long Term Disability/Life/AD&D	\$367	\$368	\$404
	100-100-120-0000-5214	Office Supplies	\$750	\$350	\$750
	100-100-120-0000-5266	Memberships, Dues, Subscriptions	\$500	\$500	\$500
	100-100-120-0000-5268	Meetings & Training	\$2,000	\$2,000	\$2,000
	100-100-120-0000-5272	Software	\$500	\$500	\$500
	100-100-120-0000-5290	Miscellaneous Expenses	\$1,000	\$1,000	\$1,000
	100-100-120-0000-5420	Technical Services	\$2,000	\$2,000	\$2,000
	100-100-120-0000-5460	Accounting & Auditing	\$46,000	\$44,862	\$46,000
	100-100-120-0000-5465	Software License & Application	\$500	\$500	\$500
	100-100-120-0000-5500	Mileage Reimbursement	\$150	\$150	\$150
	100-100-120-0000-5698	Equipment/Equipment R&M	\$1,000	\$500	\$1,000
		TOTAL FINANCE & PURCHASING	\$227,216	\$193,473	\$239,618
		PROPERTY MANAGEMENT (130)			
	100-100-130-0000-5000	Salaries - Regular	\$18,443	\$6,509	\$20,034
	100-100-130-0000-5055	Unemployment Insurance (SUI)	\$100	\$25	\$100
	100-100-130-0000-5060	FICA Medicare/Social Security	\$1,811	\$500	\$1,825
	100-100-130-0000-5105	Workers' Compensation	\$390	\$278	\$460
	100-100-130-0000-5110	CalPERS Employer Share	\$2,411	\$2,152	\$2,729
	100-100-130-0000-5112	CalPERS Unfunded Liability	\$4,141	\$4,175	\$4,141
	100-100-130-0000-5115	Health Insurance	\$2,047	\$1,967	\$2,117
	100-100-130-0000-5120	Dental Insurance	\$148	\$138	\$148
	100-100-130-0000-5125	Long Term Disability/Life/AD&D	\$38	\$109	\$42
	100-100-130-0000-5204	Advertising	\$1,500	\$1,000	\$1,500
	100-100-130-0000-5262	Insurance Premiums	\$128,800	\$281,897	\$412,969
	100-100-130-0000-5268	Meetings & Training	\$750	\$500	\$750
	100-100-130-0000-5290	Miscellaneous Expenses	\$3,000	\$1,500	\$2,000
	100-100-130-0000-5300	Gas & Electricity	\$83,500	\$90,696	\$85,000
	100-100-130-0000-5305	Water, Sewer & Garbage	\$180,000	\$181,174	\$182,000
	100-100-130-0000-5310	Telephone & Alarms	\$7,500	\$3,679	\$5,500
	100-100-130-0000-5315	Sanitary Dist Charges	\$115,000	\$93,703	\$110,000
	100-100-130-0000-5416	Legal Consultation	\$6,000	\$30,052	\$11,000
		TOTAL PROPERTY MANAGEMENT	\$555,579	\$700,053	\$842,315

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		ENVIRONMENTAL & PERMITTING (140)			
	100-100-140-0000-5000	Salaries - Regular	\$14,016	\$5,685	\$12,554
	100-100-140-0000-5005	Salaries - Overtime	\$3,000	\$3,000	\$3,000
	100-100-140-0000-5010	Wages - Part Time/Temporary	\$42,000	\$32,668	\$40,000
	100-100-140-0000-5055	Unemployment Insurance (SUI)	\$1,000	\$508	\$294
	100-100-140-0000-5060	FICA Medicare/Social Security	\$3,392	\$2,591	\$3,432
	100-100-140-0000-5105	Workers' Compensation	\$1,150	\$821	\$1,357
	100-100-140-0000-5110	CalPERS Employer Share	\$3,427	\$3,059	\$3,880
	100-100-140-0000-5112	CalPERS Unfunded Liability	\$5,886	\$5,936	\$5,886
	100-100-140-0000-5115	Health Insurance	\$6,036	\$5,666	\$6,244
	100-100-140-0000-5120	Dental Insurance	\$435	\$407	\$435
	100-100-140-0000-5125	Long Term Disability/Life/AD&D	\$113	\$154	\$124
	100-100-140-0000-5217	Supplies	\$1,000	\$500	\$1,000
	100-100-140-0000-5235	Vehicle & Equipment Fuel	\$500	\$500	\$500
	100-100-140-0000-5268	Meetings & Training	\$500	\$250	\$500
	100-100-140-0000-5276	Permit Fees	\$8,000	\$8,583	\$8,000
	100-100-140-0000-5292	Uniform Cleaning/Laundry	\$250	\$290	\$250
	100-100-140-0000-5420	Technical Services	\$90,000	\$90,000	\$90,000
	100-100-140-0000-5500	Mileage Reimbursement	\$500	\$250	\$500
	100-100-140-0000-5625	Signage	\$200	\$200	\$200
	100-100-140-0000-5665	Vehicle Maintenance	\$2,000	\$1,500	\$2,000
	100-100-140-0000-5696	Permits & Inspections	\$2,500	\$1,000	\$2,500
	100-100-140-0000-5698	Equipment/Equipment R&M	\$6,500	\$5,500	\$6,500
		TOTAL ENVIRONMENTAL & PERMITTING	\$192,405	\$169,068	\$189,158
		PORT COMMISSION SUPPORT (190)			
	100-100-190-0000-5000	Salaries - Regular	\$39,098	\$34,698	\$45,142
	100-100-190-0000-5005	Salaries - Overtime	\$500		
	100-100-190-0000-5010	Wages - Part Time/Temporary	\$1,000		
	100-100-190-0000-5055	Unemployment Insurance (SUI)	\$302	\$75	\$302
	100-100-190-0000-5060	FICA Medicare/Social Security	\$2,454	\$2,283	\$2,496
	100-100-190-0000-5105	Workers' Compensation	\$1,180	\$842	\$1,392
	100-100-190-0000-5110	CalPERS Employer Share	\$3,663	\$3,270	\$4,148
	100-100-190-0000-5112	CalPERS Unfunded Liability	\$6,292	\$6,345	\$6,292
	100-100-190-0000-5115	Health Insurance	\$6,193	\$5,994	\$6,407
	100-100-190-0000-5120	Dental Insurance	\$447	\$418	\$447
	100-100-190-0000-5125	Long Term Disability/Life/AD&D	\$116	\$165	\$127
	100-100-190-0000-5214	Office Supplies	\$200	\$200	\$200
	100-100-190-0000-5217	Supplies	\$100	\$100	\$100
	100-100-190-0000-5268	Meetings & Training	\$6,000	\$6,000	\$6,000
	100-100-190-0000-5270	Books	\$100	\$100	\$100
	100-100-190-0000-5294	Commission Expenses	\$500	\$500	\$500
	100-100-190-CVRA-6300	CVRA Expenses	\$10,000	\$5,000	\$5,000
		TOTAL PORT COMMISSION SUPPORT	\$78,145	\$65,990	\$78,653

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		HARBOR PATROL (210)			
	100-200-210-0000-5000	Salaries - Regular	\$367,622	\$383,128	\$399,337
	100-200-210-0000-5005	Salaries - Overtime	\$10,000	\$12,183	\$10,000
	100-200-210-0000-5010	Wages - Part Time/Temporary	\$2,500		\$500
	100-200-210-0000-5015	Salaries - Comp. Time		\$3,075	
	100-200-210-0000-5020	Salaries - Vacation Pay	\$4,000	\$2,025	\$4,000
	100-200-210-0000-5025	Salaries - Holiday Pay	\$5,000	\$4,039	\$5,000
	100-200-210-0000-5040	Salaries - Call Back	\$1,500	\$2,000	\$1,500
	100-200-210-0000-5045	Salaries - Call Ready	\$4,000	\$5,933	\$5,000
	100-200-210-0000-5050	Salaries - Night Differential	\$5,000	\$1,583	\$4,000
	100-200-210-0000-5055	Unemployment Insurance (SUI)	\$3,840	\$2,787	\$3,840
	100-200-210-0000-5060	FICA Medicare/Social Security	\$34,067	\$32,850	\$34,596
	100-200-210-0000-5100	Uniform Allowance	\$6,500	\$6,500	\$6,500
	100-200-210-0000-5105	Workers' Compensation	\$15,000	\$10,704	\$17,700
	100-200-210-0000-5110	CalPERS Employer Share	\$44,621	\$39,302	\$50,521
	100-200-210-0000-5112	CalPERS Unfunded Liability	\$76,645	\$76,263	\$76,645
	100-200-210-0000-5115	Health Insurance	\$84,325	\$68,377	\$87,040
	100-200-210-0000-5120	Dental Insurance	\$5,680	\$5,312	\$5,680
	100-200-210-0000-5125	Long Term Disability/Life/AD&D	\$1,470	\$2,009	\$1,620
	100-200-210-0000-5217	Supplies	\$2,500	\$2,000	\$2,500
	100-200-210-0000-5218	Tools	\$1,000	\$500	\$1,000
	100-200-210-0000-5220	Harbor Patrol Supplies	\$3,000	\$2,000	\$3,000
	100-200-210-0000-5224	Almar Maintenance	\$2,500	\$1,913	\$2,500
	100-200-210-0000-5235	Vehicle & Equipment Fuel	\$8,000	\$7,400	\$8,000
	100-200-210-0000-5236	Harbor Patrol Training	\$12,000	\$8,500	\$12,000
	100-200-210-0000-5238	Harbor Patrol Misc. Expense	\$6,500	\$5,600	\$6,500
	100-200-210-0000-5244	Background Investigations	\$3,000	\$1,550	\$3,000
	100-200-210-0000-5262	Insurance Premiums	\$4,681	\$11,278	\$16,971
	100-200-210-0000-5278	Booking Fees	\$2,000	\$3,500	\$2,000
	100-200-210-0000-5415	Miscellaneous Professional Services	\$3,500	\$3,300	\$2,500
	100-200-210-0000-5450	Other Services	\$78,000	\$81,180	\$82,000
	100-200-210-0000-5500	Mileage Reimbursement	\$1,500	\$150	\$1,000
	100-200-210-0000-5510	Meetings & Seminars	\$2,000		\$1,000
	100-200-210-0000-5665	Vehicle Maintenance	\$4,000	\$4,000	\$4,000
	100-200-210-0000-5692	Communications Maintenance	\$2,000	\$300	\$2,000
	100-200-210-0000-6100	Capital Outlay			\$24,500
		TOTAL HARBOR PATROL	\$807,951	\$791,242	\$863,451

Santa Cruz Port District
DRAFT FY24 BUDGET
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Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		MARINA MANAGEMENT (220)			
	100-200-220-0000-5000	Salaries - Regular	\$309,343	\$272,494	\$336,031
	100-200-220-0000-5005	Salaries - Overtime	\$500	\$750	\$500
	100-200-220-0000-5010	Wages - Part Time/Temporary	\$24,000	\$15,465	\$23,500
	100-200-220-0000-5020	Salaries - Vacation Pay		\$7,765	
	100-200-220-0000-5025	Salaries - Holiday Pay	\$2,500	\$3,460	\$2,500
	100-200-220-0000-5055	Unemployment Insurance (SUI)	\$2,117	\$1,475	\$2,117
	100-200-220-0000-5060	FICA Medicare/Social Security	\$18,920	\$22,035	\$19,212
	100-200-220-0000-5105	Workers' Compensation	\$8,270	\$5,901	\$9,759
	100-200-220-0000-5110	CalPERS Employer Share	\$42,234	\$40,199	\$47,819
	100-200-220-0000-5112	CalPERS Unfunded Liability	\$72,545	\$73,152	\$72,545
	100-200-220-0000-5115	Health Insurance	\$43,404	\$41,425	\$44,901
	100-200-220-0000-5120	Dental Insurance	\$3,131	\$2,929	\$3,131
	100-200-220-0000-5125	Long Term Disability/Life/AD&D	\$810	\$1,902	\$893
	100-200-220-0000-5217	Supplies	\$5,000	\$5,500	\$5,000
	100-200-220-0000-5222	Scout Maintenance	\$2,500	\$2,510	\$2,500
	100-200-220-0000-5224	P/B Kinnamon Maintenance	\$5,000	\$6,418	\$5,000
	100-200-220-0000-5262	Insurance Premiums	\$8,775	\$13,435	\$22,628
	100-200-220-0000-5279	Bad Debt Expense	\$10,000	\$5,000	\$10,000
	100-200-220-0000-5280	Lien Sale Expenses	\$2,500	\$27,000	\$2,500
	100-200-220-0000-5465	Software License & Application	\$1,000		\$1,000
	100-200-220-0000-5500	Mileage Reimbursement	\$600	\$150	\$300
		TOTAL MARINA MANAGEMENT	\$563,149	\$548,964	\$611,835
		RESCUE SERVICES (230)			
	100-200-230-0000-5000	Salaries - Regular	\$28,770	\$21,312	\$31,252
	100-200-230-0000-5005	Salaries - Overtime	\$1,000	\$1,361	\$1,000
	100-200-230-0000-5010	Wages - Part Time/Temporary	\$1,000		\$500
	100-200-230-0000-5040	Salaries - Call Back	\$3,000	\$2,097	\$2,500
	100-200-230-0000-5045	Salaries - Call Ready	\$16,000	\$15,751	\$16,000
	100-200-230-0000-5055	Unemployment Insurance (SUI)	\$440	\$370	\$440
	100-200-230-0000-5060	FICA Medicare/Social Security	\$4,327	\$2,601	\$4,388
	100-200-230-0000-5105	Workers' Compensation	\$1,720	\$1,227	\$2,030
	100-200-230-0000-5110	CalPERS Employer Share	\$2,576	\$2,449	\$2,917
	100-200-230-0000-5112	CalPERS Unfunded Liability	\$4,425	\$4,462	\$4,425
	100-200-230-0000-5115	Health Insurance	\$9,027	\$7,744	\$9,339
	100-200-230-0000-5120	Dental Insurance	\$651	\$609	\$651
	100-200-230-0000-5125	Long Term Disability/Life/AD&D	\$169	\$116	\$186
	100-200-230-0000-5212	Safety Supplies	\$2,000	\$2,000	\$2,000
	100-200-230-0000-5217	Supplies	\$500	\$200	\$500
	100-200-230-0000-5222	Scout Maintenance	\$2,500	\$2,500	\$2,500
	100-200-230-0000-5224	P/B Kinnamon Maintenance	\$4,500	\$3,500	\$4,500
	100-200-230-0000-5226	Boat Fuel - Patrol Boats	\$7,000	\$10,300	\$8,000
	100-200-230-0000-5236	Harbor Patrol Training	\$6,000		\$6,000
	100-200-230-0000-5238	Harbor Patrol Miscellaneous Expense	\$1,000	\$750	\$1,000
	100-200-230-0000-5262	Insurance Premiums	\$6,500	\$16,191	\$22,628
	100-200-230-0000-5425	Contract Services	\$22,000	\$18,000	\$22,000
		TOTAL RESCUE SERVICES	\$125,105	\$113,541	\$144,756

Santa Cruz Port District
DRAFT FY24 BUDGET
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Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		PARKING SERVICES (240)			
	100-200-240-0000-5000	Salaries - Regular	\$79,426	\$68,332	\$86,278
	100-200-240-0000-5005	Salaries - Overtime	\$500	\$4,283	\$500
	100-200-240-0000-5010	Wages - Part Time/Temporary	\$90,000	\$91,069	\$90,000
	100-200-240-0000-5025	Salaries - Holiday Pay		\$133	
	100-200-240-0000-5030	Salaries - Sick Pay	\$1,000	\$750	\$1,000
	100-200-240-0000-5040	Salaries - Call Back		\$88	
	100-200-240-0000-5055	Unemployment Insurance (SUI)	\$3,500	\$2,576	\$445
	100-200-240-0000-5060	FICA Medicare/Social Security	\$11,323	\$11,868	\$11,384
	100-200-240-0000-5105	Workers' Compensation	\$1,740	\$1,242	\$2,053
	100-200-240-0000-5110	CalPERS Employer Share	\$5,129	\$9,325	\$5,807
	100-200-240-0000-5112	CalPERS Unfunded Liability	\$8,809	\$18,094	\$8,809
	100-200-240-0000-5115	Health Insurance	\$9,132	\$8,295	\$10,147
	100-200-240-0000-5120	Dental Insurance	\$523	\$616	\$659
	100-200-240-0000-5125	Long Term Disability/Life/AD&D	\$135	\$231	\$188
	100-200-240-0000-5212	Safety Supplies	\$500	\$490	\$500
	100-200-240-0000-5217	Supplies	\$10,000	\$12,031	\$10,000
	100-200-240-0000-5218	Tools	\$100		\$100
	100-200-240-0000-5231	Boat Fuel - Free Ride	\$600	\$600	\$600
	100-200-240-0000-5235	Vehicle & Equipment Fuel	\$2,500	\$4,000	\$3,000
	100-200-240-0000-5240	Miscellaneous Employee Training	\$1,000		\$500
	100-200-240-0000-5254	Rent & Leases	\$8,000	\$9,600	\$8,000
	100-200-240-0000-5284	Credit Card Fees	\$50,000	\$60,220	\$50,000
	100-200-240-0000-5292	Uniform Cleaning/Laundry	\$1,000	\$624	\$1,000
	100-200-240-0000-5425	Contract Services	\$42,000	\$43,200	\$44,000
	100-200-240-0000-5450	Other Services	\$32,000	\$46,360	\$32,000
	100-200-240-0000-5465	Software License & Application	\$500		\$500
	100-200-240-0000-5500	Mileage Reimbursement		\$468	
	100-200-240-0000-5610	Water Taxi Maintenance	\$3,000	\$2,750	\$5,000
	100-200-240-0000-5625	Signage	\$1,000	\$1,213	\$1,000
	100-200-240-0000-5635	Parking Meters R&M	\$1,800	\$1,500	\$1,800
	100-200-240-0000-5665	Vehicle Maintenance	\$3,000	\$1,200	\$3,000
	100-200-240-0000-5698	Equipment/Equipment R&M	\$5,000	\$4,000	\$6,000
		TOTAL PARKING SERVICES	\$373,217	\$405,159	\$384,271
		EVENTS (250)			
	100-200-250-0000-5000	Salaries - Regular	\$9,344	\$8,137	\$10,150
	100-200-250-0000-5005	Salaries - Overtime	\$1,000	\$266	\$500
	100-200-250-0000-5010	Wages - Part Time/Temporary	\$3,000		\$500
	100-200-250-0000-5055	Unemployment Insurance (SUI)	\$100		\$353
	100-200-250-0000-5060	FICA Medicare/Social Security	\$899	\$598	\$948
	100-200-250-0000-5105	Workers' Compensation	\$1,380	\$985	\$1,628
	100-200-250-0000-5110	CalPERS Employer Share	\$1,205	\$1,076	\$1,365
	100-200-250-0000-5112	CalPERS Unfunded Liability	\$2,070	\$2,088	\$2,070
	100-200-250-0000-5115	Health Insurance	\$7,243	\$6,680	\$7,493
	100-200-250-0000-5120	Dental Insurance	\$523	\$489	\$523
	100-200-250-0000-5125	Long Term Disability/Life/AD&D	\$135	\$54	\$149
	100-200-250-0000-5217	Supplies	\$3,500	\$3,119	\$3,500
	100-200-250-0000-5256	Equipment Rental	\$1,000	\$655	\$1,000
	100-200-250-0000-5290	Misc. Expenses	\$2,500	\$1,524	\$2,500
	100-200-250-0000-5625	Signage	\$500		\$500
		TOTAL EVENTS	\$34,399	\$25,670	\$33,179

Santa Cruz Port District
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Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		FUEL SERVICES (280)			
	100-200-280-0000-5000	Salaries - Regular	\$9,344	\$5,297	\$10,150
	100-200-280-0000-5010	Wages - Part Time/Temporary	\$22,000	\$21,364	\$22,000
	100-200-280-0000-5030	Salaries - Sick Pay	\$300		\$300
	100-200-280-0000-5055	Unemployment Insurance (SUI)	\$310	\$103	\$310
	100-200-280-0000-5060	FICA Medicare/Social Security	\$2,516	\$1,730	\$2,559
	100-200-280-0000-5105	Workers' Compensation	\$1,210	\$863	\$1,428
	100-200-280-0000-5110	CalPERS Employer Share	\$1,134	\$1,263	\$1,284
	100-200-280-0000-5112	CalPERS Unfunded Liability	\$1,949	\$1,965	\$1,949
	100-200-280-0000-5115	Health Insurance	\$6,351	\$5,855	\$6,570
	100-200-280-0000-5120	Dental Insurance	\$458	\$429	\$458
	100-200-280-0000-5125	Long Term Disability/Life/AD&D	\$119	\$51	\$131
	100-200-280-0000-5217	Supplies	\$1,000	\$1,000	\$1,000
	100-200-280-0000-5218	Tools	\$100	\$100	\$100
	100-200-280-0000-5245	Fuel Dock Gasoline	\$195,000	\$340,000	\$205,000
	100-200-280-0000-5246	Fuel Dock Diesel	\$225,000	\$460,000	\$235,000
	100-200-280-0000-5250	Fuel Dock Equipment & Supplies	\$1,000	\$250	\$1,000
	100-200-280-0000-5252	Underground Storage Tank Maintenance	\$7,000	\$9,200	\$8,500
	100-200-280-0000-5262	Insurance Premiums	\$4,000	\$1,980	\$4,000
	100-200-280-0000-5276	Permit Fees	\$4,000	\$3,978	\$4,100
	100-200-280-0000-5284	Credit Card Fees	\$8,000	\$11,500	\$8,000
	100-200-280-0000-5607	Fueling Equipment R&M	\$2,500	\$5,950	\$2,500
		TOTAL FUEL SERVICES	\$493,291	\$872,878	\$516,338

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		DOCKS, PIERS, MARINE STRUCTURES (310)			
	100-300-310-0000-5000	Salaries - Regular	\$90,246	\$105,608	\$109,517
	100-300-310-0000-5005	Salaries - Overtime	\$1,000		\$750
	100-300-310-0000-5010	Wages - Part Time/Temporary	\$2,000		\$1,000
	100-300-310-0000-5055	Unemployment Insurance (SUI)	\$658	\$645	\$658
	100-300-310-0000-5060	FICA Medicare/Social Security	\$8,201	\$7,976	\$8,291
	100-300-310-0000-5105	Workers' Compensation	\$2,570	\$1,834	\$3,033
	100-300-310-0000-5110	CalPERS Employer Share	\$9,099	\$6,012	\$10,302
	100-300-310-0000-5112	CalPERS Unfunded Liability	\$15,629	\$11,667	\$15,629
	100-300-310-0000-5115	Health Insurance	\$14,188	\$11,218	\$14,653
	100-300-310-0000-5120	Dental Insurance	\$973	\$910	\$973
	100-300-310-0000-5125	Long Term Disability/Life/AD&D	\$252	\$410	\$278
	100-300-310-0000-5212	Safety Supplies	\$1,000	\$1,000	\$1,000
	100-300-310-0000-5214	Office Supplies	\$250	\$100	\$250
	100-300-310-0000-5217	Supplies	\$1,000	\$750	\$1,000
	100-300-310-0000-5218	Tools	\$2,500	\$2,500	\$2,500
	100-300-310-0000-5230	Boat Fuel - Odd Job Big Red	\$500	\$150	\$500
	100-300-310-0000-5235	Vehicle & Equipment Fuel	\$2,500	\$2,290	\$2,500
	100-300-310-0000-5240	Miscellaneous Employee Training	\$5,000	\$1,200	\$4,000
	100-300-310-0000-5256	Equipment Rental	\$2,000	\$500	\$2,000
	100-300-310-0000-5262	Insurance Premiums	\$145,000	\$330,310	\$463,883
	100-300-310-0000-5268	Meetings & Training	\$1,000		\$1,000
	100-300-310-0000-5290	Miscellaneous Expenses	\$750	\$250	\$750
	100-300-310-0000-5292	Uniform Cleaning/Laundry	\$600	\$325	\$600
	100-300-310-0000-5430	Engineering Services	\$3,000	\$2,483	\$3,000
	100-300-310-0000-5500	Mileage Reimbursement	\$500	\$100	\$500
	100-300-310-0000-5605	Piers & Marine Structures R&M	\$15,000	\$13,736	\$15,000
	100-300-310-0000-5615	Maintenance Work Boat R&M	\$1,000	\$750	\$1,000
	100-300-310-0000-5620	Paint & Supplies	\$3,000	\$500	\$2,500
	100-300-310-0000-5625	Signage	\$1,000	\$1,200	\$1,500
	100-300-310-0000-5665	Vehicle Maintenance	\$3,000	\$750	\$3,000
	100-300-310-0000-5698	Equipment/Equipment R&M	\$5,000	\$3,750	\$5,000
	100-300-310-0000-5725	Welding Supplies	\$2,500	\$1,200	\$2,500
		TOTAL DOCKS, PIERS, MARINE STRUC	\$340,916	\$510,122	\$679,068
		UTILITIES (320)			
	100-300-320-0000-5000	Salaries - Regular	\$31,229	\$42,613	\$33,924
	100-300-320-0000-5005	Salaries - Overtime	\$750		\$750
	100-300-320-0000-5010	Wages - Part Time/Temporary	\$1,000		\$1,000
	100-300-320-0000-5055	Unemployment Insurance (SUI)	\$750	\$174	\$758
	100-300-320-0000-5060	FICA Medicare/Social Security	\$2,146	\$3,264	\$2,250
	100-300-320-0000-5105	Workers' Compensation	\$2,960	\$2,112	\$3,493
	100-300-320-0000-5110	CalPERS Employer Share	\$5,838	\$5,211	\$6,610
	100-300-320-0000-5112	CalPERS Unfunded Liability	\$10,027	\$10,111	\$10,027
	100-300-320-0000-5115	Health Insurance	\$15,535	\$14,535	\$16,071
	100-300-320-0000-5120	Dental Insurance	\$1,121	\$1,048	\$1,121
	100-300-320-0000-5125	Long Term Disability/Life/AD&D	\$290	\$263	\$320
	100-300-320-0000-5212	Safety Supplies	\$3,000	\$750	\$3,000
	100-300-320-0000-5217	Supplies	\$1,000	\$500	\$1,000
	100-300-320-0000-5240	Miscellaneous Employee Training	\$3,000		\$3,000
	100-300-320-0000-5290	Miscellaneous Expenses	\$250	\$50	\$250
	100-300-320-0000-5650	Storm Drain Maintenance	\$5,500	\$8,200	\$5,500
	100-300-320-0000-5665	Vehicle Maintenance	\$3,000	\$750	\$3,000
	100-300-320-0000-5670	Utility Maintenance	\$12,000	\$9,682	\$12,000
	100-300-320-0000-5698	Equipment/Equipment R&M	\$5,000	\$3,826	\$5,000
		TOTAL UTILITIES	\$104,396	\$103,090	\$109,072

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		BUILDINGS (330)			
	100-300-330-0000-5000	Salaries - Regular	\$72,787	\$71,169	\$79,066
	100-300-330-0000-5005	Salaries - Overtime	\$1,000	\$349	\$1,000
	100-300-330-0000-5010	Wages - Part Time/Temporary	\$5,000		\$6,000
	100-300-330-0000-5015	Salaries - Comp. Time	\$1,000		\$1,000
	100-300-330-0000-5020	Salaries - Vacation Pay	\$1,000		\$1,000
	100-300-330-0000-5025	Salaries - Holiday Pay		\$107	
	100-300-330-0000-5040	Salaries - Call Back	\$500	\$1,306	\$500
	100-300-330-0000-5045	Salaries - Call Ready	\$5,000	\$3,639	\$5,000
	100-300-330-0000-5055	Unemployment Insurance (SUI)	\$750	\$495	\$758
	100-300-330-0000-5060	FICA Medicare/Social Security	\$6,156	\$6,032	\$6,260
	100-300-330-0000-5105	Workers' Compensation	\$2,960	\$2,112	\$3,493
	100-300-330-0000-5110	CalPERS Employer Share	\$7,516	\$4,599	\$8,509
	100-300-330-0000-5112	CalPERS Unfunded Liability	\$12,909	\$8,924	\$12,909
	100-300-330-0000-5115	Health Insurance	\$19,735	\$16,758	\$19,571
	100-300-330-0000-5120	Dental Insurance	\$1,121	\$1,048	\$1,121
	100-300-330-0000-5125	Long Term Disability/Life/AD&D	\$290	\$338	\$320
	100-300-330-0000-5212	Safety Supplies	\$2,000	\$1,800	\$2,000
	100-300-330-0000-5216	Janitorial Supplies	\$30,000	\$40,213	\$32,000
	100-300-330-0000-5217	Supplies	\$4,000	\$2,250	\$4,000
	100-300-330-0000-5218	Tools	\$2,500	\$1,641	\$2,500
	100-300-330-0000-5235	Vehicle & Equipment Fuel	\$3,000	\$3,192	\$3,000
	100-300-330-0000-5240	Miscellaneous Employee Training	\$2,500	\$500	\$2,500
	100-300-330-0000-5256	Equipment Rental	\$500		\$500
	100-300-330-0000-5262	Insurance Premiums	\$23,775	\$43,252	\$62,228
	100-300-330-0000-5266	Memberships, Dues, Subscriptions	\$250		\$250
	100-300-330-0000-5268	Meetings & Training	\$1,000	\$250	\$1,000
	100-300-330-0000-5290	Miscellaneous Expenses	\$1,000	\$750	\$1,000
	100-300-330-0000-5292	Uniform Cleaning/Laundry	\$3,200	\$1,918	\$3,200
	100-300-330-0000-5305	Water, Sewer & Garbage	\$62,000	\$63,181	\$64,000
	100-300-330-0000-5308	Hazmat Disposal	\$3,500	\$1,000	\$1,500
	100-300-330-0000-5412	Custodial Contract	\$65,000	\$66,702	\$72,000
	100-300-330-0000-5430	Engineering Services	\$5,000	\$1,575	\$3,000
	100-300-330-0000-5450	Other Services	\$1,500	\$1,000	\$1,500
	100-300-330-0000-5500	Mileage Reimbursement		\$204	
	100-300-330-0000-5600	Building Repairs & Maintenance	\$38,000	\$34,053	\$38,000
	100-300-330-0000-5620	Paint & Supplies	\$5,000	\$1,250	\$5,000
	100-300-330-0000-5625	Signage	\$1,000	\$200	\$1,000
	100-300-330-0000-5645	Street Maintenance	\$4,000	\$500	\$4,000
	100-300-330-0000-5660	Street Light Maintenance	\$2,500	\$1,500	\$2,500
	100-300-330-0000-5665	Vehicle Maintenance	\$3,500	\$3,273	\$3,500
	100-300-330-0000-5698	Equipment/Equipment R&M	\$7,000	\$7,436	\$7,000
	100-300-330-0000-5725	Welding Supplies	\$1,500	\$1,200	\$1,500
	100-300-330-0000-6100	Capital Outlay			\$45,000
		TOTAL BUILDINGS	\$410,949	\$395,717	\$465,185

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		GROUNDS (340)			
	100-300-340-0000-5000	Salaries - Regular	\$219,590	\$251,376	\$238,534
	100-300-340-0000-5005	Salaries - Overtime	\$4,500	\$5,000	\$4,500
	100-300-340-0000-5010	Wages - Part Time/Temporary	\$15,000	\$16,343	\$15,000
	100-300-340-0000-5015	Salaries - Comp. Time	\$450		\$450
	100-300-340-0000-5020	Salaries - Vacation Pay	\$1,500	\$4,206	\$1,500
	100-300-340-0000-5025	Salaries - Holiday Pay		\$2,456	
	100-300-340-0000-5030	Salaries - Sick Pay	\$250		
	100-300-340-0000-5040	Salaries - Call Back	\$2,500	\$7,013	\$2,500
	100-300-340-0000-5045	Salaries - Call Ready	\$7,500	\$11,489	\$8,000
	100-300-340-0000-5055	Unemployment Insurance (SUI)	\$3,251	\$1,928	\$3,251
	100-300-340-0000-5060	FICA Medicare/Social Security	\$17,312	\$23,093	\$17,760
	100-300-340-0000-5105	Workers' Compensation	\$12,700	\$9,062	\$14,986
	100-300-340-0000-5110	CalPERS Employer Share	\$19,616	\$17,510	\$22,210
	100-300-340-0000-5112	CalPERS Unfunded Liability	\$33,695	\$33,977	\$33,695
	100-300-340-0000-5115	Health Insurance	\$66,654	\$60,825	\$68,953
	100-300-340-0000-5120	Dental Insurance	\$4,809	\$4,498	\$4,809
	100-300-340-0000-5125	Long Term Disability/Life/AD&D	\$1,245	\$883	\$1,372
	100-300-340-0000-5210	Hazmat Supplies	\$7,500	\$5,200	\$7,500
	100-300-340-0000-5212	Safety Supplies	\$3,000	\$2,875	\$3,000
	100-300-340-0000-5217	Supplies	\$4,000	\$3,971	\$4,000
	100-300-340-0000-5218	Tools	\$2,500	\$3,000	\$3,000
	100-300-340-0000-5235	Vehicle & Equipment Fuel	\$5,000	\$10,034	\$6,000
	100-300-340-0000-5240	Miscellaneous Employee Training	\$2,500	\$2,991	\$2,500
	100-300-340-0000-5256	Equipment Rental	\$3,000	\$2,800	\$3,000
	100-300-340-0000-5266	Memberships, Dues, Subscriptions	\$500		\$500
	100-300-340-0000-5276	Permit Fees	\$2,500	\$750	\$1,500
	100-300-340-0000-5292	Uniform Cleaning/Laundry	\$4,000	\$2,525	\$3,500
	100-300-340-0000-5300	Gas & Electricity	\$215,000	\$248,774	\$220,000
	100-300-340-0000-5305	Water, Sewer & Garbage	\$95,000	\$105,308	\$97,000
	100-300-340-0000-5308	Hazmat Disposal	\$10,000	\$13,291	\$10,000
	100-300-340-0000-5405	Landscaping	\$10,000	\$5,389	\$8,000
	100-300-340-0000-5425	Contract Services	\$5,000	\$675	\$2,500
	100-300-340-0000-5500	Mileage Reimbursement	\$500	\$89	\$500
	100-300-340-0000-5620	Paint & Supplies	\$5,000	\$3,500	\$5,000
	100-300-340-0000-5625	Signage	\$4,000	\$4,850	\$4,000
	100-300-340-0000-5630	Parking Lot R&M	\$10,000	\$6,467	\$10,000
	100-300-340-0000-5645	Street Maintenance	\$2,500	\$2,257	\$2,500
	100-300-340-0000-5665	Vehicle Maintenance	\$5,000	\$2,500	\$5,000
	100-300-340-0000-5672	Other Repairs & Maintenance	\$3,500	\$5,300	\$3,500
	100-300-340-0000-5696	Permits & Inspections	\$2,500	\$250	\$1,000
	100-300-340-0000-5698	Equipment/Equipment R&M	\$10,000	\$11,496	\$10,000
	100-300-340-0000-5800	Fish Removal Expenses	\$2,500		\$2,000
	100-300-340-0000-5805	Waste Oil Disposal/Recycle	\$12,500	\$11,871	\$12,500
		TOTAL GROUNDS	\$838,072	\$905,822	\$865,519

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		AERATION (350)			
	100-300-350-0000-5000	Salaries - Regular	\$12,295	\$3,083	\$13,356
	100-300-350-0000-5055	Unemployment Insurance (SUI)	\$75		\$195
	100-300-350-0000-5060	FICA Medicare/Social Security	\$1,581	\$238	\$1,607
	100-300-350-0000-5105	Workers' Compensation	\$760	\$542	\$897
	100-300-350-0000-5110	CalPERS Employer Share	\$2,694	\$2,405	\$3,051
	100-300-350-0000-5112	CalPERS Unfunded Liability	\$4,628	\$4,667	\$4,628
	100-300-350-0000-5115	Health Insurance	\$3,989	\$3,751	\$4,126
	100-300-350-0000-5120	Dental Insurance	\$288	\$269	\$288
	100-300-350-0000-5125	Long Term Disability/Life/AD&D	\$75	\$121	\$82
	100-300-350-0000-5217	Supplies	\$1,000	\$150	\$1,000
	100-300-350-0000-5300	Gas & Electricity	\$20,000	\$22,786	\$20,000
	100-300-350-0000-5698	Equipment/Equip. R&M	\$10,000	\$2,500	\$10,000
		TOTAL AERATION	\$57,385	\$40,513	\$59,229
		FISHERY SUPPORT (360)			
	100-300-360-0000-5000	Salaries - Regular	\$9,344	\$10,210	\$10,150
	100-300-360-0000-5055	Unemployment Insurance (SUI)		\$68	\$38
	100-300-360-0000-5060	FICA Medicare/Social Security	\$312	\$744	\$317
	100-300-360-0000-5105	Workers' Compensation	\$150	\$107	\$177
	100-300-360-0000-5110	CalPERS Employer Share	\$685	\$612	\$776
	100-300-360-0000-5112	CalPERS Unfunded Liability	\$1,177	\$1,187	\$1,177
	100-300-360-0000-5115	Health Insurance	\$787	\$743	\$814
	100-300-360-0000-5120	Dental Insurance	\$57	\$53	\$57
	100-300-360-0000-5125	Long Term Disability/Life/AD&D	\$15	\$31	\$16
	100-300-360-0000-5675	Ice Equipment R&M	\$3,500	\$250	\$3,500
		TOTAL FISHERY SUPPORT	\$16,027	\$14,004	\$17,024
		CAPITAL PROJECTS (390)			
	100-300-390-0000-5000	Salaries - Regular	\$4,426	\$250	\$4,808
	100-300-390-0000-5055	Unemployment Insurance (SUI)	\$15		
	100-300-390-0000-5060	FICA Medicare/Social Security	\$178	\$12	\$178
	100-300-390-0000-5276	Permit Fees	\$2,500		\$1,500
	100-300-390-0000-5290	Miscellaneous Expenses	\$500		\$500
	100-300-390-0000-5298	Interest Expense	\$456,980	\$397,629	\$355,317
	100-300-390-0000-5416	Legal Consultation	\$2,000		\$1,000
	100-300-390-0000-5500	Mileage Reimbursement	\$200		\$200
	100-300-390-0000-6200	Principal Debt Payments	\$1,329,940	\$1,319,377	\$1,365,818
		TOTAL CAPITAL PROJECTS	\$466,799	\$397,891	\$363,503

Santa Cruz Port District
DRAFT FY24 BUDGET
February 15, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		DREDGING OPERATIONS (400)			
	100-300-400-0000-5000	Salaries - Regular	\$591,638	\$541,326	\$631,193
	100-300-400-0000-5005	Salaries - Overtime	\$25,000	\$39,767	\$25,000
	100-300-400-0000-5010	Wages - Part Time/Temporary	\$20,000	\$42,609	\$20,000
	100-300-400-0000-5015	Salaries - Comp. Time	\$1,500	\$1,500	\$1,500
	100-300-400-0000-5020	Salaries - Vacation Pay	\$2,000	\$4,936	\$2,000
	100-300-400-0000-5025	Salaries - Holiday Pay	\$1,500	\$1,124	\$1,500
	100-300-400-0000-5030	Salaries - Sick Pay		\$2,177	
	100-300-400-0000-5055	Unemployment Insurance (SUI)	\$6,193	\$3,489	\$6,193
	100-300-400-0000-5060	FICA Medicare/Social Security	\$50,307	\$47,628	\$51,160
	100-300-400-0000-5105	Workers' Compensation	\$24,190	\$17,261	\$28,544
	100-300-400-0000-5110	CalPERS Employer Share	\$36,325	\$32,425	\$41,129
	100-300-400-0000-5112	CalPERS Unfunded Liability	\$62,396	\$62,918	\$62,396
	100-300-400-0000-5115	Health Insurance	\$131,858	\$120,906	\$136,236
	100-300-400-0000-5120	Dental Insurance	\$9,159	\$8,567	\$9,159
	100-300-400-0000-5125	Long Term Disability/Life/AD&D	\$2,371	\$1,636	\$2,613
	100-300-400-0000-5210	Hazmat Supplies	\$3,000	\$1,750	\$3,000
	100-300-400-0000-5212	Safety Supplies	\$6,500	\$9,758	\$6,500
	100-300-400-0000-5217	Supplies	\$8,000	\$6,307	\$8,000
	100-300-400-0000-5218	Tools	\$10,000	\$14,958	\$10,000
	100-300-400-0000-5232	Boat Fuel - Dredge Skiff	\$1,000	\$250	\$1,000
	100-300-400-0000-5233	Boat Fuel - Twin Lakes	\$105,000	\$106,300	\$105,000
	100-300-400-0000-5234	Boat Fuel - Dauntless	\$10,000	\$4,800	\$10,000
	100-300-400-0000-5235	Vehicle & Equipment Fuel	\$11,000	\$15,868	\$12,000
	100-300-400-0000-5240	Miscellaneous Employee Training	\$10,000	\$500	\$10,000
	100-300-400-0000-5256	Equipment Rental	\$32,000	\$5,500	\$32,000
	100-300-400-0000-5262	Insurance Premiums	\$14,000	\$27,154	\$45,257
	100-300-400-0000-5266	Memberships, Dues, Subscriptions	\$500	\$975	\$500
	100-300-400-0000-5268	Meetings & Training	\$2,000	\$1,000	\$2,000
	100-300-400-0000-5270	Books	\$100		\$100
	100-300-400-0000-5276	Permit Fees	\$10,000	\$8,200	\$10,000
	100-300-400-0000-5290	Miscellaneous Expenses	\$5,000	\$4,660	\$5,000
	100-300-400-0000-5292	Uniform Cleaning/Laundry	\$6,500	\$6,867	\$6,500
	100-300-400-0000-5308	Hazmat Disposal	\$5,000	\$4,631	\$5,000
	100-300-400-0000-5418	Freight	\$2,500	\$2,200	\$2,500
	100-300-400-0000-5440	Environmental Services	\$10,000		\$5,000
	100-300-400-0000-5445	Dredge Consulting	\$15,000		\$15,000
	100-300-400-0000-5450	Other Services	\$5,000	\$2,500	\$5,000
	100-300-400-0000-5500	Mileage Reimbursement	\$1,000		\$1,000
	100-300-400-0000-5620	Paint & Supplies	\$5,000	\$6,300	\$6,000
	100-300-400-0000-5665	Vehicle Maintenance	\$5,000	\$3,908	\$5,000
	100-300-400-0000-5672	Other Repairs & Maintenance	\$2,000	\$6,696	\$3,000
	100-300-400-0000-5685	Safety Equipment R&M	\$1,500	\$1,500	\$1,500
	100-300-400-0000-5698	Equipment/Equipment R&M	\$45,000	\$36,000	\$45,000
	100-300-400-0000-5700	Maint/Lube Inner Harbor Dredge	\$20,000	\$21,806	\$20,000
	100-300-400-0000-5705	Maint/Lube Dredge Twin Lakes	\$120,000	\$123,754	\$120,000
	100-300-400-0000-5707	Maint/Lube - Ancilliary Equipment	\$65,000	\$41,000	\$65,000
	100-300-400-0000-5710	Maint/Lube Dredge Workboat Dauntless	\$30,000	\$28,688	\$30,000
	100-300-400-0000-5715	Dredge Paint/Coatings	\$18,000	\$21,000	\$19,000
	100-300-400-0000-5720	Booster Pump R&M	\$10,000	\$7,500	\$10,000
	100-300-400-0000-5725	Welding Supplies	\$10,000	\$11,602	\$10,000
	100-300-400-0000-6100	Capitalized Equip Xfer to 1100	\$191,151	\$226,269	\$143,000
		TOTAL DREDGING OPERATIONS	\$1,569,037	\$1,462,202	\$1,653,480

Santa Cruz Port District
DRAFT FY24 BUDGET
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Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		BOATYARD OPERATIONS (500)			
	100-500-500-0000-5000	Salaries - Regular	\$149,262	\$128,452	\$162,139
	100-500-500-0000-5005	Salaries - Overtime	\$1,000	\$750	\$1,000
	100-500-500-0000-5010	Wages - Part Time/Temp.	\$15,500	\$6,367	\$20,000
	100-500-500-0000-5015	Salaries - Comp. Time	\$300	\$319	\$300
	100-500-500-0000-5025	Salaries - Holiday Pay		\$102	
	100-500-500-0000-5040	Call Back	\$500	\$97	\$500
	100-500-500-0000-5055	Unemployment Insurance (SUI)	\$2,324	\$1,877	\$2,324
	100-500-500-0000-5060	FICA Medicare/Social Security	\$13,483	\$10,148	\$13,804
	100-500-500-0000-5105	Workers' Compensation	\$9,080	\$6,479	\$10,714
	100-500-500-0000-5110	CalPERS Employer Share	\$8,555	\$7,637	\$9,687
	100-500-500-0000-5112	CalPERS Unfunded Liability	\$14,696	\$14,819	\$14,696
	100-500-500-0000-5115	Health Insurance	\$49,055	\$43,908	\$50,699
	100-500-500-0000-5120	Dental Insurance	\$3,438	\$3,215	\$3,438
	100-500-500-0000-5125	Long Term Disability/Life/AD&D	\$745	\$385	\$981
	100-500-500-0000-5204	Advertising	\$525	\$719	\$525
	100-500-500-0000-5210	Hazmat Supplies	\$500		\$500
	100-500-500-0000-5212	Safety Supplies	\$500	\$300	\$500
	100-500-500-0000-5217	Supplies	\$2,500	\$2,000	\$2,500
	100-500-500-0000-5218	Tools	\$1,000	\$1,300	\$1,000
	100-500-500-0000-5235	Fuel - Travelift	\$1,500	\$3,500	\$2,000
	100-500-500-0000-5240	Miscellaneous Employee Training	\$1,200	\$1,250	\$1,200
	100-500-500-0000-5256	Equipment Rental	\$1,000		\$1,000
	100-500-500-0000-5262	Insurance Premiums	\$7,450	\$16,191	\$22,628
	100-500-500-0000-5276	Permit Fees	\$2,500	\$935	\$2,000
	100-500-500-0000-5284	Credit Card Fees	\$6,000	\$7,876	\$7,000
	100-500-500-0000-5290	Misc. Expenses	\$1,500	\$1,500	\$1,500
	100-500-500-0000-5292	Uniforms	\$600	\$1,484	\$1,200
	100-500-500-0000-5300	Gas & Electricity	\$17,000	\$15,755	\$17,000
	100-500-500-0000-5305	Water, Sewer, Garbage	\$13,000	\$11,500	\$13,000
	100-500-500-0000-5308	Hazmat Disposal	\$5,500	\$10,000	\$5,500
	100-500-500-0000-5310	Telephone & Alarms	\$2,000	\$795	\$1,500
	100-500-500-0000-5425	Contract Services	\$500	\$992	\$500
	100-500-500-0000-5430	Engineering Services	\$500		\$500
	100-500-500-0000-5450	Other Services	\$3,500	\$3,500	\$3,500
	100-500-500-0000-5465	Software License & Application	\$500		\$500
	100-500-500-0000-5500	Mileage Reimbursement	\$200	\$100	\$200
	100-500-500-0000-5625	Signage	\$250	\$200	\$250
	100-500-500-0000-5694	Office Equipment	\$250	\$250	\$250
	100-500-500-0000-5698	Equipment R&M	\$7,500	\$28,000	\$10,000
	100-500-500-0000-7000	Filtration System R&M	\$2,500	\$2,500	\$3,000
	100-500-500-0000-7005	Filtration System Supplies	\$4,000	\$9,000	\$9,000
	100-500-500-0000-7020	Cost of Goods Sold	\$10,000	\$14,000	\$10,000
	100-500-500-0000-6100	Capital Outlay	\$4,000	\$3,850	
		TOTAL BOATYARD OPERATIONS	\$361,913	\$358,203	\$408,535

ATTACHMENT C – FINANCIAL POLICIES

Reserve Policy

Investment Policy

Unfunded Accrued Liability Policy (including CalPERS' Employer Contribution Rates)

Santa Cruz Port District
General Fund Reserve Policy
Adopted November 24, 2015

Reserve Policy Objectives

To strengthen the financial stability of the District against economic uncertainty, unexpected situations such as natural or man-made disasters, unanticipated drop in revenues, and other unforeseen emergencies or extraordinary circumstances that the Port District may face that are infrequent in occurrence.

Target Amount Held in Reserve

The Port District will strive to hold in reserve an amount equal to 25 percent of the District's annual operating expenses in the current fiscal year's adopted general fund budget. The District recognizes that reserve fund amount may fluctuate and may need to be rebuilt over time as needed.

Funding Sources

The reserve fund will generally come from one-time revenue and from excess revenues over expenditures. Examples of one-time revenue include infrequent sales of Port District assets, infrequent revenues from development and grants, or other sources that are typically non-recurring in nature.

Conditions on Use of Reserves

The use of reserves shall generally be limited to unanticipated, non-recurring needs. Reserve fund balances shall not be used for normal or recurring annual operating expenditures.

The Port Director shall make recommendations to the Port Commission for use of reserves. Appropriations from this reserve fund shall require a resolution approved by the Port Commission.

Requests for use of reserves shall occur only after exhausting the current year's budgetary flexibility. The Port Director shall, within six months of its use, present to the Port Commission a plan and timeline for replenishing the reserve fund. .

Santa Cruz Port District

INVESTMENT POLICY



**Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161**

August 9, 2021 (attachments)

INVESTMENT POLICY

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Santa Cruz Port District

INVESTMENT POLICY

INTRODUCTION

Santa Cruz Port District is a municipal corporation and a political subdivision of the State of California. It is governed by an elected Board of Commissioners; the investment policy is administered through an executive officer, the Port Director.

The responsibilities and authority of the Santa Cruz Port Commission are prescribed in the State of California Harbors and Navigation Code, Part 4, Sec. 6200.

PURPOSE

This statement is intended to set policy and provide direction to the Port Director of the Santa Cruz Port District for the prudent and beneficial investment of all funds and monies of the District.

AUTHORITY

The Government Code of the State of California (Government Code), primarily section 53601 and related subsections, authorizes the types of investment vehicles allowed in a California local agency's portfolio. The investment vehicles emphasize preservation of capital and are a conservative set of investments. The authority to invest (as defined in the Government Code) is delegated to the local agency's legislative body for re-delegation to its finance officer. Under no circumstance is the local agency finance officer permitted to purchase an investment that is not specifically authorized by law and within the scope of investments delegated by the local agency's governing board.

This Investment Policy grants the Port Director the authority to act as Finance Officer (Trustee) and manage investments for the Santa Cruz Port District. The Santa Cruz Port Commission will serve in the role of investment committee, responsible for setting investment policy and providing oversight.

The Port Commission, under authorized contract, may delegate certain responsibilities to professional experts in various fields, including but not limited to:

- Investment Consultant: An investment consultant may be retained assist the Port Director in selecting investment options in compliance with State of California public fund management

guidelines; reviewing such options over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.

- Designated officers as allowed under California Government Code Sections 53601-53610 and 53620-53622 and/or successor statutes for purposes of assuming fiduciary responsibility for administering and managing certain investments, such as a Section 115 trust to prefund Other Post-Employment Benefits or pension liabilities.
- Additional specialists such as attorneys, auditors, actuaries and others who may be contracted by the District.

Adoption of this policy was made at a regular meeting of the Port Commission on November 27, 2018. The Port Commission, acting as Investment Committee, may adopt other amendments to this policy due to a change in the District's goals and objectives, which shall require an affirmative vote by a majority of the Port Commission. This policy is intended to allow investment in accordance with state and federal laws and successor statutes, and therefore a statute change may not be require a change in this policy. Investment Policy Attachments A and B shall be updated by the Finance Officer, as needed, to reflect current California Debt and Investment Advisory Commission (CDIAC) guidance.

BASIC POLICY AND OBJECTIVES

In accordance with public fund management guidelines, the Santa Cruz Port District investment policy is a conservative policy guided by the objectives of safety, liquidity and yield, in accordance with Government Code Section 53600.5, which states, *"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a Trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control."*

The following are objectives:

Performance Expectations: The Port District's cash management portfolio shall be designed with the objective of regularly meeting or exceeding the average yield of the State of California Local Agency Investment Fund (LAIF). The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code. LAIF as an indicator is considered a benchmark for lower risk investment transactions and therefore comprises a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles, when feasible. The investment program may also seek to reduce Other Post Employment (OPEB) or pension liabilities.

Prudence: The standard of prudence to be used by investment officials shall be the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations

from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Reporting Requirements: The quarterly financial reports presented to the Santa Cruz Port Commission, typically presented at regularly scheduled public meetings in July, October, and January, and shall include information about investment performance. (Note: Fiscal year end quarterlies are not typically presented to the Commission, but are reviewed as part of the year-end audit process.)

Performance Review: The Santa Cruz Port Commission shall perform periodic appraisals of the investment portfolio and investment policy to evaluate the effectiveness of the District's investment program. The Investment Policy shall be presented with the annual budget document.

Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Port District.

Investment Portfolio Compliance: The Port District's investment portfolio must be in compliance with statute at the time that investments are purchased. The investment portfolio shall be monitored, as practical, for subsequent changes in percentages resulting from non-purchase activity or changes in credit rating of existing securities. If, as a result of monitoring, it is discovered that the portfolio or individual investments are deemed to be out of compliance with either statute or this Investment Policy, such non-compliance shall be reported by the Port Director to the Port Commission within five working days along with a detailed explanation for the variance and recommended course of action.

Exceptions: When investing in funds deemed suitable for public investment such as LAIF, a Joint Powers Authority Pool or Voluntary Investment Program Fund as described in Attachment A, California Debt and Investment Advisory Commission (CDIAC) Figure 1, no maximum specified percentage of portfolio shall apply.

Conflicts: In the event any provision this Investment Policy is in conflict with any of the statutes referred to herein or any other State or Federal statutes, the provisions of each statute shall govern.

PERMITTED INVESTMENTS AND LIMITATIONS

Permitted Investments

The California Government Code contains specific provisions regarding the types of investments and practices permitted after considering the broad requirement of preserving principal and maintaining liquidity before seeking yield. These provisions are intended to promote the use of reliable, diverse and safe investments instruments to ensure a prudently managed portfolio worthy of public trust.

Government Code Sections 16340, 16429.1, 53601, 53601.6, 53601.8, 53635, 53635.2, 53635.8, 53638, and 53684 include a number of requirements on how and where public money may be invested. CDIAC Figure 1 provides a synopsis of the permitted investment instruments and limitations on each, in which all local agencies may invest as summarized by CDIAC, Local Agency Investment Guidelines, Update for 2018).

The Port District may invest only in those instruments specified in State law; however, the Port Commission may set a more stringent standard.

To the extent allowable by statute, the Finance Officer and Investment Committee (Port Commission) may consider investment in funds, such as those allowable under an irrevocable Section 115 Trust of the Internal Revenue Code, designated for the payment of employee retiree health benefits (Other Post Employment Benefits "OPEB") as authorized under Government Code Sections 53620-53622 or a Pension Prefunding Trust Program "PPTP," currently under development by CalPERS as authorized by SB 1413, which may provide a future investment opportunity.

Limitations on Investments

Limitations as established by law are subject to change as established by the State Treasurer. A listing of limitations on investments are as summarized by CDIAC, Local Agency Investment Guidelines, Update for 2018, are shown in the Table of Notes appended to Table 1. As noted above, investment options and limitations are subject to change as established by the State Treasurer from time to time.

The Trustee, with guidance and approval of the Investment Committee (Port Commission), may adopt additional limitations on investments over time, which shall be made a part of this policy.

ATTACHMENTS

ATTACHMENT A.....CDIAC ALLOWABLE INVESTMENT INSTRUMENTS, FIGURE 1

ATTACHMENT B.....CDIAC TABLE OF NOTES FOR FIGURE 1

FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT
CODE (AS OF JANUARY 1, 2021)^A APPLICABLE TO ALL LOCAL AGENCIES^B

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^E	None	53601(g)
Commercial Paper—Non-Pooled Funds ^F (under \$100,000,000 of investments)	270 days or less	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(c)
Commercial Paper— Pooled Funds ^I	270 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^J	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^K	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^K	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	53601(j)
Medium-Term Notes ^N	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple ^{P,Q}	53601(l) and 53601.6(b)
Collateralized Bank Deposits ^R	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple ^S	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund ^T	N/A	None	None	16340
Supranational Obligations ^U	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

TABLE OF NOTES FOR FIGURE 1

- ^A Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- ^B Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- ^C Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- ^D Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- ^E No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- ^F Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.
- ^G Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.
- ^H Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- ^I Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- ^J No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- ^K Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- ^L Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- ^M Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- ^N "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- ^O No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- ^P A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- ^Q A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- ^R Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- ^S A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- ^T Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- ^U Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

Santa Cruz Port District

UNFUNDED ACCRUED LIABILITY PENSION MANAGEMENT POLICY



*Adopted by the Santa Cruz Port Commission
July 14, 2022*

SECTION 1. PURPOSE

This Unfunded Accrued Liability Pension Management Policy (the “Policy”) is intended to strategically address the existing and any future unfunded accrued liability (the “UAL”) associated with the Santa Cruz Port District’s (the “District”) California Public Employees’ Retirement System (CalPERS) pension plans (the “Pension Plans”). Also addressed are some of the principal elements and core parameters central to the policy objectives. In the development of this Policy, the District strives to reduce its UAL and the associated financing costs in the most cost-efficient and fiscally responsible manner possible.

The District is committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserve levels, and employing prudent practices in governance, management, budget administration, and financial reporting. This Policy is intended to make all relevant information readily available to decision-makers and the public to improve the quality of decisions, identify policy goals, and to demonstrate a commitment to long-term financial planning. Adherence to this Policy signals to rating agencies and capital markets that the District is well managed and able to meet its obligations in a timely manner.

The Policy is intended to reflect a reasonable and conservative approach to managing the UAL costs associated with the Pension Plans. This Policy recognizes that the Pension Plans are subject to market volatility and that actual economic and demographic experience of the plans will differ from the actuarial assumptions. Accordingly, it is intended to allow for adaptive responses to changing circumstances, providing flexibility to address such volatility in a financially sound manner. As such, the District is required to continually monitor its Pension Plans and the corresponding UAL.

SECTION 2. POLICY GOALS AND OBJECTIVES

The overarching goals and objectives of this Policy are as follows:

- Establish, attain, and maintain targeted pension plan funding levels
- Seek to manage and control future contribution volatility to the extent reasonably possible
- Strive to make Annual Discretionary Payments to accelerate UAL pay-down, reduce interest costs, and stabilize future payments, when feasible
- Maintain the District’s sound financial position and creditworthiness
- Provide guidance in making annual budget decisions
- Demonstrate prudent financial management practices
- Ensure that pension funding decisions protect both current and future stakeholders
- Create transparency as to how and why the Pensions Plans are funded

SECTION 3. BACKGROUND AND DISCUSSION

In General. Each Pension Plan is a multiple-employer defined benefit pension plan administered by the California Public Employee Retirement System (“CalPERS”). All full-time and certain part-time District employees are eligible to participate in the CalPERS retirement and disability benefits, annual cost of living adjustments and death benefits offered to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure its financial soundness and sustainability, the plan should accumulate adequate resources in a systematic and disciplined manner to ensure sufficient resources are available to meet employee benefit requirements. This Policy outlines the practices the District may utilize to address its actuarially determined contributions to fund the long-term cost of benefits to the Pension Plan participants and annuitants.

Pension Costs and Liabilities. In order to fund its employees’ pension benefits, the District is required to make contributions (a portion of which may come from the employees) to CalPERS. CalPERS then invests these contributions to generate returns to help fund the pension benefits. The regular required contributions, known as the “normal cost,” are calculated as a percent of salaries and represent the annual cost of service accrual for the upcoming fiscal year for active employees. If, for any reason, the actual Pension Plan experience and investment performance fall short of the actuarial assumptions, the Pension Plan can become underfunded (i.e., the Pension Plan’s Normal Accrued Liability exceeds the Plan’s market value of assets). This shortfall is known as the Unfunded Accrued Liability (the “UAL”) and usually has to be covered by the District through a series of UAL Payments, which are above and beyond the “normal cost” contributions. The UAL Payments are calculated in total dollar amounts, not as a percent of salaries.

The UAL, can be caused by multiple factors, including but not limited to, changes to CalPERS’ actuarial amortization policy, retroactive pension benefit enhancements, investment underperformance, actuarial assumption changes, demographic factors, and discount rate reductions and apply to all accrued employee benefits regardless of current employment status.

UAL is Debt. The UAL balance at any given point in time is a debt of the District owed to CalPERS, which is amortized over a set period of time with interest accruing at the then current CalPERS discount rate (the “Discount Rate”). However, this debt can be prepaid at any time without penalties. Recognizing the UAL as debt helps the District identify proper steps to address it and minimize the associated financing costs.

Ongoing CalPERS Practices. Every year CalPERS prepares updated actuarial valuation reports for each of the District’s Pension Plans wherein it calculates the District’s total pension liability as of the end of the prior fiscal year (each a “Valuation Report”). If the investment performance during that fiscal year was different from the Discount Rate, or if CalPERS made any changes to its actuarial assumptions, or if the actual demographic or compensation experience within the Pension Plans was different from the actuarial assumptions, new line items, or UAL amortization “bases,” may be added to the plan and result in a change to the UAL balance. Such UAL amortization bases may be positive (indicating funding shortfall for the Pension Plans) or negative (indicating funding surplus for the Pension Plans). Since CalPERS can add new

UAL amortization bases every year, the Pension Plans must be monitored annually and managed continually – there is no one-time solution.

CalPERS has adopted the UAL amortization methods that were meant to help public agencies “ease into” paying for the UAL increases. New UAL amortization bases are implemented incrementally, with a five-year ramp-up period, and at times include additional small increases in each of the subsequent years. The ramp-up period, while reducing the cash flow impact in the near term, increases the overall UAL repayment costs for the District by delaying repayment. Since the UAL balances accrue interest at the rate that is equal to the then current Discount Rate, the delayed payments prior to the commencement of the amortization and the reduced payments during the ramp-up period that do not fully cover the interest costs result in negative amortization, causing further increases to the UAL balance. To help reduce the overall costs of the UAL repayment, this Policy encourages level annual payments (i.e., no ramp-up) whenever possible.

SECTION 4. POLICY

A. Funding Level Objective. It is the District’s policy to strive to achieve and maintain a Pension “Funded Ratio” (being the ratio by which the Market Value of Assets—as set forth in the most recently published Valuation Report--exceeds the Entry Age Normal Accrued Liability or “EANAL”—as set forth in the most recently published Valuation Report) for each Pension Plan of 90% (the “Funding Level Objective”).

Funding Level Objective = 90%

Achieving and maintaining the 90% Funding Level Objective ensures that the ongoing contributions of the District and its employees are properly and adequately funding the retirement benefits of retirees and today’s workers. This concept is commonly referred to as the intergenerational equity. The reason for a Funding Level Objective of 90% rather than 100% is to allow some cushion for the possibility that good investment returns by CalPERS in a given year might push the Funded Ratio of a Pension Plan above 100% (commonly referred to as “superfunded status”), which means that the District and its employees had contributed into the Pension Plan more than was necessary. Thus, while the District remains committed to maintaining a 100% funded level, it shall manage the 10% differential (i.e., the difference between 90% and 100%) through its own investment process by creating the “Pension Rate Stabilization Fund” discussed herein.

Guidance: To achieve the Funding Level Objective, this Policy provides the following guidance:

1. **Pre-Pay the Entire Annual UAL Payment by July 31st of each year.** On or before July 1st of each year, the District receives its annual CalPERS UAL invoice. The District has two payments options. The invoice can (1) be paid in equal monthly increments or (2) be fully pre-paid at the beginning of the fiscal year by July 31st. By prepaying the entire invoice amount due by July 31st, the District can save approximately 3.5% compared to making the monthly payments. As such, every effort should be made to pre-pay the UAL payment upon receipt of the annual invoice, when feasible.
2. **Pre-Pay UAL from Reserves, One-Time Revenues and Fund Surpluses.** Reserves (often invested in LAIF) regularly do not earn returns that can offset the interest rate that CalPERS charges on the outstanding UAL balance. Supplemental contributions into the Pension Plans from available reserves, one-time revenues and fund surpluses can generate substantial long-

term net savings. Each supplemental contribution, referred to by CalPERS as an Additional Discretionary Payment (ADP), reduces the UAL balance, the Annual Required Contributions (ARC) for future years, and the total interest costs associated with the UAL. CalPERS does not apply any prepayment penalties to ADPs. Therefore, during each budget cycle, District staff shall review all available reserves, one-time revenues and fund surpluses to determine whether any such funds could be used to make an ADP to pay down the UAL, keeping in mind operational and capital budgetary constraints while maintaining adequate reserves and balancing the fiscal soundness of eliminating the high-interest UAL debt. ADPs should not adversely affect the general operations and fiscal soundness of the District.

3. **Capital Financing.** When considering capital projects, staff regularly reviews and plans for reserving capital to cash fund current and future projects. When considering how to pay for current and future capital projects, staff should review the current tax-exempt market to assess if it would be more cost effective to borrow at tax-exempt rates to pay for the capital projects and redirect the reserved funding (and/or such other appropriate funds of the District) to make ADPs to CalPERS.

If there are projected cost savings by using this method, and a capital financing strategy is to be implemented, the Port Commission would need to approve of the ADPs being paid to CalPERS prior to the financing to ensure that the annual savings generated by implementing the strategy are applied to UAL paydowns.

4. **Utilize Savings Achieved from Refunding Outstanding Non-Pension Related Debt to Pre-Pay UAL.** During each budget cycle, staff should review all outstanding long-term non-pension related debt of the District to determine whether a refunding of such debt might result in net present value savings of greater than 3%, and if so, consider a structure and strategy that frontloads the savings from such debt refunding, which can then be used to pay down the UAL.
5. **Sources of Revenue.** All fees, rates and charges should incorporate full allocation of pension costs for employees providing associated services. While some funds cannot contribute more than their fair share (i.e., enterprise funds), they should not contribute less than their fair share. Staff shall review allocation of labor costs to proprietary and other funds to ensure full reimbursement of the pension cost burden. Staff shall provide, or cause to be provided, consistent and well-documented methodology for pension cost allocation to all funds.
6. **Pension Obligation Financing.** The District shall consider issuing taxable municipal debt obligations (generically hereafter referred to as “Pension Obligations”) to refinance the UAL, in part or in whole, if such bond obligations are expected to produce minimum cash flow savings of at least 5%, taking into account all debt service and costs of issuance associated with such bond obligations, in comparison to CalPERS’ respective UAL amortization schedule and the then-current Discount Rate.

Pension Obligations shall not utilize swaps or derivatives of any kind and should be structured with reasonable and flexible call provisions (with a maximum of 10-year call provision). Pension Obligations shall be used only to prepay the UAL liabilities and shall not be used to

finance normal cost payments. The issuance of Pension Obligations must be voted upon and approved by the Board of Directors.

7. **Annual Review of the CalPERS Actuarial Valuation Reports and Associated Tasks.**
District staff shall review or cause to be reviewed the annual CalPERS actuarial valuation reports within 60 days of their release by CalPERS, which usually takes place during the month of August. The review should focus on identifying the annual changes to each of the Pension Plans UAL and quantifying the associated cost implications and the corresponding impact on the Funded Ratio. Staff should annually reach out to the District's CalPERS actuary to request a calculation of flat payments (rather than ramp-up payments) for all outstanding and new UAL amortization bases. In making ADPs, District staff shall determine or cause to be determined the optimal application of the ADPs to the outstanding UAL amortization bases to achieve the Funding Level Objective as well as desired budgetary outcomes.

B. Establishment and Operation of a Pension Rate Stabilization Fund.

1. **Establishment of a Pension Rate Stabilization Fund.** Once the District has substantively accomplished stabilizing all Pension Funds at or near the Funding Level Objective, the District may establish a Pension Rate Stabilization Fund, either self-managed or a Section 115 trust fund managed by a third-party investment manager (the "Investment Manager"). The Pension Rate Stabilization Fund will receive Sequestered Savings (defined below) and Sequestered Surplus (defined below) as well as any other funds deposited into it at the discretion of the Port Commission, based on recommendations made by District staff during the annual budget process. Funds in the Pension Rate Stabilization Fund should only be used to manage the District's pension benefits costs to maintain each of the Pension Plans at the Funding Level Objective in accordance with the goals and objectives set forth in this Policy.
2. **Funding the Pension Rate Stabilization Fund.**
 - (a) **Sequestered Savings.** At the beginning of each Fiscal Year following the issuance of each series of Pension Obligations, for a total of ten (10) consecutive years (or such other period of years as deemed appropriate by the Port Commission at the time of any subsequent issuances of Pension Obligations) following such issuance, a fixed dollar amount equal to 50% (or such other percentage as deemed appropriate by the Port Commission at the time of any subsequent issuances of Pension Obligations) of the "Total Sequestered Savings" (as calculated in the manner set forth below) achieved by issuing Pension Obligations (the "Annual Sequestered Savings Savings"), shall be transferred from the District's general operating funds and deposited into the Pension Rate Stabilization Fund until such time that the Pension Rate Stabilization Fund reaches the Pension Rate Stabilization Fund Maximum (as outlined in section B3 below), and thereafter all Sequestered Savings will be directed to a "Pension Obligation Prepayment Fund" which will be established and maintained by the District for the purpose of prepaying any outstanding Pension Obligations.

$$\text{Total Sequestered Savings} = \text{UALDS} - \text{DS}$$

$$\text{Annual Sequestered Savings} = 0.5x\left(\frac{\text{UALDS} - \text{DS}}{Y}\right)$$

UALDS = Scheduled UAL debt service being paid off by the Pension Obligations

DS = Total principal amount of Debt Service on the Pension Obligations

Y = Number of years to pay back Sequestered Savings

Example of Annual Sequestered Savings Calculation

A \$5M Pension Obligation was issued in 2022 for the purpose of prepaying UAL. The total UAL debt service (UALDS) paid off with the Pension Obligation was \$8,000,000 and the total debt service (DS) on the Pension Obligation is \$7,000,000. The District elected to sequester 50% of the total savings over a 10-year period (Y), which in this example totals \$100,000.

$$\begin{aligned}\text{Annual Seq. Savings} &= 0.5x\left(\frac{8,000,000 - 7,000,000}{10}\right) \\ &= \$50,000\end{aligned}$$

(b) Sequestered Surplus. Each Fiscal Year during the District’s normal budget adoption process, beginning with the 2022-23 Fiscal year budget, and for each of the following 9 years, a percent between 0% and 10% of any available surplus from the prior Fiscal Year (the “Sequestered Surplus”) shall be set aside, transferred and deposited into the Pension Rate Stabilization Fund.

3. **Operation of the Pension Rate Stabilization Fund**. Sequestered Surplus and Sequestered Savings (and any other amounts contributed by the District) shall be deposited in the Pension Rate Stabilization Fund and used solely for the purpose of making ADP’s (and Normal Cost payments during a Fiscal Hardship, and/or to the extent the amount therein exceeds the Pension Rate Stabilization Fund Maximum, as described below) to CalPERS for the purpose of achieving and maintaining Funding Level Objective.

With the goal of achieving and maintaining the Funding Level Objective, each year during the budget cycle, District staff shall calculate, or cause to be calculated, the upcoming Fiscal Year’s estimated Funded Ratio by taking into account the most recent Valuation Report’s statement of Funded Ratio and adjusting for the estimated UAL amortization base that will be either added or subtracted due to the prior Fiscal Year’s investment result of either exceeding or falling short of the then current Discount Rate for that Fiscal Year (the “Estimated Funded Ratio”). If the Estimated Funded Ratio is estimated to be less than the Funding Level Objective, to the extent funds are available in the Pension Rate Stabilization Fund, the Port Director shall make an ADP to CalPERS in the amount necessary to bring the Funded Ratio back up to the Funding Level Objective. Additionally, if sufficient funds are available in the Pension Rate Stabilization Fund, staff shall assess whether to fully amortize any new UAL amortization bases in order to reduce the long-term interest costs associated with the “ramping” procedures used by CalPERS.

Moneys in the Pension Rate Stabilization Fund shall not be used for normal costs until such time as the amount therein, when combined with the Market Value of Assets (as set forth in the most recently published Valuation Report) exceeds the Entry Age Normal Accrued Liability (as set forth in the most recently published Valuation Report) by 110% (the “Pension Rate Stabilization Fund Maximum”). To the extent monies in the Pension Rate Stabilization Fund on June 31st exceed the Pension Rate Stabilization Fund Maximum (after consideration has been given to the amounts therein required to be paid to CalPERS for the ensuing Fiscal Year to maintain the Estimated Funded Ratio at or above the Funding Level Objective), any accrued surplus over 110% may be used to offset the District’s Normal Cost payment made to CalPERS in such Fiscal Year, and any Sequestered Savings will be directed to the Bond Call Fund.

4. **Fiscal Hardship**. In the event of a Fiscal Hardship (as defined below), transfers of Sequestered Savings may be abated and/or the Pension Rate Stabilization Fund may be utilized for either normal or UAL costs until the Fiscal Hardship is no longer in effect.

“Fiscal Hardship” means an economic hardship, or other unanticipated fiscal emergency, that has been declared by resolution by the Port Commission.

C. **Transparency and Reporting**. Funding of the Pension Plans should be transparent to all stakeholders, including plan participants, annuitants, the Port Commission, and District rate payers. To achieve this Policy objective, copies of the annual actuarial valuation reports for each Pension Plan shall be made available and posted on the District’s website. The District’s audited financial statements shall also be posted on the District’s website.

D. **Annual Budget to Contain Policy Directed Information**. The District’s annual operating budget shall consider the items specified in this Policy for inclusion in each such annual budget.

E. **Review of Policy**. Funding a defined benefit pension plan requires a long-term planning approach. This Policy is intended to provide general objectives and guidelines, and as such, District staff will review the policy for implementation of new best practices and provide the Port Commission with updates for approval on an as needed basis, not to exceed 5 years.



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or **888-225-7377**) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2022

**Miscellaneous First Tier Plan of the Santa Cruz Port District (CalPERS ID: 3817767080)
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	13.34%	\$388,783
<i>Projected Results</i>		
2024-25	13.3%	\$387,000

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



California Public Employees' Retirement System

Actuarial Office

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July 2022

**Miscellaneous Second Tier Plan of the Santa Cruz Port District (CalPERS ID: 3817767080)
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	10.10%	\$0
<i>Projected Results</i>		
2024-25	10.1%	\$0

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



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July 2022

**PEPRA Miscellaneous Plan of the Santa Cruz Port District (CalPERS ID: 3817767080)
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
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Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions and the Employee PEPRA Rate for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Rate
2023-24	7.68%	\$0	7.75%
<i>Projected Results</i>			
2024-25	7.7%	\$0	TBD

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

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On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

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Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary

From: John Trocki <stiffjib@gmail.com>
Sent: Sunday, January 29, 2023 8:00 AM
To: scpd@ SCPD
Subject: Slip rent increase for 2023

I write to you as a 26+ year harbor slip renter.

With the inflation costs hitting all of us from gas and food everyday it would be great if you would not raise our monthly dues this year. I know that raising the dues is the simplest way to generate income but there has to be other ways to do it that can show us all that you care about the primary money generators.

Thankfully John Trocki L18.

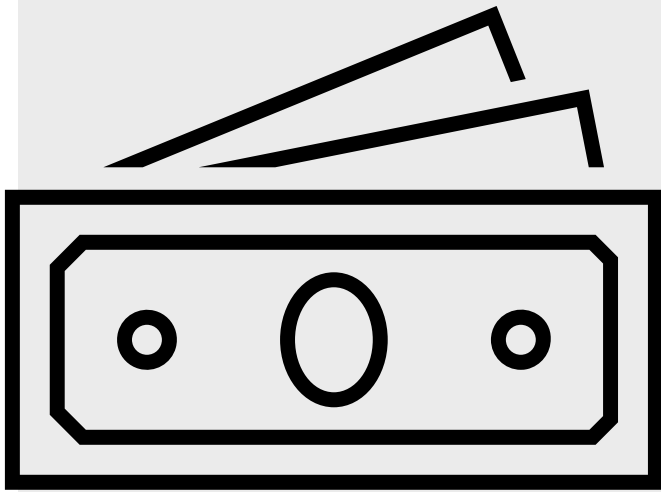
This will be distributed at the meeting as a handout.

FY24 DRAFT BUDGET PRESENTATION

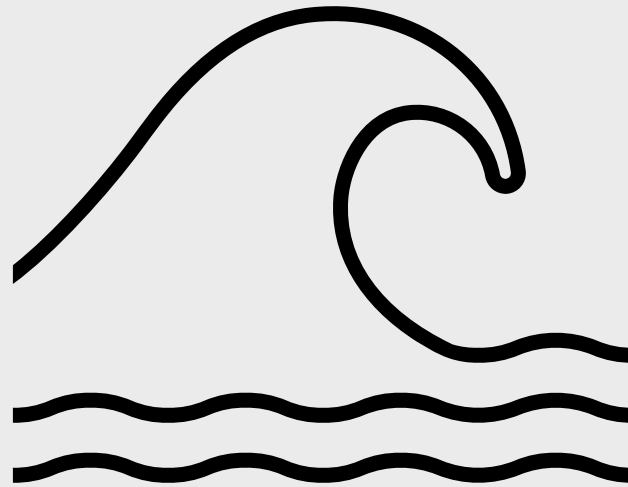
SANTA CRUZ PORT DISTRICT



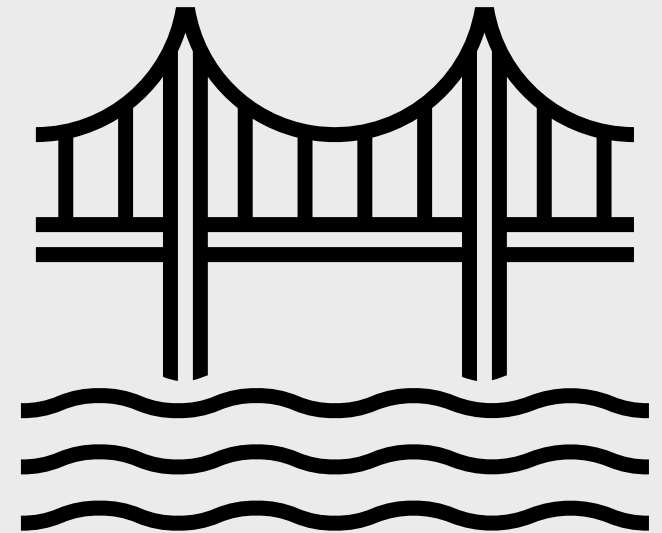
FY24 BUDGET FRAMEWORK



Increasing Insurance Costs



Receipt of Insurance Proceeds



Murray Street Bridge Project

FY24 BUDGET FRAMEWORK



Balanced Budget

Present a balanced budget that meets debt service requirement



Budgeted Revenues

Takes a conservative approach to budgeted revenues



Personnel Services

Funds approved labor contracts and pension related costs



Fund CIP

Current funding level is less than stated goal (to achieve a balanced budget) while funding priority projects.

CURRENT FY23 BUDGET PROJECTIONS



OPERATING REVENUE

Exceed budget by
\$1,710,175 (16.5%)

- Receipt of USACE \$
- Increased Interest
- Fuel Sales
- Boatyard
- Concession Income



OPERATING EXPENSES

Exceed budget by \$375,342
(4%)

- Fuel Expense (offset)
- Insurance Premiums



NET INCOME

Projected Loss: 2,724,790

Net of depreciation & capitalized expenses, net income is projected to be positive overall.

REVENUE

	2020	2021	2022	Budget 2023	Draft 2024
Audited Revenue	\$9,813,660	\$9,521,878	\$10,887,938	\$10,363,535	\$11,355,925
Budgeted Revenue	\$9,236,969	\$9,731,022	\$9,714,775	\$9,776,516	\$10,849,070

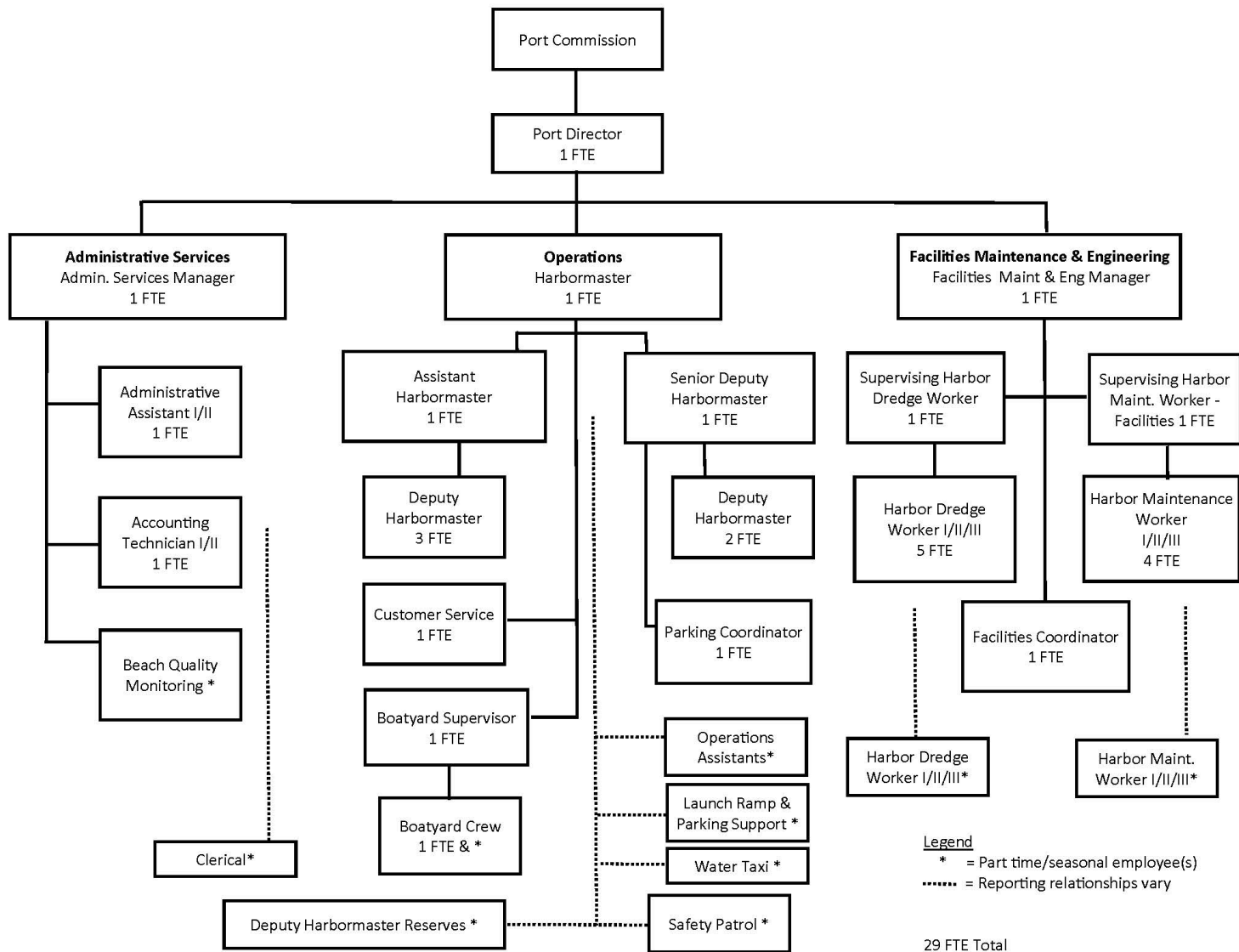
EXPENDITURES

Department and Program	FY 22 Actual	FY 23 Budget	FY 23 Projected	FY 24 Proposed
100 Admin Services Depart				
Department Total	\$ 1,908,300	\$ 1,879,970	\$ 1,882,913	\$ 2,239,308
200 Operations Department				
Department Total	\$ 2,745,377	\$ 2,759,025	\$ 3,115,656	\$ 2,962,365
300 Facilities Maint & Eng				
Department Total	\$ 3,322,981	\$ 3,803,581	\$ 3,829,632	\$ 4,212,080
Total Operating Budget	\$ 7,976,658	\$ 8,442,576	\$ 8,827,931	\$ 9,413,753

Salaries & Benefits
(including contracted
security patrol)

Anticipated Increase
to Insurance Premium
Costs

Decreased Interest
Expenses



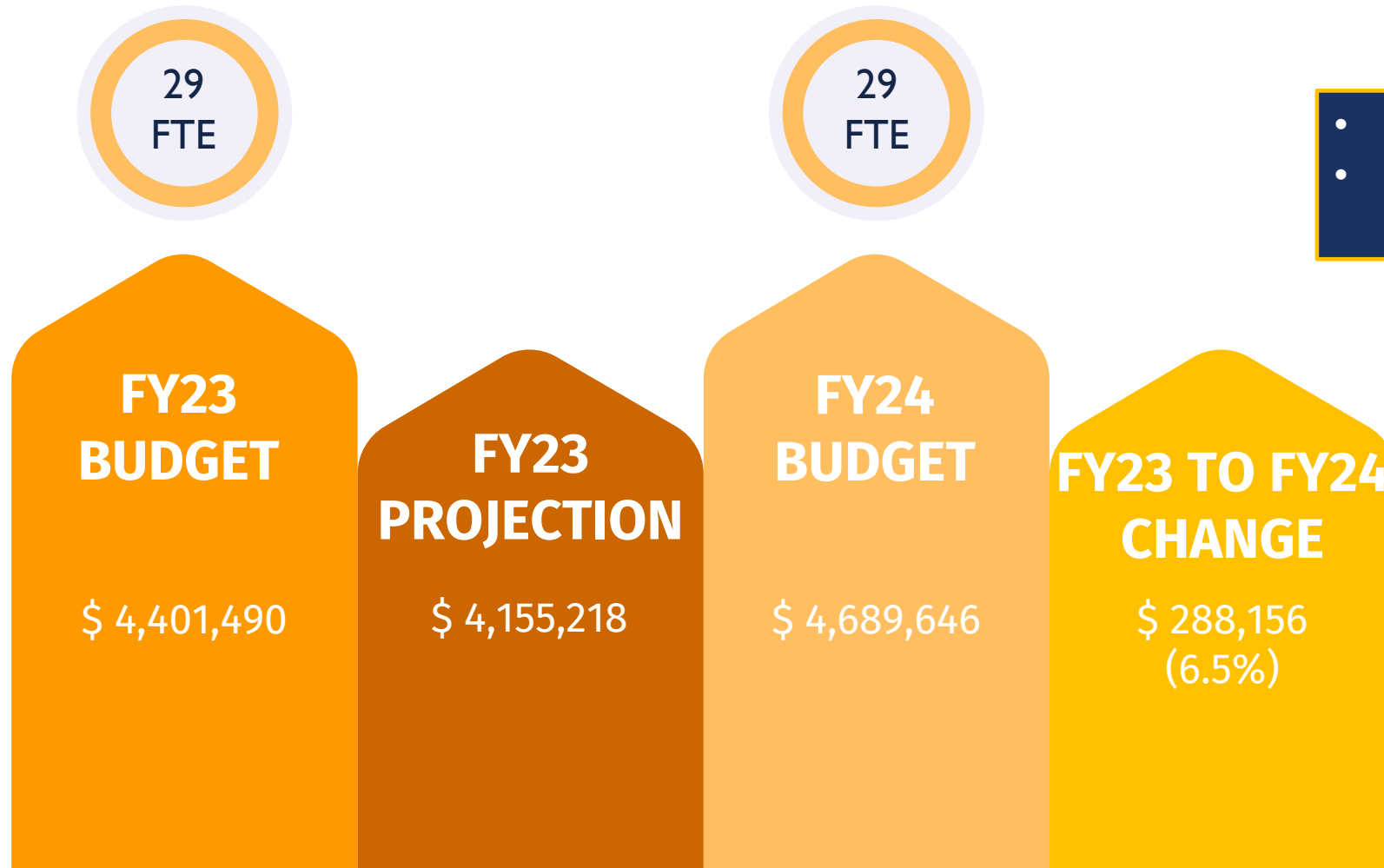
Legend
 * = Part time/seasonal employee(s)
 = Reporting relationships vary

29 FTE Total

FY24 ORG CHART

- No Changes from prior FY
- 29 FTE

FY24 SALARIES AND BENEFITS



- Labor Contracts
- Add'l Discretionary Pymt (approx. \$21,642)

FUND BALANCES

Cash on Hand at 2/14/23		
LAIF	\$13,878,721	
BBVA (Restricted)	\$1,016,916	
Comerica Bank	\$828,598	
Total Cash	\$15,724,235	
Restricted Cash	\$1,016,916	At BBVA
Fund Balances	\$4,717,654	<i>Dredge Intermediate, Reserve, Capital Improvement, Election</i>
Unrestricted Cash	\$9,989,665	<i>Available for operations, emergencies, improvements, etc.</i>

**Santa Cruz Port District
Fund Balance Projection
As of 2/16/22**

Year	Number	Project Name	Beginning Balance April 1, 2022	FY23 Projected Expenditures	FY23 Contributions / Reallocations	FY24 Proposed Reallocations	FY24 Funding Contribution	Projected Balance March 31, 2023
FY13	F003	CF Marine Srvc Center	\$10,000				0	\$10,000
FY13	HO01	Harbor Security Upgrades	\$12,404	(12,182)			12,000	\$12,222
FY13	F004	Sanitary Sewer Lift Stations	\$364,986	(22,545)				\$342,441
FY13	F005	Piling Replacement	\$30,000			85,000	500,000	\$615,000
FY13	F006	Pavement Repairs	\$52,716	(44,200)			100,000	\$108,516
FY14	F008	Dock Upgrades	\$82,097	0				\$82,097
FY14	F009	Pier Rehabilitation	\$129,322	(20,842)		(85,000)		\$23,480
FY14	F011	Building Restoration	\$205,630	(18,118)			20,000	\$207,512
FY14	F012	Restroom Bldg Rehabilitation	\$275,000	(24,396)			50,000	\$300,604
FY14	F013	Sidewalk & Plaza Restoration	\$33,000					\$33,000
FY14	F014	Storm Drain System	\$30,000				0	\$30,000
FY14	F015	Water & Sewer System	\$44,139				0	\$44,139
FY14	F018	Parking Pay Station	\$15,000	(14,981)			0	\$19
FY14	F019	Aeration System Upgrades	\$31,304				0	\$31,304
FY14	F020	Ice Machine	\$19,222				0	\$19,222
FY14	J001	West Jetty Walkway	\$799				0	\$799
FY14	F021	7th and Brommer Recon	\$134,467	(42,258)			25,000	\$117,209
FY15	F022	SH Revetment & Seawall	\$98,499	(63,760)	21,500			\$56,239
FY15	F024	Murray Street Bridge	(\$42,960)	(22,961)	400,000			\$334,079
FY15	F099	Unallocated CIP Funds	\$17,209		909,982	(920,000)		\$7,191
FY16	F027	Aldo's Seawall Replacement	\$188,441					\$188,441
FY16	F028	Parking Upgrades	\$46,321	(627)			25,000	\$70,694
FY19	F033	Patrol Vessel Replacement	\$2,182	0	(2,182)			Closed Out
FY20	F035	Boatyard Marine Ways Insp.	\$8,000	(5,753)	(2,247)		0	Closed Out
FY20	F039	Harborwide Refuse Study	\$10,000	(8,000)			3,000	\$5,000
FY20	F040	Water Taxi	\$0	0		0	0	Closed Out
FY21	F041	Maint Work Boat Replacement	\$0	0		0	0	Closed Out
FY22	F042	Embankment Assessment	\$6,274				70,000	\$76,274
FY23	F043	Fuel System Upgrades	\$40,000	(6,461)			55,000	\$88,539
FY23	F044	January 22 Tsunami Fund	\$50,000	(14,527)		(35,473)		Closed Out
FY23	F045	NH Transformer		(20,328)	207,000		225,000	\$411,672
FY23	F046	2222 East Cliff Deck Replacement		(3,488)	825,000		10,000	\$831,512
FY23	F047	Twin Lakes Haul				35,473	175,000	\$210,473

Totals \$ 1,894,053 \$ (345,427) \$ 2,359,053 \$ (920,000) \$ 1,270,000 \$ 4,257,679

CAPITAL IMPROVEMENT PROGRAM

- \$350,000 Contribution
- Reallocation of Unallocated CIP Funds (\$920,000)
- Closeout of five projects
 - Patrol Vessel Replacement
 - Boatyard Marine Ways
 - Water Taxi Replacement
 - Maintenance Work Boat
 - 2022 Tsunami Fund

MARINA FEES

- CPI increase 4.9% in 2022 (SF-Oak-Hayward annual)*
- Slip rent rates increased:
 - 2% in FY19
 - 2.5% in FY20
 - 2.5% in FY21
 - 0% in FY22
 - 3.2% in FY23
- 10-year CPI average: 3%
- 10-year Harbor increase average: 2%
- Fee increase to be considered by Commission
 - 1% increase would add approximately \$50,000 in slip fee revenue

RECOMMENDATION

Direct staff to finalize the FY24 Budget for adoption at the February 23 meeting, including:

- Capital outlay (\$69,500)
- Capital Projects to add, delete or reprioritize in the CIP
- Contribution to the Dredge Intermediate Fund
- Reserve fund contribution
- Any marina fee or other increase
- Other revisions