



**PORT<sub>of</sub>  
SAN DIEGO**  
Waterfront of Opportunity

# **Fiscal Year 2019 Annual Budget**

Final

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# Overview

The San Diego Unified Port District's (District) budget document establishes a one-year financial plan to fulfill the District's statutory mission, support the District's role as trustee of State tidelands, and achieve the strategic goals of the District. The budget is also a disclosure document intended to provide transparency on District operations.

The District's budget is divided into five primary sections as presented below:

## Section 1 – Introduction

This section contains the Board of Port Commissioners, Executive Leadership Group, Vision, Mission, and Core Values, Strategic Plan, Map of Tidelands, Branding, and District Overview.

This section also contains the Message from the Chief Financial Officer/Treasurer (CFO), Budget in Brief, and the U.S. Economic Forecast. The CFO Message discusses the current state and future plans of the District, which will be included in the final Adopted Budget. The CFO Message also highlights the major provisions that have been included in the FY 2019 Budget and discusses changes from the prior year's budget and budget assumptions used to prepare the budget.

## Section 2 – Reader's Guide

This section is designed to help familiarize the reader with the District and its budget by providing an overview of the District organization, the District's fund and budget document structure, budget process, the budget timetable, and general information.

## Section 3 – Highlights

This section provides an overview of staffing, revenue and expenses, debt management, equipment outlay and other capital projects, Capital Improvement Program, Major Maintenance Program, Technology Management Program, and other fund highlights.

## Section 4 – Departments/Cost Centers

This section organizes departments, teams, and cost centers alphabetically. Departments include the department operating plan followed by a detailed list of positions, summary of departmental expense, equipment outlay and other capital projects, and expense budget breakdown. The cost centers include a summary of departmental expenses and expense budget breakdown.

## Section 5 – Appendix

This section contains a variety of other budget-related information including a glossary of terms used in the budget, and Board of Port Commissioners (Board) policies affecting the budget.

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**PORT of  
SAN DIEGO**  
Waterfront of Opportunity

## 1 Introduction



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# Board of Port Commissioners

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## CHAIRMAN

Rafael Castellanos  
City of San Diego

## VICE CHAIRMAN

Garry J. Bonelli  
City of Coronado

## SECRETARY

Ann Moore  
City of Chula Vista

## COMMISSIONERS

Dan Malcolm  
City of Imperial Beach

Marshall Merrifield  
City of San Diego

Robert "Dukie" Valderrama  
City of National City

Michael Zucchet  
City of San Diego

# Executive Leadership Group

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## PRESIDENT/CEO

Randa J. Coniglio

## GENERAL COUNSEL

Thomas A. Russell

## PORT AUDITOR

Robert Monson

## ASSISTANT GENERAL COUNSEL

Ellen F. Gross

## SENIOR DEPUTY GENERAL COUNSEL

Rebecca Harrington

## CHIEF ADMINISTRATIVE OFFICER

### VICE PRESIDENT

Karen G. Porteous

## CHIEF FINANCIAL OFFICER/TREASURER

### VICE PRESIDENT

Robert DeAngelis

## CHIEF OF HARBOR POLICE

### VICE PRESIDENT

Mark Stainbrook

## CHIEF MARKETING OFFICER

### VICE PRESIDENT

Bella Heule

## CHIEF OPERATING OFFICER

### VICE PRESIDENT

Vacant

## ASSISTANT VICE PRESIDENT

Cid Tesoro

## ASSISTANT VICE PRESIDENT

Jason Giffen

## ASSISTANT VICE PRESIDENT

Job Nelson

## ASSISTANT VICE PRESIDENT

Shaun D. Sumner

# Vision, Mission, and Core Values

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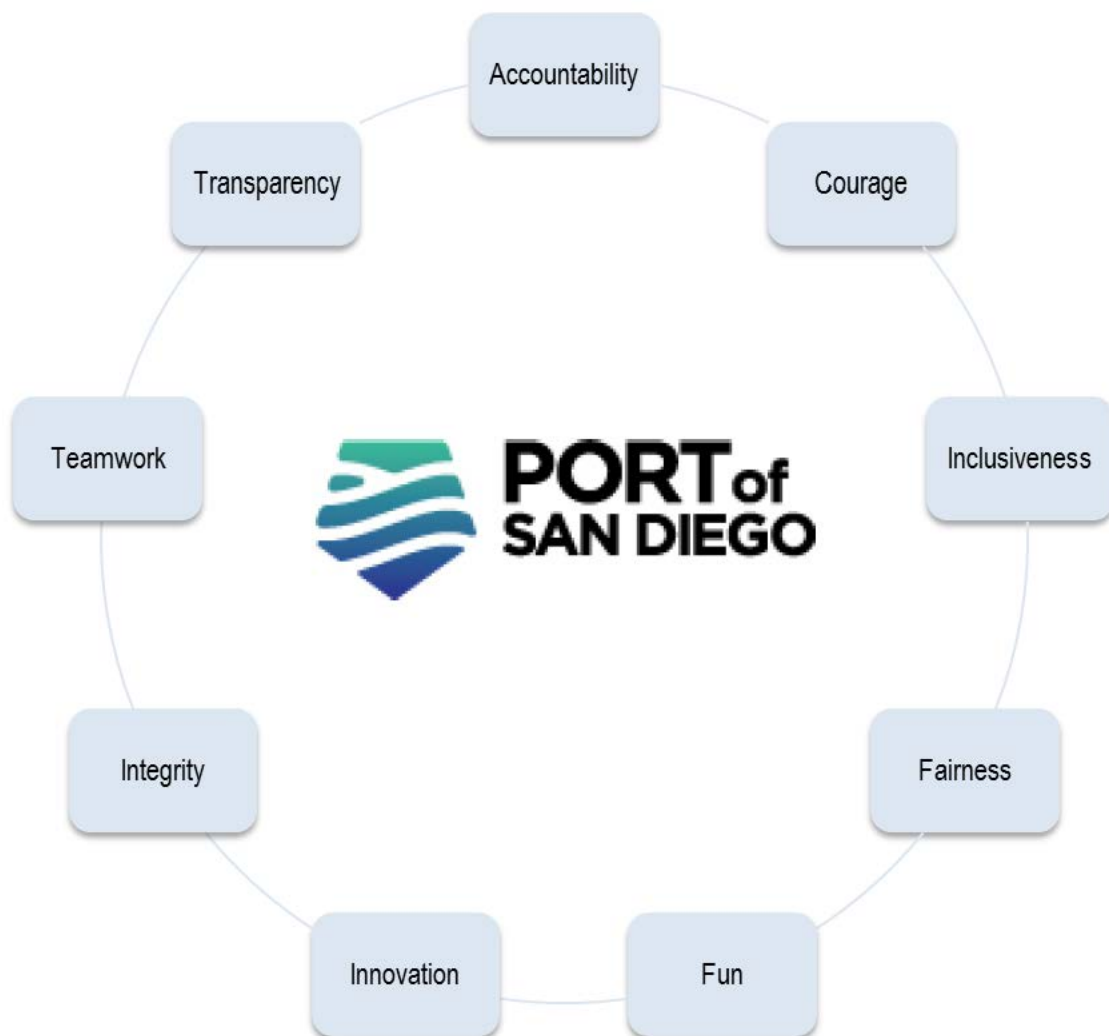
## VISION

21st Century Port - We are an innovative, global seaport courageously supporting commerce, community, and the environment.

## MISSION

The San Diego Unified Port District will protect the Tidelands Trust resources by providing economic vitality and community benefit through a balanced approach to maritime industry, tourism, water and land recreation, environmental stewardship, and public safety.

## CORE VALUES





# Strategic Plan

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## Strategic Planning and the District's Annual Budget

Each year for the last two years, the San Diego Unified Port District's (District) top priorities have been guided by and reflected in an 18-month strategy map. To continuously improve both strategy development and execution at the District, preparation of the strategy map was more closely aligned with the budget process this fiscal year. At the January 2018 Board retreat, the Board was presented with a preliminary 18-month strategy map consisting of four main strategies of Culture, Operations, Business, and Brand (COBB) supporting several goals, and 29 strategic projects aligned to those goals. The Board provided feedback on the strategies, goals, and projects, and also gave staff early guidance on the budget. Based in part on this early consultation and planning, staff prepared the budget for FY 2019.

## Purpose and Scope of the 18-Month Strategy Map

Annual strategic planning helps the District to clearly develop, refine, and highlight projects which advance the District's strategies and achieve the goals identified for each strategy. The strategy map covers an 18-month period from the beginning of each calendar year through the end of the following fiscal year to allow continuity between Board chairs. The District's 18-month strategy map is governed by and supports the following:

- **Purpose:** We do the greatest good by doing remarkably well.
- **Vision:** 21st Century Port - We are an innovative, global seaport courageously supporting commerce, community, and the environment.
- **Values:** Accountability, Courage, Inclusiveness, Fairness, Fun, Innovation, Integrity, Teamwork, and Transparency.

The strategic planning process for FY 2019 began shortly after adoption of the FY 2018 budget last year. District staff embarked on a forward-looking approach. Continuous improvement and dynamic planning characterized this year's strategic planning process. Among other key improvements, staff developed operating plans for each department to better explain the services they provide.

In building the current 18-month strategy map, we sourced some of the best thinking from employees at all levels in the organization. Through servant leadership, we are relying on each and every employee - and our partners in the community - to be sure that the best insights and ideas propel us forward to realize our vision of becoming a 21st Century Port.

## Strategies Resourced in the FY 2019 Budget

The FY 2019 budget reflects the resources allocated to provide key services as described in each department's operating plan and to support the 18-month strategy map through the execution of projects aligned with these four strategies:

- **Culture:** Focus on our employees and their professional development and well-being (i.e., the organizational culture)
- **Operations:** Operate efficiently and effectively - identifying cost savings and other efficiencies while providing better, faster service
- **Business:** Grow revenue in order to keep up with rising operational costs, increasing regulation, and unknown liabilities
- **Brand:** Elevate the profile of the Port in the broader community (i.e., have more people know who we are and what we do)

Collectively, these four main strategies of the District are referred to as COBB, and each of the strategic projects primarily supports one of these strategies.

# Strategic Plan

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## Strategic Projects

In late fall 2017, 354 active projects of all types were identified throughout the organization. Those projects originated from the Capital Improvement Program (CIP); Major Maintenance (MM); the Technology Management Program (TMP); the current 18-month strategy map through June 30, 2018; the former Project Reporting System (PRS) report; project briefs submitted by District staff to support the COBB strategies identified above, and projects listed in the operating plans (key services projects). Of these projects, 29 (excluding CIP, TMP, and Major Maintenance) were identified as critical to advancing the District's COBB strategies, 15 are ongoing from the previous strategy map. Some of the resources required to support these strategies and strategic projects are included in the FY 2019 budget. In addition to the 29 projects, all current CIP projects are also listed in the 18-month strategy map.

## Operating Plan

The operating plans prepared by each department describe the key services they provide and highlight opportunities for process improvement and innovation. The operating plans are integrated into the expense budget breakdown in Section 4 Departments/ Cost Centers for each department. The operating plans have also been interlocked to ensure that each department considered the impacts of their resource needs, key services, and priorities on other departments. As a result, needs and priorities with corresponding impacts to other departments have been accounted for in the operating plans prepared by those departments.

# Strategy Map



## FISCAL YEAR 2019 PORT STRATEGIC PLAN

**GUIDING PRINCIPLE** | We do the greatest good by doing remarkably well

**VISION** | 21st Century Port: We are an innovative, global seaport courageously supporting commerce, community and the environment

**VALUES** | Courage, Integrity, Accountability, Teamwork, Transparency, Innovation, Fairness, Inclusiveness, and Fun

21st CENTURY CULTURE	21st CENTURY OPERATIONS	21st CENTURY BUSINESS	21st CENTURY BRAND
GOALS			
<p>Be a Culture that is a Competitive Advantage Achieving a Level of "Preferred Employer"</p> <hr/> <p>Hire to Meet an Ideal Constructive Culture</p> <hr/> <p>Engage and Retain Employees to Assist in Achieving Our Strategic Goals</p> <hr/> <p>Intentionally Use Our Port Values and Competencies, Integrate and tie to Performance Management and Decision Making</p>	<p>Optimize All Internal and External Resources, Processes, Systems and Infrastructure for Enhanced Service and Support</p> <hr/> <p>Use Data and Technology to Help Make Smart Decisions and Create Better Outcomes</p> <hr/> <p>Develop and Build Relationships Based on Collaboration and Interlocking to Accomplish Organization, Department, Team and Individual Goals</p> <hr/> <p>Reduce Project and Operating Costs through Increased Resource Efficiency</p>	<p>Generate and Diversify Resilient, Sustainable Revenue Sources</p> <hr/> <p>Responsibly Add and Grow Portfolio of Business on a 5-Year Horizon</p> <hr/> <p>Monetize Existing and New Services</p> <hr/> <p>Grow Real Estate and Maritime Ahead of Industry Growth Rates</p>	<p>Drive Short Term Experiences While Building Long Term Reputation</p> <hr/> <p>Activate the Tidelands</p> <hr/> <p>Enhance the User Experience</p>
PROJECTS - January 1, 2018 - June 30, 2019			
<ul style="list-style-type: none"> <li>• UID17 - Develop Plan to Improve Workplace Environment</li> <li>• UID1 - Implement Leadership Development Program</li> <li>• UID2 - Execute Internal Communications (IC) Strategy</li> <li>• UID3 - Redesign Talent Selection</li> </ul>	<ul style="list-style-type: none"> <li>• UID21 - Recommendation to the Board on Building Permits</li> <li>• UID5 - Develop Strategic Workforce Planning (SWFP)</li> <li>• UID6 - Implement Geographical Information System (GIS) Management</li> <li>• UID8 - Develop a Project Management and Governance Approach (PMO)</li> <li>• UID9 - Implement Stormwater Pollution Prevention Strategy</li> <li>• UID19 - Process Port Master Plan Update (PMPU)</li> <li>• UID20 - Develop a Port Mobility Strategy</li> <li>• UID23 - Update Climate Action Plan (CAP) to Align with State of California</li> <li>• UID38 - Commence Legal Document Retention Project</li> <li>• UID42 - Update Survey Monuments and Port Boundaries</li> <li>• UID46 - Develop a Smart Port Energy Framework</li> <li>• UID352 - Implement San Diego Ocean Planning Partnership Pilot</li> <li>• UID355 - Execute Maritime Domain Awareness - Phase II</li> </ul>	<ul style="list-style-type: none"> <li>• UID11 - Develop Cruise Optimization Plan</li> <li>• UID13 - Rolling 5-Year Financial Plan</li> <li>• UID14 - Define Port as a Developer Business Plan</li> <li>• UID24 - Circulate National City Balanced Land Use Plan Environmental Impact Review (EIR)</li> <li>• UID25 - Identify Concept for Redevelopment of Harbor Island</li> <li>• UID27 - Enter into a Term Sheet for a Disposition and Development Agreement (DDA) for the Central Embarcadero</li> <li>• UID32 - Execute Disposition and Development Agreement (DDA) w/RIDA and Commence Construction of Chula Vista Bayfront</li> <li>• UID47 - Develop Small and Medium Sized Aquaculture/Blue Tech Facility Concepts</li> <li>• UID52 - Identify Comprehensive Approach to Remnant Tidelands Parcels</li> <li>• UID77 - Advance Mitigation Banking, Including Pond 20</li> <li>• UID92 - Use Good Faith Efforts to Acquire the 1220 Pacific Highway Lease Hold from the US Navy</li> <li>• UID94 - Implement Lower Cost Visitor Serving and Recreational Facilities Overnight Accommodations</li> <li>• UID324 - Execute Cruise &amp; Infrastructure Optimization</li> <li>• UID356 - Implement Tenth Avenue Marine Terminal (TAMT) Growth Strategy and Mitigation Measures</li> </ul>	<ul style="list-style-type: none"> <li>• UID15 - Redesign Port Website</li> <li>• UID33 - Advance Coronado Bridge Lighting Project</li> <li>• UID48 - Develop and Launch Environmental Champions Campaign</li> <li>• UID54 - Develop Baywide Signage Plan</li> </ul>

*Bold text denotes rollover from previous fiscal year.*



# Map of Tidelands



# District Overview

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## THE SAN DIEGO UNIFIED PORT DISTRICT

The San Diego Unified Port District (District) is a regional public agency established in 1962 by an act of the California State Legislature to consolidate management responsibilities for the San Diego Bay. This consolidation provides ongoing efficiencies and centralized planning for the tidelands along the San Diego Bay.

- The District is an economic engine, creating jobs and dollars for the regional economy through the promotion of maritime trade, tourism, and other commercial activities.
- The District is an environmental steward, preserving and enhancing the natural resources of the San Diego Bay and surrounding tidelands.
- The District is a provider of community services, providing public access, public safety, recreation, and community activities along the waterfront for visitors and residents of the region.

A seven-member Board of Port Commissioners governs the District. Board members are appointed to four-year terms by the city councils of Chula Vista, Coronado, Imperial Beach, National City, and San Diego. The San Diego City Council appoints three commissioners and each of the other member city councils appoints one commissioner. Port Commissioners establish policies that the District staff, under the direction of the Executive Director, uses to conduct daily operations.

The District's maritime, real estate, and parking generate billions of dollars for the region's economy and allow the District to operate without the benefit of tax dollars. The District has the authority to levy a tax, but has not done so since 1970.

## PUBLIC TRUST DOCTRINE

The District is also a trustee of state lands subject to the Public Trust Doctrine, which mandates how California's sovereign lands should be managed. Also known as public trust lands, they include areas that used to be or are still under the bay and other waters. These lands cannot be bought and sold because they are held in the public trust and belong to the people of the State of California. As the trustee of these lands, the District is responsible for carrying out the principles of the Public Trust Doctrine. This includes protecting the environment, promoting the public's enjoyment of these lands, and enhancing economic development for the public's benefit.

# Branding






## Brand Promise

Enrich the relationship people and businesses have with the dynamic waterfront of San Diego Bay, providing prosperity and a more remarkable way of life.

## Brand Foundation

The District, commonly known as the Port of San Diego (Port) is where San Diego greets the world. On behalf of the State of California, the Port is an innovative champion for the 34 miles of San Diego Bay waterfront along Chula Vista, Coronado, Imperial Beach, National City, and San Diego.

The Port is a protector of the environment and our communities, an innovator for businesses and a host to visitors and residents. Self-funded, the Port reinvests the revenues from hundreds of businesses on our dynamic waterfront, creating prosperity, and a remarkable way of life for all.

SUB-BRANDS	PURPOSE
	<p>Port Maritime moves goods and people around the world.</p> <p>Home to a successful working waterfront, we work with our maritime partners to provide well-paying jobs and billions of dollars for our community.</p>
	<p>Port Waterfront Development brings vision to reality.</p> <p>As the innovative champion for businesses in our region, we ensure our partners have the opportunity to stay competitive in the global marketplace.</p>
	<p>Port Public Safety protects and oversees the safety of the San Diego Bay waterfront.</p> <p>Our Harbor Police Department is at the front line of security and service, with specialized expertise on land and sea.</p>
	<p>Port Experiences provides unique opportunities to explore and enjoy our vibrant waterfront.</p> <p>As a treasured destination, the Port is the heart and soul of our collective pride, welcoming visitors from around the world to be inspired by San Diego Bay.</p>
	<p>Port Environment champions the safekeeping and environmental care of our dynamic waterfront.</p> <p>The Port is a leader in protecting our land, air and water, ensuring it remains a vital resource for generations to come.</p>

# Message from the Chief Financial Officer / Treasurer

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## KEEP AN EVEN KEEL

It is my pleasure to present the budget for the District for Fiscal Year 2019. This budget encompasses our commitment as a champion and protector of the environment and our communities, an economic engine for the region, and a host to visitors and residents, while being a service provider to constituents, businesses, and community members. Self-funded, the District reinvests revenues from hundreds of businesses on our dynamic waterfront back into our communities and regional economy. As a 21<sup>st</sup> Century government, we are constantly striving to improve our operations while looking to the future. As we endeavor to continue fulfilling our commitments to the public and executing on existing projects and initiatives, it is important to manage our resources wisely, providing the ability to *Keep an Even Keel* for all the projects the District undertakes. The District continues to benefit from a stable economy and reap the rewards of sound decisions by leaders in past years, and this budget includes resources to grow and sustain our core business lines while strategically diversifying our investments to support future growth.

This stable national economy as described by Bloomberg, Wells Fargo Securities, and various economic reports, grew at an annual average rate of 2.3% in calendar year 2017, reflecting positive contributions primarily from consumer spending and nonresidential fixed investment. Going forward, economic activity is anticipated to grow steadily with the outlook for the U.S. Gross Domestic Product (GDP) forecasted to be at 2.8% for calendar year 2018 and 2.4% for 2019. San Diego's economy marked its eighth year of growth in calendar year 2017 and accounts for 14% of the nation's GDP with its economy growing at an estimated rate comparable to the U.S. GDP forecast. The San Diego business forecasts indicate a positive outlook for 2018 and continued growth through 2019.

This budget is designed to allocate resources in alignment with the District's four main strategies of Culture, Operations, Business, and Brand. With business initiatives ranging from funding for Blue Economy entrepreneurs to ongoing major development projects, along with our productive partnerships with District tenants, the District's regional impact continues to grow. A recent Economic Impact Study reported that the District contributes \$8.3 billion to the regional economy and supports 63,000 jobs. In addition to providing law enforcement protection through the Harbor Police, the District's positive regional impact to quality-of-life drivers extends to recreational opportunities, the environment, and the experience of visiting the waterfront of San Diego Bay. As part of our continuous improvement, the District recently became the first Port in the U.S. to be nationally accredited by the American Public Works Association for outstanding engineering and public works projects. In Fiscal Year 2018 (FY 18), the District was recognized with numerous awards for its engineering and construction projects, environmental analysis, sustainability, community outreach, financial reporting, critical incident response, and for its success in creating a vibrant cruise destination.

The Fiscal Year 2019 (FY 19) budget reflects the resources allocated to *Keep an Even Keel* by providing key services and supporting the 18-month strategy map through the execution of projects aligned with these four strategies:

- Culture: Focus on our employees, who are our greatest assets, and their professional development and well-being
- Operations: Operate efficiently and effectively, identifying cost savings while providing better service
- Business: Grow revenue in order to keep up with rising operational costs, increasing regulation, and unknown liabilities
- Brand: Elevate the profile of the Port in the broader community

Built on an 18-month planning horizon, the District's workplan for FY 19 continues our momentum as the champion of San Diego Bay and supports our indispensable contributions to regional prosperity and a remarkable way of life for communities in the San Diego region and statewide. The workplan includes major projects such as:

- Chula Vista Bayfront: Decades in the making, this monumental project has great momentum, and in FY 19 staff will continue work to finalize a ground lease and required subleases for the future hotel and convention center. This past year, the Board approved a Disposition and Development Agreement between the Port, the City of Chula Vista, and

## Message from the Chief Financial Officer / Treasurer

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RIDA Chula Vista, LLC, a key step toward a lease. Also in FY 19, we look forward to the commencement of development of a new destination RV park following the Board's selection of a developer in FY 18.

- **Tenth Avenue Marine Terminal:** In FY 19, the District will continue work on the project to demolish two transit sheds, which is supported by a \$10 million TIGER grant from the U.S. Department of Transportation. This project, which commenced in FY 18, is the first phase of a proposed 20-year, market-driven modernization plan for the terminal. Additional efforts to support cargo business include a new iteration of "The Special Advantage," a marketing campaign to highlight our capabilities in multiple specialty cargo markets: Refrigerated Containers, Break Bulk, and Dry Bulk.
- **Big Developments:** In San Diego, the Intercontinental Hotel at Lane Field has been under construction with completion expected in FY 19. The District also moved forward planning for the future of Harbor Island.
- **Master Plan:** Staff will complete a draft of the Port Master Plan Update, which is the final phase of the high-profile Integrated Planning initiative. This past year, the plan was recognized with multiple awards for public outreach and community relations, which included hosting 12 public Board meetings and events to solicit feedback on draft policies.
- **Blue Economy Incubator:** The District recently entered into five agreements under the Blue Economy Incubator including operation of a FLUPSY (Floating Upweller System) for growing oysters in San Diego Bay, which is expected to produce its first juveniles for sale in FY 19; demonstration of a system to remove marine debris from San Diego Bay; demonstration of technology to remove dissolved copper in seawater; demonstration of technology for in-water boat hull cleaning; advancement of smart marina software and development of a smart phone application to automate and optimize dock management for marinas.
- **Central Embarcadero:** The District entered into an Exclusive Negotiating Agreement with 1HWY1 for redevelopment of the Central Embarcadero and selected an operator for interim management and operation of Seaport Village.
- **Environment:** As an environmental champion, the District takes a leadership role in implementing compliance with new regulations related to stormwater and water quality. The rising cost of compliance has become a significant cost driver, and so the District has more than doubled budgeted expenditures for projects that will improve stormwater and water quality in San Diego Bay.

It is appropriate to reflect on the past year as we budget for the year ahead. The below accomplishments in FY 18 represent significant milestones, and work on many of them continues in FY 19:

- **San Diego Symphony:** In FY 18, the District certified the Environmental Impact Report and approved both a Port Master Plan Amendment and a binding Letter of Intent with the San Diego Symphony to move forward the Bayside Performance Enhancement Project proposed for Embarcadero Marina Park South.
- **Maritime Cargo:** A major focus for the Tenth Avenue Marine Terminal remains the modernization plan as described earlier. An Environmental Impact Report is ongoing for the National City Balanced Plan, and in FY 18 more than 400,000 vehicles were imported through National City Marine Terminal. The District has initiated a mobility study of Harbor Drive along the working waterfront. A newly established Maritime Stakeholder Forum provides a collaborative venue for the Port, Port tenants, and other interested persons to discuss and give input on maritime issues.
- **Land Use Planning:** In parallel with the Master Plan, the District continued community outreach focused on the future of San Diego's North Embarcadero and the Imperial Beach Pier, as well as the installation of a new comfort station in Imperial Beach.



## Message from the Chief Financial Officer / Treasurer

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- **Big Developments:** In FY 18, there was significant movement on the Chula Vista Bayfront with the approval of the Disposition and Development Agreement, along with the Central Embarcadero projects encompassing Seaport Village.
- **Marketing:** Following the successful rollout of a research-based brand this past year, staff will continue working to increase awareness of the District through a comprehensive marketing strategy with multiple campaigns focusing on the Environment, Public Safety, and Experiences sub-brands, including the #Wonderfront destination campaign. Staff will also begin a multi-phased action plan for improving signage for waterfront visitors.
- **Shipyards and Boatyards:** BAE Systems San Diego Ship Repair successfully dedicated a new dry dock, General Dynamics NASSCO began working on a new panel line, and both shipyards hired hundreds of employees for contract work, continuing strong performance in this sector.
- **Public Safety:** Harbor Police marked a 29% reduction in violent crime year-over-year between Calendar Year 2016 and Calendar Year 2017. Property crime levels were stable. The District continued its partnership with the Alpha Project to provide outreach services to homeless people along the waterfront, and also hosted a community engagement event.
- **Restaurant Portfolio:** The Board approved a lease with The Brigantine for the Portside Pier restaurant development on San Diego's North Embarcadero and moved forward on demolition of the old building, leading to the commencement of construction on a new restaurant complex, which continues in FY 19.
- **Cruise:** The District's San Diego waterfront was chosen as one of five Top Cruise Destinations in the U.S. and Canada by Cruise Critic, the world's leading cruise reviews site and online cruise community, for the second year in a row. Disney Cruise Line unveiled the newly renovated Disney Wonder in San Diego.
- **Energy and Environment:** As mentioned, stormwater and water quality issues will take center stage this year. In FY 18, the District partnered with SDG&E on a new Energy Management Plan to help meet our Climate Action Plan goals and supported 11 environmental education programs. The Planning & Green Port Division was honored with multiple awards for its Green Business Network environmental analysis, green fleet, and alternative transportation initiatives.
- **Waterfront Activation:** This past year, the District sponsored more than 70 high-quality visitor serving events through the Tidelands Activation Program including the Big Bay Boom, the Parade of Lights, and the Holiday Bowl Parade. The District welcomed back Red Bull Air Races and Extreme Sailing. The District's ongoing #Wonderfront campaign encourages people to explore the bay.
- **Infrastructure and District Asset Maintenance:** The District celebrated the reopening of the Glorietta Bay Boat Launch Ramp, and continued work on the Shelter Island Boat Launch improvements, which is expected to be completed in FY 19. Public parks received upgrades to improve the user experience.
- **Arts and Culture:** The District hosted interactive artist presentations and community events featuring Fern Street Circus. The District initiated Phase 2 of the San Diego-Coronado Bay Bridge Artistic Lighting Project along with a capital fundraising campaign.
- **Legislative Advocacy:** Effective January 1, Assembly Bill 805, authored by Assemblywoman Lorena Gonzalez Fletcher, granted the District a voting seat on the SANDAG Transportation Committee. Along with the cities of Imperial Beach and Chula Vista, the District initiated litigation against a federal agency demanding action to halt the flow of toxic waste and sewage from the Tijuana River into the Pacific Ocean.
- **Grants:** The District secured more than \$17 million in grant awards this fiscal year including grants from the California Natural Resources Agency, the Federal Emergency Management Agency, and the California Energy Commission. The

## Message from the Chief Financial Officer / Treasurer

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District continues to pursue opportunities related to the Tenth Avenue Marine Terminal and the National City Balanced Plan.

Joined by our partners, we are seizing unparalleled development and redevelopment opportunities, along with continued economic activity by our cruise and cargo businesses, and strong business by shipyards and boatyards. Recognizing we have to smartly deploy our resources of revenue and personnel in order to accomplish the goals we set out for the next 18 months, it is important we *Keep an Even Keel* to accomplish our workplan for FY 19.

  
Robert DeAngelis, CFO/Treasurer

# Budget in Brief

OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS & FUND ACTIVITIES					
	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
<b>Operating Revenue</b>					
Real Estate	\$ 96,428,796	\$ 97,351,600	\$ 107,958,500	\$ 10,606,900	10.9 %
Port as a Service - Parking	14,942,143	16,681,000	16,166,500	(514,500)	(3.1)%
Attractions & Advertising	285,950	1,500,000	—	(1,500,000)	(100.0)%
Maritime	39,214,405	40,031,700	40,848,300	816,600	2.0 %
Harbor Police Department	16,085,476	15,348,600	15,961,000	612,400	4.0 %
Aquaculture & Blue Technology	—	200,000	83,200	(116,800)	(58.4)%
Miscellaneous (G&A for HPD services to SDCRAA, Cost Recovery, etc.)	3,409,062	3,883,300	4,052,600	169,300	4.4 %
<b>Total Operating Revenue</b>	<b>\$170,365,832</b>	<b>\$174,996,200</b>	<b>\$185,070,100</b>	<b>\$ 10,073,900</b>	<b>5.8 %</b>
<b>Non-Operating Revenue</b>					
Grants - Capital Project Reimbursement	\$ 1,991,679	\$ 12,479,900	\$ 8,804,600	\$ (3,675,300)	(29.4)%
Grant Revenue - Other	691,636	572,700	1,069,300	496,600	86.7 %
Investment Revenue	956,338	620,000	1,000,000	380,000	61.3 %
Other (Reimbursed Legal Fees, Legal Settlements, Asset Forfeitures, etc.)	4,786,656	206,000	473,000	267,000	129.6 %
<b>Total Non-Operating Revenue</b>	<b>\$ 8,426,310</b>	<b>\$ 13,878,600</b>	<b>\$ 11,346,900</b>	<b>\$ (2,531,700)</b>	<b>(18.2)%</b>
<b>Total Revenue</b>	<b>\$178,792,142</b>	<b>\$188,874,800</b>	<b>\$196,417,000</b>	<b>\$ 7,542,200</b>	<b>4.0 %</b>
<b>Expenses</b>					
Personnel	\$ 90,262,294	\$ 97,805,700	\$ 102,510,200	\$ 4,704,500	4.8 %
Non-Personnel Expense (NPE)	51,026,040	61,261,300	62,269,200	1,007,900	1.6 %
Municipal Service Agreements (MSA) with Member Cities	7,663,675	7,777,800	7,995,600	217,800	2.8 %
Major Maintenance - Expense	1,180,944	950,000	150,000	(800,000)	(84.2)%
Non-Operating NPE	4,760,346	3,555,800	3,213,100	(342,700)	(9.6)%
Capitalized Labor	(2,477,547)	(3,325,000)	(3,915,000)	(590,000)	17.7 %
<b>Total Expenses</b>	<b>\$152,415,751</b>	<b>\$168,025,600</b>	<b>\$172,223,100</b>	<b>\$ 4,197,500</b>	<b>2.5 %</b>
<b>Earnings Before Depreciation and GASB 68</b>	<b>\$ 26,376,389</b>	<b>\$ 20,849,200</b>	<b>\$ 24,193,900</b>	<b>\$ 3,344,700</b>	<b>16.0 %</b>
<b>Sources &amp; Uses of Funds and Reserves</b> (see detail on following page)	<b>\$ (13,192,449)</b>	<b>\$ (18,765,700)</b>	<b>\$ (18,185,500)</b>	<b>\$ 580,200</b>	<b>(3.1)%</b>
<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 13,183,940</b>	<b>\$ 2,083,500</b>	<b>\$ 6,008,400</b>	<b>\$ 3,924,900</b>	<b>188.4 %</b>

**Note:**

See Section 3, Page 3 for Revenue Highlights explanations and Section 3, Page 17 for Expense Highlights explanations.

## Budget in Brief

OTHER SOURCES & USES OF FUNDS AND RESERVES DETAIL					
	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
<b>SOURCES OF FUNDS</b>					
<b>Other Sources of Funds and Reserves</b>					
Grant Funded TMP, CIP, and Equipment Outlay and Other Capital Projects	\$ 1,991,679	\$ 12,479,900	\$ 8,804,600	\$ (3,675,300)	(29.4)%
Public Art, Environmental, Asset Forfeiture, NEVP, and Maritime Industrial Impact Fund	1,701,411	4,003,200	5,941,200	1,938,000	48.4 %
Capital Improvement Program Reserve	4,074,681	12,050,000	23,540,400	11,490,400	95.4 %
Non-Cash Adjustment	6,678,924	5,310,000	5,310,000	—	0.0 %
Investment Fund	21,209	175,000	175,000	—	0.0 %
Funds From Prior Year Surplus	1,100,000	5,272,000	6,120,000	848,000	16.1 %
<b>Total Other Sources of Funds and Reserves</b>	<b>\$ 15,567,904</b>	<b>\$ 39,290,100</b>	<b>\$ 49,891,200</b>	<b>\$ 10,601,100</b>	<b>27.0 %</b>
<b>USES OF FUNDS</b>					
<b>Other Uses of Funds and Reserves</b>					
Capital Improvement Program	\$ 4,132,409	\$ 21,950,000	\$ 33,321,000	\$ 11,371,000	51.8 %
Technology Capital Projects	2,462,156	6,574,200	4,270,000	(2,304,200)	(35.0)%
Capital Major Maintenance (MM) Projects	6,417,066	7,934,500	9,850,000	1,915,500	24.1 %
Capital Labor (Major Maintenance and Technology Capital)	1,471,363	—	—	—	N/A
Equipment Outlay and Other Capital Projects	4,338,527	2,570,200	4,938,500	2,368,300	92.1 %
Debt Service (Principal Only)	4,186,092	4,427,200	4,698,000	270,800	6.1 %
Coronado Bridge Lighting Project	400,000	—	—	—	N/A
Environmental Fund Set-Aside	759,100	784,100	830,500	46,400	5.9 %
Maritime Industrial Impact Fund Set-Aside	167,500	165,500	165,500	—	0.0 %
NEVP Maintenance Fund Set-Aside	920,070	947,700	976,100	28,400	3.0 %
Capital Grants	1,991,679	12,479,900	8,804,600	(3,675,300)	(29.4)%
Asset Forfeiture and Wellness Fund Set-Aside	393,789	—	—	—	N/A
Legal Settlement for South Campus Demolition Set-Aside	898,100	—	—	—	N/A
ACH Parking Facility Fund Set-Aside	222,502	222,500	222,500	—	0.0 %
<b>Total Other Uses of Funds and Reserves</b>	<b>\$ 28,760,353</b>	<b>\$ 58,055,800</b>	<b>\$ 68,076,700</b>	<b>\$ 10,020,900</b>	<b>17.3 %</b>
<b>Total Other Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (13,192,449)</b>	<b>\$ (18,765,700)</b>	<b>\$ (18,185,500)</b>	<b>\$ 580,200</b>	<b>(3.1)%</b>

# U.S. Economic Forecast

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According to Bloomberg L.P. and various economic reports<sup>(1)</sup>, the national economy, as measured by GDP, grew at an annual average rate of 2.3% in calendar year 2017, reflecting positive contributions primarily from consumer spending and nonresidential fixed investment. Economic activity is anticipated to grow steadily with the outlook for the U.S. GDP forecasted to be at 2.7% for calendar year 2018 and 2.4% for 2019. The labor market continued to strengthen with declines in the unemployment rate to 4.4% at the end of calendar year 2017 and projected improvement to a 3.9% rate for calendar year 2018 and 3.8% for 2019. Inflation readings have been firming up with a year-on-year consumer price index increase of 2.1% in calendar year 2017 and forecasts expecting gains in the CPI to 2.3% for calendar year 2018 and 2.2% for 2019. With higher inflation in the horizon, the Federal Open Market Committee is poised to continue its gradual pace of interest rate hikes through calendar year 2018.

The U.S. housing market boom appears to have reached a plateau experiencing negligible growth during calendar year 2017. The outlook for calendar years 2018 and 2019 is one of subdued growth for residential housing in anticipation of higher interest rates. Nonresidential business investment, partially driven by boosted financial markets during calendar year 2017, rebounded by 4.7% with upturns in equipment and structures. A forecast of 3.3% growth in nonresidential investment is anticipated for calendar year 2018 and a more modest rate of 2.3% for 2019. Also, increased capital spending is probable with improvements in economic activity as a result of the Tax Cuts and Jobs act signed into law in December 2017. However, the extent to which this law will impact the economy at large is still undetermined.

The global economy continued its expansion in calendar year 2017 in spite of regulatory and political uncertainty and increased market volatility. The national and global economic outlook present opportunities and challenges as proposed new tariffs on some goods are contended with and the prospects of Brexit are dealt with. Major world central banks are contemplating or have begun winding down their extraordinary stimulus policies. The recent U.S. Tax reform is anticipated to intensify the economic activity around the world with a growing number of companies announcing plans to repatriate billions of dollars in profits that had been retained overseas.

California has a diverse economy encompassing the technology, health care, leisure and hospitality and biosciences sectors, and is the nation's leader and exporter of agricultural products. In addition, the State is home to some of the world's most valuable and innovative companies and attracts a significant portion of venture capital financing and skilled workforce. The State accounts for over 14% of the nation's GDP with its economy growing at an estimated rate of 2.5% in calendar year 2017 and forecasts indicating a GDP growth rate of 2.7% for year 2018 and 2.6% for year 2019. The unemployment rate for the State stood at 4.8% for calendar year 2017 and is expected to be at 4.4% for year 2018 and 4.2% for year 2019. Most industries added jobs last year; however, job growth has moderated primarily due to declines in the manufacturing sector, housing supply shortages, and deteriorating net migration as more residents moved away from California during 2017. In spite of its challenges, including the rising cost of living and slower population growth, overall, the State's economic outlook remains positive.

San Diego's economy marked its eighth year of growth in calendar year 2017. San Diego has a diverse economic base with a strong tourism sector, a substantial military and defense industry, and a vigorous technology and innovation cluster. Notable contributions to the local economy also include the health and sciences, education, and trade sectors. San Diego's housing market continued climbing to a \$610,000 median home price at the end of calendar year 2017. Residential construction is projected to remain stable for 2018 with higher production of multi-family units than single-family homes. The local labor market continued to expand and ended calendar year 2017 with an unemployment rate of 3.3%, lower than both California and the nation. Although increased wage concerns continue, the near-term employment outlook for San Diego remains favorable. The San Diego business forecast indicates a positive outlook for 2018 and continued growth through 2019.

# U.S. Economic Forecast

Below is a table with key economic indicators:

Economic Indicator	U.S. Economic Forecast <sup>(1)</sup>						
	1Q.2018	2Q.2018	3Q.2018	4Q.2018	Avg.2018	Avg.2019	Avg.2020
Gross Domestic Product (GDP) -YOY %	2.9%	2.8%	2.6%	2.6%	2.7%	2.4%	1.9%
Consumer Spending	2.6%	2.8%	2.6%	2.4%	2.5%	2.2%	2.0%
Unemployment Rate	4.0%	3.9%	3.9%	3.8%	3.9%	3.8%	3.8%
Consumer Price Index - YOY %	2.1%	2.5%	2.5%	2.2%	2.3%	2.2%	2.4%
Benchmark Interest Rates	1Q.2018	2Q.2018	3Q.2018	4Q.2018	1Q.2019	2Q.2019	3Q.2019
Federal Funds Rate - Target	1.8%	2.0%	2.2%	2.4%	2.6%	2.7%	2.7%
Ten-year Treasury Note	2.9%	2.9%	3.0%	3.0%	3.1%	3.3%	3.3%

<sup>(1)</sup> Sources: Bloomberg -Median economists' forecasts for U.S. economic indicators (85 economists surveyed Feb. 3 to Feb.8, 2017); Los Angeles County Economic Development Corporation -Institute for Applied Economics, Economic Forecast & Industry Outlook, February 2018; Wells Fargo Securities, LLC Economics Group, Economic & Financial Commentary March, 2018; University of San Diego Economic Roundtable, Burham-Moores Center January 2018; 2018 Economic Outlook: US, California and San Diego -ourcity.com January 2018; San Diego Regional Chamber Business Forecast January 2018.

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**PORT of  
SAN DIEGO**  
Waterfront of Opportunity

## 2 Reader's Guide



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# Organization

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Ever mindful of the desire to achieve a sustainable future, the District strives to increase revenues in pursuit of fulfilling our mission and trust obligation. With this in mind, the organization is focusing on the following strategies to enhance the public good:

- Culture
- Operations
- Business
- Brand

The Executive Leadership Group (ELG) has identified 29 projects for major initiatives to advance these strategic goals. The departments are responsible for achieving the milestones established for these projects and the budget is the financial plan of record to fund these initiatives.

We will focus on areas outlined in the 29 projects as we move the organization towards achieving opportunities for sustainable growth. Lastly, we will renew focus on our “People Strategy” to maintain our most important asset our staff. Executing this vision will require a motivated and engaged workforce.

To realize the District’s mission, the Board establishes policy. Three positions reporting directly to the Board carry out policy directives and advise the Board including a President/Chief Executive Officer (President/CEO), General Counsel, and Port Auditor. A Personnel Advisory Board also reports directly to the Board.

## HARBOR POLICE

Led by the Chief of Harbor Police/Vice President, the Harbor Police Department is responsible for initiatives and programs that provide safety, protection, and law enforcement. The Department also provides police and fire protection to San Diego Bay, as well as police services to San Diego International Airport. Under direction of the Chief of Harbor Police: homeland security, facility security, and law enforcement combine to protect and serve those who work, play, and visit the Port of San Diego.

## MARKETING

Led by the Chief Marketing Officer/Vice President, this Division raises awareness of the District, its business lines, activities, and regional value while building and maintaining partnerships with external stakeholders and other government agencies. There is a need for the District to be engaged with the broader community relative to issues of regional importance and to activate the waterfront. This Division manages the operations of maritime, government and civic relations, marketing, corporate communication, trade development, and waterfront arts and activation. One area of particular focus is maritime cargo and cruise – where there is unfulfilled capacity/potential.

Departments and teams in the Marketing Division include:

- Government & Civic Relations (team)
- Maritime
- Marketing & Communications
- Waterfront Arts & Activation

# Organization

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## ADMINISTRATION

Led by the Chief Administrative Officer/Vice President, this Division manages, directs, and integrates the functions, programs, and activities of District-wide Human Resources, People Strategies, Office of the District Clerk, General Services, and Engineering - Construction. The Chief Administrative Officer/Vice President is the District's lead negotiator for labor negotiations and provides strategic leadership in the delivery of centralized corporate, administrative, engineering, and maintenance support services.

Departments in the Administration Division include:

- Engineering – Construction
- General Services
- Office of the District Clerk
- People Strategies
- Human Resources

## OPERATIONS

Led by the Chief Operating Officer/Vice President this Division's responsibilities include: understanding and fostering the “benefit of the people”; creating and managing a well-designed waterfront through integrated urban planning; real estate asset development and management; environmental management, climate mitigation, and adaptation planning; revenue growth; and, technology implementation and maintenance. The growth of revenue, both through core lines of business and new revenue streams, is a key responsibility for the Operations Division.

Departments and teams in the Operations Division include:

- Information Technology
- Planning
- Energy
- Aquaculture & Blue Technology (team)
- Environmental Conservation (team)
- Environmental Protection
- Real Estate
- Development Services
- Real Estate & Development Services - Performance & Reporting (team)
- Port as a Service - Parking

## FINANCIAL SERVICES

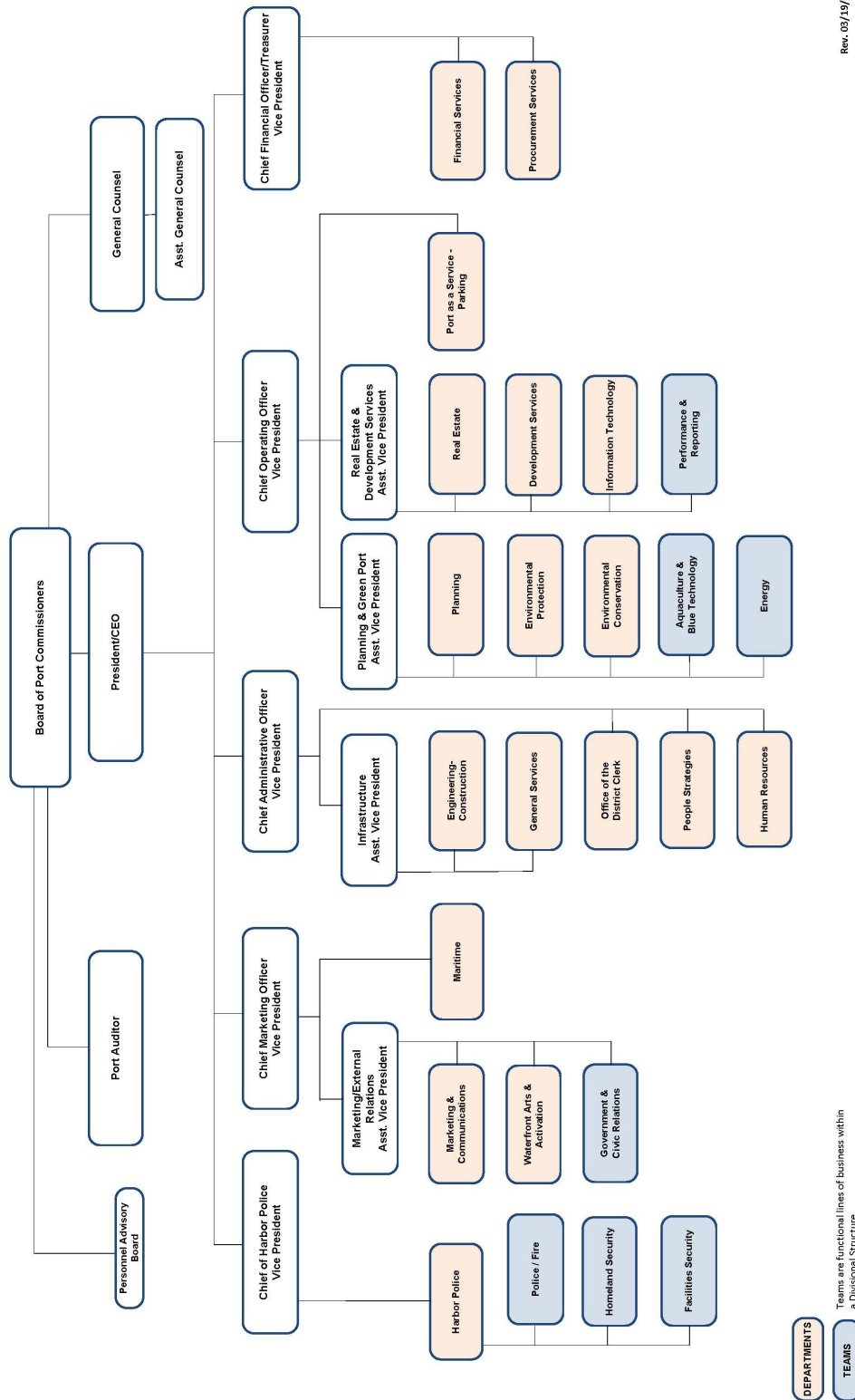
Led by the Chief Financial Officer/Treasurer Vice President, this Division oversees the District's Financial Services and Procurement Services. The CFO/Treasurer provides professional assistance and support to the President/CEO on the District's financial planning, accounting, investing, and procurement services. Financial Services includes financial planning and reporting, budgeting, treasury services, risk management, and payroll services.

Departments in the Financial Services Division include:

- Financial Services
- Procurement Services

# Organization Chart

## DISTRICT ORGANIZATION CHART



Rev. 03/19/2018

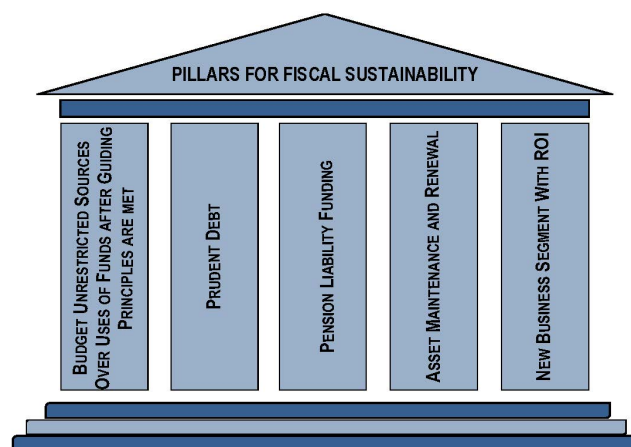
# Overview of Financial Policies and Guidelines

The District operates as an enterprise fund and prepares its budget on the accrual basis of accounting. The District's annual audited financial statements are also prepared on the accrual basis. Under this method, revenues are recorded when earned and expenses are recorded when incurred. The San Diego Unified Port District Act directs the creation of only one fund with many revenue sources and operates as a separate, independent, and local government entity. Accordingly, unless specifically stated, all income and expenses flow through one fund.

The District's budget process actively incorporates various financial policies and guidelines articulated by the Board and Executive Staff. The budget process and outcome are performance-based and focused on strategies, initiatives, and key operating and financial indicators. The adopted budget gives the District the legal basis for which to expend funds.

## Financial Strategy and Long-Range Policies

The District continues to proactively manage and grow its financial resources with the objective to balance its service requirements, its responsibility to make long-term investments in infrastructure, the environment, and public service. As such, the District outlined a framework to develop a long-term financial strategy which seeks to establish an overarching set of guiding principles that aligns financial best practices into the District's strategic plan. The framework consists of five key pillars as depicted below:



The annual operating budget is intended to establish efficient and effective methods for managing the District's financial resources. Accordingly, this section outlines the long-range and financial policies that guide the preparation of the budget:

- Revenues and other sources of funds exceed expenses before depreciation and amortization and before capital expenditure and other uses of funds.
- The District activities authorized in the budget will help stimulate the economy in the San Diego region.
- Capital investment in the tidelands will provide significant, long-term economic benefits to the region and will provide public improvements and infrastructure that will stimulate private investment in the tidelands bringing new revenues to the District and creating new jobs and opportunities for the region. Financial policies will enable the District to maintain its sound financial condition, so that capital investment in the tidelands may continue.
- Cash investments made by the District will conform to its Guidelines for Prudent Investments (see Section 5 Appendix). It is the policy of the District to invest public funds in a manner that will provide the highest rate of return with the maximum security while meeting the daily cash flow demands of the District. The investment policies and practices of

# Overview of Financial Policies and Guidelines

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the District are based upon prudent money management and conform to all state and local statutes governing the investment of public funds. In order of priority, investment objectives are:

- Safety of principal
  - Liquidity
  - Return on investment
- The budget will be prepared in a manner that facilitates its understanding by the public as well as District officials. Presenting a clear, readable budget will communicate effectively overall District goals and plans, and contribute to the public's knowledge and appreciation of the District's positive impact on the region.
  - The Five-Year Capital Improvement Program (CIP) FY 2019-2023 has been previously approved and adopted by the Board in accordance with BPC Policy No. 120 - Capital Improvement Program (see Section 5 Appendix). The projects are funded from the CIP reserve (pre-approved/designated funding) and from other sources such as grants and contributions for specific projects. The remaining CIP FY 2019-2023 is reviewed and approved by the Board and is coordinated with the preparation of the operating budget.

## Budget Development and Cost Management

The District will prepare a budget on an annual basis. The District's definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds.

One of the key pillars for fiscal sustainability that the District adopted is budgeting for unrestricted sources of funds exceeding uses of funds or, a structural surplus now referred to as unrestricted resources. In support of this principle, the District has developed its annual budget with approximately \$6.0M of unrestricted resources. Staff deployed multiple strategies to attain this including revenue growth, project portfolio diversification, and cost management.

The budget is a result of a collaborative effort that includes extensive deliberations by the ELG on strategies and initiatives. The Board is briefed to solicit input and directions. As appropriate, throughout the year, presentations are provided by staff and Board directions are given on multi-year strategies such as Integrated Planning, Climate Action Plan, Major Maintenance/Asset Management Program, Capital Improvement Program, Parking, etc.

The FY 2019 budget reflects the resources allocated to provide key services as described in each department's operating plan and to support the 18-month strategy map through the execution of projects aligned with these four strategies:

- **Culture:** Focus on our employees and their professional development and well-being (i.e., the organizational culture)
- **Operations:** Operate efficiently and effectively - identifying cost savings and other efficiencies while providing better, faster service
- **Business:** Grow revenue in order to keep up with rising operational costs, increasing regulation, and unknown liabilities
- **Brand:** Elevate the profile of the Port in the broader community (i.e., have more people know who we are and what we do)

Staff prepared operating plans by department describing key services they provide, and highlighted opportunities for process improvement and innovation. The operating plans are integrated into the expense budget breakdown in Section 4 Departments/ Cost Centers for each department. The operating plans have also been interlocked to ensure that each department considered the impacts of their resource needs, key services, and priorities on other departments. As a result, needs and priorities with corresponding impacts to other departments have been accounted for in the operating plans prepared by those departments.



# Overview of Financial Policies and Guidelines

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Additional cost management controls include providing the following reporting to the Board:

- March – Year-end projections
- Monthly – Financial Management Reports (within 10 business days after month end)
  - Staff goes through a rigorous review of all expense items and provides budget variance explanations of not only overages but any significant underruns with an estimate of when those expenses will be incurred.
- Monthly – Financial Performance Metrics and Parks Report (within 10 business days after month end)
- Quarterly – Major Maintenance Update
- Quarterly – CIP Update
- Annually – Finance team prepares a Five-Year Cash Flow Forecast used for long-term financial planning

The District's prudent practices ensure long-term financial sustainability and the ability to deliver our public service commitment as follows:

- Activation programs that draw visitors and residents alike to the waterfront
- Maintenance of public parks and open spaces throughout the tidelands
- Ensuring safe and secure tidelands through land and waterside patrolling and response
- Protecting and enhancing our environmental resources – land, water, air, and wildlife
- Ability to generate revenue and to manage costs allows the District to provide excellent public service without the need to tax – the District is a self-sustaining public entity

## Account Structure

The District's account structure is comprised of two main components: profit/cost center and general ledger account code. Budget amounts are entered and tracked at the profit/cost center and general ledger account codes. Within this budget book you will see general ledger account codes used for expenses.

A general ledger account is an account or record used to sort and store balance sheet and income statement transactions. Examples of general ledger accounts include the asset accounts such as Cash, Accounts Receivable, Land, and Equipment. Examples of the general ledger liability accounts include Notes Payable, Accounts Payable, Accrued Expenses Payable, and Tenant Deposits. Examples of income statement accounts found in the general ledger include Concession Revenues, Fixed Rents, Salaries Expense, Services – Professional & Other Expense, Insurance Expense, etc.

The District uses six digit general ledger account codes divided into four major categories as follows:

100100-399999	Balance Sheet
500100-599999	Revenue
600100-600330	Personnel
610100-680999	Non-Personnel Expense

# Budget Timetable

The budget development process is integrated closely with strategic and project planning, where the entire management team conducts the review and the individual departments are given the control and accountability.

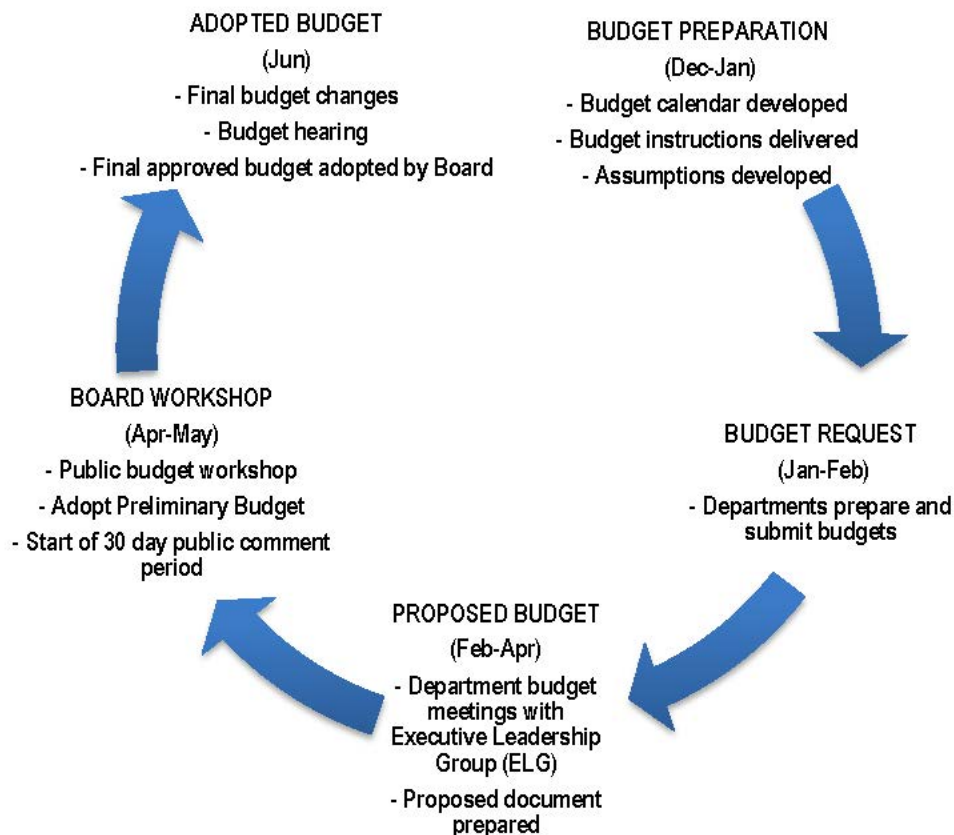
The Financial Analyst Team works with all department Directors and the Executive Leadership Group to ensure that budget proposals support the District's Strategic Plan and that appropriate funding is available.

**A Board workshop to discuss the preliminary budget is held in mid-April.** The workshop is an opportunity for the Board and the public to ask questions and discuss alternatives to the proposed goals, objectives, programs, and activities included in the budget.

**Preliminary budget adoption starts the public comment period.** Adoption of the preliminary budget occurs at the May Board meeting. Under the provisions of the District Act, the preliminary budget must be adopted by June 15<sup>th</sup> each year which begins the public comment period. Not less than 30 days later, the Board considers the final budget for adoption.

**Final budget adoption follows the public comment period.** At its first meeting following the comment period, but no later than August 1<sup>st</sup>, the Board adopts the final budget, along with amendments to the Salary Ordinance for personnel changes included in the final budget. Ideally, this happens in June, prior to the start of the new fiscal year.

Once the budget is adopted, it is input into the *SAP Funds Management Accounting System (SAP-FM)* and the funds availability control, which tracks expenses against the budget, is activated.



**An appropriating ordinance may be required.** If no final budget is adopted by July 1<sup>st</sup>, a special ordinance is required to appropriate funds for continuing operations.

## Budget Timetable

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The budget is based on estimates made by Departments four to five months before the end of the current fiscal year, and 16 to 17 months before the end of the budget year. Many events could occur after adoption that would make the actual results significantly different from the budget estimates.

Once adopted, the budget is not fixed. The budget can be amended at any time during the fiscal year by Board ordinance. Staff monitors budget results and programs throughout the fiscal year. Changes in plans, fluctuations in estimates, new programs for which no estimate was available, and other unexpected events may require a budget amendment.

Board of Port Commissioners (BPC) Policy No. 090 (see Section 5 Appendix) shall govern transfers between appropriated budget items.

## 3 Highlights



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## REVENUE HIGHLIGHTS

Total operating and non-operating revenues for the District are budgeted at \$196.4M, an increase of \$7.5M, or 4.0%, from the prior fiscal year.

Trends affecting revenue are described below by profit center.

### Revenue by Profit Center

Revenues were projected by benchmarking major tenants, conducting tenant interviews, and using industry analysis to predict trends in revenue. Assumptions concerning prospective revenues from new and renegotiated leases were included. Revenues for leases scheduled to terminate are reduced by the probability that they will not be renewed. For leases with an option to expand facilities, revenues are reduced by the probability that the option will not be exercised.

Since concession revenue varies with economic conditions, the revenue team performed a detailed analysis using recent data from multiple sources, published hotel industry forecasts, cruise ship activity projections, and convention bookings for 2018 and 2019. Actual year-to-date revenue, published hotel industry forecasts, cruise ship activity projections, and convention bookings were all reviewed and considered in developing the FY 2019 forecast.

### Real Estate

Real Estate is budgeted at \$108.0M, an increase of \$10.6M, or 10.9%. Differences from the FY 2018 revenue budget are projected in the following areas:

- **Concession Revenue** is budgeted at \$87.8M, an increase of \$10.6M, or 13.8%. Of the increase, \$6.8M is attributable to the District assuming ownership and management of the assets of Seaport Village due to the expiration of its lease, a continuation of the upward trend in hotel revenue of \$2.0M, revenues from marinas of \$900k, and revenue from restaurants of \$500k. The department Attractions & Advertising was eliminated; therefore, revenues for building wraps and billboard advertising of \$314k were transferred to Real Estate. Hotel percentage rent is approximately two-thirds of all concession rent, followed by marinas, retail centers, and restaurants.
- **Fixed Rent** is budgeted at \$19.5M, a decrease of \$161k, or 0.8%, primarily due to a reduction in car rental lease revenue.

### Port as a Service – Parking

Port as a Service - Parking is budgeted at \$16.2M, a decrease of \$515k, or 3.1%. Differences from the FY 2018 revenue budget are projected in the following areas:

- **Parking - Concessions** is budgeted at \$1.3M, a decrease of \$569k, or 31.1%, mainly due to termination of lease agreements at parking lot facilities along Pacific Highway due to low demand.
- **Parking** is budgeted at \$10.4M, a decrease of \$288k, or 2.7%, mainly due to a decrease in budgeted revenue at Navy Pier as a result of rate increases not being approved.
- **Fixed Rent** is budgeted at \$445k, an increase of \$359k, or 418.8%, mainly due to a new tenant agreement to provide additional employee parking.

## Attractions & Advertising

Attractions & Advertising revenue is now being reported under Real Estate. Differences from the FY 2018 revenue budget are projected in the following areas:

- **Advertising** decreased \$1.3M, or 100.0% due to a longer than anticipated period for marketing small and large format advertising. Revenue anticipated in FY 2019 from advertising is approximately \$314k which is now being reported under Real Estate in concession revenue.
- **Concession Revenue** decreased \$176k, or 100.0%, due to the decision to not pursue concession sales from pop-up vendors along Shelter Island.

## Maritime

Maritime is budgeted at \$40.9M, an increase of approximately \$817k, or 2.0%. Differences from the FY 2018 revenue budget are projected in the following areas:

- **Storage Space Rental** is budgeted at \$4.4M, an increase of \$760k, or 20.6%, mainly due to a projected increase in automobile storage at the National City Marine Terminal (NCMT) and new revenue from anticipated sugar operations at Tenth Avenue Marine Terminal (TAMT).
- **Cruise Ship Passenger Fees** is budgeted at \$2.0M, an increase of \$310k, or 18.1%, due to projected increase in Disney, Holland America, and Norwegian cruise ship calls. While the FY 2018 budget projected 86 cruise ship calls and 262k cruise passengers, the FY 2019 budget projects 92 cruise ship calls and 303k cruise passengers.
- **Fixed Rent** is budgeted at \$14.9M, an increase of \$264k, or 1.8%, mainly due to an anticipated new lease for a bulk operation at the TAMT as well as rent increases from various lease agreements. The increase will be partially offset by rent reduction due to expected termination of the cement operation lease to accommodate the TAMT redevelopment project.
- **Miscellaneous Other Operating Revenue** is budgeted at \$201k, an increase of \$167k, or 480.1%, mainly due to reimbursements of District's expenses in providing security, terminal cleanup, and janitorial services for the anticipated military operations at TAMT.
- **Dockage** is budgeted at \$2.2M, an increase of \$143k, or 6.9%, mainly due to projected increases in cruise ship calls and additional cargo ship calls from a new break bulk and sugar import liner services at TAMT.
- **Wharfage** is budgeted at \$13.0M, a decrease of \$814k, or 5.9%, primarily due to reduction in waterborne automobile imports as well as renegotiation of the soda ash operation lease which lowered the minimum annual guarantee (MAG) in cargo throughput. Other decreases include termination of the cement operation agreement because of the TAMT redevelopment project and less wharfage due to the re-set of wharfage threshold as set forth by tenant lease terms. The reduction is partially offset by a projected increase in military and project/spot cargos, additional cargos from a new break bulk and sugar import liner services at TAMT, and cruise ship stores.



## Harbor Police

Harbor Police is budgeted at \$16.9M, an increase of \$1.0M, or 6.4% from the FY 2018 revenue budget.

The Harbor Police Department, in addition to serving the District tidelands, is the primary law enforcement agency at the San Diego County Regional Airport Authority (SDCRAA). The cost reimbursement for the police services provided to the SDCRAA is \$15.6M while the General and Administrative cost (G&A) reimbursement reported under the Miscellaneous section below is \$2.8M, bringing the total reimbursement to \$18.4M, an increase of \$793k, or 4.5%. The FY 2019 Public Services Provided revenue budget includes labor and burden based on actual individual officer's rate per pay period.

Additionally, federal, state, and local grant reimbursements is budgeted at \$961k, an increase of \$399k, or 70.8%, mainly due to funding from the Department of Homeland Security for the development of an emergency management plan.

## Aquaculture & Blue Technology

Aquaculture & Blue Technology is projected to generate approximately \$83k from an oyster nursery pilot project.

## Miscellaneous

Projected other changes in revenue will occur primarily in the following areas:

- **Grants – Capital Projects Reimbursement** is budgeted at \$8.8M, a decrease of \$3.7M, or 29.4% primarily due to the anticipated completion of the boating launch facilities project at Shelter Island which is fully funded by the California Department of Boating and Waterways and the State of California Wildlife Conservation Board.
- **Reimbursed Cost/Cost Recovery** is budgeted at \$103k, a decrease of \$407k, or 79.8% primarily due to reimbursements being now budgeted in Real Estate, Maritime, and Harbor Police.
- **Interest - Investments** is budgeted at \$1.0M, an increase of \$380k, or 61.3% due to anticipated interest rate increases through next year as projected by the Federal Open Market Committee.
- **Partnership/Cost Sharing Reimbursement** is budgeted at \$1.2M, an increase of \$430k, or 57.0% mainly due to an increase in cost sharing reimbursements for the Regional Harbor Monitoring Program.
- **Public Services Provided** which represents reimbursements for G&A costs associated with the SDCRAA agreement for Harbor Police services, is budgeted at \$2.8M.

## REVENUE BY OPERATING CENTER

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
<b>REAL ESTATE</b>					
Fixed Rent	\$ 19,687,818	\$ 19,612,400	\$ 19,451,200	\$ (161,200)	(0.8)%
Concession Revenue	75,702,340	77,186,600	87,814,800	10,628,200	13.8 %
ACH Parking Facility Funding	222,502	222,500	222,500	—	0.0 %
Other Rental Revenue	505,406	—	—	—	N/A
Rents	\$ 96,118,066	\$ 97,021,500	\$ 107,488,500	\$ 10,467,000	10.8 %
Park Usage Fees	\$ 972,416	\$ 1,074,200	\$ 1,084,300	\$ 10,100	0.9 %
Reimbursed Cost/Cost Recovery	—	—	120,000	120,000	N/A
Waived Fees	(15,255)	—	—	—	N/A
Waived Fees-Tidelands Activation Program	(646,431)	(744,100)	(734,300)	9,800	(1.3)%
Fees & Service Charges	\$ 310,730	\$ 330,100	\$ 470,000	\$ 139,900	42.4 %
Damages Recovered	\$ 16,055	\$ —	\$ —	\$ —	N/A
Non-Operating Revenue	\$ 16,055	\$ —	\$ —	\$ —	N/A
<b>TOTAL REAL ESTATE</b>	<b>\$ 96,444,851</b>	<b>\$ 97,351,600</b>	<b>\$ 107,958,500</b>	<b>\$ 10,606,900</b>	<b>10.9 %</b>
<b>PORT AS A SERVICE - PARKING</b>					
Fixed Rent	\$ 284,399	\$ 85,700	\$ 444,600	\$ 358,900	418.8 %
Rents	\$ 284,399	\$ 85,700	\$ 444,600	\$ 358,900	418.8 %
Citations	\$ 851,939	\$ 904,800	\$ 924,100	\$ 19,300	2.1 %
Parking	10,044,922	10,645,300	10,357,800	(287,500)	(2.7)%
Parking Meters	2,692,452	3,214,300	3,257,800	43,500	1.4 %
Parking-Concession	1,153,724	1,830,900	1,262,200	(568,700)	(31.1)%
Waived Fees	(9,270)	—	—	—	N/A
Waived Fees-Tidelands Activation Program	(76,023)	—	(80,000)	(80,000)	N/A
Fees & Service Charges	\$ 14,657,744	\$ 16,595,300	\$ 15,721,900	\$ (873,400)	(5.3)%
Damages Recovered	\$ 6,487	\$ —	\$ —	\$ —	N/A
Non-Operating Revenue	\$ 6,487	\$ —	\$ —	\$ —	N/A
<b>TOTAL PORT AS A SERVICE - PARKING</b>	<b>\$ 14,948,630</b>	<b>\$ 16,681,000</b>	<b>\$ 16,166,500</b>	<b>\$ (514,500)</b>	<b>(3.1)%</b>
<b>ATTRACTIONS &amp; ADVERTISING</b>					
Fixed Rent	\$ —	\$ 70,000	\$ —	\$ (70,000)	(100.0)%
Concession Revenue	—	176,000	—	(176,000)	(100.0)%
Rents	\$ —	\$ 246,000	\$ —	\$ (246,000)	(100.0)%
Advertising	\$ 285,950	\$ 1,254,000	\$ —	\$ (1,254,000)	(100.0)%
Fees & Service Charges	\$ 285,950	\$ 1,254,000	\$ —	\$ (1,254,000)	(100.0)%
<b>TOTAL ATTRACTIONS &amp; ADVERTISING</b>	<b>\$ 285,950</b>	<b>\$ 1,500,000</b>	<b>\$ —</b>	<b>\$ (1,500,000)</b>	<b>(100.0)%</b>

## REVENUE BY OPERATING CENTER

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
<b>MARITIME</b>					
Fixed Rent	\$ 16,008,875	\$ 14,608,400	\$ 14,872,500	\$ 264,100	1.8 %
Concession Revenue	2,054,380	2,374,000	2,245,700	(128,300)	(5.4)%
Storage Space Rental	4,395,850	3,684,500	4,444,800	760,300	20.6 %
Other Rental Revenue	556,663	785,500	805,700	20,200	2.6 %
Waived Fees	(9,440)	(25,000)	(35,000)	(10,000)	40.0 %
Waived Fees-Tidelands Activation Program	(116,205)	(214,700)	(333,800)	(119,100)	55.5 %
Rents	\$ 22,890,123	\$ 21,212,700	\$ 21,999,900	\$ 787,200	3.7 %
Bunkering	\$ 52,010	\$ 49,300	\$ 56,500	\$ 7,200	14.6 %
Cruise Ship Passenger Fees	1,389,814	1,711,000	2,021,200	310,200	18.1 %
Cruise Ship Passenger Security Charges	996,731	992,800	1,079,300	86,500	8.7 %
Dockage	2,151,785	2,069,000	2,211,800	142,800	6.9 %
Environmental Surcharge	5,653	6,800	6,600	(200)	(2.9)%
Permit & License Fees	731	1,000	1,000	—	0.0 %
Parking	38,797	45,900	31,000	(14,900)	(32.5)%
Wharfage	11,563,854	13,837,200	13,023,200	(814,000)	(5.9)%
Miscellaneous Other Operating Revenue	44,220	34,700	201,300	166,600	480.1 %
Fees & Service Charges	\$ 16,243,595	\$ 18,747,700	\$ 18,631,900	\$ (115,800)	(0.6)%
Utilities Furnished	\$ 80,688	\$ 71,300	\$ 116,400	\$ 45,100	63.3 %
Reimbursed Cost/Cost Recovery	—	—	100,100	100,100	N/A
Services	\$ 80,688	\$ 71,300	\$ 216,500	\$ 145,200	203.6 %
Damages Recovered	\$ 6,824	\$ —	\$ —	\$ —	N/A
Grant Revenue-Other	10,440	10,000	10,000	—	0.0 %
Non-Operating Revenue	\$ 17,264	\$ 10,000	\$ 10,000	\$ —	0.0 %
<b>TOTAL MARITIME</b>	<b>\$ 39,231,670</b>	<b>\$ 40,041,700</b>	<b>\$ 40,858,300</b>	<b>\$ 816,600</b>	<b>2.0 %</b>
<b>HARBOR POLICE</b>					
Fixed Rent	\$ 7,248	\$ 7,000	\$ 7,300	\$ 300	4.3 %
Rents	\$ 7,248	\$ 7,000	\$ 7,300	\$ 300	4.3 %
Citations	\$ 174,609	\$ 150,000	\$ 130,000	\$ (20,000)	(13.3)%
Piers & Floats	187,490	180,000	180,000	—	0.0 %
Miscellaneous Other Operating Revenue	23,633	40,000	25,000	(15,000)	(37.5)%
Fees & Service Charges	\$ 385,732	\$ 370,000	\$ 335,000	\$ (35,000)	(9.5)%
Public Services Provided	\$ 15,533,770	\$ 14,959,600	\$ 15,606,700	\$ 647,100	4.3 %
Reimbursed Cost/Cost Recovery	158,727	12,000	12,000	—	0.0 %
Services	\$ 15,692,497	\$ 14,971,600	\$ 15,618,700	\$ 647,100	4.3 %

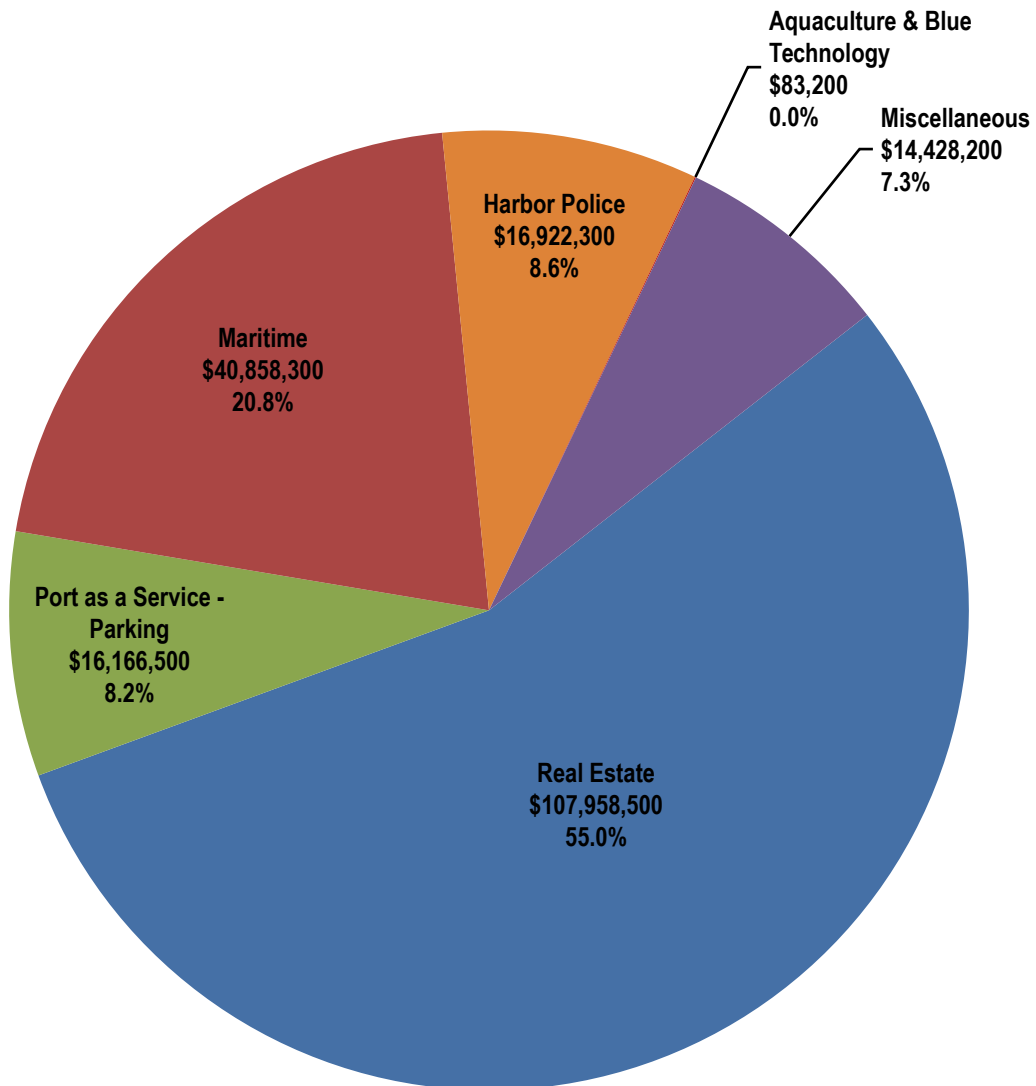
## REVENUE BY OPERATING CENTER

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Damages Recovered	\$ 5,354	\$ —	\$ —	\$ —	N/A
Grant Revenue-Other	545,307	562,700	961,300	398,600	70.8 %
Misc Other Non-Operating Revenue	75,634	—	—	—	N/A
Asset Forfeiture Proceeds-Harbor Police	258,872	—	—	—	N/A
Non-Operating Revenue	\$ 885,167	\$ 562,700	\$ 961,300	\$ 398,600	70.8 %
<b>TOTAL HARBOR POLICE</b>	<b>\$ 16,970,643</b>	<b>\$ 15,911,300</b>	<b>\$ 16,922,300</b>	<b>\$ 1,011,000</b>	<b>6.4 %</b>
<b>AQUACULTURE &amp; BLUE TECHNOLOGY</b>					
Aquaculture	\$ —	\$ 200,000	\$ 83,200	\$ (116,800)	(58.4)%
Rents	\$ —	\$ 200,000	\$ 83,200	\$ (116,800)	(58.4)%
<b>TOTAL AQUACULTURE &amp; BLUE TECHNOLOGY</b>	<b>\$ —</b>	<b>\$ 200,000</b>	<b>\$ 83,200</b>	<b>\$ (116,800)</b>	<b>(58.4)%</b>
<b>MISCELLANEOUS</b>					
Miscellaneous Other Operating Revenue	\$ 142,713	\$ —	\$ —	\$ —	N/A
Miscellaneous Other Operating Revenue	\$ 142,713	\$ —	\$ —	\$ —	N/A
Public Services Provided	\$ 2,389,890	\$ 2,619,100	\$ 2,765,200	\$ 146,100	5.6 %
Reimbursed Cost/Cost Recovery	355,229	510,000	103,000	(407,000)	(79.8)%
Services	\$ 2,745,119	\$ 3,129,100	\$ 2,868,200	\$ (260,900)	(8.3)%
Partnership/Cost Sharing Reimbursement	\$ 513,035	\$ 754,200	\$ 1,184,400	\$ 430,200	57.0 %
Partnership/Cost Sharing Reimbursement	\$ 513,035	\$ 754,200	\$ 1,184,400	\$ 430,200	57.0 %
Damages Recovered	\$ 12,036	\$ —	\$ —	\$ —	N/A
Grants - Capital Project Reimbursement	1,991,679	12,479,900	8,804,600	(3,675,300)	(29.4)%
Grant Revenue-Other	135,889	—	98,000	98,000	N/A
Donated Revenue	465,932	46,000	13,000	(33,000)	(71.7)%
Reimbursed Legal Fees	1,057,921	—	—	—	N/A
Legal Settlements	1,924,795	—	—	—	N/A
Misc Other Non-Operating Revenue	899,237	100,000	400,000	300,000	300.0 %
Sale of Surplus Items - Proceeds	57,508	60,000	60,000	—	0.0 %
Non-Operating Revenue	\$ 6,544,998	\$ 12,685,900	\$ 9,375,600	\$ (3,310,300)	(26.1)%
Interest - Investments	\$ 1,186,909	\$ 620,000	\$ 1,000,000	\$ 380,000	61.3 %
Interest - Unamortized Bond Premium	(40,225)	—	—	—	N/A
Unrealized Gain/Loss On Inv. (GASB 31)	(389,332)	—	—	—	N/A
Interest - Miscellaneous	198,986	—	—	—	N/A
Investment Revenue	\$ 956,338	\$ 620,000	\$ 1,000,000	\$ 380,000	61.3 %
Discounts Earned	\$ 8,195	\$ —	\$ —	\$ —	N/A
Other Revenue	\$ 8,195	\$ —	\$ —	\$ —	N/A
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 10,910,399</b>	<b>\$ 17,189,200</b>	<b>\$ 14,428,200</b>	<b>\$ (2,761,000)</b>	<b>(16.1)%</b>

## REVENUE BY OPERATING CENTER

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
TOTAL REVENUE	\$ 178,792,142	\$ 188,874,800	\$ 196,417,000	\$ 7,542,200	4.0 %

## REVENUE BY OPERATING CENTER



<b>TOTAL REVENUE    \$   196,417,000</b>
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## REVENUE BY ACCOUNT

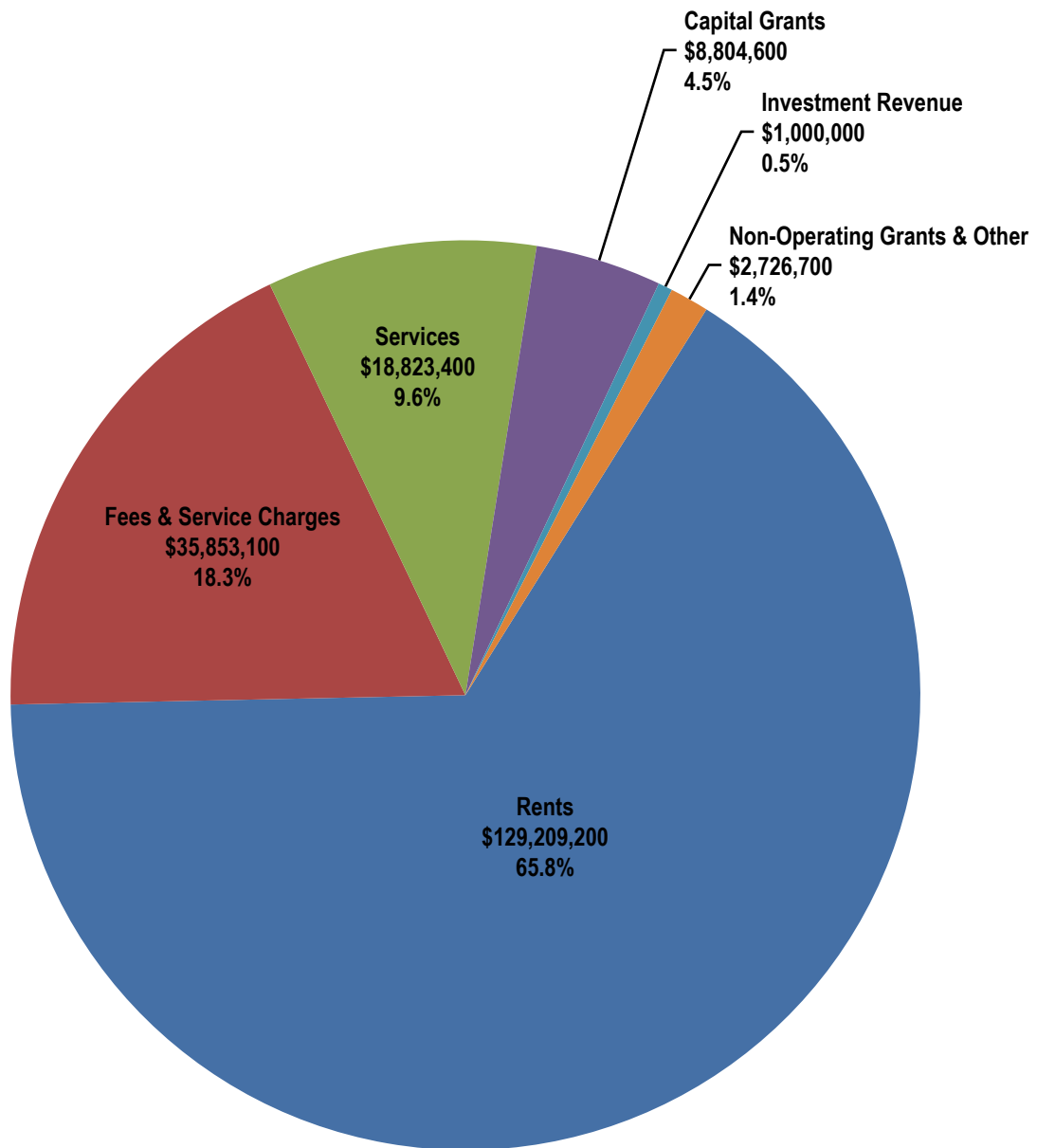
	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Fixed Rent	\$ 35,988,341	\$ 34,383,500	\$ 34,775,600	\$ 392,100	1.1 %
Concession Revenue	77,756,720	79,736,600	90,060,500	10,323,900	12.9 %
Storage Space Rental	4,395,850	3,684,500	4,444,800	760,300	20.6 %
ACH Parking Facility Funding	222,502	222,500	222,500	—	0.0 %
Aquaculture	—	200,000	83,200	(116,800)	(58.4)%
Other Rental Revenue	1,062,069	785,500	805,700	20,200	2.6 %
Waived Fees	(33,965)	(25,000)	(35,000)	(10,000)	40.0 %
Waived Fees-Tidelands Activation Program	(838,659)	(958,800)	(1,148,100)	(189,300)	19.7 %
<b>RENTS</b>	<b>\$ 118,552,857</b>	<b>\$ 118,028,800</b>	<b>\$ 129,209,200</b>	<b>\$ 11,180,400</b>	<b>9.5 %</b>
Bunkering	\$ 52,010	\$ 49,300	\$ 56,500	\$ 7,200	14.6 %
Advertising	285,950	1,254,000	—	(1,254,000)	(100.0)%
Citations	1,026,548	1,054,800	1,054,100	(700)	(0.1)%
Cruise Ship Passenger Fees	1,389,814	1,711,000	2,021,200	310,200	18.1 %
Cruise Ship Passenger Security Charges	996,731	992,800	1,079,300	86,500	8.7 %
Dockage	2,151,785	2,069,000	2,211,800	142,800	6.9 %
Environmental Surcharge	5,653	6,800	6,600	(200)	(2.9)%
Permit & License Fees	731	1,000	1,000	—	0.0 %
Parking	10,083,720	10,691,200	10,388,800	(302,400)	(2.8)%
Parking Meters	2,692,452	3,214,300	3,257,800	43,500	1.4 %
Parking-Concession	1,153,724	1,830,900	1,262,200	(568,700)	(31.1)%
Park Usage Fees	972,416	1,074,200	1,084,300	10,100	0.9 %
Piers & Floats	187,490	180,000	180,000	—	0.0 %
Wharfage	11,563,854	13,837,200	13,023,200	(814,000)	(5.9)%
Miscellaneous Other Operating Revenue	210,566	74,700	226,300	151,600	202.9 %
<b>FEES &amp; SERVICE CHARGES</b>	<b>\$ 32,773,442</b>	<b>\$ 38,041,200</b>	<b>\$ 35,853,100</b>	<b>\$ (2,188,100)</b>	<b>(5.8)%</b>
Public Services Provided	\$ 17,923,660	\$ 17,578,700	\$ 18,371,900	\$ 793,200	4.5 %
Utilities Furnished	80,688	71,300	116,400	45,100	63.3 %
Reimbursed Cost/Cost Recovery	513,956	522,000	335,100	(186,900)	(35.8)%
<b>SERVICES</b>	<b>\$ 18,518,304</b>	<b>\$ 18,172,000</b>	<b>\$ 18,823,400</b>	<b>\$ 651,400</b>	<b>3.6 %</b>
Partnership/Cost Sharing Reimbursement	\$ 513,035	\$ 754,200	\$ 1,184,400	\$ 430,200	57.0 %
<b>OTHER</b>	<b>\$ 513,035</b>	<b>\$ 754,200</b>	<b>\$ 1,184,400</b>	<b>\$ 430,200</b>	<b>57.0 %</b>
Damages Recovered	\$ 46,756	\$ —	\$ —	\$ —	N/A
Grants - Capital Project Reimbursement	1,991,679	12,479,900	8,804,600	(3,675,300)	(29.4)%
Grant Revenue-Other	691,636	572,700	1,069,300	496,600	86.7 %
Donated Revenue	465,932	46,000	13,000	(33,000)	(71.7)%
Reimbursed Legal Fees	1,057,921	—	—	—	N/A



## REVENUE BY ACCOUNT

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Legal Settlements	1,924,795	—	—	—	N/A
Misc Other Non-Operating Revenue	974,871	100,000	400,000	300,000	300.0 %
Sale of Surplus Items - Proceeds	57,508	60,000	60,000	—	0.0 %
Asset Forfeiture Proceeds-Harbor Police	258,872	—	—	—	N/A
Interest - Investments	1,186,909	620,000	1,000,000	380,000	61.3 %
Interest - Unamortized Bond Premium	(40,225)	—	—	—	N/A
Unrealized Gain/Loss On Inv. (GASB 31)	(389,332)	—	—	—	N/A
Interest - Miscellaneous	198,986	—	—	—	N/A
Discounts Earned	8,195	—	—	—	N/A
<b>NON-OPERATING REVENUE</b>	<b>\$ 8,434,504</b>	<b>\$ 13,878,600</b>	<b>\$ 11,346,900</b>	<b>\$ (2,531,700)</b>	<b>(18.2)%</b>
<b>TOTAL REVENUE</b>	<b>\$ 178,792,142</b>	<b>\$ 188,874,800</b>	<b>\$ 196,417,000</b>	<b>\$ 7,542,200</b>	<b>4.0 %</b>

## REVENUE BY ACCOUNT



**TOTAL REVENUE \$ 196,417,000**

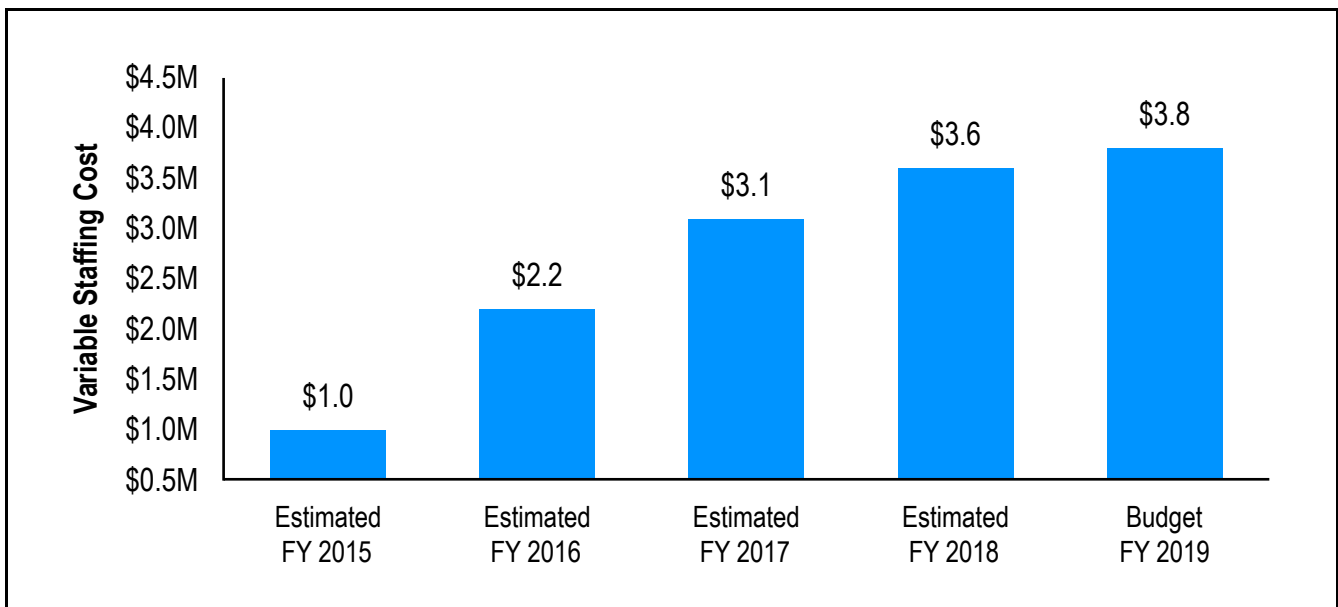
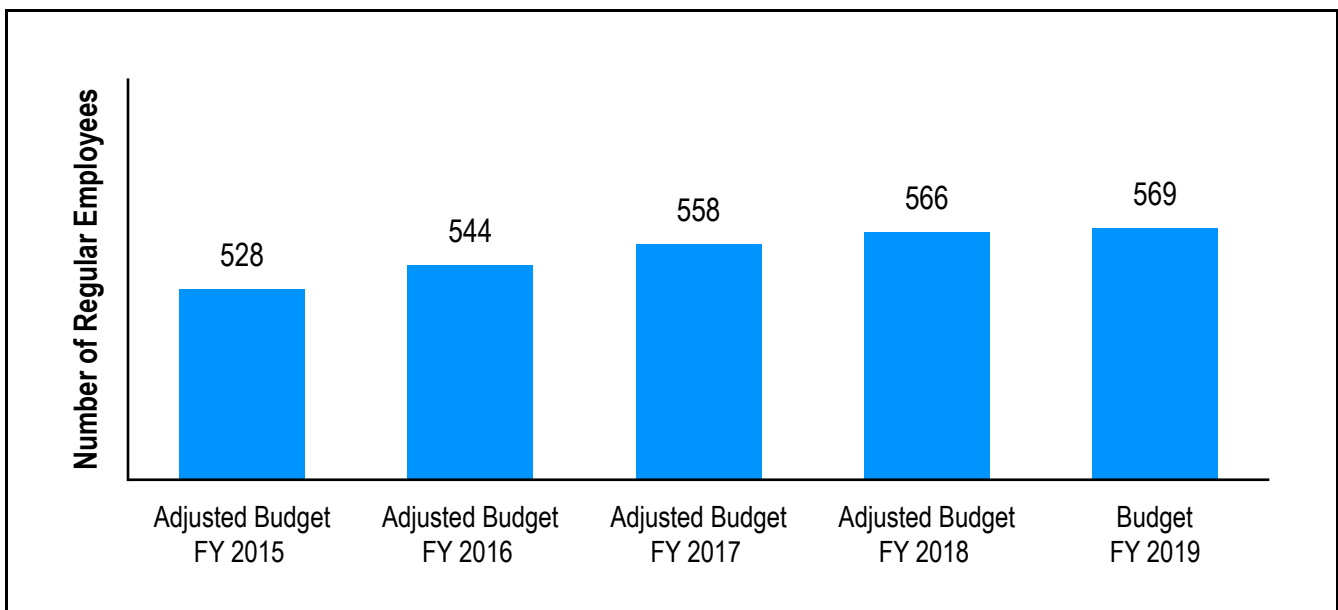
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## STAFFING OVERVIEW

The District personnel expenses consist of limited, temporary, interns, and student workers, along with regular employees. The District continues to manage the increasing demands for resources along with executing the strategic goals presented herein by relying more on the flexibility of having variable staff. Services of limited, temporary, intern, and student workers may be reduced at any time as the nature of the services are limited in duration. For instance, by Board Policy, in the event of an economic downturn in finances, reductions would first occur in this variable subset of staffing.

In this regard, a new cost center to capture the cost of the variable workforce was adopted for this budget. Departments that had employees in this category in prior year budgets reflect them as transferred to the variable staffing cost center budget (section 4 page 227).

The variable personnel expense will still be included as part of the Total Personnel Expense Appropriation, consistent with prior years budget.



## STAFFING OVERVIEW

**Transfer:** 1 Department Manager, Advertising from Attractions & Advertising to Real Estate  
1 Staff Assistant II from Planning to Environmental Conservation

**Convert:** 2 Community Service Officer (Limited) to Community Service Officer in Harbor Police Department  
1 Harbor Police Officer (Limited) to Harbor Police Officer in Harbor Police Department

REGULAR POSITIONS	ADJUSTED		CHANGE
DEPARTMENT	BUDGET FY 2018	BUDGET FY 2019	FY 2019-2018 BUDGET
Aquaculture & Blue Technology	1	1	0
Attractions & Advertising	1	0	(1)
Development Services	13	13	0
Energy	6	6	0
Engineering - Construction	36	36	0
Environmental Conservation	2	3	1
Environmental Protection	10	10	0
Executive Offices	16	16	0
Financial Services	25	25	0
General Services	94	94	0
Government & Civic Relations	6	6	0
Harbor Police Department	172	175	3
Human Resources	11	11	0
Information Technology	31	31	0
Maritime	23	23	0
Marketing & Communications	12	12	0
Office of the District Clerk	14	14	0
Office of the General Counsel	13	13	0
Office of the Port Auditor	7	7	0
People Strategies	5	5	0
Planning	12	11	(1)
Port as a Service - Parking	2	2	0
Procurement Services	18	18	0
Real Estate	23	24	1
Real Estate Development - Performance & Reporting	4	4	0
Waterfront Arts & Activation	9	9	0
<b>TOTAL</b>	<b>566</b>	<b>569</b>	<b>3</b>

Headcount in above table only includes regular employees. Limited, interns, and student workers are all in one cost center called Variable Staffing to maintain flexibility in spending for variable staffing needs. Details can be seen on the following pages.

## EXPENSE HIGHLIGHTS

Total operating and non-operating expenses for the District are budgeted at \$172.2M, an increase of \$4.2M, or 2.5%, from the prior fiscal year. The expenses include strategic projects which fulfill the District's mission and trust obligations. Significant budget-to-budget variances are projected in the following areas:

### Personnel Expense

Fiscal Year 2019 Personnel Expense is budgeted at \$102.5M, a \$4.7M increase or 4.8% from the previous year's adjusted budget. This increase is primarily due to negotiated increases, step increases, reclassifications, and increases to maintain a competitive wage structure. Additionally, workers compensation increased by \$1.0M primarily for anticipated healthcare costs from existing claims. Budgeted Personnel Expense consists of Salaries & Wages, Overtime, Temporary Personnel, and Burden.

**Salaries & Wages** (not including Overtime or Temporary Personnel) is budgeted at \$56.5M, an increase of \$2.9M, or 5.5%.

**Burden** is budgeted at \$37.8M, an increase of \$1.7M, or 4.7%.

### Non-Personnel Expense

Overall, Non-Personnel Expense (NPE) is budgeted at \$73.6M, a decrease of \$83k, or 0.1%, from the prior fiscal year.

**Climate Action Plan** which was budgeted at \$2.1M in the prior fiscal year is now budgeted in MM Capital at \$750k and in Equipment Outlay and Other Capital Project at \$88k.

**Services - Professional & Other** is budgeted at \$11.6M, a decrease of \$1.1M, or 8.5%, due to the reduction of consultant services, and Coronado Bridge Lighting project, which is budgeted in the new account set up for Public Art Fund Expenditures in FY 2019.

**Major Maintenance Expense** is budgeted at \$150k, a decrease of \$800k, or 84.2%, mainly due to fewer major maintenance expense projects in FY 2019.

**Utilities - Gas & Electric** is budgeted at \$1.6M, a decrease of \$400k, or 20.0%, mainly due to cost savings from energy efficiency initiatives implemented throughout the District.

**Equipment & Systems** is budgeted at \$2.3M, an increase of \$406k, or 21.1%, primarily due to the personal computer replacement program.

**Equipment Maintenance - Outside Services** is budgeted at \$2.5M, an increase of \$408k, or 19.6%, primarily due to a reclassification of CCTV maintenance cost from Services - Professional & Other.

**Public Art Fund Expenditures** is a newly created expense account budgeted at \$1.3M, primarily for the Coronado Bridge Lighting project.

**Facilities Management Services** is budgeted at \$5.5M, an increase of \$2.8M, or 100.9%, mainly due to the operating expenses of managing the assets of Seaport Village.

### Capitalized Labor

Capital labor is budgeted at \$3.9M, an increase of \$590k, or 17.7%, from the prior fiscal year. Capitalized labor is internal labor costs (personnel and overhead) that are directly incurred in the development and construction of approved capital projects. Generally Accepted Accounting Principles (GAAP) requires capitalization of these costs and since these costs are already included in the Salaries & Wages and the associated NPE for overhead, capital labor is considered a reduction in expense when capitalized. Capitalized labor for FY 2019 is included in the CIP, MM, and Technology capital project budgets.

## EXPENSE BY ACCOUNT

LINE ITEM	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries & Wages	\$ 48,585,796	\$ 53,546,300	\$ 56,467,000	\$ 2,920,700	5.5 %
Overtime	3,509,677	2,626,100	2,626,700	600	0.0 %
Temporary Personnel	944,380	259,000	342,300	83,300	32.2 %
<b>SALARIES &amp; WAGES</b>	<b>\$ 53,039,853</b>	<b>\$ 56,431,400</b>	<b>\$ 59,436,000</b>	<b>\$ 3,004,600</b>	<b>5.3 %</b>
Burden Expense	\$ 31,635,235	\$ 36,064,300	\$ 37,764,200	\$ 1,699,900	4.7 %
OPEB Annual Required Contribution (GASB)	5,587,206	5,310,000	5,310,000	—	0.0 %
<b>SUBTOTAL PERSONNEL</b>	<b>\$ 90,262,294</b>	<b>\$ 97,805,700</b>	<b>\$ 102,510,200</b>	<b>\$ 4,704,500</b>	<b>4.8 %</b>
Awards - Service	\$ 123	\$ 3,100	\$ 4,100	\$ 1,000	32.3 %
Books & Periodicals	75,324	71,300	70,000	(1,300)	(1.8)%
Employee Recognition	42,015	66,100	67,100	1,000	1.5 %
Memberships & Dues	341,466	327,500	306,500	(21,000)	(6.4)%
Health & Wellness	9,520	1,500	1,500	—	0.0 %
Recruiting	51,794	56,000	76,800	20,800	37.1 %
Seminars & Training	710,769	967,000	854,100	(112,900)	(11.7)%
Tuition Reimbursement Program	52,940	60,000	60,000	—	0.0 %
<b>STAFF DEVELOPMENT</b>	<b>\$ 1,283,951</b>	<b>\$ 1,552,500</b>	<b>\$ 1,440,100</b>	<b>\$ (112,400)</b>	<b>(7.2)%</b>
Mileage Reimbursement	\$ 215,489	\$ 234,400	\$ 236,000	\$ 1,600	0.7 %
Travel	544,001	765,800	731,800	(34,000)	(4.4)%
<b>TRAVEL</b>	<b>\$ 759,490</b>	<b>\$ 1,000,200</b>	<b>\$ 967,800</b>	<b>\$ (32,400)</b>	<b>(3.2)%</b>
Services - Professional & Other	\$ 12,580,570	\$ 12,723,200	\$ 11,644,100	\$ (1,079,100)	(8.5)%
Services - Legal - Port Attorney	2,846,994	3,201,600	2,881,400	(320,200)	(10.0)%
Services - Security	1,491,899	1,602,800	1,771,000	168,200	10.5 %
Services - Operator Retention	3,298,390	3,648,000	3,585,400	(62,600)	(1.7)%
Climate Action Plan	315,161	2,072,000	—	(2,072,000)	(100.0)%
Aquaculture & Blue Technology	—	310,000	500,000	190,000	61.3 %
Blue Technology	405,000	307,000	—	(307,000)	(100.0)%
<b>CONTRACTUAL SERVICES</b>	<b>\$ 20,938,014</b>	<b>\$ 23,864,600</b>	<b>\$ 20,381,900</b>	<b>\$ (3,482,700)</b>	<b>(14.6)%</b>
Breakage & Obsolescence	\$ 1,904	\$ —	\$ —	\$ —	N/A
Equipment & Systems	1,962,599	1,918,700	2,324,300	405,600	21.1 %
Equipment Rental/Leasing	238,895	220,800	343,400	122,600	55.5 %
Office & Operating Supplies	343,600	339,100	337,300	(1,800)	(0.5)%
Postage & Shipping	53,539	53,200	39,900	(13,300)	(25.0)%
Safety Equipment & Supplies	402,050	154,200	207,100	52,900	34.3 %
Small Tools	91,673	73,800	67,000	(6,800)	(9.2)%
Fuel & Lubricants	477,188	642,500	576,500	(66,000)	(10.3)%



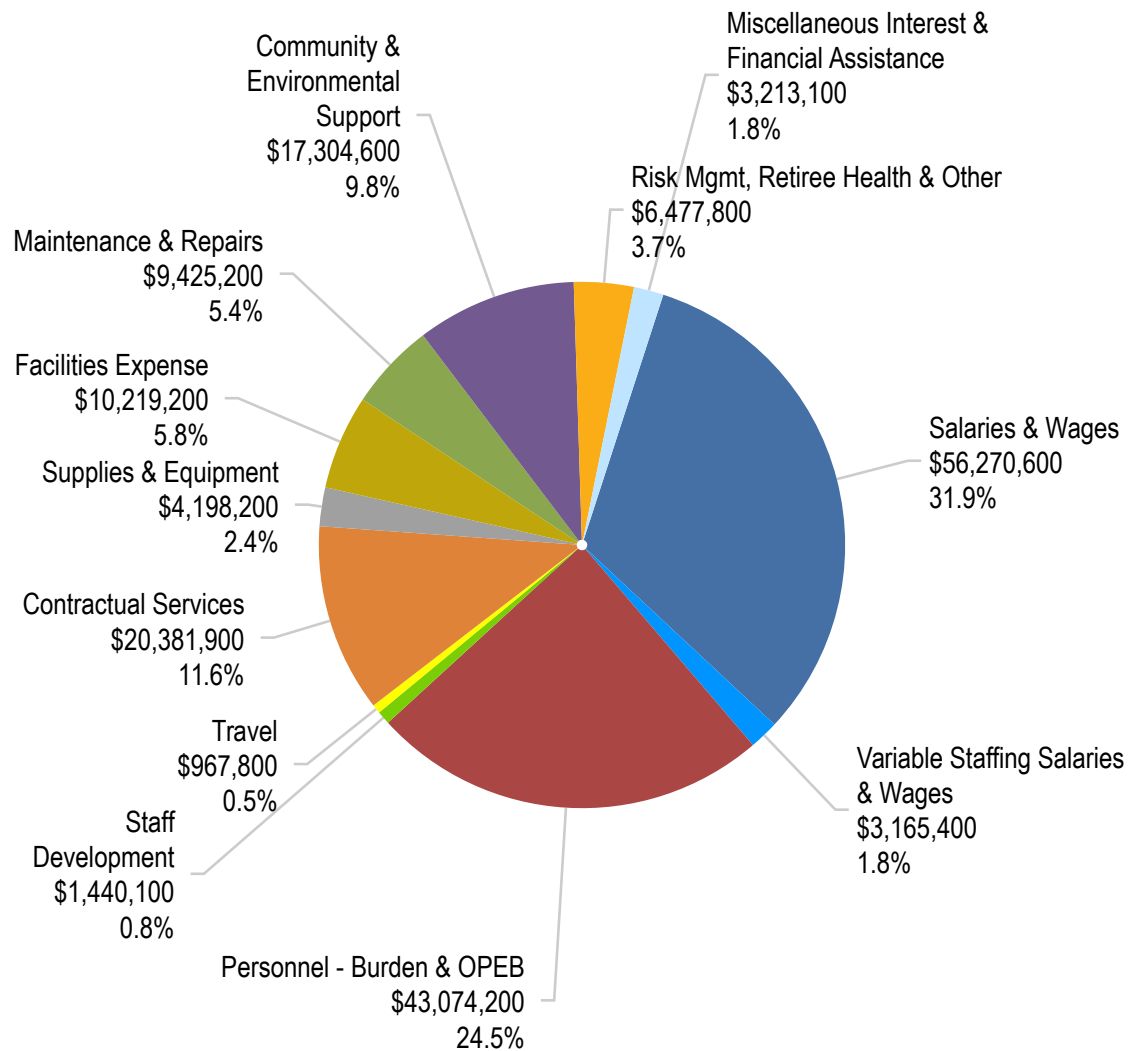
## EXPENSE BY ACCOUNT

LINE ITEM	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Parking Meter Supplies	71,521	—	—	—	N/A
Blueprints	—	—	500	500	N/A
Uniforms	303,126	276,400	302,200	25,800	9.3 %
<b>SUPPLIES &amp; EQUIPMENT</b>	<b>\$ 3,946,095</b>	<b>\$ 3,678,700</b>	<b>\$ 4,198,200</b>	<b>\$ 519,500</b>	<b>14.1 %</b>
Space Rental	\$ 432,705	\$ 470,000	\$ 443,300	\$ (26,700)	(5.7)%
Telephone & Communications	1,513,438	1,212,200	1,398,800	186,600	15.4 %
Utilities - Gas & Electric	1,525,976	2,000,000	1,600,000	(400,000)	(20.0)%
Utilities - Water	984,357	1,466,700	1,266,700	(200,000)	(13.6)%
Facility Management Services	2,681,147	2,743,100	5,510,400	2,767,300	100.9 %
<b>FACILITIES EXPENSE</b>	<b>\$ 7,137,623</b>	<b>\$ 7,892,000</b>	<b>\$ 10,219,200</b>	<b>\$ 2,327,200</b>	<b>29.5 %</b>
Facilities Maintenance - Supplies	\$ 1,294,897	\$ 1,067,500	\$ 838,800	\$ (228,700)	(21.4)%
Facilities Maintenance - Outside Services	2,972,985	3,641,000	3,528,200	(112,800)	(3.1)%
Major Maintenance Expense	1,180,944	950,000	150,000	(800,000)	(84.2)%
Equipment Maintenance - Supplies	387,226	301,800	281,300	(20,500)	(6.8)%
Equipment Maintenance - Outside Services	1,212,076	2,082,000	2,490,000	408,000	19.6 %
As - Needed Maintenance	908,787	1,038,000	1,126,800	88,800	8.6 %
Software Maintenance	877,805	1,106,700	1,010,100	(96,600)	(8.7)%
<b>MAINTENANCE &amp; REPAIRS</b>	<b>\$ 8,834,720</b>	<b>\$ 10,187,000</b>	<b>\$ 9,425,200</b>	<b>\$ (761,800)</b>	<b>(7.5)%</b>
Advertising	\$ 22,900	\$ 57,900	\$ 69,200	\$ 11,300	19.5 %
Marketing/Outreach	1,770,157	2,366,200	2,677,200	311,000	13.1 %
Promotional Services	657,170	476,100	443,000	(33,100)	(7.0)%
Promotional Materials	146,094	221,600	162,900	(58,700)	(26.5)%
Svcs - Fire, Police, Rescue, Emergency	7,663,675	7,777,800	7,995,600	217,800	2.8 %
Eligible Environmental Fund Expenditures	638,805	2,261,000	2,604,700	343,700	15.2 %
Grant Funded Expenditures	246,985	79,500	396,200	316,700	398.4 %
Public Art Fund Expenditures	—	—	1,310,500	1,310,500	N/A
Remediation	—	267,000	100,000	(167,000)	(62.5)%
Refuse & Hazardous Waste Disposal	75,326	164,000	143,000	(21,000)	(12.8)%
Joint Programs/Studies Assistance	751,752	1,313,400	1,237,300	(76,100)	(5.8)%
Public Art Program	73,113	155,000	165,000	10,000	6.5 %
<b>COMMUNITY &amp; ENVIRONMENTAL SUPPORT</b>	<b>\$ 12,045,977</b>	<b>\$ 15,139,500</b>	<b>\$ 17,304,600</b>	<b>\$ 2,165,100</b>	<b>14.3 %</b>
Bank & Credit Card Fees	\$ 295,172	\$ 318,500	\$ 360,100	\$ 41,600	13.1 %
Insurance	1,166,548	1,376,000	1,426,000	50,000	3.6 %
Insurance Claims	—	5,000	5,000	—	0.0 %
Permits/Certificates/License	274,965	91,200	88,700	(2,500)	(2.7)%
Legal Settlements	(133,054)	—	—	—	N/A

## EXPENSE BY ACCOUNT

LINE ITEM	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Retiree Health Benefits (Paid)	3,205,223	3,573,200	3,272,300	(300,900)	(8.4)%
Preservation of Benefits Plan (POB)	260,000	250,000	265,000	15,000	6.0 %
Other Miscellaneous Operating Expenses	(144,064)	1,060,700	1,060,700	—	0.0 %
<b>RISK MGMT, RETIREE HEALTH &amp; OTHER</b>	<b>\$ 4,924,790</b>	<b>\$ 6,674,600</b>	<b>\$ 6,477,800</b>	<b>\$ (196,800)</b>	<b>(2.9)%</b>
<b>SUBTOTAL NON-PERSONNEL</b>	<b>\$ 59,870,660</b>	<b>\$ 69,989,100</b>	<b>\$ 70,414,800</b>	<b>\$ 425,700</b>	<b>0.6 %</b>
<b>Capitalized Labor</b>	<b>\$ (2,477,547)</b>	<b>\$ (3,325,000)</b>	<b>\$ (3,915,000)</b>	<b>\$ (590,000)</b>	<b>17.7 %</b>
<b>SUBTOTAL OPERATING</b>	<b>\$ 147,655,407</b>	<b>\$ 164,469,800</b>	<b>\$ 169,010,000</b>	<b>\$ 4,540,200</b>	<b>2.8 %</b>
Financial Assistance/Grants/Contributions	\$ 523,633	\$ 406,500	\$ 300,000	\$ (106,500)	(26.2)%
<b>FINANCIAL ASSISTANCE</b>	<b>\$ 523,633</b>	<b>\$ 406,500</b>	<b>\$ 300,000</b>	<b>\$ (106,500)</b>	<b>(26.2)%</b>
Interest-SDCRAA, NEVP, & Other Misc	\$ 2,119,598	\$ 1,987,300	\$ 1,851,200	\$ (136,100)	(6.8)%
Interest Expense - Series A 2004 Bonds	278,695	181,600	77,500	(104,100)	(57.3)%
Interest Expense - Series A 2013 Bonds	1,000,288	980,400	984,400	4,000	0.4 %
<b>MISCELLANEOUS INTEREST</b>	<b>\$ 3,398,581</b>	<b>\$ 3,149,300</b>	<b>\$ 2,913,100</b>	<b>\$ (236,200)</b>	<b>(7.5)%</b>
Seized Asset/Forfeitures-Harbor Police	\$ 102,698	\$ —	\$ —	\$ —	N/A
Other Misc Non-Operating Expense	735,433	—	—	—	N/A
<b>OTHER MISCELLANEOUS</b>	<b>\$ 838,131</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>
<b>SUBTOTAL NON-OPERATING</b>	<b>\$ 4,760,345</b>	<b>\$ 3,555,800</b>	<b>\$ 3,213,100</b>	<b>\$ (342,700)</b>	<b>(9.6)%</b>
<b>TOTAL</b>	<b>\$ 152,415,751</b>	<b>\$ 168,025,600</b>	<b>\$ 172,223,100</b>	<b>\$ 4,197,500</b>	<b>2.5 %</b>

## EXPENSE BY ACCOUNT

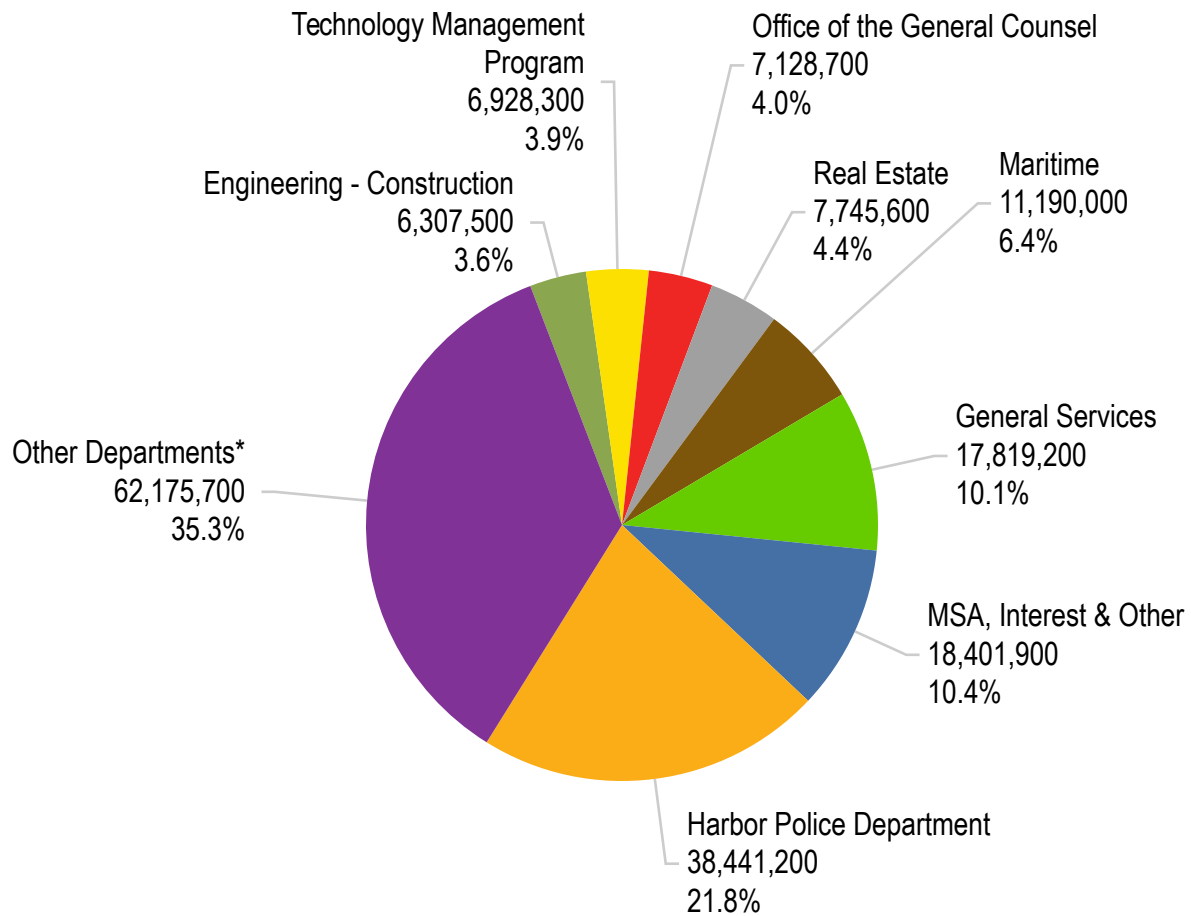


<b>EXPENSE</b>	<b>\$ 176,138,100</b>
<b>CAPITALIZED LABOR</b>	<b>(3,915,000)</b>
<b>TOTAL EXPENSE</b>	<b>\$ 172,223,100</b>

## EXPENSE BY DEPARTMENT/COST CENTER

DEPARTMENT/COST CENTER	ACTUAL	ADJUSTED	BUDGET FY 2019	CHANGE	% CHANGE
	RESULTS FY 2017	BUDGET FY 2018		FY 2019-2018 BUDGET	
Aquaculture & Blue Technology	\$ 919,352	\$ 1,320,500	\$ 1,167,900	\$ (152,600)	(11.6)%
Attractions & Advertising	710,533	707,600	—	(707,600)	(100.0)%
Board of Port Commissioners	285,713	252,400	264,400	12,000	4.8 %
Development Services	2,378,259	3,083,300	2,988,700	(94,600)	(3.1)%
Energy	1,415,817	3,699,000	1,478,000	(2,221,000)	(60.0)%
Engineering - Construction	5,401,928	6,377,000	6,307,500	(69,500)	(1.1)%
Enterprise Strategy & Innovation	470,930	773,400	—	(773,400)	(100.0)%
Environmental Conservation	—	1,946,900	1,899,900	(47,000)	(2.4)%
Environmental Protection	—	3,518,200	4,878,800	1,360,600	38.7 %
Executive Offices	3,139,173	3,698,300	4,015,800	317,500	8.6 %
Financial Assistance	108,019	406,500	300,000	(106,500)	(26.2)%
Financial Services	4,567,754	5,188,700	5,361,300	172,600	3.3 %
General Services	16,485,375	18,309,500	17,819,200	(490,300)	(2.7)%
Government & Civic Relations	1,331,984	1,468,600	1,441,800	(26,800)	(1.8)%
Harbor Police Department	35,910,701	37,209,600	38,441,200	1,231,600	3.3 %
Human Resources	5,711,873	6,289,900	5,885,300	(404,600)	(6.4)%
Information Technology	4,067,787	4,440,600	4,683,000	242,400	5.5 %
Major Maintenance Expense	1,180,944	950,000	150,000	(800,000)	(84.2)%
Maritime	10,232,625	11,084,100	11,190,000	105,900	1.0 %
Marketing & Communications	4,562,740	3,480,100	3,510,000	29,900	0.9 %
MSA, Interest & Other	18,281,498	18,391,600	18,401,900	10,300	0.1 %
Office of the District Clerk	1,500,129	1,853,900	1,720,500	(133,400)	(7.2)%
Office of the General Counsel	7,469,384	7,471,500	7,128,700	(342,800)	(4.6)%
Office of the Port Auditor	1,054,477	1,255,300	1,310,500	55,200	4.4 %
People Strategies	896,354	1,144,900	1,163,600	18,700	1.6 %
Planning	7,797,930	2,921,100	2,974,200	53,100	1.8 %
Port as a Service - Parking	3,142,220	3,566,900	3,352,200	(214,700)	(6.0)%
Procurement Services	1,799,669	2,014,500	2,094,700	80,200	4.0 %
Real Estate	4,122,317	4,770,500	7,745,600	2,975,100	62.4 %
Real Estate & Development Services - Performance & Reporting	527,132	610,700	633,900	23,200	3.8 %
Technology Management Program	5,763,744	6,527,400	6,928,300	400,900	6.1 %
Utilities	2,510,996	3,465,700	2,865,700	(600,000)	(17.3)%
Variable Staffing	—	—	3,815,100	3,815,100	N/A
Waterfront Arts & Activation	1,145,942	3,152,400	4,220,400	1,068,000	33.9 %
<b>SUBTOTAL</b>	<b>\$154,893,299</b>	<b>\$171,350,600</b>	<b>\$176,138,100</b>	<b>\$ 4,787,500</b>	<b>2.8 %</b>
<b>Capitalized Labor</b>	<b>\$ (2,477,547)</b>	<b>\$ (3,325,000)</b>	<b>\$ (3,915,000)</b>	<b>\$ (590,000)</b>	<b>17.7 %</b>
<b>TOTAL</b>	<b>\$152,415,752</b>	<b>\$168,025,600</b>	<b>\$172,223,100</b>	<b>\$ 4,197,500</b>	<b>2.5 %</b>

## EXPENSE BY DEPARTMENT/COST CENTER



<b>EXPENSE</b>	<b>\$ 176,138,100</b>
<b>CAPITALIZED LABOR</b>	<b>(3,915,000)</b>
<b>TOTAL EXPENSE</b>	<b>\$ 172,223,100</b>

\* Includes Department/Cost Center with expenses less than \$6.0M (detail on prior page).

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## DEBT MANAGEMENT HIGHLIGHTS

**Promissory Note to the SDCRAA.** As part of the January 2003 transfer of the airport, the District issued a \$50.0M promissory note to SDCRAA. In accordance with the May 20, 2004 settlement agreement, the note is being amortized over 25 years beginning in January 2006 at a fixed interest rate of 5.5% per annum.

**Revenue Bonds.** The District issued revenue bonds on October 28, 2004. The debt issuance consisted of \$23.0M Series A and \$26.5M Series B bonds for a total of \$49.5M. The bonds were issued to reimburse the District for previously incurred expenditures on Capital Improvement Program (CIP) projects approved by the Board of Port Commissioners.

On November 20, 2013, the District refunded its \$26.5M Series B 2004 Bonds which resulted in the issuance of \$25.5M Series A 2013 Revenue Bonds for a term of 16 years with interest rates ranging from 2.0% to 5.0% with maturity dates ranging from September 1, 2014 to September 1, 2029.

**Civic San Diego (formerly, Center City Development Corporation).** In April 2007, the City of San Diego and the Redevelopment Agency of the City of San Diego, acting through Civic San Diego, executed a Joint Exercise of Power Agreement (JPA) to design and implement the NEVP Phase I project.

The first amendment to the JPA was executed on February 28, 2011. Project costs for the first phase are shared equally between the District and Civic San Diego at \$14.3M each. Project costs have subsequently increased to \$15.6M. The District commenced repaying Civic San Diego \$850k annually on July 1, 2013 at an interest rate of 4.77% per annum. After applying certain credits for previous work on Broadway Pier, principal payments, and offsets for future maintenance and security credits of \$7.9M, the loan balance as of June 30, 2017 is \$2.9M .

**Debt Service Payments FY 2019.** Payments are estimated at \$7.9M (see table below).

**Debt Limits.** According to the Port Act, the District may not incur general obligation bonded debt that exceeds 15.0% of the assessed value of its real and personal property. There are also statutory debt limits that further constrain the District borrowing. At this time, the District does not have any general obligation bonds outstanding. The District has never failed to pay its principal and interest payments when due.

### DEBT SERVICE PAYMENTS

	PRINCIPAL	INTEREST	BUDGET FY 2019
SDCRAA Promissory Note	\$ 1,903,300	\$ 1,781,200	\$ 3,684,500
2004 Revenue Bonds (Series A)	2,014,700	124,400	2,139,100
2013 Revenue Bonds (Series A)	—	1,236,900	1,236,900
Civic San Diego	780,000	70,000	850,000
<b>TOTAL</b>	<b>\$ 4,698,000</b>	<b>\$ 3,212,500</b>	<b>\$ 7,910,500</b>



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## EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DEPARTMENT	DESCRIPTION	QTY	BUDGET FY 2019
Energy	HIGH MAST LIGHTING EFFICIENCY IMPROVEMENTS AT TAMT <sup>(1)</sup>	1	\$ 88,000
Energy	ENERGY EFFICIENCY IMPROVEMENTS AT NATIONAL DISTRIBUTION CTR <sup>(1)</sup>	1	86,000
Energy	ENERGY EFFICIENCY IMPROVEMENTS AT GENERAL SERVICES FACILITY <sup>(1)</sup>	1	82,000
Energy	ELECTRIC VEHICLE CHARGING STATION <sup>(1)</sup>	1	70,000
Energy	LIGHTING EFFICIENCY RETROFIT AT BROADWAY PAVILION <sup>(1)</sup>	1	59,000
Energy	EXTERIOR LIGHTING EFFICIENCY RETROFIT AT SPANISH LANDING PARK <sup>(1)</sup>	1	50,500
Energy	LED LIGHTS IN ADMINISTRATIVE BUILDING NORTHERN STAIRWELL <sup>(1)</sup>	1	19,500
Energy	LED LIGHTS HP MOORING OFFICE <sup>(1)</sup>	1	9,000
Energy	ELECTRIC VEHICLE CHARGING IMPROVEMENTS AT ADMIN BUILDING <sup>(1)</sup>	1	5,000
		<b>9</b>	<b>\$ 469,000</b>
Environmental Protection	STORMWATER BMP DESIGN AT B STREET PIER <sup>(1)</sup>	1	\$ 75,000
Environmental Protection	TRASH CAPTURE SYSTEM RETROFIT DESIGN <sup>(1)</sup>	1	50,000
		<b>2</b>	<b>\$ 125,000</b>
General Services	34 FOOT DIVE BOAT	1	\$ 600,000
General Services	STREET SWEEPER (REGENERATIVE AIR) <sup>(1)</sup>	1	360,000
General Services	CASE 580L BACKHOE	1	155,000
General Services	MARINE 2 FIREBOAT ENGINES <sup>(2)</sup>	2	150,000
General Services	MARINE 5 FIREBOAT ENGINES <sup>(2)</sup>	2	150,000
General Services	ONE TON CREW CAB STAKEBED	2	120,000
General Services	ONE TON STANDARD CAB UTILITY TRUCK	1	74,000
General Services	ONE TON STANDARD CAB TRUCK W/ UTILITY BED/CRANE	1	74,000
General Services	MARINE FIREBOAT ENGINE <sup>(2)</sup>	1	70,000
General Services	ONE TON HEAVY DUTY, CREW CAB, STAKE BED TRUCK	1	70,000
General Services	ONE TON STANDARD CAB TRUCK WITH UTILITY BED	1	60,000
General Services	HVAC REPLACEMENT FOR PORT ADMIN BUILDING BOARD ROOM	1	45,000
General Services	HVAC SUPPLY DUCT REPLACEMENT AT HARBOR POLICE HEADQUARTERS	1	35,000
General Services	4 POST AUTO AND TRUCK HOIST	1	30,000
General Services	FORD RANGER - ENGINEERING	1	30,000
General Services	FORD RANGER - MARITIME	1	30,000
General Services	HALF TON CREW CAB PICK-UP TRUCK	1	30,000
		<b>20</b>	<b>\$ 2,083,000</b>
Harbor Police Department	SCUBA DIVER NAVIGATION SYSTEM <sup>(2)</sup>	1	\$ 150,000
Harbor Police Department	POLICE COMMAND PACKAGE FULL SIZE SUV	3	144,000
Harbor Police Department	PATROL VEHICLE COMMUNICATIONS SYSTEMS <sup>(2)</sup>	1	115,500
Harbor Police Department	9-1-1 SYSTEM UPGRADE	1	100,000
Harbor Police Department	EXTERIOR PAINTING AT HARBOR POLICE HEADQUARTERS	1	100,000
Harbor Police Department	HYBRID/ELECTRIC VEHICLES <sup>(1)</sup>	2	80,000
Harbor Police Department	POLICE COMMAND VEHICLE BUILD OUT	2	66,000
Harbor Police Department	COASTAL SURVEILLANCE CAMERAS <sup>(3)</sup>	1	60,000
Harbor Police Department	IT MODIFICATIONS AT HARBOR POLICE MODULAR BUILDING	1	55,000
Harbor Police Department	POLICE K9 VEHICLE BUILD OUT	1	35,000

## EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DEPARTMENT	DESCRIPTION	QTY	BUDGET FY 2019
Harbor Police Department	SURVEILLANCE CAMERA SYSTEM VIDEO STORAGE <sup>(3)</sup>	1	33,900
Harbor Police Department	RCS RADIOS <sup>(3)</sup>	4	20,000
Harbor Police Department	AUDIO/VISUAL INTEGRATION SYSTEM	1	12,000
		<b>20</b>	<b>\$ 971,400</b>
Maritime	G STREET STORAGE BARGES REPLACEMENT	3	\$ 150,000
Maritime	WAYFINDING SIGNAGE AT B ST CRUISE SHIP TERMINAL	1	135,000
Maritime	STORMDRAIN MEDIA INSERTS FOR NATIONAL CITY MARINE TERMINAL <sup>(1)</sup>	1	129,000
Maritime	6' X 20' YOKOHAMA FENDERS	6	126,600
Maritime	YODOCK SYSTEM	1	100,000
Maritime	PORTABLE RESTROOM FACILITY	1	80,000
Maritime	STORMDRAIN MEDIA INSERTS FOR TENTH AVENUE MARINE TERMINAL <sup>(1)</sup>	1	77,400
Maritime	SOUND SYSTEM UPGRADE AT PORT PAVILION	1	40,000
Maritime	AUXILIARY GUARD HOUSE	1	20,000
Maritime	STORMDRAIN MEDIA INSERTS FOR CRUISE SHIP TERMINAL <sup>(1)</sup>	1	15,600
Maritime	SEATING BRACKET SYSTEM	1	14,000
		<b>18</b>	<b>\$ 887,600</b>
Marketing & Communications	BAYWIDE SIGNAGE	1	\$ 240,000
		<b>1</b>	<b>\$ 240,000</b>
Port as a Service-Parking	PARKING LOT IMPROVEMENTS AT PACIFIC HIGHWAY AND HARBOR DRIVE	1	\$ 140,000
Port as a Service-Parking	PAY STATIONS	3	22,500
		<b>4</b>	<b>\$ 162,500</b>
<b>TOTAL</b>		<b>74</b>	<b>\$ 4,938,500</b>

**Notes:**

<sup>(1)</sup> Funded from Environmental Fund.

<sup>(2)</sup> Partially grant funded.

<sup>(3)</sup> Per the Municipal Services Agreement with the City of Imperial Beach, the District provides equipment for lifeguard services.

## PUBLIC ART FUND HIGHLIGHTS

In 1982, the Public Art Fund was established in BPC Policy No. 609: Public Art Programs (see Section 5 Appendix), for the purpose of accumulating funds for the inclusion of public artworks within the tidelands of the District's five member cities to help create a vibrant waterfront destination. Since then, most of the 70 permanent public artworks now in the District's "Tidelands Collection" plus numerous temporary artwork exhibitions, have been funded from the Public Art Fund. Though originally funded by an annual budget set-aside equivalent to a fraction of one-percent of the District's projected annual gross revenues, plus accrued interest, the Public Art Fund has since become, as well, a depository for funds received from other sources, such as: tenant percent for art in-lieu of contributions; aggregated percent for art contributions from Capital Improvement Program projects; art-related grants, donations or bequests from outside sources; and any future income that may accrue from the potential sale, loan or licensing of artworks. Monies in the Public Art Fund are reserved for expenditures for special art acquisitions or exhibitions of exceptional merit, quality, and significance for the tidelands and the greater San Diego region.

The District's vision for the waterfront includes investing in the community through creative placemaking with innovative artworks, cultural programming, and activation opportunities that enhance the visual excitement and cultural richness of District tidelands. Waterfront Arts & Activation staff provides leadership, advocacy, and support for arts and culture programming that contributes to the creative economy and economic vitality of the region. The 13-member Arts, Culture & Design Committee serves as an advisory panel to staff and the Board of Port Commissioners and supports the development of arts and cultural programs within the District's jurisdiction.

### **Coronado Bridge Lighting Project**

In FY 2019, the District will continue progressing through Phase 2 of the bridge lighting project, which had commenced during the third quarter of FY 2018 and is projected to continue through mid-FY 2020s. During Phase 2, the design team, consisting of the artist, architectural lighting specialists and consulting engineers, will continue developing and updating the bridge lighting concept design and documenting its full project description in a Project Report.

The Project Report will be subject to engineering review and approval by the California Department of Transportation (Caltrans), and serve as the basis for environmental studies and reviews, including preparation and certification of the environmental document in accordance with the California Environmental Quality Act (CEQA). The ultimate goal of the project is to illuminate the bridge with a dynamic colored light-emitting diode (LED) lighting installation, computer controlled and powered by sustainable energy sources. The project is being funded through charitable donations from businesses and the public, plus in-lieu percent-for-art contributions from Port tenants. To date, donated funds have been acquired in an amount sufficient to cover the project's contractual obligations and anticipated expenses through FY 2019.

# PUBLIC ART FUND HIGHLIGHTS

## SUMMARY OF PUBLIC ART FUND

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
<b>Beginning Balance</b>	<b>\$ 1,179,956</b>	<b>\$ 1,543,700</b>	<b>\$ 1,550,800</b>
<b>Income Sources</b>			
Interest Income <sup>(1)</sup>	\$ 10,903	\$ 7,100	\$ 19,500
Donation <sup>(2)</sup>	—	—	1,270,500
Tenant Percent for Art in-lieu of Contributions <sup>(3)</sup>	400,000	388,000	40,000
<b>Total Income</b>	<b>\$ 410,903</b>	<b>\$ 395,100</b>	<b>\$ 1,330,000</b>
<b>Expenditures</b>			
Public Art <sup>(4)</sup>	\$ 47,129	\$ 388,000	\$ 1,310,500
<b>Total Expenditures</b>	<b>\$ 47,129</b>	<b>\$ 388,000</b>	<b>\$ 1,310,500</b>
<b>Ending Balance</b>	<b>\$ 1,543,730</b>	<b>\$ 1,550,800</b>	<b>\$ 1,570,300</b>

### Notes:

<sup>(1)</sup> Monies placed in the Fund shall be accounted for separately from other District funds and any earnings thereon shall accrue to the Fund.

<sup>(2)</sup> Donation includes donations from fundraising efforts towards the Coronado Bridge Lighting project as well as a Tenant percent for art in-lieu of contributions.

<sup>(3)</sup> FY 2018 and FY 2019 budget includes a prior year Tenant percent for art in-lieu contributions.

<sup>(4)</sup> FY 2018 and FY 2019 budget are primarily expenses for the Coronado Bridge Lighting project and a tenant percentage for art exhibition.

## ENVIRONMENTAL FUND HIGHLIGHTS

The District's Environmental Policy, BPC Policy No. 730 (see Section 5 Appendix) provides the funding and decision-making direction that is necessary to select and execute projects aimed at improving the condition of the bay and surrounding tidelands. In approving the policy, the Board of Port Commissioners created both the Environmental Advisory Committee (Committee) and the Environmental Fund (Fund). A key component of the Committee and Fund is to support a variety of projects that ensure the protection and improvement of the environmental conditions of the bay and surrounding tidelands and meets the District's goal of "A Port with a healthy and sustainable bay and its environment." Environmental Fund projects specifically address air, water and sediment quality, sustainability and climate action planning, natural resources and endangered species management, habitat creation, restoration or protection, reclaiming natural shoreline conditions, environmental education, research and monitoring, and/or other issues in the Bay and/or tidelands.

The Environmental Fund is funded in accordance with BPC Policy No. 730, which sets aside one-half of one percent (1/2 of 1%) of the District's projected gross revenues for that year. The gross revenue shall not include anticipated grants from any source or any other restricted revenue source.

INITIATIVES	DESCRIPTION OF EXPENDITURES	BUDGET FY 2019
CAP - WASTE REDUCTION & RECYCLING	CAP STRATEGIC INITIATIVES	\$ 13,000
CAP - ALT ENERGY GENERATION/ TRANSPORTATION & LAND USE	CLIMATE ACTION PLAN MANAGEMENT	15,000
CAP - WATER CONSERVATION & WASTE REDUCTION	CLIMATE ACTION PLAN MANAGEMENT	17,000
ENDANGERED SPECIES	CLAPPER RAIL PROPOGATION PROGRAM	20,000
ENVIRONMENTAL EDUCATION	CA SEA GRANT FELLOWS	181,000
ENVIRONMENTAL EDUCATION	ENVIRONMENTAL EDU SCHOOL PARTNERSHIP	300,000
ENVIRONMENTAL EDUCATION	ENVIRONMENTAL CHAMPIONS	225,000
MITIGATION/RESTORATION	MITIGATION BANKING	628,200
MITIGATION/RESTORATION	RESTORATION PROJECTS	5,000
MITIGATION/RESTORATION	SHORELINE EROSION STUDY-OYSTER REEF	45,000
RESEARCH & MONITORING	CV BAYFRONT SETTLEMENT AGREEMENT STUDIES	75,000
RESEARCH & MONITORING	ENVIRONMENTAL DATABASE & GIS TOOL	80,000
STORMWATER	STORMWATER CREDIT PROGRAM	50,000
STORMWATER	STORMWATER STRATEGY	265,000
STORMWATER	TRASH RETROFIT PROGRAM DEVELOPMENT	50,000
WATER QUALITY	ENV MONITORING NEW INCUBATOR PROJECT	100,000

## ENVIRONMENTAL FUND HIGHLIGHTS

INITIATIVES	DESCRIPTION OF EXPENDITURES	BUDGET FY 2019
WATER QUALITY	REGIONAL HARBOR MONITORING	535,500
	<b>TOTAL NON-PERSONNEL EXPENSES</b>	<b>\$ 2,604,700</b>
CAP - ENERGY EFFICIENCY	HIGH MAST LIGHTING EFFICIENCY IMPROVEMENTS AT TAMT	\$ 88,000
CAP - ENERGY EFFICIENCY	ENERGY EFFICIENCY IMPROVEMENTS AT NATIONAL DISTRIBUTION CTR	86,000
CAP - ENERGY EFFICIENCY	ENERGY EFFICIENCY IMPROVEMENTS AT GENERAL SERVICES FACILITY	82,000
CAP - ENERGY EFFICIENCY	LIGHTING EFFICIENCY RETROFIT AT BROADWAY PAVILION	59,000
CAP - ENERGY EFFICIENCY	EXTERIOR LIGHTING EFFICIENCY RETROFIT AT SPANISH LANDING PARK	50,500
CAP - ENERGY EFFICIENCY	LED LIGHTS IN ADMINISTRATIVE BUILDING NORTHERN STAIRWELL	19,500
CAP - ENERGY EFFICIENCY	LED LIGHTS HP MOORING OFFICE	9,000
CAP - TRANSPORTATION	ELECTRIC VEHICLE CHARGING STATION	70,000
CAP - TRANSPORTATION	ELECTRIC VEHICLE CHARGING IMPROVEMENTS AT ADMIN BUILDING	5,000
CAP - TRANSPORTATION	HYBRID/ELECTRIC VEHICLES, HARBOR POLICE	80,000
STORMWATER	STORMWATER BMP DESIGN AT B STREET PIER	75,000
STORMWATER	TRASH CAPTURE SYSTEM RETROFIT DESIGN	50,000
STORMWATER	STREET SWEEPER (REGENERATIVE AIR)	360,000
STORMWATER	STORMDRAIN MEDIA INSERTS FOR NATIONAL CITY MARINE TERMINAL	129,000
STORMWATER	STORMDRAIN MEDIA INSERTS FOR TENTH AVENUE MARINE TERMINAL	77,400
STORMWATER	STORMDRAIN MEDIA INSERTS FOR CRUISE SHIP TERMINAL	15,600
	<b>TOTAL EQUIPMENT OUTLAY &amp; OTHER CAPITAL PROJECTS</b>	<b>\$ 1,256,000</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 3,860,700</b>



## SUMMARY OF ENVIRONMENTAL FUND

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
<b>Beginning Balance</b>	<b>\$ 4,256,297</b>	<b>\$ 4,420,700</b>	<b>\$ 3,425,500</b>
<b><u>Income Sources</u></b>			
Port Revenues for Environmental Fund <sup>(1)</sup>	\$ 151,815,900	\$ 156,821,300	\$ 166,104,200
Set-Aside Percentage	0.5%	0.5%	0.5%
Total Set-Aside	\$ 759,100	\$ 784,100	\$ 830,500
Interest Income <sup>(2)</sup>	44,121	20,700	28,900
<b>Total Income</b>	<b>\$ 803,221</b>	<b>\$ 804,800</b>	<b>\$ 859,400</b>
<b><u>Expenditures</u></b>			
Non-Capital Project Costs <sup>(3)</sup>	\$ 638,805	\$ 1,800,000	\$ 2,604,700
Capital Project Costs <sup>(4)</sup>	—	—	1,256,000
<b>Total Expenditures</b>	<b>\$ 638,805</b>	<b>\$ 1,800,000</b>	<b>\$ 3,860,700</b>
<b>Ending Balance</b>	<b>\$ 4,420,713</b>	<b>\$ 3,425,500</b>	<b>\$ 424,200</b>

**Notes:**

- <sup>(1)</sup> According to BPC Policy No. 730, for the purpose of the Environmental Fund gross revenue calculation, gross revenue shall be based upon projected revenues, and shall not include anticipated grants from any source or any other restricted revenue source.
- <sup>(2)</sup> Monies placed in the Fund shall be accounted for separately from other District funds and any earnings thereon shall accrue to the Fund.
- <sup>(3)</sup> Please refer to Section 4 for the Expense Budget Breakdown account "660135 Eligible Environmental Fund Expenditures" for Non-Personnel Expense details.
- <sup>(4)</sup> Please refer to Section 3, Page 27 of the Equipment Outlay & Other Capital Projects section for capital project cost details.

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## MARITIME INDUSTRIAL IMPACT FUND HIGHLIGHTS

In July 2010, the Board established a Marine Terminal Impact Fund. The purpose of the fund is to invest in projects that will help offset the negative marine industrial impacts on neighboring communities.

The Board established an initial set-aside of \$500k with additional funds to be set aside annually starting in FY 2011. The annual set-aside is calculated at one-half of one percent (1/2 of 1%) of the actual gross revenues earned from the Tenth Avenue Marine Terminal (TAMT) and the National City Marine Terminal (NCMT).

In March 2015, BPC Policy No. 773 was adopted, and the Marine Terminal Impact Fund was renamed the Maritime Industrial Impact Fund (MIIF). In June 2015, BPC Policy No. 773 was revised to change the way the annual set-aside is calculated. The annual set-aside is now calculated at one-half of one percent (1/2 of 1%) of the actual gross revenues earned from TAMT and NCMT as well as revenues from maritime industrial tenants located between the two terminals (see Section 5 Appendix). The actual amount of the funding will be posted after the end of each fiscal year when the gross revenues from each terminal are known.

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
<b>Beginning Balance</b>	\$ 1,612,100	\$ 1,671,600	\$ 1,430,600
<b><u>Income Sources</u></b>			
Revenues	\$ 33,500,000	\$ 33,100,000	\$ 33,100,000
Set-Aside Percentage	0.5%	0.5%	0.5%
Total Set-Aside <sup>(1)</sup>	\$ 167,500	\$ 165,500	\$ 165,500
<b>Total Income</b>	<b>\$ 167,500</b>	<b>\$ 165,500</b>	<b>\$ 165,500</b>
<b><u>Expenditures</u></b>			
Project Costs <sup>(2)</sup>	\$ 108,019	\$ 406,500	\$ 300,000
<b>Total Expenditures</b>	<b>\$ 108,019</b>	<b>\$ 406,500</b>	<b>300,000</b>
<b>Ending Balance</b>	<b>\$ 1,671,581</b>	<b>\$ 1,430,600</b>	<b>\$ 1,296,100</b>

**Note:**

<sup>(1)</sup> FY 2018 set-aside true-up of actual revenues from TAMT, NCMT, and maritime industrial tenants will be recorded in FY 2019.

<sup>(2)</sup> FY 2018 project costs included National City Wayfinding Project.

FY 2019 project costs included National City Wayfinding Project, Perkins Elementary Environmental Upgrades, and roadway improvements near TAMT.

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## CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS

The Five-Year Capital Improvement Program (CIP) FY 2019-2023 has been previously approved and adopted by the Board in accordance with BPC Policy 120 upon approval of the FY 2019 budget. The projects are funded from the CIP reserve (pre-approved/designated funding), unrestricted sources over uses of funds, and other sources such as grants and contributions for specific projects.

Projects for the FY 2019-2023 CIP are shown below. Refer to the District's CIP book (available from the Office of the District Clerk) for a complete list and description of each project. The amounts shown totaling \$33.3M represent the estimated remaining program budget including capital labor. Actual remaining project funds will be revised when the end of year expenditures are realized. An estimated \$15.8M, excluding capitalized labor, will be spent in FY 2019 to execute these projects.

PROJECT NAME	REMAINING 2019-2023 PROGRAM BUDGET
Demolition and Site Improvements of Transit Sheds 1 and 2 at TAMT <sup>(1)(2)</sup>	\$ 10,000,000
Site Preparation at Chula Vista Bayfront <sup>(3)</sup>	5,950,000
Microgrid Infrastructure at TAMT <sup>(4)</sup>	4,505,300
Former Navy Pier Head House Demolition <sup>(5)</sup>	2,495,600
Comfort Station & Street End Improvements at Beach Avenue	1,850,000
Shelter Island Boat Launch Facility Improvements <sup>(6)</sup>	1,350,000
National City Marina District Vision Plan Preliminary Planning	1,050,000
Setback Park/Plaza	1,036,300
B Street Mooring Dolphin	936,800
Chula Vista Bayfront - South Campus Pavement & Foundation Demolition	500,000
Cruise Ship Terminal Shore Power	250,000
<b>TOTAL CAPITAL IMPROVEMENT PROJECTS</b>	<b>\$ 29,924,000</b>
Capitalized Labor <sup>(7)</sup>	\$ 1,850,000
CIP Contingency	236,700
CIP Reserve	1,310,300
<b>TOTAL CAPITAL IMPROVEMENT PROGRAM</b>	<b>\$ 33,321,000</b>

**Notes:**

- <sup>(1)</sup> Includes \$4.5M in grant funding.
- <sup>(2)</sup> Includes \$5.5M to increase project budget from unrestricted reserves.
- <sup>(3)</sup> Includes \$4.8M in grant funding.
- <sup>(4)</sup> Includes \$4.5M in grant funding.
- <sup>(5)</sup> Project budget reduced by \$3.3M and transferred to the Major Maintenance Program for the Structural Repairs at Navy Pier project.
- <sup>(6)</sup> External costs are fully grant funded.
- <sup>(7)</sup> Includes \$350k that will be funded from operations.

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## MAJOR MAINTENANCE PROGRAM HIGHLIGHTS

The following list of Major Maintenance projects for FY 2019 will be implemented in accordance with BPC Policy No. 130 (see Section 5 Appendix). This list represents projects that were generated through the Asset Management Program (AMP) which uses a scientifically based methodology to determine repairs or replacements of high risk assets before they fail. The Major Maintenance Program is part of the District's five-year strategic initiative, and many of the projects span multiple years. The amount budgeted is for the work that is anticipated to be completed in FY 2019.

PROJECT NAME	PROPOSED PHASE FY 2019	BUDGET FY 2019
<b>Major Maintenance Capital Projects</b>		
Structural Repairs at Navy Pier <sup>(1)</sup>	Construction	\$ 3,300,000
Fender System Upgrade at North Berth of B Street Pier	Construction	2,275,000
Roof Replacement at TAMT Warehouse B	Design & Construction	750,000
Structural Repairs at Tuna Harbor Dock #1	Design & Construction	500,000
Roof Replacement at Material Support & Management Center	Design & Construction	650,000
Light Fixture Replacement at Embarcadero Marina Park South Fishing Pier	Construction	175,000
Forklift Charger Electrical Connections at B Street Pier Cruise Ship Terminal	Construction	175,000
New Water Service at TAMT Warehouse B	Construction	125,000
Structural Repairs at Imperial Beach Fishing Pier	Design	100,000
Major Maintenance Capital Contingency	N/A	500,000
Capitalized Labor	N/A	1,300,000
<b>TOTAL MAJOR MAINTENANCE CAPITAL</b>		<b>\$ 9,850,000</b>

PROJECT NAME	PROPOSED PHASE FY 2019	BUDGET FY 2019
<b>Major Maintenance Expense Projects</b>		
Sand Replenishment at Kellogg Beach	Design	\$ 100,000
Major Maintenance Expense Contingency	N/A	50,000
<b>TOTAL MAJOR MAINTENANCE EXPENSE</b>		<b>\$ 150,000</b>

<b>TOTAL MAJOR MAINTENANCE PROGRAM</b>	<b>\$ 10,000,000</b>
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Note:

<sup>(1)</sup> Funded from the Capital Improvement Program with funds originally identified for the Former Navy Pier Head House Demolition project.

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## TECHNOLOGY MANAGEMENT PROGRAM

The Technology Management Program is a strategic, operationally responsive, and fiscally responsible approach to manage District technologies. It allows the District to standardize systems and leverage cost saving opportunities through economies of scale. Additionally, it facilitates coordinated implementation schedules of planned technology refresh strategies that will keep the District up-to-date. It uses a cost-benefit analysis method and governance model to make technology investment decisions, ensuring the highest likelihood of a return on investment.

DESCRIPTION	BUDGET FY 2019
Services - Professional & Other	\$ 1,844,000
Equipment & Systems	1,985,300
Telephone & Communications	900,000
Equipment Maintenance - Outside Services	1,333,500
Software Maintenance	865,500
<b>NON-PERSONNEL EXPENSE</b>	<b>\$ 6,928,300</b>
Computer Aided Dispatch	\$ 805,000
Fiber Optic <sup>(1)</sup>	800,000
Document Management System Front End Replacement	605,000
Employee Portal	250,000
Emergency Operations Center (AMSC MUC) <sup>(1)</sup>	220,000
Multifactor Authentication Program <sup>(1)</sup>	220,000
Centralized Authentication	200,000
GIS Roadmap Implementation	180,000
Network Segmentation <sup>(1)</sup>	150,000
Concur Travel Management	75,000
Capital Labor	765,000
<b>TECHNOLOGY CAPITAL PROJECTS</b>	<b>\$ 4,270,000</b>
<b>TOTAL</b>	<b>\$ 11,198,300</b>

**Note:**

<sup>(1)</sup> Partially Port Security Grant Program funded projects.

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## **SPONSORSHIPS & GRANTS**

### **Waterfront Arts & Activation**

Waterfront Arts & Activation (WA&A) is expected to generate \$1.9M in gross revenue from fees for the use of District parks and facilities, including District-managed parking areas, for special events for which the department issues permits.

About \$1.2M of this amount is waived for sponsored events, either through the Tidelands Activation Program (TAP) or other sponsorship agreements, resulting in a budgeted \$753k in net direct revenue generated by WA&A. This amount does not include the indirect revenue accruing to the District from the impacts of special events that WA&A permits, which include concession revenue from hotels, restaurants, retail facilities and parking in tenant or operator managed facilities that is generated by attendees to special events in the District's public venues. In conjunction with the events that the District sponsors with the aforementioned fee waivers, sponsorship recipients provide the District with a variety of promotional benefits that serve to attract visitors to the tidelands, generating additional, incremental revenue to the District and its tenants.

In Real Estate, Park Usage Fees for special event permits are budgeted at \$1.1M in gross revenue, of which approximately \$734k is expected to be waived through sponsorships, resulting in net revenue of \$350k.

In Maritime, Broadway and B Street Pier Fees for special events permits are budgeted at \$772k, of which approximately \$369k is expected to be waived through sponsorships, resulting in net revenue of \$403k.

In Port As a Service-Parking, Parking Fees in District-managed areas in conjunction with special events permit is budgeted to generate \$80k in revenue, which will be waived.

### **Sponsorships from the Tidelands Activation Program**

The District's Tidelands Activation Program (TAP) is designed to increase activation and recreation along the waterfront. Through the TAP, the District sponsors community and signature events that support the District's mission of providing economic vitality and community benefit through maritime, tourism, water and land recreation, environmental stewardship, and public safety.

Community events promote one or more of the District's mission areas, with an emphasis on attracting the public to the District tidelands waterfront for recreation and on educating the public in regards to the District and its mission.

Signature events accord title sponsorship or similarly valuable consideration to the District, attract large numbers of people to the District tidelands, and generate significant, documented levels of financial and/or promotional return to the District.

Event sponsorships through the TAP are recommended by the Tidelands Activation Program Advisory Committee and approved on an annual basis by the Board of Port Commissioners. The program includes direct funding and/or the waiving of all or portions of District facility fees and costs of District provided services.

For FY 2019, the Waterfront Arts & Activation Department has budgeted a total of \$777k for event sponsorships, and \$1.1M in waived fees for parks and facilities plus in-kind services like the use of the District stage.

## SPONSORSHIPS & GRANTS

### Grants from Other Agencies to the District

Grant Revenue is included in the revenue budget. The District may pursue grants from other agencies where the District may be qualified and the grant would provide for a strategic service. Some grants are omitted from the budget because the grant application is pending and receipt of the grant is uncertain.

ANTICIPATED GRANTS	BUDGET FY 2019
Capital Grants – Recreational	\$ 2,150,000
Capital Grants – Information Technology	877,500
Capital Grants – Maritime	4,500,000
Capital Grants – Harbor Police	696,500
Capital Grants – Energy	580,600
Non-Operating Grants – Miscellaneous	98,000
Non-Operating Grants – Harbor Police	961,300
Non-Operating Grants – Maritime	10,000
<b>TOTAL</b>	<b>\$ 9,873,900</b>

Grants that are expected to be received in FY 2019 include the following:

**Grants for Recreational Projects.** The District will continue to receive grant funds from the Department of Parks and Recreation Division of Boating and Waterways for the completion of the Shelter Island Boat Launching Facility project. The District will receive grant funds from the State of California Natural Resources Agency for the Sweetwater Bicycle Path and Promenade project in City of Chula Vista Bayfront.

**Grants for Information Technology Projects.** The District will continue to receive grant funds from the Department of Homeland Security for Network Segmentation Multi-factor Authentication Program, Cruise Ship Terminal Security Enhancements, Area Maritime Security Committee (AMSC) Emergency Operations Center, and San Diego Bay Regional Fiber Optic Infrastructure project.

**Grants for Maritime.** The District will receive grant funds from the Department of Transportation Maritime Administration's Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant program for the TAMT Modernization project, and from the Department of Fish and Game for the Harbor Safety Committee Secretariat program.

**Grants for Harbor Police.** The District will continue to receive grants from the following sources: 1) High Intensity Drug Trafficking reimbursement for overtime, 2) Transportation Safety Administration K-9 grant, 3) Marine Task Force Officer reimbursement, 4) Joint Terrorism Task Force grant, 5) San Diego County Operation Stonegarden program, and 6) Department of Homeland Security for Patrol Vessel Maintenance, Patrol Vessel Data Communications System, Scuba Diver Location System, and Area Maritime Security Committee (AMSC) Emergency Operations Center.

**Grant for Energy Project.** The District will receive grant funds from the California Energy Commission GFO-17-302: Demonstrate Business Case for Advanced Microgrids in support of California's Energy and Greenhouse Gas Policies Program for the Microgrid Infrastructure at TAMT project.

## SPONSORSHIPS & GRANTS

**Partnership/Cost Sharing Reimbursement for Environmental Projects.** The District will continue to receive reimbursements from SDG&E for Efficiency Partnership Program to enhance the District's capacity to incorporate energy efficiency throughout the District and Regional Harbor Monitoring Program for a coordinated monitoring program among the San Diego region.

<b>PARTNERSHIP/COST SHARING REIMBURSEMENT</b>	<b>BUDGET FY 2019</b>
SDG&E Energy Efficiency Partnership	\$ 669,900
Regional Harbor Monitoring Program	514,500
<b>TOTAL</b>	<b>\$ 1,184,400</b>

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## 4 Department Cost Centers



In this section, departments, teams, and cost centers are organized alphabetically. Departments and teams include a department operating plan followed by a detailed list of positions, summary of department expenses, equipment outlay, and expense budget breakdown. The cost centers include a summary of departmental expenses and expense budget breakdown.

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## DEPARTMENT OPERATING PLAN

Department:	142 - Aquaculture & Blue Tech	Planning Cycle:	FY18/19
Director:	N/A		
VP/AVP:	Jason Giffen		
MISSION			
To provide a launching pad for innovative pilot projects and serve as an incubator for sustainable aquaculture and emerging blue technology businesses in and offshore San Diego Bay by offering key assets and support services focused on pilot project facilitation, such as predevelopment planning tools, permit ready infrastructure, entitlements, market access, and strategic funding.			
VISION			
To become a catalyst for Blue Tech innovation and sustainable Aquaculture in and offshore San Diego Bay and help build a sustainable portfolio of new businesses who can deliver multiple social, environmental, and economic benefits to the Region.			
GOALS			
Aquaculture and Blue Tech will implement a Strategic Business Plan to develop new business partnerships, generate short-term revenue streams, and establish permit-ready infrastructure to capitalize on future opportunities of the Blue Economy.			
To implement the Plan in FY 19, the Aquaculture & Blue Tech will focus on:			
<ul style="list-style-type: none"><li>• Entering into one to three Aquaculture business partnerships</li><li>• Entering into one to three Blue Tech business partnerships</li><li>• Seek grant opportunities to support the development of permit-ready infrastructure.</li><li>• Establish first permit-ready infrastructure including obtaining entitlements for a seawater intake, discharge, and filtration system to support a minimum of three aquaculture businesses.</li><li>• Establish strategic collaborations with local academic institutions, resource agencies, and industry to promote applied innovation and attract new pilot projects.</li><li>• Coordinate cross-departmental collaboration to facilitate the launching of innovative pilot projects.</li></ul>			



## DEPARTMENT OPERATING PLAN

### Blue Economy Vision



The Port is a long-time champion and catalyst of the region's Blue Economy with its shipbuilding, commercial fishing, marine research, cruise, and cargo business lines. Since 2016, the Port has been exploring new Blue Economy business opportunities as a way to diversify its portfolio and strengthen our collective economic impact. To support this effort, a Blue Economy incubator and strategic investment fund was created to assist in the creation, development and scaling of new business ventures on San Diego Bay, focusing on Aquaculture and Blue Technology.

The Port is uniquely positioned to attract innovative project proposals and serve as an incubator for sustainable aquaculture and emerging blue technologies. The Blue Economy incubator is set to be a launching pad for innovative ideas by removing barriers to entrepreneurs and providing key assets and services such as pilot project facilitation, predevelopment planning tools, permit-ready infrastructure, entitlements, market access, and strategic funding. The Blue Economy incubator is leveraging the commitment from a strategic investment fund to build a sustainable portfolio of new businesses and partners who can deliver multiple social, environmental, and economic benefits to the Region.

Aquaculture and Blue Tech is implementing a Strategic Business Plan to attract and develop new business partnerships and generate short-term revenue streams to establish permit-ready infrastructure to capitalize on larger aquaculture and blue tech opportunities. The long-term financial goal of the Blue Economy incubator is to help diversify the Port's long-term revenue streams.

According to the 2012 San Diego Maritime Industry Report, sponsored by the San Diego Workforce Partnership, the San Diego Regional Economic Development Corporation and the Maritime Alliance, the projected total rate of growth for San Diego's Blue Economy, which includes Aquaculture and Blue Tech, ranges from 6 to 20 percent per year through 2020. From shipbuilding to smart underwater technologies, aquaculture to ocean-based sensors, San Diego is a hotspot for the growing Blue Economy. Specifically, the aquaculture opportunity is being driven by the need to support the development of sustainable domestic marine aquaculture industry. The U.S. currently imports over 91 percent of the seafood it consumes. In economic terms, these imports consistently contribute to a nearly \$14 billion domestic seafood trade deficit each year.



## DEPARTMENT OPERATING PLAN

### Aquaculture & Blue Tech Key Services

The following is a summary of activities to support and inform siting opportunities for aquaculture and blue tech businesses in and around San Diego Bay to develop land and ocean-based opportunities, and provide the foundation for an Aquaculture Technology Park.

- Conduct coastal predevelopment planning to inform future development for ocean-based aquaculture.
  - Partnership with NOAA (National Centers for Coastal Ocean Science group) to use a variety of marine spatial planning tools to inform future aquaculture siting options.
  - Creation of a geospatial database, and opportunity and constraints analysis to determine the potential types of aquaculture operations (algae, shellfish, and finfish), the purpose (food production, restoration, remediation, etc.), and the scale at which can be supported.
  - Ecosystem modelling to understand the Bay's ecological carrying capacity to support aquaculture projects.
  - Habitat interactions analysis to understand impacts of aquaculture on other sensitive habitats, including an analysis to co-locate aquaculture operations with sensitive habitat to enhance and evaluate environmental quality and compatibility.
- Conduct a baywide feasibility study to assess infrastructure capable of supporting aquaculture.
- Conduct research to support the development of permit ready infrastructure for algae and shellfish aquaculture:
  - Continue on-going oyster health baseline studies that simulate shellfish aquaculture operations, including growing hatchery produced seed through the nursery stage in six locations throughout the Bay. Ensure required permits and certifications to import seed and export juveniles are current. A valid health record is required for any state importing juveniles from San Diego Bay to oyster grow out locations in CA, OR, WA, and AK.
  - Coordination with the Departments of Fish and Wildlife in California, Oregon, and Washington, and Alaska Department of Fish and Game, California Department of Public Health, Pacific Coast Shellfish Growers Association, National Shellfisheries Association, and NOAA's California Shellfish Initiative.
- Supporting stakeholder outreach for the San Diego Ocean Planning Partnership with California State Lands Commission to explore uses in the ocean space offshore San Diego County using marine spatial planning tools.
- Conduct research to support development of an Aquaculture Technology Park.
- Seek grant opportunities to support development of permit-ready infrastructure required to attract and retain new and innovative water-dependent businesses.
- Manage the Sea Grant Fellowship Program (2-3 fellows per fiscal year).

The following is a summary of activities to attract and retain new business proposals, to develop new business partnerships, generate short-term revenue streams, and establish permit-ready infrastructure to capitalize on future opportunities of the Blue Economy.

- Manage the Blue Economy incubator four-step competitive review and selection process
- Promote the incubator to attract and retain new, innovative proposals
- Foster collaboration and stakeholder engagement
- Conduct due diligence with other Port's teams to review business proposals and validate pilot projects
- Develop partnership proposals and scope of pilot projects and negotiate agreements
- Obtain entitlements for pilot projects including conducting environmental review, obtaining ACOE and RWQCB permits, and ensure permit compliance
- Manage approved pilot projects





## DEPARTMENT OPERATING PLAN

- Coordinate portfolio management

### Aquaculture Opportunity

Ports can and are increasingly playing a critical role in the development of sustainable aquaculture, given their familiarity and expertise in the permitting and entitlement process for a variety of coastal and ocean uses; the unique role they often play as a landlord, operator and/or regulator, and as champions of the Blue Economy. As the state-legislated trustee of tidelands (i.e. land and water) around San Diego Bay, developing sustainable domestic aquaculture helps fulfill the Port's public trust responsibility to promote fisheries and commerce, as well as aligning with its mission to enhance and protect the environment.

Aquaculture has proven to be economically, environmentally and commercially viable. While there is a clear food production component to this demand, aquaculture offers multiple co-benefits, such as fisheries enhancement, ecosystem restoration, mitigation banking, bio-fuel/medical purposes, bioremediation, and education and outreach.

### **Initial Aquaculture Pilot Project**

- **San Diego Bay Aquaculture LLC. (SDBA)** - Through the Blue Economy incubator, the Port partnered with SDBA for a pilot project to demonstrate shellfish aquaculture nursery operations using floating upweller system technologies (FLUPSY). This pilot will allow establishment of operations, proof of concept, and validation of shellfish nursery, and potentially grow-out operations in San Diego Bay that could support new and more diverse aquaculture businesses. The pilot is set to launch in October, 2017.

### **Baywide Aquaculture Infrastructure Feasibility Study**

Aquaculture and Blue Technology is conducting a baywide infrastructure feasibility study to assess critical infrastructure needs necessary to support land based aquaculture businesses and to identify high-potential areas suitable at various locations on Port tidelands.

Infrastructure is critical to attract high-potential aquaculture start-ups and encourage investment. Aquaculture businesses require dock side facilities, seawater intake, discharge, and filtration systems, hatchery, nursery and grow out operations, and manufacturing facilities. Preliminary results from the bay-wide infrastructure feasibility study will highlight site availability.

## Aquaculture & Blue Technology

**Transfer:** 1 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Program Manager, Aquaculture & Blue Tech	1	1
<b>TOTAL</b>	<b>1</b>	<b>1</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Aquaculture & Blue Technology

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 249,099	\$ 200,300	\$ 159,700	\$ (40,600)	(20.3)%
Non-Personnel Expense	670,253	1,120,200	1,008,200	(112,000)	(10.0)%
<b>Total Direct Expense</b>	<b>\$ 919,352</b>	<b>\$ 1,320,500</b>	<b>\$ 1,167,900</b>	<b>\$ (152,600)</b>	<b>(11.6)%</b>
Less: Capitalized Expense	(1,347)	—	—	—	N/A
Equipment Outlay and Other Capital Projects	340,600	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,258,605</b>	<b>\$ 1,320,500</b>	<b>\$ 1,167,900</b>	<b>\$ (152,600)</b>	<b>(11.6)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 208,585	\$ 156,400	\$ 120,900	\$ (35,500)	(22.7)%
Overtime	—	—	—	—	N/A
Burden	40,514	43,900	38,800	(5,100)	(11.6)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 249,099</b>	<b>\$ 200,300</b>	<b>\$ 159,700</b>	<b>\$ (40,600)</b>	<b>(20.3)%</b>

**Aquaculture & Blue Technology**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals						
BOOKS & PERIODICAL	\$ 950	\$ 2,000	\$ 2,000	\$ 1,500	\$ (500)	(25.0)%
<b>Total:</b>	\$ 950	\$ 2,000	\$ 2,000	\$ 1,500	\$ (500)	(25.0)%
610120 Memberships & Dues						
MEMBERSHIPS & DUES	\$ 1,725	\$ 4,500	\$ 4,500	\$ 3,000	\$ (1,500)	(33.3)%
<b>Total:</b>	\$ 1,725	\$ 4,500	\$ 4,500	\$ 3,000	\$ (1,500)	(33.3)%
630130 Office & Operating Supplies						
<b>Total:</b>	\$ 540	\$ —	\$ —	\$ —	\$ —	N/A
610140 Seminars & Training						
SEMINARS & TRAINING	\$ 1,238	\$ 3,000	\$ 3,000	\$ 3,000	\$ —	0.0 %
<b>Total:</b>	\$ 1,238	\$ 3,000	\$ 3,000	\$ 3,000	\$ —	0.0 %
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$ 200	\$ 600	\$ 600	\$ 500	\$ (100)	(16.7)%
<b>Total:</b>	\$ 200	\$ 600	\$ 600	\$ 500	\$ (100)	(16.7)%
615110 TRAVEL						
TRAVEL	\$ 5,196	\$ 16,100	\$ 16,100	\$ 12,000	\$ (4,100)	(25.5)%
<b>Total:</b>	\$ 5,196	\$ 16,100	\$ 16,100	\$ 12,000	\$ (4,100)	(25.5)%
620100 Services - Professional & Other						
AQUA/BLEU TECH FACILITY PLAN & PRE-DEV	\$ —	\$ —	\$ —	\$ 230,000		
AQUACULTURE PILOT MANAGEMENT				100,000		
AQUACULTURE PILOT PLANNING & PRE-DEV		175,000		—		
AQUACULTURE PROGRAM IMPLEMENTATION		35,000		35,000		
BLUE TECH PROGRAM IMPLEMENTATION		25,000		30,000		
MARINE SPATIAL PLANNING - BAY & OCE		70,000		35,000		
<b>Total:</b>	\$ 246,447	\$ 305,000	\$ 305,000	\$ 430,000	\$ 125,000	41.0 %
620150 Aquaculture & Blue Technology						
PARTNERSHIPS & JOINT VENTURE INVEST	\$ —	\$ 310,000	\$ 310,000	\$ 500,000	\$ 190,000	61.3 %
<b>Total:</b>	\$ —	\$ 310,000	\$ 310,000	\$ 500,000	\$ 190,000	61.3 %
620160 Blue Technology						
PARTNERSHIPS & JOINT VENTURE INVEST	\$ 405,000	\$ 307,000	\$ 307,000	\$ —	\$ (307,000)	(100.0)%
<b>Total:</b>	\$ 405,000	\$ 307,000	\$ 307,000	\$ —	\$ (307,000)	(100.0)%
630110 Equipment & Systems						

**Aquaculture & Blue Technology**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
EQUIPMENT & SYSTEMS	\$ —	\$ —	\$ —	\$ 2,500		
	\$ 296	\$ —	\$ —	\$ 2,500	\$ 2,500	N/A
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$ 8,000	\$ 8,000	\$ 8,000	\$ 2,500		
<b>Total:</b>	\$ —	\$ 8,000	\$ 8,000	\$ 2,500	\$ (5,500)	(68.8)%
630150 Safety Equipment & Supplies						
SAFETY EQUIPMENT & SUPPLIES	\$ 1,500	\$ 1,500	\$ 1,500	\$ 600		
<b>Total:</b>	\$ —	\$ 1,500	\$ 1,500	\$ 600	\$ (900)	(60.0)%
660110 Promotional Services						
PROMOTIONAL SERVICES	\$ 15,000	\$ 15,000	\$ 15,000	\$ 300		
<b>Total:</b>	\$ 72	\$ 15,000	\$ 15,000	\$ 300	\$ (14,700)	(98.0)%
660120 Promotional Materials						
PROMOTIONAL MATERIALS	\$ 2,500	\$ 2,500	\$ 2,500	\$ 300		
<b>Total:</b>	\$ 6,936	\$ 2,500	\$ 2,500	\$ 300	\$ (2,200)	(88.0)%
660135 Eligible Environmental Fund Expenditures						
CA SEA GRANT FELLOWS	\$ —	\$ —	\$ —	\$ 47,000		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 47,000	\$ 47,000	N/A
660170 Joint Programs/Studies Assistance						
CA SEA GRANT FELLOWS	\$ 115,000	\$ 115,000	\$ 115,000	\$ —		
EDUCATION & OUTREACH	15,000	15,000	15,000	—		
<b>Total:</b>	\$ —	\$ 130,000	\$ 130,000	\$ —	\$ (130,000)	(100.0)%
670130 Permits/Certificates/License						
PERMITS/CERTIFICATES/LICENSE	\$ 15,000	\$ 15,000	\$ 15,000	\$ 5,000		
<b>Total:</b>	\$ 1,653	\$ 15,000	\$ 15,000	\$ 5,000	\$ (10,000)	(66.7)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 670,253	\$ 1,120,200	\$ 1,120,200	\$ 1,008,200	\$ (112,000)	(10.0)%
<b>GRAND TOTAL:</b>	\$ 670,253	\$ 1,120,200	\$ 1,120,200	\$ 1,008,200	\$ (112,000)	(10.0)%



## Attractions & Advertising (no longer in FY 2019)

**Transfer:** 1 Department Manager, Advertising to Real Estate  
1 Assistant Advertising Manager (Limited) to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Department Manager, Advertising	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Assistant Advertising Manager	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Attractions & Advertising (no longer in FY 2019)

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 460,908	\$ 289,300	\$ —	\$ (289,300)	(100.0)%
Non-Personnel Expense	249,625	418,300	—	(418,300)	(100.0)%
<b>Total Direct Expense</b>	<b>\$ 710,533</b>	<b>\$ 707,600</b>	<b>\$ —</b>	<b>\$ (707,600)</b>	<b>(100.0)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 710,533</b>	<b>\$ 707,600</b>	<b>\$ —</b>	<b>\$ (707,600)</b>	<b>(100.0)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 325,108	\$ 199,700	\$ —	\$ (199,700)	(100.0)%
Overtime	—	—	—	—	N/A
Burden	135,800	89,600	—	(89,600)	(100.0)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 460,908</b>	<b>\$ 289,300</b>	<b>\$ —</b>	<b>\$ (289,300)</b>	<b>(100.0)%</b>

**Attractions & Advertising (no longer in FY 2019)**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals						
BOOKS & PERIODICALS	\$ 300	\$ 300	\$ 300	\$ —		
<b>Total:</b>	\$ 264	\$ 300	\$ 300	\$ —	\$ (300)	(100.0)%
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$ 200	\$ 200	\$ 200	\$ —		
<b>Total:</b>	\$ 409	\$ 200	\$ 200	\$ —	\$ (200)	(100.0)%
610120 Memberships & Dues						
ASSOCIATIONS	\$ 500	\$ 500	\$ 500	\$ —		
OUTDOOR ADV ASSN OF AMERICA	500	500	500	—		
SUBSCRIPTIONS - SRDS	500	500	500	—		
<b>Total:</b>	\$ 1,116	\$ 1,500	\$ 1,500	\$ —	\$ (1,500)	(100.0)%
610140 Seminars & Training						
ADVERTISING CONFERENCE	\$ 1,000	\$ 1,000	\$ 1,000	\$ —		
COURSES & SEMINARS	2,000	2,000	2,000	—		
MICROSOFT OFFICE SUITE TRAINING	500	500	500	—		
<b>Total:</b>	\$ 912	\$ 3,500	\$ 3,500	\$ —	\$ (3,500)	(100.0)%
615100 Mileage & Parking						
<b>Total:</b>	\$ 278	\$ 600	\$ 600	\$ —	\$ (600)	(100.0)%
615110 Travel						
BUSINESS TRAVEL	\$ 2,400	\$ 2,400	\$ 2,400	\$ —		
<b>Total:</b>	\$ 5,018	\$ 2,400	\$ 2,400	\$ —	\$ (2,400)	(100.0)%
620100 Services - Professional & Other						
AS-NEEDED PEER DESIGN REVIEW	\$ 3,500	\$ 3,500	\$ 3,500	\$ —		
DEV CONSULTING - PACIFIC HWY	75,000	75,000	75,000	—		
DEV CONSULTING - SHELTER ISLAND	75,000	75,000	75,000	—		
DEV CONSULTING - SYMPHONY VENUE	75,000	75,000	75,000	—		
FEASIBILITY - CONCEPT DEVELOPMENT	150,000	150,000	150,000	—		
MKT STUDY - NEW ADVERTISING VENUE	8,000	8,000	8,000	—		
ON-CALL ARCHITECT	7,000	7,000	7,000	—		
VALUATION OF ADVERTISING SITES	6,500	6,500	6,500	—		
<b>Total:</b>	\$ 231,758	\$ 400,000	\$ 400,000	\$ —	\$ (400,000)	(100.0)%
630110 Equipment & Systems						

**Attractions & Advertising (no longer in FY 2019)**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
MISC EQUIPMENT & FURNITURE		\$ 3,000		\$ —		
<b>Total:</b>	\$ 1,192	\$ 3,000	\$ 3,000	\$ —	\$ (3,000)	(100.0)%
630120 Equipment Rental/Leasing						
WATER COOLERS & COFFEE MAKER	\$	300		\$ —		
<b>Total:</b>	\$ —	\$ 300	\$ 300	\$ —	\$ (300)	(100.0)%
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES	\$	2,000		\$ —		
<b>Total:</b>	\$ 1,455	\$ 2,000	\$ 2,000	\$ —	\$ (2,000)	(100.0)%
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$	400		\$ —		
<b>Total:</b>	\$ —	\$ 400	\$ 400	\$ —	\$ (400)	(100.0)%
630150 Safety Equipment & Supplies						
SAFETY EQUIPMENT & SUPPLIES	\$	100		\$ —		
<b>Total:</b>	\$ —	\$ 100	\$ 100	\$ —	\$ (100)	(100.0)%
650130 Equipment Maintenance - Outside Services						
OFFICE EQUIPMENT MAINTENANCE	\$	1,000		\$ —		
<b>Total:</b>	\$ —	\$ 1,000	\$ 1,000	\$ —	\$ (1,000)	(100.0)%
660110 Promotional Services						
TENANT & PUBLIC OUTREACH	\$	3,000		\$ —		
<b>Total:</b>	\$ 7,223	\$ 3,000	\$ 3,000	\$ —	\$ (3,000)	(100.0)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 249,625	\$ 418,300	\$ 418,300	\$ —	\$ (418,300)	(100.0)%
<b>GRAND TOTAL:</b>	\$ 249,625	\$ 418,300	\$ 418,300	\$ —	\$ (418,300)	(100.0)%

## Board of Port Commissioners

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ —	\$ —	\$ —	N/A
Non-Personnel Expense	285,712	252,400	264,400	12,000	4.8%
<b>Total Direct Expense</b>	<b>\$ 285,712</b>	<b>\$ 252,400</b>	<b>\$ 264,400</b>	<b>\$ 12,000</b>	<b>4.8%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 285,712</b>	<b>\$ 252,400</b>	<b>\$ 264,400</b>	<b>\$ 12,000</b>	<b>4.8%</b>

**Board of Port Commissioners**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
610140 Seminars & Training SEMINARS & TRAINING	\$ 19,000	\$ 19,000		\$ 19,000		
<b>Total:</b>	\$ 13,488	\$ 19,000	\$ 19,000	\$ 19,000	\$ —	0.0%
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT	\$ 84,000	\$ 84,000		\$ 84,000		
<b>Total:</b>	\$ 83,294	\$ 84,000	\$ 84,000	\$ 84,000	\$ —	0.0%
615110 Travel TRAVEL	\$ 58,000	\$ 58,000		\$ 58,000		
<b>Total:</b>	\$ 78,431	\$ 58,000	\$ 58,000	\$ 58,000	\$ —	0.0%
620100 Services - Professional & Other SERVICES - PROFESSIONAL & OTHER	\$ 49,000	\$ 49,000		\$ 61,000		
<b>Total:</b>	\$ 36,778	\$ 49,000	\$ 49,000	\$ 61,000	\$ 12,000	24.5%
630120 Equipment Rental/Leasing						
<b>Total:</b>	\$ 349	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies OFFICE & OPERATING SUPPLIES	\$ 1,000	\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ 1,492	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0%
630140 Postage & Shipping POSTAGE & SHIPPING	\$ 500	\$ 500		\$ 500		
<b>Total:</b>	\$ 399	\$ 500	\$ 500	\$ 500	\$ —	0.0%
640110 Telephone & Communications TELEPHONE & COMMUNICATIONS	\$ 8,900	\$ 8,900		\$ 8,900		
<b>Total:</b>	\$ 8,305	\$ 8,900	\$ 8,900	\$ 8,900	\$ —	0.0%
660110 Promotional Services PROMOTIONAL SERVICES	\$ 30,000	\$ 30,000		\$ 30,000		
<b>Total:</b>	\$ 62,205	\$ 30,000	\$ 30,000	\$ 30,000	\$ —	0.0%
660120 Promotional Materials PROMOTIONAL MATERIALS	\$ 2,000	\$ 2,000		\$ 2,000		
<b>Total:</b>	\$ 971	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 285,712	\$ 252,400	\$ 252,400	\$ 264,400	\$ 12,000	4.8%
<b>GRAND TOTAL:</b>	\$ 285,712	\$ 252,400	\$ 252,400	\$ 264,400	\$ 12,000	4.8%



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	151 - Development Services	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Wileen Manaois		
<b>VP/AVP:</b>	Shaun Sumner		
<b>MISSION</b>			
With a service-first approach, Development Services satisfies regulatory requirements for development through the review and processing of District and tenant projects for compliance with the California Environmental Quality Act (CEQA), the Port Master Plan and the California Coastal Act, the District's policies, and other applicable laws and regulations.			
<b>VISION</b>			
To guide development of a world-class Port through facilitation of high quality public and private spaces on tidelands, protection and enhancement of the environment, and excellence in customer service.			
<b>GOALS</b>			
Development Services handles the CEQA and Coastal Act processing for District and Tenant Current Planning Projects including preparing CEQA/Coastal language for most Agenda Sheets, conducts tenant project reviews and approvals, and provides design and mapping services. Development Services' goals are to:			
<ul style="list-style-type: none"><li>○ Document and streamline project review and approval process through the "Development Services Manual" which will include revisions to BPC Policy 357 (Approval of Tenant Project Plans), an Administrative Procedure, and Standard Operating Procedures to ensure certainty of, and consistency in, process</li><li>○ Continuously improve CEQA/Coastal Act processing of District and tenant projects</li><li>○ Establish and implement a long-term design review process</li><li>○ Establish and implement a short-term enforcement process</li></ul>			
Development Services (DS) anticipates the following projects in FY19. This includes large, complex projects that will require a significant amount of Planner staff time. In addition, DS will continue to implement process improvements and lay the groundwork for longer-term process improvements, including a long-term design review process and enforcement.			
<ul style="list-style-type: none"><li>• Ongoing Projects<ul style="list-style-type: none"><li>○ CEQA/Coastal Determinations (~230/year)</li><li>○ Environmental Review Language for Agenda Sheets (~360/year)</li><li>○ Project Reviews (~100)</li><li>○ Design Reviews (~20)</li><li>○ Mapping Requests (~135)</li></ul></li><li>• District/Tenant Projects<ul style="list-style-type: none"><li>○ Fifth Avenue Landing Environmental Impact Report (EIR) &amp; Port Master Plan Amendment (PMPA)</li><li>○ Bayside Performance Park Enhancement EIR &amp; PMPA Project</li><li>○ Ministerial Ordinance (ELG 252)</li><li>○ Building Services Phase 2 (includes long-term Enforcement process)(BPC 204)</li><li>○ Central Embarcadero EIR (BPC 304)</li><li>○ East Harbor Island EIR (BPC 302)</li><li>○ Building Wrap Ordinance Implementation (BPC 307)</li></ul></li></ul>			

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## DEPARTMENT OPERATING PLAN

- Chula Vista Bayfront Implementation (BPC 309)
- BAE Systems EIR
- Mitsubishi Cement Supplemental EIR
- Coronado Bridge Lighting Mitigated Negative Declaration (MND) (BPC 401)
- Lockheed MND
- CP Kelco EIR
- Navy Pier Interim Parking Plan Coastal Development Permit (CDP)
- Fireworks Ordinance Implementation/Additional CEQA
- Pond 15
  
- Other Projects (Process Improvements)
  - Development Services Manual updates (SOPs)
  - Architect/Project Review Associate involvement with District projects (Administrative Procedure 149-100)
  - Design Review (long-term solution)
  - Enforcement (short-term solution to be incorporated into long-term solution)
  - CEQA Document Template
  - Other CEQA/Coastal and Project Review process improvements
  
- Other Potential Projects
  - Aquaculture/Blue Tech, Port As A Service, Art, etc.



## Development Services

**Reclass:** 1 Administrative Assistant II (Classified) to Management Analyst  
 1 Department Manager, Real Estate to Department Manager, Development Services

**Transfer:** 1 Project Review Associate (Limited) to Variable Staffing  
 1 Staff Assistant II (Limited) to Variable Staffing  
 1 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	1	0
Architect	2	2
Assistant Planner	1	1
Associate Planner	1	1
Department Manager, Development Services	1	2
Department Manager, Real Estate	1	0
Director, Development Services	1	1
Management Analyst	0	1
Mapping Technician II	1	1
Senior Planner	3	3
Senior Project Architect	1	1
<b>TOTAL</b>	<b>13</b>	<b>13</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Project Review Associate	1	0
Staff Assistant II	1	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Development Services

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 1,641,726	\$ 1,962,100	\$ 1,999,700	\$ 37,600	1.9 %
Non-Personnel Expense	736,533	1,121,200	989,000	(132,200)	(11.8)%
<b>Total Direct Expense</b>	<b>\$ 2,378,259</b>	<b>\$ 3,083,300</b>	<b>\$ 2,988,700</b>	<b>\$ (94,600)</b>	<b>(3.1)%</b>
Less: Capitalized Expense	(341)	(8,100)	—	8,100	(100.0)%
Equipment Outlay and Other Capital Projects	16,118	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 2,394,036</b>	<b>\$ 3,075,200</b>	<b>\$ 2,988,700</b>	<b>\$ (86,500)</b>	<b>(2.8)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Regular Salaries & Wages	\$ 1,016,905	\$ 1,266,900	\$ 1,169,100	\$ (97,800)	(7.7)%
Overtime	9,560	1,400	1,400	—	0.0 %
Burden	591,605	693,800	829,200	135,400	19.5 %
Temporary Personnel	23,656	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 1,641,726</b>	<b>\$ 1,962,100</b>	<b>\$ 1,999,700</b>	<b>\$ 37,600</b>	<b>1.9 %</b>

**Development Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 1,400		\$ 1,400		
<b>Total:</b>	\$ 9,560	\$ 1,400	\$ 1,400	\$ 1,400	\$ —	0.0 %
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 9,560	\$ 1,400	\$ 1,400	\$ 1,400	\$ —	0.0 %
610110 Books & Periodicals						
BOOKS & PERIODICALS		\$ —		\$ 500		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 500	\$ 500	N/A
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 500		\$ 600		
<b>Total:</b>	\$ 710	\$ 500	\$ 500	\$ 600	\$ 100	20.0 %
610120 Memberships & Dues						
AMER INST OF CERTIFIED PLANNERS		\$ 400		\$ 700		
AMER PLANNING ASSOCIATION		3,200		5,000		
AMERICAN INSTITUTE OF ARCHITECTS		800		800		
ASSOC OF ENV'L PROFESSIONALS		1,200		1,200		
ASSOCIATIONS		300		300		
HOTEL MOTEL ASSOCIATION		500		—		
MISCELLANEOUS MEMBERSHIPS		—		500		
NAT'L ASSOC OF IND'L OFFICE PROP		500		—		
URBAN LAND INSTITUTE		800		800		
<b>Total:</b>	\$ 3,562	\$ 7,700	\$ 7,700	\$ 9,300	\$ 1,600	20.8 %
610140 Seminars & Training						
ADA TRAINING		\$ 100		\$ —		
AMERICAN INSTITUTE OF ARCHITECTS		500		500		
BUILDING DESIGN TRAINING		—		5,000		
CEQA TRAINING		8,000		—		
CEQA/COASTAL TRAINING		—		3,000		
CONFERENCES		—		7,000		
GIS TRAINING		1,000		—		
LEED CONTINUING EDUCATION		300		—		
MANAGEMENT TRAINING		—		2,500		
MS OFFICE TRAINING		5,000		—		
PROJECT MANAGEMENT		5,000		—		
PROJECT REVIEW TRAINING		—		3,000		
SMARTSHEET TRAINING		1,000		—		

**Development Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
SMARTSHEET TRAINING/POWER BI TRAINING		—		2,000		
WRITING CLASSES		2,000		—		
<b>Total:</b>	\$ 3,734	\$ 22,900	\$ 22,900	\$ 23,000	\$ 100	0.4 %
615100 Mileage Reimbursement						
COMMUTER REIMBURSEMENT	\$ —			\$ 3,000		
MILEAGE/PARKING		1,300		2,500		
<b>Total:</b>	\$ 1,371	\$ 1,300	\$ 1,300	\$ 5,500	\$ 4,200	323.1 %
615110 Travel						
CEQA/COASTAL CONFERENCE	\$ 3,000			\$ 22,500		
COASTAL COMMISSION HEARINGS		3,000		13,000		
<b>Total:</b>	\$ 282	\$ 6,000	\$ 6,000	\$ 35,500	\$ 29,500	491.7 %
620100 Services - Professional & Other						
AMERICA'S CUP HARBOR PILOT PARKING	\$ 5,000			\$ —		
BUILDING SERVICES CONSULTANT		100,000		50,000		
CHULA VISTA BAYFRONT CEQA		75,000		—		
CHULA VISTA BAYFRONT CEQA/COASTAL		—		70,000		
COREDATA		5,000		2,600		
CORONADO BRIDGE LIGHTING PROJ MGR		—		80,000		
DESIGN REVIEW CONSULTANT		50,000		50,000		
DEVELOPMENT SERVICES MANUAL		—		25,000		
FIREWORKS CEQA/PROJECT MANAGEMENT		—		130,000		
MARITIME MITIGATION		—		50,000		
MINISTERIAL ORDINANCE		20,000		—		
MISCELLANEOUS CEQA REQUIREMENTS		175,000		125,000		
NORTH EMBARCADERO PLAN		399,000		—		
PLANNING PROJ MANAGER CONSULTANT		100,000		170,000		
PROJECT REVIEW CONSULTANT		100,000		123,000		
SMARTSHEET CONSULTANT		—		5,000		
SURVEYS		50,000		25,000		
<b>Total:</b>	\$ 722,015	\$ 1,079,000	\$ 1,079,000	\$ 905,600	\$ (173,400)	(16.1)%
660100 Advertising						
ADVERTISING	\$ —			\$ 300		
<b>Total:</b>	\$ 119	\$ —		\$ 300	\$ 300	N/A
670130 Permits/Certificates/License						
FILING FEES	\$ 3,100			\$ 7,200		

**Development Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
NOTICE OF EXEMPTION		700		1,500		
<b>Total:</b>	\$ 4,738	\$ 3,800	\$ 3,800	\$ 8,700	\$ 4,900	128.9 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 736,533	\$ 1,121,200	\$ 1,121,200	\$ 989,000	\$ (132,200)	(11.8)%
<b>GRAND TOTAL:</b>	\$ 746,093	\$ 1,122,600	\$ 1,122,600	\$ 990,400	\$ (132,200)	(11.8)%

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	141 - Energy	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	TBD		
<b>VP/AVP:</b>	Jason Giffen		
<b>MISSION</b>			
Ensure a sustainable and resilient waterfront through implementation of the District's Climate Action Plan (CAP) by reducing greenhouse gas emissions, improving social and environmental stewardship, and facilitating long-term economic development.			
<b>VISION</b>			
Be recognized as a global leader in climate action planning, energy and sustainability practice.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Exceed the CAP 2020 greenhouse gas reduction goal and maintain downward trajectory with a focus toward the 2030 goal.</li><li>• Develop a Smart Port Energy Framework.</li><li>• Off-set costs to implement CAP goals and initiatives focusing on renewable energy/battery storage, energy efficiency, and mobility-related projects with local, state and federal grant funding.</li><li>• Coordinate on an annual campaign to increase awareness of the District as an Environmental Champion.</li></ul>			
<b>The Energy Team Facilitates District Compliance with Mandated Regulatory Requirements, State Planning Initiatives, and Implementation of the District's Climate Action Plan:</b>			
<ul style="list-style-type: none"><li>• Ensure compliance with state mandates for greenhouse gas reductions, as required by AB 32 and SB 32 through implementation of the District's CAP.</li><li>• Implement the California Energy Efficiency Strategic Plan.</li><li>• Facilitate compliance with AB 691 requirement to submit an assessment of the impacts of sea level rise on District operations by the end of June 2019 to the State Lands Commission.</li><li>• Pursue projects that promote the Sustainable Freight Strategy.</li></ul>			
<b>The Energy Team Objectives:</b>			
<ul style="list-style-type: none"><li>• Advance the District's priorities and strategies through the implementation of the CAP</li><li>• Ensure the District is on track to meet the greenhouse gas emissions reduction goals established in the CAP and goals set by the State of California</li><li>• Reduce the environmental footprint and increase economic value of District tidelands through the advancement of resource conservation, renewable energy generation, and clean transportation projects</li><li>• Facilitate sustainable development and redevelopment opportunities for District and tenant projects</li><li>• Create and sustain positive relationships with internal and external stakeholders and educate the community on energy and climate planning initiative</li><li>• Foster an environmentally responsible culture among District staff, tenants, and the public</li><li>• Pursue funding opportunities to advance sustainable technologies on District tidelands including freight and energy related projects</li><li>• Engage the community through District sponsored large-scale activation and educational events</li></ul>			

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## DEPARTMENT OPERATING PLAN

### Energy Team Current Services:

**To achieve the Team's Mission and Vision statements, staff is committed to providing the following services:**

Implement CAP Measures	Sustainable Leasing Program Facilitation and Monitoring
Report and Monitor CAP progress	Green Business Network Implementation and Monitoring
Energy Master Planning	Climate Adaptation Planning
Clean Transportation Planning	Community Outreach and Stakeholder Collaboration
Sustainable Freight and Smart Mobility Planning	Lead Employee Environmental Engagement Campaigns



## Energy

**Transfer:** 2 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Principal, Planning & Green Port	1	1
Program Manager, Energy & Sustainability	2	2
Senior Environmental Specialist	3	3
<b>TOTAL</b>	<b>6</b>	<b>6</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

## Energy

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 709,009	\$ 918,300	\$ 795,400	\$ (122,900)	(13.4)%
Non-Personnel Expense	706,806	2,780,700	682,600	(2,098,100)	(75.5)%
<b>Total Direct Expense</b>	<b>\$ 1,415,815</b>	<b>\$ 3,699,000</b>	<b>\$ 1,478,000</b>	<b>\$ (2,221,000)</b>	<b>(60.0)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects		—	469,000	469,000	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,415,815</b>	<b>\$ 3,699,000</b>	<b>\$ 1,947,000</b>	<b>\$ (1,752,000)</b>	<b>(47.4)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 494,845	\$ 660,500	\$ 577,800	\$ (82,700)	(12.5)%
Overtime	4,385	400	400	—	0.0 %
Burden	209,779	257,400	217,200	(40,200)	(15.6)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 709,009</b>	<b>\$ 918,300</b>	<b>\$ 795,400</b>	<b>\$ (122,900)</b>	<b>(13.4)%</b>

### EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DESCRIPTION	QTY	BUDGET FY 2019
HIGH MAST LIGHTING EFFICIENCY IMPROVEMENTS AT TAMT <sup>(1)</sup>	1	\$ 88,000
ENERGY EFFICIENCY IMPROVEMENTS AT NATIONAL DISTRIBUTION CTR <sup>(1)</sup>	1	86,000
ENERGY EFFICIENCY IMPROVEMENTS AT GENERAL SERVICES FACILITY <sup>(1)</sup>	1	82,000
ELECTRIC VEHICLE CHARGING STATION <sup>(1)</sup>	1	70,000
LIGHTING EFFICIENCY RETROFIT AT BROADWAY PAVILION <sup>(1)</sup>	1	59,000
EXTERIOR LIGHTING EFFICIENCY RETROFIT AT SPANISH LANDING PARK <sup>(1)</sup>	1	50,500
LED LIGHTS IN ADMINISTRATIVE BUILDING NORTHERN STAIRWELL <sup>(1)</sup>	1	19,500
LED LIGHTS HP MOORING OFFICE <sup>(1)</sup>	1	9,000
ELECTRIC VEHICLE CHARGING IMPROVEMENTS AT ADMIN BUILDING <sup>(1)</sup>	1	5,000
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>9</b>	<b>\$ 469,000</b>

**Note:**

<sup>(1)</sup> Funded from Environmental Fund.

**Energy**  
**EXPENSE BUDGET BREAKDOWN**


ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ 400		\$ 400		
<b>Total:</b>	\$ 4,385	\$ 400	\$ 400	\$ 400	\$ —	0.0 %
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 4,385	\$ 400	\$ 400	\$ 400	\$ —	0.0 %
610100 Awards AWARDS		\$ —		\$ 300		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 300	\$ 300	N/A
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 8,000		\$ 8,000		
<b>Total:</b>	\$ 3,345	\$ 8,000	\$ 8,000	\$ 8,000	\$ —	0.0 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 1,600		\$ 1,600		
<b>Total:</b>	\$ 127	\$ 1,600	\$ 1,600	\$ 1,600	\$ —	0.0 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 700		\$ 700		
<b>Total:</b>	\$ 1,685	\$ 700	\$ 700	\$ 700	\$ —	0.0 %
615110 Travel TRAVEL		\$ 4,000		\$ 4,000		
<b>Total:</b>	\$ 874	\$ 4,000	\$ 4,000	\$ 4,000	\$ —	0.0 %
620100 Services - Professional & Other CLIMATE ACTION PLAN MANAGEMENT PROJECT PLANNING		\$ 67,200 28,200		\$ 93,500 —		
<b>Total:</b>	\$ 151,628	\$ 95,400	\$ 95,400	\$ 93,500	\$ (1,900)	(2.0)%
620140 Climate Action Plan CAP STRATEGIC INITIATIVES		\$ 2,072,000		\$ —		
<b>Total:</b>	\$ 285,239	\$ 2,072,000	\$ 2,072,000	\$ —	\$ (2,072,000)	(100.0)%
630110 Equipment & Systems OFFICE CONFIGURATION		\$ —		\$ 500		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 500	\$ 500	N/A
630130 Office & Operating Supplies						
<b>Total:</b>	\$ 950	\$ —	\$ —	\$ —	\$ —	N/A
630140 Postage & Shipping						

**Energy**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
ORDINANCE NOTIFICATIONS		\$ 1,100		\$ 300		
<b>Total:</b>	\$ —	\$ 1,100	\$ 1,100	\$ 300	\$ (800)	(72.7)%
660105 Marketing/Outreach						
MARKETING/OUTREACH	\$ —	\$ —	\$ —	\$ 500		
	\$ —	\$ —	\$ —	\$ 500	\$ 500	N/A
660110 Promotional Services						
PROMOTIONAL SERVICES	\$ 9,000	\$ 9,000	\$ 9,000	\$ 3,000		
<b>Total:</b>	\$ 5,512	\$ 9,000	\$ 9,000	\$ 3,000	\$ (6,000)	(66.7)%
660120 Promotional Materials						
PROMOTIONAL MATERIALS	\$ 60,500	\$ 60,500	\$ 60,500	\$ 5,000		
<b>Total:</b>	\$ 1,537	\$ 60,500	\$ 60,500	\$ 5,000	\$ (55,500)	(91.7)%
660135 Eligible Environmental Fund Expenditures						
CAP STRATEGIC INITIATIVES	\$ —	\$ —	\$ —	\$ 13,000		
CLIMATE ACTION PLAN MANAGEMENT				32,000		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 45,000	\$ 45,000	N/A
660170 Joint Programs/Studies Assistance						
BAYWIDE COLLABORATION	\$ —	\$ —	\$ —	\$ 5,000		
REGIONAL CLIMATE INITIATIVES		5,500		—		
SDG&E LOCAL ENERGY PARTNERSHIP		522,900		515,000		
<b>Total:</b>	\$ 255,909	\$ 528,400	\$ 528,400	\$ 520,000	\$ (8,400)	(1.6)%
670130 Permits/Certificates/License						
PERMITS/CERTIFICATES/LICENSE	\$ —	\$ —	\$ —	\$ 200		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 200	\$ 200	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 706,806	\$ 2,780,700	\$ 2,780,700	\$ 682,600	\$ (2,098,100)	(75.5)%
<b>GRAND TOTAL:</b>	\$ 711,191	\$ 2,781,100	\$ 2,781,100	\$ 683,000	\$ (2,098,100)	(75.4)%



## DEPARTMENT OPERATING PLAN

Department:	140 - Engineering-Construction	Planning Cycle:	FY18/19
Director:	Ernesto Medina		
VP/AVP:	Karen Porteous / Cid Tesoro		
MISSION			
"Through tenacious project execution, we build the port that supports the next generation."			
VISION			
"To be a nationally recognized leader in design, construction, and management of port infrastructure."			
			
GOALS			
<ul style="list-style-type: none"><li>• District Survey Tune-Up<ul style="list-style-type: none"><li>○ Determine District Property Boundaries: FY19 – FY23</li><li>○ Updating Vertical and Horizontal Datum: FY19</li><li>○ Develop linear asset registry (Utilities): FY19 – FY23</li></ul></li><li>• Set up and begin utilizing Blue Beam or other plan review tools: FY19</li><li>• Revise CIP process to create incremental funding plan: FY 19</li><li>• Implement true multi-year project budgeting practices FY19 – FY23<ul style="list-style-type: none"><li>○ Establish a rolling fund for Major Maintenance</li></ul></li><li>• AMP – Complete Phase II (EAMS): FY19</li><li>• Exceed 90% execution rate in Major Maintenance: Yearly</li><li>• Complete Design and Construction Manual: FY 19</li><li>• BIM Implementation<ul style="list-style-type: none"><li>○ Digitize/Laser scan existing District assets FY19-FY23<ul style="list-style-type: none"><li>▪ District maintained buildings</li><li>▪ Roadways</li></ul></li></ul></li></ul>			

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## DEPARTMENT OPERATING PLAN

- Utilities
- Marine structures
- ESR Processing: Yearly
  - Achieve 90% Initial Response Time under 48 hours
- Improve Public Outreach: Yearly
  - Marketing liaison for Engineering Department
  - Develop communication plan for every project
- Implement Program/Resource Capacity Dashboard FY18-19
- Increase employee skill levels within the department: Yearly
  - Achieve minimum 3 training courses per employee

### Department Services

- Administration of the Capital Improvement and Major Maintenance Program
- Development and management of public works plans and specifications
- Inspection of public works projects
- Inspection of tenant development projects
- Review of tenant plans
- Administration of the Asset Management Program to support the maintenance of port infrastructure
- Administration of infrastructure asset inventories
- Preparation and updates to condition assessments
- Preparation of engineering studies and investigations
- Load capacity and related calculations
- Cost estimating
- Project scheduling and scope definition
- Exhibit preparation
- Field surveying and mapping services of sites and utilities
- Engineering support for development projects
- Project reporting
- Records retention

## Engineering - Construction

**Reclass:** 2 Associate Engineers to Capital Project Managers I  
 2 Assistant Engineers to Associate Engineers  
 1 Staff Assistant II to Management Analyst  
**Transfer:** 1 Staff Assistant II (Limited) to Variable Staffing  
 4 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Assistant Engineer	4	2
Associate Engineer	4	4
Capital Project Manager I	3	5
Capital Project Manager II	3	3
Chief Engineer/Engineering-Construction	1	1
Civil Designer	2	2
Construction Inspector	2	2
Department Administrative Manager	1	1
Executive Assistant I (Classified)	1	1
Land Surveyor	1	1
Management Analyst	1	2
Manager, Engineering-Construction	5	5
Project Scheduler	1	1
Senior Construction Inspector	2	2
Senior Engineer	1	1
Senior Management Analyst	2	2
Staff Assistant II	1	0
Survey Technician II	1	1
<b>TOTAL</b>	<b>36</b>	<b>36</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Staff Assistant II	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Engineering - Construction

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	4	0
<b>TOTAL</b>	<b>4</b>	<b>0</b>



## Engineering - Construction

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 4,922,752	\$ 5,676,800	\$ 5,677,500	\$ 700	0.0 %
Non-Personnel Expense	479,176	700,200	630,000	(70,200)	(10.0)%
<b>Total Direct Expense</b>	<b>\$ 5,401,928</b>	<b>\$ 6,377,000</b>	<b>\$ 6,307,500</b>	<b>\$ (69,500)</b>	<b>(1.1)%</b>
Less: Capitalized Expense	(2,333,663)	(2,932,800)	(2,782,800)	150,000	(5.1)%
Major Maintenance	1,180,944	950,000	150,000	(800,000)	(84.2)%
Equipment Outlay and Other Capital Projects	150,972	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 4,400,181</b>	<b>\$ 4,394,200</b>	<b>\$ 3,674,700</b>	<b>\$ (719,500)</b>	<b>(16.4)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Regular Salaries & Wages	\$ 3,043,605	\$ 3,569,500	\$ 3,509,600	\$ (59,900)	-1.7%
Overtime	54,847	52,000	52,000	—	0.0%
Burden	1,729,816	2,055,300	2,115,900	60,600	2.9%
Temporary Personnel	94,484	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 4,922,752</b>	<b>\$ 5,676,800</b>	<b>\$ 5,677,500</b>	<b>\$ 700</b>	<b>0.0%</b>

**Engineering - Construction**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 52,000		\$ 52,000		
<b>Total:</b>	\$ 54,847	\$ 52,000	\$ 52,000	\$ 52,000	\$ —	0.0 %
600120 Temporary Personnel						
<b>Total:</b>	\$ 94,484	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 149,331	\$ 52,000	\$ 52,000	\$ 52,000	\$ —	0.0 %
610110 Books & Periodicals						
BOOKS & PERIODICALS		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ 1,104	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 1,100		\$ 1,100		
<b>Total:</b>	\$ 1,033	\$ 1,100	\$ 1,100	\$ 1,100	\$ —	0.0 %
610120 Memberships & Dues						
AMERICAN PUBLIC WORKS ASSOCIATION		\$ 3,200		\$ 3,200		
AMERICAN SOCIETY OF CIVIL ENGINEERS		1,700		1,700		
AMERICAN WATER WORKS ASSOCIATION		200		200		
CONSTRUCTION MGMT ASSOC OF AMERICA		2,700		2,700		
MEMBERSHIPS & DUES		500		500		
<b>Total:</b>	\$ 9,664	\$ 8,300	\$ 8,300	\$ 8,300	\$ —	0.0 %
610140 Seminars & Training						
AUTOCAD TRAINING		\$ 70,000		\$ —		
AUTODESK UNIVERSITY		—		4,000		
PROF DEVELOPMENT/REGULATORY		—		500		
PROFESSIONAL DEVELOPMENT		6,800		21,300		
PROJECT MANAGEMENT		13,500		10,000		
<b>Total:</b>	\$ 46,467	\$ 90,300	\$ 90,300	\$ 35,800	\$ (54,500)	(60.4)%
610150 Tuition Reimbursement Program						
<b>Total:</b>	\$ 1,901	\$ —	\$ —	\$ —	\$ —	N/A
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 23,000		\$ 23,000		
<b>Total:</b>	\$ 27,018	\$ 23,000	\$ 23,000	\$ 23,000	\$ —	0.0 %
615110 Travel						
SEMINAR TRAVEL		\$ 12,000		\$ 27,800		

**Engineering - Construction**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ 14,116	\$ 12,000	\$ 12,000	\$ 27,800	\$ 15,800	131.7 %
620100 Services - Professional & Other						
ASSET MANAGEMENT		\$ 300,000		\$ 225,000		
CIP WORKSHOP - PROJECT ASSESSMENTS		19,600		19,600		
INTERDEPARTMENT PLANNING SUP		—		130,000		
SURVEYING (BASE MAPPING)		130,000		125,000		
TAMT ELEC SYST PLANNING ANALYSIS		88,000		—		
<b>Total:</b>	\$ 344,860	\$ 537,600	\$ 537,600	\$ 499,600	\$ (38,000)	(7.1) %
630110 Equipment & Systems						
<b>Total:</b>	\$ 4,233	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES		\$ 21,000		\$ 26,000		
TWIC CARDS		400		1,100		
<b>Total:</b>	\$ 23,731	\$ 21,400	\$ 21,400	\$ 27,100	\$ 5,700	26.6 %
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 400		\$ 400		
<b>Total:</b>	\$ 213	\$ 400	\$ 400	\$ 400	\$ —	0.0 %
630150 Safety Equipment & Supplies						
SAFETY EQUIPMENT & SUPPLIES		\$ 2,500		\$ 2,500		
<b>Total:</b>	\$ 2,159	\$ 2,500	\$ 2,500	\$ 2,500	\$ —	0.0 %
630160 Small Tools						
CONSTRUCTION STAKING SUPPLIES		\$ 500		\$ 500		
SMALL TOOLS		300		300		
<b>Total:</b>	\$ 486	\$ 800	\$ 800	\$ 800	\$ —	0.0 %
630190 Blueprints						
BLUEPRINTS		\$ —		\$ 500		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 500	\$ 500	N/A
660110 Promotional Services						
ASSOCIATION GENERAL CONTRACTORS		\$ 500		\$ 500		
PROMOTIONAL SERVICES		200		200		
REG CONST PROCUREMENT COMMITTEE		200		200		
<b>Total:</b>	\$ 280	\$ 900	\$ 900	\$ 900	\$ —	0.0 %
670130 Permits/Certificates/License						

**Engineering - Construction**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
PERMITS CERTIFICATES LICENSE		\$ 900		\$ 1,200		
<b>Total:</b>	\$ 1,911	\$ 900	\$ 900	\$ 1,200	\$ 300	33.3 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 479,176	\$ 700,200	\$ 700,200	\$ 630,000	\$ (70,200)	(10.0)%
<b>GRAND TOTAL:</b>	\$ 628,507	\$ 752,200	\$ 752,200	\$ 682,000	\$ (70,200)	(9.3)%

## Enterprise Strategy & Innovation (no longer in FY 2019)

**Transfer:** 1 Director, Enterprise Strategy & Innovation (Limited) to Variable Staffing  
1 Manager, Citizen & Customer Intelligence (Limited) to Variable Staffing  
1 Manager, Innovation & User Experience (Limited) to Variable Staffing

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Director, Enterprise Strategy & Innovation	1	0
Manager, Citizen & Customer Intelligence	1	0
Manager, Innovation & User Experience	1	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>

## Enterprise Strategy & Innovation (no longer in FY 2019)

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 452,109	\$ 504,900	\$ —	\$ (504,900)	(100.0)%
Non-Personnel Expense	18,821	268,500	—	(268,500)	(100.0)%
<b>Total Direct Expense</b>	<b>\$ 470,930</b>	<b>\$ 773,400</b>	<b>\$ —</b>	<b>\$ (773,400)</b>	<b>(100.0)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 470,930</b>	<b>\$ 773,400</b>	<b>\$ —</b>	<b>\$ (773,400)</b>	<b>(100.0)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 354,266	\$ 391,700	\$ —	\$ (391,700)	(100.0)%
Overtime	—	—	—	—	N/A
Burden	97,843	113,200	—	(113,200)	(100.0)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 452,109</b>	<b>\$ 504,900</b>	<b>\$ —</b>	<b>\$ (504,900)</b>	<b>(100.0)%</b>

**Enterprise Strategy & Innovation (no longer in FY 2019)**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET dollars      pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —      N/A
610110 Books & Periodicals					
<b>Total:</b>	\$ 196	\$ —	\$ —	\$ —	\$ —      0.0 %
610115 Employee Recognition EMPLOYEE RECOGNITION	\$ 109	\$ 200	\$ 200	\$ —	\$ (200)      (100.0)%
<b>Total:</b>	\$ 109	\$ 200	\$ 200	\$ —	\$ (200)      (100.0)%
610140 Seminars & Training SEMINARS & TRAINING	\$ 2,137	\$ 6,000	\$ 6,000	\$ —	\$ (6,000)      (100.0)%
<b>Total:</b>	\$ 2,137	\$ 6,000	\$ 6,000	\$ —	\$ (6,000)      (100.0)%
615100 Mileage Reimbursement					
<b>Total:</b>	\$ 374	\$ —	\$ —	\$ —	\$ (2,000)      (33.3)%
615110 Travel TRAVEL	\$ 1,732	\$ 10,000	\$ 10,000	\$ —	\$ (10,000)      (100.0)%
<b>Total:</b>	\$ 1,732	\$ 10,000	\$ 10,000	\$ —	\$ (10,000)      (100.0)%
620100 Services - Professional & Other MOBILITY & AV STUDY PEOPLE CENTERED DESIGN TRAINING PUBLIC SERVICE BENCHMARKING SMART CITY/21 CENT DIGITAL PROTO SMART CITY/21 CENT DIGITAL WAYFIND SMART CITY/21 CENT PHYSICAL PROTO	\$ 64	\$ 50,000 25,000 100,000 30,000 25,000 20,000	\$ 250,000	\$ —	\$ (250,000)      (100.0)%
<b>Total:</b>	\$ 64	\$ 250,000	\$ 250,000	\$ —	\$ (250,000)      (100.0)%
630110 Equipment & Systems					
<b>Total:</b>	\$ 4,715	\$ —	\$ —	\$ —	\$ —      N/A
630130 Office & Operating Supplies OFFICE & OPERATING SUPPLIES	\$ 8,927	\$ 2,000	\$ 2,000	\$ —	\$ (2,000)      (100.0)%
<b>Total:</b>	\$ 8,927	\$ 2,000	\$ 2,000	\$ —	\$ (2,000)      (100.0)%
660110 Promotional Services PROMOTIONAL SERVICES	\$ 568	\$ 300	\$ 300	\$ —	\$ (300)      (100.0)%
<b>Total:</b>	\$ 568	\$ 300	\$ 300	\$ —	\$ (300)      (100.0)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 18,822	\$ 268,500	\$ 268,500	\$ —	\$ (268,500)      (100.0)%

**Enterprise Strategy & Innovation (no longer in FY 2019)**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>GRAND TOTAL:</b>	\$ 18,822	\$ 268,500	\$ 268,500	\$ —	\$ (268,500)	(100.0)%





## DEPARTMENT OPERATING PLAN

<b>Team:</b>	148 - Environmental Conservation	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>			
<b>VP/AVP:</b>	Jason Giffen		
<b>MISSION</b>			
To conserve and enhance natural resources in balance with the Port's trustee responsibilities for commerce, navigation, fisheries and recreation by expanding native habitats and ensuring regulatory compliance through sound resource management.			
<b>VISION</b>			
To advance a thriving waterfront that is sustainable and prosperous while enhancing the quality of the natural environment for present and future generations.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Ensure compliance with regulatory requirements resulting in zero violations or fines for in-water construction CIP/MM projects including for an estimated 17 Army Corps of Engineers and Regional Water Quality Control permits. Additionally, assist tenants with their permit applications and expedited permit processing.</li><li>• Entitle and create a profitable sustainable mitigation bank for Pond 20, initiating construction of 85 acres of wetlands in FY2020.</li><li>• Protect and conserve the Bay's threatened and endangered species through habitat protection and creation, which includes active management of an 80-acre site for a minimum of 150 nesting pairs annually, in compliance with the San Diego Bay-wide Integrated Natural Resources Management Plan and the Environmental Advisory Committee.</li><li>• Implementation of the Chula Vista Bayfront Natural Resources Management Plan to meet the requirements of the Settlement Agreement, in coordination with the Wildlife Advisory Group to ensure the protection of natural resources during the first phase of development for the RV Park, Sweetwater Park and Hotel/Convention Center.</li></ul>			
Environmental Conservation key services include but are not limited to the following:			
<b><u>Compliance with Mandated Regulatory Requirements:</u></b>			
<ul style="list-style-type: none"><li>• Ensure compliance with federal, state and local laws and regulations, including the Clean Water Act; Endangered Species Act; Rivers and Harbors Act; Magnuson-Stevens and Fisheries Management Conservation Act; Migratory Bird Treaty Act; Marine Mammal Protection Act; California Coastal Act; Executive Order W-59-93 (California Wetlands Policy); and California Eelgrass Mitigation Policy.</li><li>• Obtain permits and ensure compliance with in-water construction projects in accordance with Army Corps of Engineers (ACOE) and Regional Water Quality Control Board (RWQCB) permits.</li><li>• Ensure compliance with the ACOE Regional General Permit #72 for routine maintenance of Port piers, docks and wharves.</li><li>• Manage Environmental Education Program for 35,000 students to promote pollution prevention and natural resources instruction.</li><li>• Coordination with Federal and State Resource Agencies regarding Port and Tenant development and redevelopment projects.</li><li>• Provide endangered species management, including predator and invasive species control.</li></ul>			

148 - Environmental Conservation Operating Plan\_vFY19 Budget Book



## DEPARTMENT OPERATING PLAN

- Manage memorandum of agreement with ACOE for Harbor Maintenance Trust Fund.
- Manage expedited permit review and processing for ACOE and RWQCB permits.
- Support Engineering by obtaining permits for CIP and MM projects.
- Pursue and develop regulatory mitigation and accounting procedures for open water, bay fill, eelgrass, wetlands, and upland habitat.
- Maintenance of mitigation credits/banks on Port Tidelands.
- Natural resource damage assessment and remediation.
- Review proposed new legislation.

### Management of the Bay's Natural Resources:

- Manage the Bay's natural resources through the joint Port/Navy Integrated Natural Resources Management Plan.
- Support Development Services and Planning by reviewing CEQA documents for Port and Tenant projects.
- Review tenant project applications for natural resource issues.
- Manage the Environmental Fund.
- Support the Environmental Advisory Committee.
- Manage endangered and threatened species, including predator control services.
- Conduct bay-wide natural resources surveys.
- Support the Wildlife Advisory Group.
- Implementation of the Chula Vista Natural Resources Management Plan.
- Identify and apply for grant funding to implement Port restoration and enhancement projects.
- Living Shoreline construction to assist with resiliency.

### Restoration and Creation of the Bay's Natural Resources

- Planning for the creation and implementation of an 80-acre mitigation bank on Pond 20 to generate revenue and ensure mitigation is available for future Port projects.
- Maintain and monitor eelgrass beds, which will be added to the mitigation bank by 2022.
- Conduct restoration and enhancement of the Bay's natural resources through volunteer cleanup and restoration events on Tidelands.
- Create a wetlands habitat which will be added to the mitigation bank, for 5-acres at D Street Fill and 6-acres at Grand Caribe Isle South by 2026.



## Environmental Conservation

**Transfer:** 1 Staff Assistant II from Planning  
 1 Senior Environmental Specialist (Limited) to Variable Staffing  
**Reclass:** 1 Staff Assistant II to Associate Planner  
 1 Principal, Planning & Green Port to Director, Environmental Conservation

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Associate Planner	0	1
Director, Environmental Conservation	0	1
Principal, Planning & Green Port	1	0
Senior Environmental Specialist	1	1
<b>TOTAL</b>	<b>2</b>	<b>3</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Senior Environmental Specialist	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Environmental Conservation

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ 445,700	\$ 498,800	\$ 53,100	11.9 %
Non-Personnel Expense	—	1,501,200	1,401,100	(100,100)	(6.7)%
<b>Total Direct Expense</b>	<b>\$ —</b>	<b>\$ 1,946,900</b>	<b>\$ 1,899,900</b>	<b>\$ (47,000)</b>	<b>(2.4)%</b>
Less: Capitalized Expense	—	—	(16,100)	(16,100)	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ —</b>	<b>\$ 1,946,900</b>	<b>\$ 1,883,800</b>	<b>\$ (63,100)</b>	<b>(3.2)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ —	\$ 304,500	\$ 326,400	\$ 21,900	7.2%
Overtime	—	—	—	—	N/A
Burden	—	141,200	172,400	31,200	22.1%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ —</b>	<b>\$ 445,700</b>	<b>\$ 498,800</b>	<b>\$ 53,100</b>	<b>11.9%</b>

**Environmental Conservation**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 2,900		\$ 3,500		
<b>Total:</b>	\$ —	\$ 2,900	\$ 2,900	\$ 3,500	\$ 600	20.7 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 800		\$ 1,500		
<b>Total:</b>	\$ —	\$ 800	\$ 800	\$ 1,500	\$ 700	87.5 %
615100 Mllege Reimbursement MILEAGE REIMBURSEMENT		\$ 700		\$ 1,400		
<b>Total:</b>	\$ —	\$ 700	\$ 700	\$ 1,400	\$ 700	100.0 %
615110 Travel TRAVEL		\$ 1,800		\$ 2,500		
<b>Total:</b>	\$ —	\$ 1,800	\$ 1,800	\$ 2,500	\$ 700	38.9 %
620100 Services - Professional & Other EELGRASS SURVEYS ENDANGERED SPECIES MANAGEMENT ON-CALL NATURAL RESOURCE CONSULTANT		\$ 15,000 — —		\$ 20,000 75,000 125,000		
<b>Total:</b>	\$ —	\$ 15,000	\$ 15,000	\$ 220,000	\$ 205,000	1,366.7 %
630110 - Equipment & Systems OFFICE RECONFIGURATION		\$ —		\$ 1,000		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 1,000	\$ 1,000	N/A
630150 - Safety Equipment & Supplies SAFETY EQUIPMENT & SUPPLIES		\$ 300		\$ 300		
<b>Total:</b>	\$ —	\$ 300	\$ 300	\$ 300	\$ —	0.0 %
660110 - Promotional Services PROMOTIONAL SERVICES		\$ 21,200		\$ 21,200		
<b>Total:</b>	\$ —	\$ 21,200	\$ 21,200	\$ 21,200	\$ —	0.0 %
660135 - Eligible Environment Fund Expenditures BAYWIDE BIRD SURVEYS CA SEA GRANT FELLOWS CLAPPER RAIL PROPOGATION PROGRAM CV BAYFRONT SETTLEMENT AGREEMENT ST ENDANGERED SPECIES MANAGEMENT		\$ 15,000 — 20,000 50,000 75,000		\$ — 67,000 20,000 75,000 —		

**Environmental Conservation**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS	ORIGINAL BUDGET	ADJUSTED BUDGET	BUDGET	CHANGE FROM ADJUSTED BUDGET	
	FY 2017	FY 2018	FY 2018	FY 2019	dollars	pct
ENVIRONMENTAL EDU SCHOOL PARTNERSHIP		300,000		300,000		
ENVIRONMENTAL EDUCATION		15,000		—		
LIVING COAST DISCOVERY CENTER		40,000		—		
MITIGATION BANKING		700,000		628,200		
ON-CALL NATURAL RESOURCE CONSULTANT		125,000		—		
RESTORATION PROJECTS		5,000		5,000		
SHORELINE EROSION STUDY-OYSTER REEF		100,000		45,000		
<b>Total:</b>	\$ —	\$ 1,445,000	\$ 1,445,000	\$ 1,140,200	\$ (304,800)	(21.1)%
660170 Joint Program Studies Assistance						
SANDAG-IMPERIAL BEACH SAND		\$ 3,500		\$ 4,500		
<b>Total:</b>	\$ —	\$ 3,500	\$ 3,500	\$ 4,500	\$ 1,000	28.6 %
670130 Permits/Certificates/License						
PERMITS & LICENCES		\$ 10,000		\$ 5,000		
<b>Total:</b>	\$ —	\$ 10,000	\$ 10,000	\$ 5,000	\$ (5,000)	(50.0)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ —	\$ 1,501,200	\$ 1,501,200	\$ 1,401,100	\$ (100,100)	(6.7)%
<b>GRAND TOTAL:</b>	\$ —	\$ 1,501,200	\$ 1,501,200	\$ 1,401,100	\$ (100,100)	(6.7)%





## DEPARTMENT OPERATING PLAN

<b>Department:</b>	146 - Environmental Protection	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Karen Holman		
<b>VP/AVP:</b>	Jason Giffen		
<b>MISSION</b>			
Develop a culture of environmental stewardship to protect and enhance the tidelands and its marine ecosystems. Support District and tenant projects through all facets of development and operations to ensure compliance with environmental laws and regulations.			
<b>VISION</b>			
Pollution Prevention. Healthy Ecosystems. Enhanced Experiences.			
<b>GOALS</b>			
<ol style="list-style-type: none"><li>1. Champion and promote a healthy bay by visibly demonstrating improvements to bay waters, sediments and ecosystems.</li><li>2. Attain and maintain environmental compliance at District and tenant facilities through process improvement, reduced response time, and improved communication strategies.</li><li>3. Take proactive actions to improve the District's environmental footprint and reduce District liabilities.</li></ol>			
<b><u>Department Overview:</u></b>			
<p>Environmental Protection (EP) is a highly functioning department that develops, supports and implements environmental programs in compliance with regulatory laws, permits and requirements. EP staff complete complex and technical work products and deliver essential environmental compliance services that provide value to District operations. EP's primary functions include support services for stormwater pollution control, site assessment and remediation, hazardous waste management, regulatory monitoring, along with environmentally themed education, outreach and training for internal departments and external stakeholders.</p> <p>EP professional staff are focused on ensuring District compliance with rules and regulations to reduce liability, and improving bay health through coordination with stakeholders (internal &amp; external). A significant portion of EP's core work is ongoing, requiring an annual level of staff support to ensure prompt and personal attention to (A) program development &amp; implementation; (B) field investigations &amp; inspections; (C) annual monitoring &amp; reporting; (D) policy development; and (E) interpretation &amp; enforcement of District environmental policies.</p>			



## DEPARTMENT OPERATING PLAN

### EP Department Key Services:

- Inspections
- Monitoring & Reporting
- Data Tracking/Analysis
- Stakeholder/Agency Collaboration
- Education/Outreach/Training
- Regulatory Compliance Oversight
- Field Investigations
- Enforcement
- Policy Development
- Cross-departmental support
- Plan Review/Approval (stormwater)
- Hazardous Waste Management



## Environmental Protection

**Transfer:** 1 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Associate Environmental Specialist	2	2
Director, Environmental Protection	1	1
Environmental Compliance Inspector	1	1
Program Manager, Planning & Green Port	2	2
Senior Environmental Specialist	4	4
<b>TOTAL</b>	<b>10</b>	<b>10</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Environmental Protection

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ 1,414,600	\$ 1,470,800	\$ 56,200	4.0%
Non-Personnel Expense	—	2,103,600	3,408,000	1,304,400	62.0%
<b>Total Direct Expense</b>	<b>\$ —</b>	<b>\$ 3,518,200</b>	<b>\$ 4,878,800</b>	<b>\$ 1,360,600</b>	<b>62.0%</b>
Less: Capitalized Expense	—	—	(1,000)	(1,000)	62.0%
Equipment Outlay and Other Capital Projects	—	7,700	125,000	117,300	62.0%
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ —</b>	<b>\$ 3,525,900</b>	<b>\$ 5,002,800</b>	<b>\$ 1,476,900</b>	<b>62.0%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ —	\$ 927,800	\$ 941,600	\$ 13,800	4.0%
Overtime	—	1,300	1,300	—	4.0%
Burden	—	485,500	527,900	42,400	4.0%
Temporary Personnel	—	—	—	—	4.0%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ —</b>	<b>\$ 1,414,600</b>	<b>\$ 1,470,800</b>	<b>\$ 56,200</b>	<b>62.0%</b>

### EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DESCRIPTION	UNIT COST	BUDGET FY 2019
STORMWATER BMP DESIGN AT B STREET PIER <sup>(1)</sup>	1	\$ 75,000
TRASH CAPTURE SYSTEM RETROFIT DESIGN <sup>(1)</sup>	1	50,000
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>2</b>	<b>\$ 125,000</b>

**Note:**

<sup>(1)</sup> Funded from Environmental Fund.

**Environmental Protection  
EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ 1,300		\$ 1,300		
<b>Total:</b>	\$ —	\$ 1,300	\$ 1,300	\$ 1,300	\$ —	— %
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ 1,300	\$ 1,300	\$ 1,300	\$ —	— %
610100 - Awards AWARDS		\$ —		\$ 700		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 700	\$ 700	N/A
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 1,400		\$ 500		
<b>Total:</b>	\$ —	\$ 1,400	\$ 1,400	\$ 500	\$ (900)	(64.3)%
610140 Seminars & Training SEMINARS & TRAINING		\$ 6,000		\$ 8,500		
<b>Total:</b>	\$ —	\$ 6,000	\$ 6,000	\$ 8,500	\$ 2,500	41.7 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 2,200		\$ 800		
<b>Total:</b>	\$ —	\$ 2,200	\$ 2,200	\$ 800	\$ (1,400)	(63.6)%
615110 Travel TRAVEL		\$ 4,500		\$ 5,100		
<b>Total:</b>	\$ —	\$ 4,500	\$ 4,500	\$ 5,100	\$ 600	13.3 %
620100 Services - Professional & Other ENVIRONMENTAL INVESTIGATIONS		\$ —		\$ 155,000		
MS4 PERMIT-WATERSHED IMPLEMENTATION		29,000		58,000		
REGIONAL HARBOR MONITORING		125,000		514,500		
STORMWATER PROGRAM IMPLEMENTATION		—		523,000		
<b>Total:</b>	\$ —	\$ 154,000	\$ 154,000	\$ 1,250,500	\$ 1,096,500	712.0 %
630110 - Equipment & Systems EQUIPMENT & SYSTEMS		\$ —		\$ 2,000		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 2,000	\$ 2,000	N/A
630140 - Postage & Shipping POSTAGE & SHIPPING		\$ —		\$ 200		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 200	\$ 200	N/A
630150 - Safety Equipment & Supplies SAFETY EQUIPMENT & SUPPLIES		\$ 900		\$ 900		

**Environmental Protection**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ —	\$ 900	\$ 900	\$ 900	\$ —	0.0 %
630160 - Small Tools						
SMALL TOOLS	\$ —	\$ —	\$ —	\$ 500		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 500	\$ 500	N/A
650100 - Facilities Maintenance						
FACILITIES MAINTENANCE	\$ —	\$ —	\$ —	\$ 800		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 800	\$ 800	N/A
660110 - Promotional Services						
PROMOTIONAL SERVICES	\$ —	\$ —	\$ —	\$ 7,800		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 7,800	\$ 7,800	N/A
660120 - Promotional Materials						
PROMOTIONAL MATERIALS	\$ —	\$ —	\$ —	\$ 2,600		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 2,600	\$ 2,600	N/A
660135 - Eligible Environmental Fund Expenditures						
ENV MONITORING NEW INCUBATOR PROJECT	\$ —	\$ —	\$ —	\$ 100,000		
ENVIRONMENTAL CHAMPIONS				50,000		
ENVIRONMENTAL DATABASE & GIS TOOL				80,000		
ENVIRONMENTAL INVESTIGATIONS		273,000		—		
REGIONAL HARBOR MONITORING				535,500		
STORMWATER CREDIT PROGRAM				50,000		
STORMWATER PROGRAM IMPLEMENTATION		543,000		—		
STORMWATER STRATEGY				265,000		
TRASH RETROFIT PROGRAM DEV				50,000		
<b>Total:</b>	\$ —	\$ 816,000	\$ 816,000	\$ 1,130,500	\$ 314,500	38.5 %
660140 - Remediation						
REMEDIATION	\$ 267,000			\$ 100,000		
<b>Total:</b>	\$ —	\$ 267,000	\$ 267,000	\$ 100,000	\$ (167,000)	(62.5)%
660150 - Refuse & Hazardous Waste Disposal						
HAZARDOUS WASTE MANAGEMENT	\$ 163,000			\$ 142,000		
<b>Total:</b>	\$ —	\$ 163,000	\$ 163,000	\$ 142,000	\$ (21,000)	(12.9)%
660170 Joint Program Studies Assistance						
BAYWIDE COLLABORATION	\$ 115,000			\$ 67,000		
CO-PERMITTEE COST SHARE	26,000			19,800		

**Environmental Protection**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS	ORIGINAL BUDGET	ADJUSTED BUDGET	BUDGET	CHANGE FROM ADJUSTED BUDGET	
	FY 2017	FY 2018	FY 2018	FY 2019	dollars	pct
COPPER REDUCTION PROGRAM		208,000		286,000		
INTEGRATED PEST MANAGEMENT		10,000		10,000		
REGULATORY FEES		140,500		145,000		
SHELTER ISLAND TMDL		90,000		90,000		
TDML IMPLEMENTATION		62,000		95,000		
<b>Total:</b>	\$ —	\$ 651,500	\$ 651,500	\$ 712,800	\$ 61,300	9.4 %
670130 Permits/Certificates/License						
PERMITS & LICENCES		\$ 37,100		\$ 41,800		
<b>Total:</b>	\$ —	\$ 37,100	\$ 37,100	\$ 41,800	\$ 4,700	12.7 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ —	\$ 2,103,600	\$ 2,103,600	\$ 3,408,000	\$ 1,304,400	62.0 %
<b>GRAND TOTAL:</b>	\$ —	\$ 2,104,900	\$ 2,104,900	\$ 3,409,300	\$ 1,304,400	62.0 %

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## Executive Offices

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Assistant to President/CEO	1	1
Assistant to Vice President	6	6
Assistant Vice President	4	4
Chief Administrative Officer/Vice President	1	1
Chief Financial Officer/Treasurer	1	1
Chief Marketing Officer/Vice President	1	1
Chief Operating Officer/Vice President	1	1
Executive Director	1	1
<b>TOTAL</b>	<b>16</b>	<b>16</b>

## Executive Offices

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 2,932,981	\$ 3,286,200	\$ 3,428,700	\$ 142,500	4.3%
Non-Personnel Expense	206,191	412,100	587,100	175,000	42.5%
<b>Total Direct Expense</b>	<b>\$ 3,139,172</b>	<b>\$ 3,698,300</b>	<b>\$ 4,015,800</b>	<b>\$ 317,500</b>	<b>8.6%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 3,139,172</b>	<b>\$ 3,698,300</b>	<b>\$ 4,015,800</b>	<b>\$ 317,500</b>	<b>8.6%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,998,493	\$ 2,079,900	\$ 2,341,200	\$ 261,300	12.6 %
Overtime	13,840	15,000	15,000	—	0.0 %
Burden	920,648	1,191,300	1,072,500	(118,800)	(10.0)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 2,932,981</b>	<b>\$ 3,286,200</b>	<b>\$ 3,428,700</b>	<b>\$ 142,500</b>	<b>4.3 %</b>



**Executive Offices**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 15,000		\$ 15,000		
<b>Total:</b>	\$ 13,840	\$ 15,000	\$ 15,000	\$ 15,000	\$ —	0.0%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 13,840	\$ 15,000	\$ 15,000	\$ 15,000	\$ —	0.0%
610110 Books & Periodicals						
BOOKS & PERIODICALS		\$ 2,300		\$ 2,300		
<b>Total:</b>	\$ 1,011.72	\$ 2,300	\$ 2,300	\$ 2,300	\$ —	0.0%
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 5,100		\$ 5,100		
<b>Total:</b>	\$ 3,514.81	\$ 5,100	\$ 5,100	\$ 5,100	\$ —	0.0%
610120 Memberships & Dues						
MEMBERSHIP & DUES		\$ 6,400		\$ 6,400		
<b>Total:</b>	\$ 18,450	\$ 6,400	\$ 6,400	\$ 6,400	\$ —	0.0%
610140 Seminars & Training						
DIVISION TRAINING		\$ 48,000		\$ 48,000		
SEMINARS & TRAINING		64,400		64,400		
<b>Total:</b>	\$ 60,391.73	\$ 112,400	\$ 112,400	\$ 112,400	\$ —	0.0%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 21,200		\$ 21,200		
<b>Total:</b>	\$ 15,810	\$ 21,200	\$ 21,200	\$ 21,200	\$ —	0.0%
615110 Travel						
TRAVEL		\$ 134,800		\$ 134,800		
<b>Total:</b>	\$ 48,225	\$ 134,800	\$ 134,800	\$ 134,800	\$ —	0.0%
620100 Services - Professional & Other						
SERVICES - PROFESSIONAL & OTHER		\$ 45,000		\$ 220,000		
<b>Total:</b>	\$ 24,600	\$ 45,000	\$ 45,000	\$ 220,000	\$ 175,000	388.9%
630120 Equipment Rental/Leasing						
<b>Total:</b>	\$ 5,000	\$ —	\$ —	\$ —	\$ —	0.0%
630130 Office & Operating Supplies						
OFFICE SUPPLIES		\$ 10,000		\$ 10,000		
<b>Total:</b>	\$ 9,013	\$ 10,000	\$ 10,000	\$ 10,000	\$ —	0.0%
630140 Postage & Shipping						

**Executive Offices**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
POSTAGE		\$ 300		\$ 300		
<b>Total:</b>	\$ 292.06	\$ 300	\$ 300	\$ 300	\$ —	0.0%
660110 Promotional Services						
PROMOTIONAL SERVICES	\$ 14,300			\$ 14,300		
<b>Total:</b>	\$ 19,882.66	\$ 14,300	\$ 14,300	\$ 14,300	\$ —	0.0%
670130 Permits/Certificates/License						
PERMITS/CERTIFICATES/LICENSE	\$ 300			\$ 300		
<b>Total:</b>	\$ —	\$ 300	\$ 300	\$ 300	\$ —	0.0%
670190 Other Miscellaneous Operating Expenses						
CONTINGENCY	\$ 60,000			\$ 60,000		
<b>Total:</b>	\$ —	\$ 60,000	\$ 60,000	\$ 60,000	\$ —	0.0%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 206,191	\$ 412,100	\$ 412,100	\$ 587,100	\$ 175,000	42.5%
<b>GRAND TOTAL:</b>	\$ 220,031	\$ 427,100	\$ 427,100	\$ 602,100	\$ 175,000	41.0%

## Financial Assistance

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ —	\$ —	\$ —	N/A
Non-Personnel Expense	108,019	406,500	300,000	(106,500)	(26.2)%
<b>Total Direct Expense</b>	<b>\$ 108,019</b>	<b>\$ 406,500</b>	<b>\$ 300,000</b>	<b>\$ (106,500)</b>	<b>(26.2)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 108,019</b>	<b>\$ 406,500</b>	<b>\$ 300,000</b>	<b>\$ (106,500)</b>	<b>(26.2)%</b>

**Financial Assistance**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
660160 Financial Assistance/Grants/Contribution						
MARITIME INDUSTRIAL IMPACT FUND		\$ 406,500		\$ 300,000		
<b>Total:</b>	\$ 108,019	\$ 406,500	\$ 406,500	\$ 300,000	\$ (106,500)	(26.2)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 108,019	\$ 406,500	\$ 406,500	\$ 300,000	\$ (106,500)	(26.2)%
<b>GRAND TOTAL:</b>	\$ 108,019	\$ 406,500	\$ 406,500	\$ 300,000	\$ (106,500)	(26.2)%



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	Financial Services	<b>Planning Cycle:</b>	2019
<b>Director:</b>	Jeanette Sales		
<b>VP/AVP:</b>	Robert DeAngelis		
<b>MISSION</b>			
To safeguard the District’s financial assets, provide liquidity to fund its operations and capital requirements, and facilitate the District’s business by providing expert financial planning and analysis, financial reporting, risk management and proper functioning of safe work practices, efficient processes that support our customers’ needs, and excellent services to our customers and business partners.			
<b>VISION</b>			
To provide and facilitate optimal financial management, treasury, and risk management and safety services for the District.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Issue timely invoicing of monies due to the District and timely payment of District obligations</li><li>• Prudently invest the District’s funds</li><li>• Provide funds for the District’s operations and capital requirements</li><li>• Build and maintain collaborative stakeholder relationships</li><li>• Deliver timely and accurate financial results</li><li>• Improve and document key processes and cross-train staff to reduce single points of failure</li><li>• Safeguard District assets, including the employees</li><li>• Reinforce a safe, open, and secure work environment for District employees</li><li>• Remain current on industry trends and accounting standards</li><li>• Recruit and retain a highly skilled and diverse workforce</li><li>• Reinforce District’s safety program for all employees</li></ul>			
Financial Services’ key services include but are not limited to the following:			
<b><u>Accounting</u></b>			
<ul style="list-style-type: none"><li>• Month-end and year-end closing</li><li>• Oversight on accounts receivable/billing, accounts payable, and related processes</li><li>• Tenant account maintenance and aging reports</li><li>• Accounts payable regulatory and reporting compliance (i.e., EDD, 1099, etc.)</li><li>• Long-term debt accounting (Series A and B bonds, Airport)</li><li>• Review and oversee internal controls</li><li>• New accounting standards implementation</li><li>• Regulatory compliance support</li><li>• Cost allocation and cost analysis</li><li>• Capitalization of assets</li><li>• Oversee funds and reserves</li><li>• Cash status</li><li>• Preservation of Benefit (POB)</li><li>• Bank reconciliations and other general ledger reconciliations</li></ul>			



## DEPARTMENT OPERATING PLAN

### **Cash Management**

- Perform daily cash management functions, including cash receipts, parking meter coin deposits, and wire transfers
- Manage District's fixed-income investment portfolio, banking relationships, and debt administration functions
- Direct the investment of bond proceeds and administer debt activities
- Review and approve routed agenda financial impact statements

### **Audit Support**

- Annual external independent audit support (i.e., meetings, confirmations, sub-certification, etc.)
- Airport Authority audit
- Workers' compensation audit
- Granting agencies audits

### **Special Programs/Projects**

- Cost recovery, overhead analysis, burden, analysis, and teamster negotiations
- Bond reissuance and refinancing
- Fitch and Standard & Poor's credit rating reviews
- Commissioner requests

### **Department Management, Administration, and Training**

- Personnel matters, training staff, and segregation of duties
- Planning, review, oversight, agendas, and Board memos
- Develop and maintain policies, procedures, and class specifications

### **Travel Reimbursement Review and Processing**

- Ensure accuracy of travel reimbursement requests
- Payment processing

### **Budget Administration**

- Plan and coordinate annual budget process
- Review direct labor, overhead, and burden rates
- Review billing rates for Harbor Police service to Airport
- Budget book development
- Mid-year budget review

### **Financial Planning, Reporting, and Analysis**

- Monthly management reports and performance metrics
- Statements of Net Position
- Statements of Revenues, Expenses, and Changes in Net Position
- Management's Discussion and Analysis and notes to audited financial statements
- Statements of Cash Flows
- Comprehensive Annual Financial Report (CAFR) and respective award submission
- Report Preparation: Special District, AAPA, Member City, Terminal, State Lands Commissions, etc.
- Continuing disclosure for 2004 and 2013 Series Bonds
- Research accounting treatment and implement new Government Accounting Standards Board (GASB) pronouncements
- Regulatory compliance
- Airport true-up

### **Five Year Cash Flow Forecast**

- Develop and maintain Five Year Cash Flow Forecast

### **SAP and IT System Upgrades**

- SAP enhancement support
- Funds Management (FM) Module upgrade – required for grants module implementation



## DEPARTMENT OPERATING PLAN

- Grants module implementation
- HR/Payroll module improvements
- Travel module enhancements
- RE module implementation
- Workiva support (i.e., CAFR, budget book, and monthly management variance report)
- Management report and performance metric improvements
- Other: EMOS improvements, other enhancements, and IT system upgrades and implementations including special projects

### Grants

- Monthly billings
- Monthly and quarterly financial reporting
- Federal Expenditure Reports for A-133 Single Audit
- Audit by granting agencies
- Monitoring financial reporting regulatory compliance
- Grant consultations and meetings

### Payroll

- Bi-weekly payroll processing
- Quarterly and year-end reporting
- Research employee pay issues
- HR master data entries and updates
- Payroll regulatory compliance and updates (i.e., IRS, state, District policies, etc.)
- Payroll audits
- Payroll - retirement plan bi-weekly files to SDCERS, coordination, and analysis
- SAP system improvement changes required to streamline the HR/Payroll module
- Timecard administration and oversight
- Internal control process issues including time entry
- Process improvement efforts

### Risk Management

- Management of workers' compensation program
- Purchase and maintenance of District's insurance policies
- Recovery of claim costs
- Project and contract review for safety and insurance requirements
- Tracking proof of insurance from District tenants and contractors

### Safety

- Establishment of safety policies and procedures
- Tracking Occupational Safety and Health Administration regulations and determining their impact on the District
- Safety training
- Investigations of accidents and injuries

## Financial Services

**Replace:** 1 Financial Analyst with 1 Senior Financial Analyst

**Transfer:** 1 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Accounting Supervisor	1	1
Department Manager, Financial Services	3	3
Deputy Treasurer	1	1
Director, Financial Services	1	1
Executive Assistant I (Unclassified)	1	1
Financial Analyst	1	0
Financial Technician	3	3
Lead Accounting Technician	2	2
Payroll Specialist	1	1
Payroll Technician	1	1
Risk and Safety Manager	1	1
Risk Management Analyst	1	1
Safety Specialist II	2	2
Senior Accountant	2	2
Senior Financial Analyst	4	5
<b>TOTAL</b>	<b>25</b>	<b>25</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>



## Financial Services

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 3,181,786	\$ 3,237,700	\$ 3,583,700	\$ 346,000	10.7 %
Non-Personnel Expense	1,385,968	1,951,000	1,777,600	(173,400)	(8.9)%
<b>Total Direct Expense</b>	<b>\$ 4,567,754</b>	<b>\$ 5,188,700</b>	<b>\$ 5,361,300</b>	<b>\$ 172,600</b>	<b>3.3 %</b>
Less: Capitalized Expense	(93)	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 4,567,661</b>	<b>\$ 5,188,700</b>	<b>\$ 5,361,300</b>	<b>\$ 172,600</b>	<b>3.3 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,860,300	\$ 2,031,600	\$ 2,146,400	\$ 114,800	5.7%
Overtime	1,988	—	—	—	N/A
Burden	1,319,498	1,206,100	1,437,300	231,200	19.2%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 3,181,786</b>	<b>\$ 3,237,700</b>	<b>\$ 3,583,700</b>	<b>\$ 346,000</b>	<b>10.7%</b>

**Financial Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
<b>Total:</b>	\$ 1,988	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 1,988	\$ —	\$ —	\$ —	\$ —	N/A
610100 Awards - Service						
RISK - SAFETY AWARDS	\$ 2,000			\$ 2,000		
<b>Total:</b>	\$ 42.98	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
610110 Books & Periodicals						
PROFESSIONAL PUBLICATIONS	\$ 1,000			\$ 1,000		
RISK - PUBLICATIONS	1,200			1,200		
<b>Total:</b>	\$ 1,213	\$ 2,200	\$ 2,200	\$ 2,200	\$ —	0.0 %
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$ 800			\$ 800		
<b>Total:</b>	\$ 903	\$ 800	\$ 800	\$ 800	\$ —	0.0 %
610120 Memberships & Dues						
AMER INST OF CPA'S	\$ 300			\$ 300		
ASSN FOR FINANCIAL PROF'LS	600			600		
CA MUNI TREASURERS ASSN	300			300		
CA SOC OF CPA'S	1,600			1,600		
CA SOC OF MUNI FINANCE OFFICER	500			500		
GOVT FINANCE OFFICERS ASSN	800			800		
MEMBERSHIPS & DUES	1,000			1,000		
RISK - RELATED	1,000			1,000		
SAN DIEGO CREDIT ASSOCIATION	300			300		
<b>Total:</b>	\$ 4,833	\$ 6,400	\$ 6,400	\$ 6,400	\$ —	0.0 %
610140 Seminars & Training						
AAPA	\$ —			\$ 1,500		
ANNUAL GOVT GAAP UPDATE	1,600			1,600		
AP/1099/SALES TAX TRAINING	2,000			1,000		
APA PAYROLL TRAINING	1,000			3,900		
ASSN FOR FINANCIAL PROF'LS	1,600			1,700		
CA MUNI TREASURER'S ASSN	400			500		
CA SOC OF CPA'S	1,500			1,500		
CA SOC OF MUNI FINANCE OFFICER	1,000			1,000		
CERTIFICATION COURSES & WEBINARS	500			500		

**Financial Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
GASB TRAINING		26,500		—		
GOVT FINANCE OFFICERS ASSN		3,000		3,000		
GRANT TRAINING		—		1,000		
LEAN SIX SIGMA-GREEN BELT TRAINING		—		11,700		
RISK - RELATED		2,500		2,500		
TECHNICAL TRAINING		24,200		5,200		
WORKIVA		5,000		2,000		
<b>Total:</b>	\$ 5,713	\$ 70,800	\$ 70,800	\$ 38,600	\$ (32,200)	(45.5)%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 4,500		\$ 4,500		
RISK - RELATED		300		300		
<b>Total:</b>	\$ 2,511	\$ 4,800	\$ 4,800	\$ 4,800	\$ —	0.0 %
615110 Travel						
AAPA TRAVEL		\$ —		\$ 2,500		
APA CONFERENCE		2,000		2,000		
ASSN FOR FINANCIAL PROF'LS		1,800		1,900		
CA SOC OF MUNI FINANCE OFFICER		1,800		3,300		
GOVT FINANCE OFFICERS ASSN		3,500		3,500		
RISK - RELATED		1,500		2,500		
WORKIVA		3,000		3,000		
<b>Total:</b>	\$ 1,745	\$ 13,600	\$ 13,600	\$ 18,700	\$ 5,100	37.5 %
620100 Services - Professional & Other						
ACTUARIAL VALUATION SERVICES		\$ 46,000		\$ 17,000		
ARBITRAGE FEES - BONDS		4,000		4,200		
BLOOMBERG FINANCE LP		33,000		34,000		
FINANCIAL ADVISOR		99,700		—		
INVESTMENT PORTFOLIO FEE		1,900		1,900		
LEASE ACCT/CODIFICATION FIN RPT		58,100		38,100		
OPEB-GASB 75 IMPLEMENTATION		35,000		—		
RATING AGENCY SURVEILLANCES		15,000		—		
REVENUE BONDS TRUSTEE		1,500		1,600		
RISK - ACCIDENT INVESTIGATIONS		3,000		2,000		
RISK - AED PROGRAM		600		600		
RISK - HEARING CONSERVATION		2,500		2,500		
RISK - INSURANCE CERT TRACKING		15,000		15,000		
RISK - PHYSICALS		19,000		19,000		

**Financial Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
UNION BANK OF CA TRUST ACCT		10,500		11,000		
US BANK (ESCROW AGNT DEP FEE)		1,500		1,600		
<b>Total:</b>	\$ 97,960	\$ 346,300	\$ 346,300	\$ 148,500	\$ (197,800)	(57.1)%
630110 Equipment & Systems						
EQUIPMENT & SYSTEMS	\$ 4,500			\$ 4,500		
RISK - RELATED		20,000		20,000		
<b>Total:</b>	\$ 23,873	\$ 24,500	\$ 24,500	\$ 24,500	\$ —	0.0 %
630130 Office & Operating Supplies						
OFFICE SUPPLIES	\$ 17,000			\$ 17,000		
<b>Total:</b>	\$ 14,627	\$ 17,000	\$ 17,000	\$ 17,000	\$ —	0.0 %
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$ 6,000			\$ 6,000		
<b>Total:</b>	\$ 4,840	\$ 6,000	\$ 6,000	\$ 6,000	\$ —	0.0 %
630150 Safety Equipment & Supplies						
RISK - RELATED	\$ 5,500			\$ 4,000		
<b>Total:</b>	\$ 6,360	\$ 5,500	\$ 5,500	\$ 4,000	\$ (1,500)	(27.3)%
650120 Equipment Maintenance - Supplies						
RISK - RELATED	\$ 1,200			\$ 1,200		
<b>Total:</b>	\$ 166	\$ 1,200	\$ 1,200	\$ 1,200	\$ —	0.0 %
650130 Equipment Maintenance - Outside Services						
RISK - RELATED	\$ 2,000			\$ 2,000		
<b>Total:</b>	\$ —	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
660110 Promotional Services						
PROMOTIONAL SERVICES	\$ 1,000			\$ 1,000		
RISK - RELATED		1,500		1,500		
<b>Total:</b>	\$ 621	\$ 2,500	\$ 2,500	\$ 2,500	\$ —	0.0 %
670105 Bank & Credit Card Fees						
BANK FEES	\$ 49,000			\$ 49,000		
CREDIT CARD FEES		12,000		12,000		
<b>Total:</b>	\$ 50,409	\$ 61,000	\$ 61,000	\$ 61,000	\$ —	0.0 %
670110 Insurance						
RISK - BROKER FEES	\$ 45,000			\$ 45,000		
RISK - INSURANCE PREMIUMS		1,331,000		1,381,000		
<b>Total:</b>	\$ 1,166,548	\$ 1,376,000	\$ 1,376,000	\$ 1,426,000	\$ 50,000	3.6 %

**Financial Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
670120 Insurance Claims						
RISK - RELATED		\$ 5,000		\$ 5,000		
<b>Total:</b>	\$ —	\$ 5,000	\$ 5,000	\$ 5,000	\$ —	0.0 %
670130 Permits/Certificates/License						
PERMITS/CERTIFICATES/LICENSE		\$ 400		\$ 400		
RISK - RELATED		3,000		6,000		
<b>Total:</b>	\$ 3,603	\$ 3,400	\$ 3,400	\$ 6,400	\$ 3,000	88.2 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 1,385,968	\$ 1,951,000	\$ 1,951,000	\$ 1,777,600	\$ (173,400)	(8.9)%
<b>GRAND TOTAL:</b>	\$ 1,387,956	\$ 1,951,000	\$ 1,951,000	\$ 1,777,600	\$ (173,400)	(8.9)%

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	136 - General Services	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Marco Cromartie		
<b>VP/AVP:</b>	Karen Porteous / Cid Tesoro		
<b>MISSION</b>			
Protect the Tidelands Trust by providing cost-effective, reliable, and responsive support services through efficient and sustainable operation and maintenance of the District assets, equipment, facilities, grounds and infrastructure.			
<b>VISION</b>			
Excellence, innovation, and leadership in maintenance and support services.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Develop and maintain District infrastructure to support business and economic goals.</li><li>• Optimize infrastructure investments; provide top quality facility and fleet management.</li><li>• Provide responsive, cost-effective support and services to internal and external customers.</li><li>• Control costs through systematic approaches to maintenance and repairs.</li><li>• Generate efficiencies and improve the availability, safety, reliability and longevity of physical assets.</li><li>• Be an innovative leader in facilities management; a partner in solving customers' problems; and the provider of choice.</li><li>• Ensure maintenance activities are aligned with industry standards and applied in an environmentally responsible manner.</li><li>• Foster an environment of continuous and measurable improvement.</li><li>• Promote an atmosphere of trust that encourages creativity and innovation.</li><li>• Maintain a culture of safety for employees, visitors and the general public.</li><li>• Reduce and prevent safety mishaps/accidents.</li><li>• Cultivate a collaborative, diverse work force, where all employees are treated equitably and honestly; and empowered and supported to reach their full potential.</li><li>• Invest in the professional development and training of all employees.</li></ul>			
<p>The District hired a consulting firm to perform an analysis to evaluate the tasks performed by the General Services Department (GS) and compare them to 'industry standard' staffing levels. A common practice within industry standards and benchmarks is to develop four target service-levels for each asset category and trade/maintenance type. A common set of service-level designations was developed for the District and mapped to the applicable industry standard. For the purposes of this analysis the four identified service-levels utilized were:</p> <ul style="list-style-type: none"><li>• Port Excellence</li><li>• Port Standard (<i>targeted service-level for FY19</i>)</li><li>• Port Fundamental</li><li>• Port Minimum</li></ul>			

136 – General Services Operating Plan\_vFY19 Budget Book





## DEPARTMENT OPERATING PLAN

Using Port Excellence as the targeted service-level across all business lines would in essence enable GS to provide a “Disney” level of support/service throughout the Tidelands. This would present a fiscal challenge for the District, which could prove to be unsustainable. Accordingly, Port Standard was chosen as the targeted service-level across all business lines. Examples of what Port Standard provides include:

- **Facilities Service:** Maintenance activities appear organized with direction. Equipment and building components are usually functional and in operating condition. Service and maintenance calls are responded to in a timely manner. Buildings and equipment are regularly upgraded, keeping them current with modern standards and usage.
- **Custodial Service:** Floors and base moldings shine and/or are bright and clean. There is no buildup in corners or along walls, but there can be up to two days' worth of dust, dirt, stains, or streaks. All vertical and horizontal surfaces are clean, but marks, dust, smudges, and fingerprints are noticeable upon close observation. Lights all work and fixtures are clean. Washroom and shower fixtures and tile gleam and are odor free. Supplies are adequate. Trash containers hold only daily waste, are clean and odor-free.
- **Grounds Maintenance Service:**
  - TURF CARE. Grass is cut once every five working days. Aeration performed as required, but not less than two times per year. Reseeding and sodding occur when bare spots are present. Weed control is practiced when weeds present a visible problem or when weeds represent ten percent of the turf surface.
  - FERTILIZER. Adequate fertilizer level is applied to ensure that all plant materials are healthy and growing vigorously. Trees, shrubs, and flowers will receive fertilizer levels to ensure optimum growth.
  - IRRIGATION. Automatic systems are maintained in accordance with manufacturer's recommended guidelines.
  - LITTER CONTROL. Serviced a minimum of once per day, seven days per week. High use areas will receive more frequent servicing.
  - PRUNING. Performed at least once per season, unless species planted dictate more frequent attention (sculpted hedges or high-growth species).
  - DISEASE AND INSECT CONTROL. Performed when disease or insects are inflicting noticeable damage, are reducing vigor of plant material, or could be considered a bother to the public.

General Services provides the following services:

- Preventive maintenance of District assets
- Corrective maintenance of District assets
- Landscaping / Grounds maintenance
- Centralized fleet maintenance program (vehicles and vessels)
- Waste Collection, Debris Removal and Recycling
- Support services for cruise ship and maritime terminal operations
- Special Events support services





## DEPARTMENT OPERATING PLAN

- Other Support services, including: Custodial, Parking Meters, Locksmith, Pest Control, and Furniture & Equipment Moves
- New construction in accordance with State of California Public Contracting Code requirements
- Maintenance services agreement management
- Utilities management support
- Project management support

General Services provides support from four locations: the Maintenance Facility located in National City, the Vessel Maintenance Shop located on Shelter Island, and the Administration Building on Pacific Highway, and the HPD Headquarters building.

## General Services

**Transfer:** 2 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	2	2
Assistant Director, General Services	1	1
Carpenter	1	1
Department Business Manager	2	2
Director, General Services	1	1
Electrician	5	5
Equipment Operator	4	4
Executive Assistant I (Classified)	1	1
Financial Technician	1	1
Fleet Maintenance Technician	3	3
Gardener	10	10
HVAC Technician	1	1
Lead Carpenter	1	1
Lead Custodian	1	1
Lead Electrician	1	1
Lead Equipment Operator	1	1
Lead Fleet Maintenance Technician	1	1
Lead Gardener	4	4
Lead Maintenance Mechanic	1	1
Lead Maintenance Worker	3	3
Lead Marine Mechanic	1	1
Lead Painter	1	1
Lead Plumber	1	1
Locksmith	1	1
Maintenance Mechanic	1	1
Maintenance Planner/Inspector	3	3
Maintenance Planning Supervisor	1	1
Maintenance Supervisor	3	3
Maintenance Worker I	14	14
Maintenance Worker II	12	12
Manager, Maintenance Systems	1	1
Marine Mechanic	2	2
Painter	2	2
Parking Meter Repair/Collector	2	2
Plumber	2	2
Senior Tool Room Technician	1	1
Tool Room Technician	1	1
<b>TOTAL</b>	<b>94</b>	<b>94</b>

## General Services

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

## General Services

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 10,598,852	\$ 11,587,800	\$ 11,770,100	\$ 182,300	1.6 %
Non-Personnel Expense	5,886,520	6,721,700	6,049,100	(672,600)	(10.0)%
<b>Total Direct Expense</b>	<b>\$ 16,485,372</b>	<b>\$ 18,309,500</b>	<b>\$ 17,819,200</b>	<b>\$ (490,300)</b>	<b>(2.7)%</b>
Less: Capitalized Expense	(82,640)	(162,000)	(255,200)	(93,200)	57.5 %
Equipment Outlay and Other Capital Projects	1,381,768	664,000	2,083,000	1,419,000	213.7 %
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 17,784,500</b>	<b>\$ 18,811,500</b>	<b>\$ 19,647,000</b>	<b>\$ 835,500</b>	<b>4.4 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 6,179,443	\$ 6,752,800	\$ 6,742,100	\$ (10,700)	(0.2)%
Overtime	266,438	250,000	250,000	—	0.0 %
Burden	3,961,405	4,445,000	4,778,000	333,000	7.5 %
Temporary Personnel	191,566	140,000	—	(140,000)	(100.0)%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 10,598,852</b>	<b>\$ 11,587,800</b>	<b>\$ 11,770,100</b>	<b>\$ 182,300</b>	<b>1.6 %</b>

## General Services

### EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DESCRIPTION	QTY	BUDGET FY 2019
34 FOOT DIVE BOAT	1	\$ 600,000
REGENERATIVE AIR STREET SWEEPER <sup>(2)</sup>	1	360,000
CASE 580L BACKHOE	1	155,000
MARINE 2 FIREBOAT ENGINES <sup>(1)</sup>	2	150,000
MARINE 5 FIREBOAT ENGINES <sup>(1)</sup>	2	150,000
ONE TON CREW CAB STAKEBED	2	120,000
ONE TON STANDARD CAB UTILITY TRUCK	1	74,000
ONE TON STANDARD CAB TRUCK W/ UTILITY BED/CRANE	1	74,000
MARINE FIREBOAT ENGINE <sup>(1)</sup>	1	70,000
ONE TON HEAVY DUTY, CREW CAB, STAKE BED TRUCK	1	70,000
ONE TON STANDARD CAB TRUCK WITH UTILITY BED	1	60,000
HVAC REPLACEMENT FOR PORT ADMIN BUILDING BOARD ROOM	1	45,000
HVAC SUPPLY DUCT REPLACEMENT AT HARBOR POLICE HEADQUARTERS	1	35,000
4 POST AUTO AND TRUCK HOIST	1	30,000
FORD RANGER - ENGINEERING	1	30,000
FORD RANGER - MARITIME	1	30,000
HALF TON CREW CAB PICK-UP TRUCK	1	30,000
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>20</b>	<b>\$ 2,083,000</b>

**Notes:**

(1) Partially grant funded.

(2) Funded from Environmental Fund.

**General Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 250,000		\$ 250,000		
<b>Total:</b>	\$ 266,438	\$ 250,000	\$ 250,000	\$ 250,000	\$ —	0.0 %
600120 Temporary Personnel						
TEMPORARY PERSONNEL		\$ 140,000		\$ —		
<b>Total:</b>	\$ 191,566	\$ 140,000	\$ 140,000	\$ —	\$ (140,000)	(100.0)%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 458,004	\$ 390,000	\$ 390,000	\$ 250,000	\$ (140,000)	(35.9)%
610110 Books & Periodicals						
TRADE RELATED		\$ 1,900		\$ 1,700		
<b>Total:</b>	\$ 11,069	\$ 1,900	\$ 1,900	\$ 1,700	\$ (200)	(10.5)%
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 2,800		\$ 2,800		
<b>Total:</b>	\$ 2,608	\$ 2,800	\$ 2,800	\$ 2,800	\$ —	0.0 %
610120 Memberships & Dues						
MEMBERSHIPS & DUES		\$ 1,900		\$ 1,900		
<b>Total:</b>	\$ 1,088	\$ 1,900	\$ 1,900	\$ 1,900	\$ —	0.0 %
610140 Seminars & Training						
COMPREHENSIVE DEPT TRAINING PROG		\$ 80,000		\$ 56,000		
SKILLS TRAINING		44,100		26,900		
<b>Total:</b>	\$ 113,414	\$ 124,100	\$ 124,100	\$ 82,900	\$ (41,200)	(33.2)%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 2,300		\$ 2,300		
<b>Total:</b>	\$ 3,299	\$ 2,300	\$ 2,300	\$ 2,300	\$ —	0.0 %
615110 Travel						
CUMMINS ENGINE TRAINING		\$ 7,500		\$ —		
TRAVEL		9,400		—		
<b>Total:</b>	\$ 11,069	\$ 16,900	\$ 16,900	\$ —	\$ (16,900)	(42.9)%
620100 Services - Professional						
<b>Total:</b>	\$ 17,000	\$ —	\$ —	\$ —	\$ —	N/A
630110 Equipment & Systems						
<b>Total:</b>	\$ 35,772	\$ —	\$ —	\$ —	\$ —	N/A
630120 Equipment Rental/Leasing						

**General Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
CRANE RENTAL		\$ 30,000		\$ 30,000		
EMISSION ANALYZER		7,000		7,500		
HEAVY EQUIPMENT		40,000		60,000		
PORTABLE TOILET RENTAL		30,000		40,000		
<b>Total:</b>	\$ 103,423	\$ 107,000	\$ 107,000	\$ 137,500	\$ 30,500	28.5 %
630130 Office & Operating Supplies						
SUPPLIES		\$ 18,000		\$ 16,200		
TWIC-TRANSPORTATION WORKER ID		7,000		3,500		
<b>Total:</b>	\$ 33,841	\$ 25,000	\$ 25,000	\$ 19,700	\$ (5,300)	(21.2)%
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 500		\$ 500		
<b>Total:</b>	\$ 1,238	\$ 500	\$ 500	\$ 500	\$ —	0.0 %
630150 Safety Equipment & Supplies						
FIRE EXTINGUISHERS		\$ 7,000		\$ 5,000		
SAFETY BOOTS		1,400		1,400		
SAFETY INCENTIVE		8,800		8,800		
SAFETY SHOES		13,200		13,200		
SAFETY SUPPLIES & EQUIPMENT		18,000		18,000		
<b>Total:</b>	\$ 45,298	\$ 48,400	\$ 48,400	\$ 46,400	\$ (2,000)	(4.1)%
630160 Small Tools						
SMALL TOOLS FOR MAINT OPERS		\$ 73,000		\$ 65,700		
<b>Total:</b>	\$ 91,187	\$ 73,000	\$ 73,000	\$ 65,700	\$ (7,300)	(10.0)%
630170 Fuel & Lubricants						
CNG/PROPANE		\$ 5,000		\$ 5,000		
GAS/DIESEL		630,000		564,000		
MOTOR OIL		7,500		7,500		
<b>Total:</b>	\$ 477,003	\$ 642,500	\$ 642,500	\$ 576,500	\$ (66,000)	(10.3)%
630180 Parking Meter Supplies						
<b>Total:</b>	\$ 61,734	\$ —	\$ —	\$ —	\$ —	N/A
630200 Uniforms						
UNIFORM JACKET		\$ 5,500		\$ 3,000		
UNIFORM SERVICE		40,000		40,000		
<b>Total:</b>	\$ 57,170	\$ 45,500	\$ 45,500	\$ 43,000	\$ (2,500)	(5.5)%
650100 Facilities Maintenance-Supplies						

**General Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
ALL CREWS		\$ 726,000		\$ 726,000		
EMPS FISHING PIER LIGHT FIXTURE RPL		125,000		—		
LANDSCAPE, LAWNS, SHRUBS, PLANTERS		200,000		100,000		
RUOCCO PARK FIXTURE CONTINGENCY		14,500		10,000		
<b>Total:</b>	\$ 1,294,858	\$ 1,065,500	\$ 1,065,500	\$ 836,000	\$ (229,500)	(21.5)%
650110 Facilities Maintenance-Outside Services						
ANIMAL AND PEST CONTROL		\$ 32,000		\$ 46,000		
COLD IRONING & HIGH VOLTAGE MAINT		44,000		44,000		
CUSTODIAL SERVICES		541,000		565,000		
ELEVATOR MAINT		60,000		60,000		
FIRE ALARMS MONITORING		35,000		35,000		
GRAFFITI REMOVAL		70,000		70,000		
HARBOR DRIVE LANDSCAPE		147,000		165,000		
HVAC OTHER LOCATIONS		158,000		158,000		
NEVP MAINTENANCE CONTRACT		291,000		300,000		
PLAYGROUND INSPECTIONS		5,500		6,000		
RIP RAP MAINT NCMT BERTH 24-5 - 24-10		20,000		—		
RUOCCO PARK MAINTENANCE		91,000		91,000		
SPRINKLER HEAD REPLACE/CERT		9,000		9,000		
STORMWATER BMP MAINTENANCE		356,000		356,000		
STREET LIGHTING		5,000		5,000		
STREETSWEEP MAINTENANCE		144,000		—		
TAMT 10-3 - 10-5 APRON PAVEMENT		71,000		—		
WASTE MANAGEMENT PROGRAM		146,000		200,000		
WINDOW CLEANING		31,000		31,000		
WINDOW COVERINGS		90,000		5,000		
<b>Total:</b>	\$ 1,782,128	\$ 2,346,500	\$ 2,346,500	\$ 2,146,000	\$ (200,500)	(8.5)%
650120 Equipment Maintenance-Supplies						
AUTOMOTIVE EQ/BOATS		\$ 240,000		\$ 240,000		
FORD PARTS		15,300		15,300		
SPARE PARTS - GOTTWALD CRANE		20,000		—		
TIRES		23,000		23,000		
<b>Total:</b>	\$ 385,271	\$ 298,300	\$ 298,300	\$ 278,300	\$ (20,000)	(6.7)%
650130 Equipment Maintenance-Outside Services						
B ST. RELOC FORKLIFT BATTERY CHRG		\$ 75,000		\$ —		
COMPREHENSIVE MARINE VESSEL MAINT		507,500		490,000		



**General Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
EQUIPMENT CERTIFICATION AND INSPECT		5,000		5,000		
FIRE EXTINGUISHER HYDROTEST		1,300		2,300		
HAVAC CMMS UPGRADE ADM BLDG		75,000		—		
HPD AUTO BODY REPAIRS		9,000		9,000		
MOWER REEL MAINTENANCE		30,000		30,000		
OTHER EQUIPMENT SERVICE/MAINT		56,000		56,000		
PAINT FMT PASSENGER LOADING BRIDGE		45,000		—		
PARTS CLEANER		2,800		2,800		
TANK FUEL STATIONS, LIFTS & CRANES		32,000		20,000		
VEHICLE DETAILING		2,000		10,000		
VEHICLE PAINTING		30,000		40,000		
<b>Total:</b>	<b>\$ 444,762</b>	<b>\$ 870,600</b>	<b>\$ 870,600</b>	<b>\$ 665,100</b>	<b>\$ (205,500)</b>	<b>(23.6)%</b>
650131 As - Needed Maintenance						
ABANDONED & DERELICT VESSEL	\$ 200,000			\$ 420,000		
BROADWAY PAVILION LIGHTING	52,500			5,000		
BRUSH AND WEED REMOVAL	40,000			30,000		
CARPET PROJECT INSTALLATION	40,000			112,000		
CONCRETE PUMP SERVICES	10,000			10,000		
CST SPRUNG STRUCTURE/WINDOW CL	22,500			7,800		
DOORS (ROLL UP) MAINTENANCE	30,000			30,000		
DOORS AND GATES, ELECTRIC	20,000			20,000		
DUMPSTER SERVICE TRANSFER	45,000			90,000		
FENCE AND GATE MAINTENANCE	20,000			—		
HOLIDAY LITTER PICKUP	12,000			—		
MISC SMALL OUTSIDE SERVICES	70,000			70,000		
ROOF MAINTENANCE	58,000			15,000		
STREET SWEEPING MAINT	45,000			25,000		
TRASH & LITTER REMOVAL	135,000			60,000		
TREE TRIMMING	225,000			225,000		
UNDERGROUND SERVICE ALERT	2,000			2,000		
UTILITY LEAK DETECTION	5,000			5,000		
VESSEL SURVEYING	6,000			—		
<b>Total:</b>	<b>\$ 908,787</b>	<b>\$ 1,038,000</b>	<b>\$ 1,038,000</b>	<b>\$ 1,126,800</b>	<b>\$ 88,800</b>	<b>8.6 %</b>
660150 Refuse & Hazardous Waste Disposal						
REFUSE & HAZ WASTE	\$ 1,000			\$ 1,000		
<b>Total:</b>	<b>\$ 1,162</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ —</b>	<b>0.0 %</b>

**General Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
670130 Permits/Certificates/License						
PERMIT/CERT/LICENSE		\$ 10,000		\$ 15,000		
<b>Total:</b>	\$ 3,339	\$ 10,000	\$ 10,000	\$ 15,000	\$ 5,000	50.0 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 5,886,520	\$ 6,721,700	\$ 6,721,700	\$ 6,049,100	\$ (672,600)	(10.0)%
<b>GRAND TOTAL:</b>	\$ 6,344,524	\$ 7,111,700	\$ 7,111,700	\$ 6,299,100	\$ (812,600)	(11.4)%



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	164 - Government and Civic Relations	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>			
<b>VP/AVP:</b>	Bella Heule/ Job Nelson		
<b>MISSION</b>			
Identify solutions that lead to the implementation of District policies and projects by successfully engaging with local, state, national, and international governments, as well as civic groups and other parties.			
<b>VISION</b>			
To be a center of excellence in government and civic relations and to support the District's goals by promoting communication, relationship building, and policy development.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Develop and communicate strategic messaging with outside stakeholders, agencies, and communities regarding high profile projects: PMPU, CVB, National City Balanced Plan, etc.</li><li>• Track, monitor, and communicate external issues, legislation, and events that may impact the District in regards to climate, sea level rise, infrastructure and storm water</li><li>• Advocate for District re: terminal infrastructure and operations, public infrastructure, and public safety at the state, and federal levels</li><li>• Work with internal District staff, the General Counsel's office, and the Board on priorities and projects, including policy design, analysis, and implementation related to ocean planning, maritime optimization, and mobility</li><li>• Advance the District's legislative and policy priorities through the District's legislative consultants in Sacramento and Washington, D.C. regarding infrastructure maintenance and investment, Cap &amp; Trade, Aquaculture</li><li>• Provide consultation and insight regarding present and future regulatory issues and policy focus areas</li><li>• Management of the District's grants efforts</li></ul>			

## Government & Civic Relations

**Reclass:** 1 Program Manager to Principal, Economics and Policy

**Transfer:** 1 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Legislative Policy Administrator	1	1
Management Analyst	2	2
Manager, Grants & Policy	1	1
Principal, Economics and Policy	0	1
Program Manager	2	1
<b>TOTAL</b>	<b>6</b>	<b>6</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Government & Civic Relations

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 639,190	\$ 834,300	\$ 824,300	\$ (10,000)	(1.2)%
Non-Personnel Expense	692,794	634,300	617,500	(16,800)	(2.6)%
<b>Total Direct Expense</b>	<b>\$ 1,331,984</b>	<b>\$ 1,468,600</b>	<b>\$ 1,441,800</b>	<b>\$ (26,800)</b>	<b>(1.8)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,331,984</b>	<b>\$ 1,468,600</b>	<b>\$ 1,441,800</b>	<b>\$ (26,800)</b>	<b>(1.8)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 479,123	\$ 587,700	\$ 624,300	\$ 36,600	6.2 %
Overtime	39	—	—	—	N/A
Burden	160,029	246,600	200,000	(46,600)	(18.9)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 639,190</b>	<b>\$ 834,300</b>	<b>\$ 824,300</b>	<b>\$ (10,000)</b>	<b>(1.2)%</b>

**Government & Civic Relations**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600120 Temporary Personnel						
<b>Total:</b>	\$ 39	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 39	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals						
GOV/PROFESSIONAL PUBLICATIONS	\$ 3,500			\$ 3,500		
<b>Total:</b>	\$ 424	\$ 3,500	\$ 3,500	\$ 3,500	\$ —	0.0 %
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$ 200			\$ 200		
<b>Total:</b>	\$ 232	\$ 200	\$ 200	\$ 200	\$ —	0.0 %
610120 Memberships & Dues						
MEMBERSHIPS & DUES	\$ 190,000			\$ 160,000		
<b>Total:</b>	\$ 205,638	\$ 190,000	\$ 190,000	\$ 160,000	\$ (30,000)	(15.8)%
610140 Seminars & Training						
PORT-RELATED CONFERENCES	\$ 5,000			\$ 5,000		
<b>Total:</b>	\$ 10,520	\$ 5,000	\$ 5,000	\$ 5,000	\$ —	0.0 %
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$ 500			\$ 500		
<b>Total:</b>	\$ 823	\$ 500	\$ 500	\$ 500	\$ —	0.0 %
615110 Travel						
OTHER TRIPS	\$ 8,000			\$ 6,000		
SACRAMENTO	8,000			6,000		
WASHINGTON DC	10,000			8,000		
<b>Total:</b>	\$ 26,862	\$ 26,000	\$ 26,000	\$ 20,000	\$ (6,000)	(23.1)%
620100 Services - Professional & Other						
GRANT WRITING SERVICES	\$ 50,000			\$ 50,000		
LEGISLATIVE SERVICES - SACRAMENTO	130,000			135,000		
LEGISLATIVE SERVICES - SAN DIEGO REGION	50,000			40,000		
LEGISLATIVE SERVICES - WASHINGTON D.C.	120,000			120,000		
MULTIMODAL CORRIDOR	—			25,000		
SANDAG GOODS MOVEMENT POLICY	55,000			55,000		
<b>Total:</b>	\$ 384,455	\$ 405,000	\$ 405,000	\$ 425,000	\$ 20,000	4.9 %
630110 Equipment & Systems						
<b>Total:</b>	\$ 2,139	\$ —	\$ —	\$ —	\$ —	N/A

**Government & Civic Relations**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630120 Equipment Rental/Leasing						
<b>Total:</b>	\$ 5,521	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies						
OFFICE SUPPLIES	\$ 3,400			\$ 2,800		
TWIC CARDS	500			300		
<b>Total:</b>	\$ 3,492	\$ 3,900	\$ 3,900	\$ 3,100	\$ (800)	(20.5)%
630140 Postage & Shipping						
POSTAGE	\$ 200			\$ 200		
<b>Total:</b>	\$ 236	\$ 200	\$ 200	\$ 200	\$ —	0.0 %
660100 Advertising						
<b>Total:</b>	\$ 94	\$ —	\$ —	\$ —	\$ —	N/A
660105 Marketing/Outreach						
<b>Total:</b>	\$ 1,070	\$ —	\$ —	\$ —	\$ —	N/A
660110 Promotional Services						
<b>Total:</b>	\$ 51,288	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 692,794	\$ 634,300	\$ 634,300	\$ 617,500	\$ (16,800)	(2.6)%
<b>GRAND TOTAL:</b>	\$ 692,833	\$ 634,300	\$ 634,300	\$ 617,500	\$ (16,800)	(2.6)%

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## DEPARTMENT OPERATING PLAN

Department:	152 – Harbor Police Department	Planning Cycle:	FY18/19
Director:			
VP/AVP:	Chief of Police - Mark G. Stainbrook		
MISSION			
To provide the highest quality of public service through crime prevention, homeland security, and ensuring quality of life for our communities.			
VISION			
To be the global leader in maritime and aviation public safety.			
GOALS			
<ul style="list-style-type: none"><li>• Increase staffing to levels commensurate with the Port's growth and corresponding calls for service</li><li>• Plan for new joint Headquarters building within 5-7 years</li><li>• Increase our level of community engagement</li><li>• Continue the current high level of training standards while becoming more efficient</li><li>• Leverage technology level to increase effectiveness and efficiency</li></ul>			

# Harbor Police Department

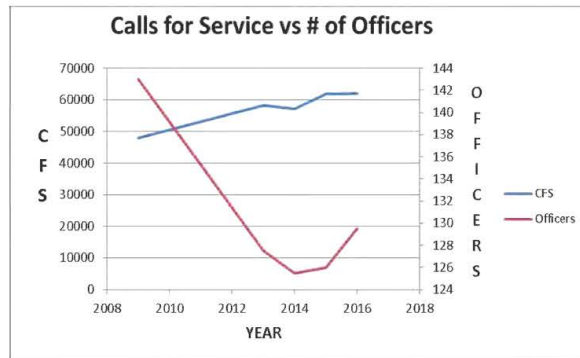


## DEPARTMENT OPERATING PLAN

YEAR	HP TOTAL STAFF (authorized)	SWORN STAFF (authorized)	CIVILIAN STAFF (authorized)
2014	156	123	33
2015	157	126	31
2016	166	132	34
2017	177	134	36
2018	181	140	38

Year	2009	2013	2016 (Projected)	% Change (2009 to 2016)
Budgeted Sworn Staff	145	130	133	-8.3%
Overtime	\$1,371 M	\$1,658 M	\$2,327 M*	+69.7%
Parks	19	21	22	+15.7%
Guest Rooms	6,628	7,828	8,275	+24.8%
Restaurant Seats	11,516	14,153	13,880	+20.5%
Calls for Service	47,994	58,268	62,022	+29.2%
CFS per officer	335	457	473	+42.9%
Arrests		1,980	2,308	+16.5%
Crime Reports	734	884	1,031	+31.5%
Vehicle Accidents	537	456	560	+8%
Mentally Ill	64	94	166	+121.4%
Port Permitted Events	624	986	1100	+76.2%
Boat Fires	15	16	22	+46.6%

\*Actual overtime only available through FY14/15.



## Harbor Police Department

**Convert:** 2 Community Service Officers (Limited) to 2 Community Service Officers

1 Harbor Police Officer (Limited) to Harbor Police Officer

**Reclass:** 1 Facility Security Coordinator to Port Security Manager

**Transfer:** 2 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	1	1
Assistant Chief of Harbor Police	1	1
Assistant to Vice President	1	1
Community Service Officer	3	5
Community Service Officer Supervisor	1	1
Crime Intelligence Analyst	1	1
Facility Security Coordinator	1	0
Harbor Police Captain	2	2
Harbor Police Corporal	15	15
Harbor Police Lieutenant	6	6
Harbor Police Officer	98	99
Harbor Police Sergeant	16	16
Homeland Security Program Manager	1	1
Lead Community Service Officer	1	1
Lead Public Safety Dispatcher	4	4
Office Assistant (Classified)	1	1
Police Records Assistant	3	3
Police Records Supervisor	1	1
Port Security Manager	0	1
Public Safety Dispatch Supervisor	2	2
Public Safety Dispatcher	9	9
Senior Police Records Assistant	1	1
Staff Assistant II	2	2
Vice President, Public Safety/Chief of Harbor Police	1	1
<b>TOTAL</b>	<b>172</b>	<b>175</b>

## Harbor Police Department

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Community Service Officer	2	0
Harbor Police Officer	1	0
Police Backgrounds Investigator	1	1
<b>TOTAL</b>	<b>4</b>	<b>1</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

## Harbor Police Department

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 32,768,841	\$ 35,020,900	\$ 35,601,200	\$ 580,300	1.7%
Non-Personnel Expense	3,141,861	2,188,700	2,840,000	651,300	29.8%
<b>Total Direct Expense</b>	<b>\$ 35,910,702</b>	<b>\$ 37,209,600</b>	<b>\$ 38,441,200</b>	<b>\$ 1,231,600</b>	<b>3.3%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	1,388,956	353,200	971,400	618,200	175.0%
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 37,299,658</b>	<b>\$ 37,562,800</b>	<b>\$ 39,412,600</b>	<b>\$ 1,849,800</b>	<b>4.9%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 16,251,891	\$ 17,226,600	\$ 17,783,300	\$ 556,700	3.2%
Overtime	3,102,649	2,238,000	2,238,000	—	0.0%
Burden	13,414,301	15,556,300	15,579,900	23,600	0.2%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 32,768,841</b>	<b>\$ 35,020,900</b>	<b>\$ 35,601,200</b>	<b>\$ 580,300</b>	<b>1.7%</b>

## Harbor Police Department

### EQUIPMENT OUTLAY

DESCRIPTION	QTY	BUDGET FY 2019
SCUBA DIVER NAVIGATION SYSTEM <sup>(3)</sup>	1	\$ 150,000
POLICE COMMAND PACKAGE FULL SIZE SUV	3	144,000
PATROL VEHICLE COMMUNICATIONS SYSTEMS <sup>(3)</sup>	1	115,500
9-1-1 SYSTEM UPGRADE	1	100,000
EXTERIOR PAINTING AT HARBOR POLICE HEADQUARTERS	1	100,000
HYBRID/ELECTRIC VEHICLES <sup>(2)</sup>	2	80,000
POLICE COMMAND VEHICLE BUILD OUT	2	66,000
COASTAL SURVEILLANCE CAMERAS <sup>(1)</sup>	1	60,000
IT MODIFICATIONS AT HARBOR POLICE MODULAR BUILDING	1	55,000
POLICE K9 VEHICLE BUILD OUT	1	35,000
SURVEILLANCE CAMERA SYSTEM VIDEO STORAGE <sup>(1)</sup>	1	33,900
RCS RADIOS <sup>(1)</sup>	4	20,000
AUDIO/VISUAL INTEGRATION SYSTEM	1	12,000
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>20</b>	<b>\$ 971,400</b>

**Notes:**

<sup>(1)</sup> Per the Municipal Services Agreement with the City of Imperial Beach, the District provides equipment for lifeguard services.

<sup>(2)</sup> Funded from Environmental Fund.

<sup>(3)</sup> Partially grant funded.

# Harbor Police Department

## EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
ADMINISTRATIVE SUPPORT		\$ 3,000		\$ 3,000		
DISPATCH		36,000		36,000		
DIVE TEAM		200,000		200,000		
LAW ENFORCEMENT OPERATIONS		400,000		400,000		
RECRUITING		8,000		8,000		
REIMBURSED EVENTS		150,000		150,000		
SPECIAL EVENTS		200,000		200,000		
SWORN MANDATORY STAFFING		600,000		600,000		
TRAINING DISPATCH		10,000		10,000		
TRAINING SWORN		631,000		631,000		
<b>Total:</b>	\$ 3,102,649	\$ 2,238,000	\$ 2,238,000	\$ 2,238,000	\$ —	0.0 %
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 3,102,649	\$ 2,238,000	\$ 2,238,000	\$ 2,238,000	\$ —	0.0 %
610100 Awards - Service						
<b>Total:</b>	\$ 80	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals						
LEGAL MANUALS		\$ 3,300		\$ 3,300		
POST ACADEMY TRAINING BOOKS		5,000		5,000		
PROFESSIONAL DEVELOPMENT BOOKS		2,000		1,000		
STATE & FEDERAL CODE		8,400		6,000		
<b>Total:</b>	\$ 18,294	\$ 18,700	\$ 18,700	\$ 15,300	\$ (3,400)	(18.2)%
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 6,800		\$ 6,800		
<b>Total:</b>	\$ 6,437	\$ 6,800	\$ 6,800	\$ 6,800	\$ —	0.0 %
610120 Memberships & Dues						
MEMBERSHIPS & DUES		\$ 3,500		\$ 6,000		
<b>Total:</b>	\$ 4,729	\$ 3,500	\$ 3,500	\$ 6,000	\$ 2,500	71.4 %
610140 Seminars & Training						
ACADEMY (ENTRY LEVEL OFFICER)		\$ 7,000		\$ 7,000		
CLERICAL SUPPORT TRAINING		2,500		2,500		
DISPATCH TRAINING COURSES		4,000		4,000		
DIVE TRAINING		2,000		2,000		
LEXIPOL DAILY TRAINING BULLETINS		9,000		9,000		
RANGE USE FEES		7,000		7,000		

# Harbor Police Department

## EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
SEMINARS AND TRAINING		60,000		50,000		
TACTICAL TRAINING		2,500		2,500		
<b>Total:</b>	\$ 101,739	\$ 94,000	\$ 94,000	\$ 84,000	\$ (10,000)	(10.6)%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$ 18,551	\$ 18,000		\$ 18,000		
<b>Total:</b>	\$ 18,551	\$ 18,000	\$ 18,000	\$ 18,000	\$ —	0.0 %
615110 Travel						
COMMAND STAFF TRAVEL	\$ 10,000			\$ 8,000		
DISPATCH TRAINING COURSES	2,000			2,000		
TRAINING RELATED TRAVEL	101,600			83,000		
<b>Total:</b>	\$ 142,792	\$ 113,600	\$ 113,600	\$ 93,000	\$ (20,600)	(18.1)%
620100 Services - Professional & Other						
ALPHA PROJECT - HOMELESS OUTREACH	\$ 100,000			\$ 260,000		
COMPUTER SVCS-SUN, ARJIS, ETC	114,600			115,000		
DIVE PHYSICALS	11,300			11,300		
FINGERPRINT CHECKS-EMPLOYMENT	5,000			7,000		
HEARING CONSERVATION	3,100			3,200		
MEDICAL EXAMS (SART)	6,000			6,000		
NEVP SECURITY	171,600			170,000		
PARK SECURITY - MISCELLANEOUS	30,000			30,000		
PROFESSIONAL SERVICES	94,600			20,000		
RECRUITING	20,600			20,000		
RESPIRATOR PHYSICALS	7,200			7,200		
SHERIFF'S DEPT. PROPERTY RETEN	3,000			3,000		
TB SCREENING	5,700			5,700		
VESSEL TOWING SERVICES	20,000			20,000		
VETERINARIAN SERVICES	6,000			6,000		
<b>Total:</b>	\$ 583,785	\$ 598,700	\$ 598,700	\$ 684,400	\$ 85,700	14.3 %
630110 Equipment & Systems						
AEDS	\$ 2,500			\$ 2,500		
AUTOMATED HANDHELD TICKET WRITERS	27,500			—		
COMPUTER HARDWARE	84,800			32,800		
DISPATCH EQUIPMENT	16,300			24,100		
DIVE TEAM EQUIPMENT	38,000			35,500		
EQPT FOR IMP BEACH (NON CAPITAL)	—			4,000		



**Harbor Police Department**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
FURNITURE		4,400		4,400		
MARTAC EQUIPMENT - MISC		50,000		40,000		
MOBILE ARMORED SHIELDS		—		3,000		
OFFICE EQUIPMENT		1,500		—		
POLICE EQUIPMENT		37,500		19,800		
POWER SOURCES (BATTERIES, UPS)		4,000		3,000		
RSVP PROGRAM		800		800		
VESSELS/FIRE		17,600		18,700		
WEAPONS TRAINING UNIT EQPT		800		600		
<b>Total:</b>	\$ 338,418	\$ 285,700	\$ 285,700	\$ 189,200	\$ (96,500)	(33.8)%
630120 Equipment Rental/Leasing						
JULY 4TH EQUIPMENT	\$ 2,100			\$ 12,100		
TRAILERS		21,300		22,500		
<b>Total:</b>	\$ 23,084	\$ 23,400	\$ 23,400	\$ 34,600	\$ 11,200	47.9 %
630130 Office & Operating Supplies						
OFFICE SUPPLIES	\$ 14,000			\$ 15,000		
OPERATING SUPPLIES		35,000		35,000		
PRINTING		9,500		9,000		
<b>Total:</b>	\$ 72,594	\$ 58,500	\$ 58,500	\$ 59,000	\$ 500	0.9 %
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$ 7,000			\$ 7,000		
<b>Total:</b>	\$ 13,258	\$ 7,000	\$ 7,000	\$ 7,000	\$ —	0.0 %
630150 Safety Equipment & Supplies						
AMMUNITION - .223	\$ 18,000			\$ 22,200		
AMMUNITION - .40		—		15,000		
AMMUNITION - .45 AND 9MM		3,900		8,000		
AMMUNITION - 12 GA. BUCKSHOT		2,700		1,000		
AMMUNITION - LESS LETHAL		8,800		8,800		
CSO SAFETY EQUIPMENT		1,400		1,500		
FIRE BOOTS FOR INSTRUCTORS		3,100		—		
FIRE TURNOUT GEAR		41,900		45,000		
FIRST AID SUPPLIES		1,500		1,500		
FORCE TACTICS UNIT EQUIPMENT		500		500		
PROTECTIVE VESTS		—		30,000		
RAIN GEAR		—		2,000		

**Harbor Police Department**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
SAFETY SHOES (PER MOU)		400		400		
WEAPONS/PARTS		3,600		8,300		
<b>Total:</b>	\$ 339,747	\$ 85,800	\$ 85,800	\$ 144,200	\$ 58,400	68.1 %
630170 Fuel & Lubricants						
<b>Total:</b>	\$ 30	\$ —	\$ —	\$ —	\$ —	N/A
630200 Uniforms						
BADGES, PINS, PATCHES		\$ 6,900		\$ 6,900		
REPLACE DAMAGED UNIFORM ITEMS		1,000		1,000		
UNIFORM FOR RSVPS		1,500		1,600		
UNIFORM SHIRTS FOR RECORDS		1,000		1,000		
UNIFORMS - COMMUNITY SERV OFFICERS		8,100		8,100		
UNIFORMS - DISPATCH (PER MOU)		6,000		7,000		
UNIFORMS - SWORN (PER MOU)		198,000		225,000		
UNIFORMS FOR HONOR GUARD		6,700		5,400		
<b>Total:</b>	\$ 245,685	\$ 229,200	\$ 229,200	\$ 256,000	\$ 26,800	11.7 %
640100 Space Rental						
SPACE RENTAL		\$ 3,500		\$ 3,000		
<b>Total:</b>	\$ 5,176	\$ 3,500	\$ 3,500	\$ 3,000	\$ (500)	(14.3)%
640110 Telephone & Communications						
CDPD LINES (WIRELESS CONNECT)		\$ 30,000		\$ 65,000		
CELLULAR SERVICE		18,000		18,000		
DIRECTV MONTHLY SERVICE		2,800		3,000		
MOBILE LOCK SERVICES		1,200		—		
RCS RADIO FEES		64,000		244,600		
SATELLITE PHONES		9,300		9,300		
TELEPHONE EQUIPMENT		5,000		5,000		
TELEPHONE SERVICE		200,000		145,000		
<b>Total:</b>	\$ 685,080	\$ 330,300	\$ 330,300	\$ 489,900	\$ 159,600	48.3 %
650130 Equipment Maintenance - Outside Services						
DIVE TEAM EQUIPMENT		\$ 12,000		\$ 12,000		
FIRE EQUIPMENT		31,300		31,300		
GEN EQPT MAINTENANCE		6,300		15,000		
MAINT CAR/VESSEL AUDIO/VIDEO SYSTEM		15,000		15,000		
MAINTENANCE CONTRACTS & EQUIP		86,600		125,000		
TRAFFIC SIGNS MAINT & REPAIRS		2,500		2,500		

**Harbor Police Department**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ 110,953	\$ 153,700	\$ 153,700	\$ 200,800	\$ 47,100	30.6 %
650140 Software Maintenance						
COMMAND BRIDGE MAINTENANCE		\$ —		\$ 60,000		
CRIMEVIEW MAINTENANCE		—		13,000		
DISPATCH PACKET CLUSTER LICENSE		16,600		19,500		
LOGISYS CONTRACT		48,500		50,000		
NETRMS ANNUAL FEES		2,100		2,100		
<b>Total:</b>	\$ 70,789	\$ 67,200	\$ 67,200	\$ 144,600	\$ 77,400	115.2 %
660100 Advertising						
ADVERTISING		\$ 100		\$ 100		
<b>Total:</b>	\$ 467	\$ 100	\$ 100	\$ 100	\$ —	0.0 %
660110 Promotional Services						
PROMO SERVICES, GENERAL		\$ 1,500		\$ 1,500		
RECRUITING ACTIVITIES		1,800		1,800		
RSVP APPRECIATION		500		500		
<b>Total:</b>	\$ 2,822	\$ 3,800	\$ 3,800	\$ 3,800	\$ —	0.0 %
660120 Promotional Materials						
PROMOTIONAL & RECRUITING SUPPLIES		\$ 7,100		\$ 3,500		
<b>Total:</b>	\$ 7,256	\$ 7,100	\$ 7,100	\$ 3,500	\$ (3,600)	(50.7)%
660136 Grant Funded Expenditures						
EMERGENCY OPERATIONS PLAN DEV		\$ —		\$ 259,000		
EQUIPMENT - SHSGP		18,000		19,000		
FUEL-OPERATION STONEGARDEN		38,900		46,600		
SCUBA DIVER FULL FACE MASK		—		50,000		
SDCLEF GRANT		3,000		3,000		
TSA - SUPPLIES		2,500		—		
UASI-CIKR ASSESSMENTS		—		10,000		
VESSEL MAINTENANCE (STONEGARDEN)		17,100		8,600		
<b>Total:</b>	\$ 246,985	\$ 79,500	\$ 79,500	\$ 396,200	\$ 316,700	398.4 %
670105 Bank & Credit Card Fees						
BANK & CREDIT CARD FEES		\$ 600		\$ 600		
<b>Total:</b>	\$ 410	\$ 600	\$ 600	\$ 600	\$ —	0.0 %
680100 Seized Asset/Forfeitures - Harbor Police						
<b>Total:</b>	\$ 102,698	\$ —	\$ —	\$ —	\$ —	N/A

**Harbor Police Department**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 3,141,861	\$ 2,188,700	\$ 2,188,700	\$ 2,840,000	\$ 651,300	29.8 %
<b>GRAND TOTAL:</b>	\$ 6,244,510	\$ 4,426,700	\$ 4,426,700	\$ 5,078,000	\$ 651,300	14.7 %



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	128 - Human Resources	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Michelle Corbin		
<b>VP/AVP:</b>	Karen Porteous		
<b>MISSION</b>			
Our mission is to treat each person as a valued customer while contributing positively to the bottom line of the District through comprehensive programming that displays a thorough understanding of all aspects of the human resources profession. This includes proactive involvement in areas of compliance and service that displays an enthusiastic interest in the lives of others.			
We will continually develop our own repertoire of skills and maintain a balance between our personal and professional lives.			
<b>VISION</b>			
To be recognized as leaders in applying human resources best practices and innovations to make the District an employer of choice.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Create an organization with the visibility, structure, and agility it needs to progress into the future.</li><li>• Maximize Human Resources technology to streamline services and increase transparency.</li><li>• Attract, source and recruit new talent.</li><li>• Excellence in customer service.</li></ul>			
<p>The role of Human Resources in the District is to serve our customers. Our department is, most of all, a service department. While we strive to manage the human capital aspect of our organization accordingly, our focus is also on meeting the needs of employees, retirees and the public.</p> <p>Human Resources administers various programs, through traditional and non-traditional means, to enhance the work environment of our most valued resource, our employees. These programs include recruitment; employee and labor relations; benefits and wellness; job classification and compensation; compliance; administration, records and transactions; and equal opportunity management.</p> <p>The following is an overview of each of the above areas and how they fit into the organization. Unless otherwise noted, statistics quoted below represent activity for FY17.</p> <p><b><u>Recruitment</u></b></p> <p>Recruitment (hiring) is a core function of Human Resources. Recruitment refers to the overall process of attracting, selecting and employing the best possible candidates. The success of recruiters and employment specialists generally is measured by the number of positions they fill</p>			

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## DEPARTMENT OPERATING PLAN

and the time it takes to fill those positions. Recruiters advertise job postings, source candidates, screen applicants, conduct preliminary interviews and coordinate hiring efforts with managers responsible for making the final selection of candidates.

In FY17, Human Resources began working on process mapping our non-sworn recruitments (the process followed for all recruitments except for police officers). This is expected to be completed early in FY18 and will ensure that our process will be more efficient and the candidate experience will be improved and consistent. Additionally, the completed process map will assist People Strategies in their Strategic Initiative for Talent Selection.

FY17 Recruitments (open/promotion/appointments)	109
Applications Received	14,500
New Hires	89
Promotions	52
Average Days to Fill - Non-Sworn External (Open w/test)	87
Average Days to Fill - Non-Sworn External (Open w/o test)	104
Average Days to Fill - Non-Sworn Internal (Promotion w/test)	97
Average Days to Fill - Non-Sworn Internal (Appointment/Promotion w/o test)	60
Average Days to Fill - Sworn External (Trainee w/test)	49
Average Days to Fill - Sworn Internal (Promotion w/test)	34
Turnover (Target ≤5% Annually)	4.92%

### Employee and Labor Relations

Employee relations is the Human Resources discipline concerned with strengthening the employer-employee relationship and resolving workplace conflict. It may include answering questions, regulatory guidance and interpretation, coaching and counseling, investigations, inquiries and fact findings, conflict resolution and mediation.

Labor management is a very busy part of Human Resources and not just limited to negotiations. When we do our job well, our associated statistics and numbers will be lower. The District has four bargaining units, three of which are members of Teamsters Local 911. They include: Service, Maintenance, Operations and Crafts Unit, Supervisory Unit, Non-Sworn Public Safety Unit (Dispatchers). Additionally we work with the San Diego Harbor Police Officers' Association. Labor relations functions include developing management response to bargaining unit concerns, negotiating collective bargaining agreements and rendering interpretations of labor contract issues. The District is unique in public sector in that we have a very constructive and collaborative relationship with our bargaining units. Labor Management Committee meetings are held regularly in order to address issues quickly and early on.





## DEPARTMENT OPERATING PLAN

Grievances	0
Investigations/Fact-Findings	29
Complaints/Inquiries	12
Labor Management Committee Meetings	12
Meet and Confer Meetings	5

During FY19, the District will be in labor negotiations with the San Diego Harbor Police Officers' Association; their Agreement expires September 30, 2019.

### Benefits and Wellness

An outstanding benefits package is one of the key ways that the District remains competitive in the marketplace. As we continue to remain competitive in the marketplace, the benefits staff are charged with developing and maintaining a benefits package that attracts and retains, while remaining affordable and sustainable in the long term. Human Resources staff, in conjunction with a benefits broker, must continuously keep current on the changing benefits market and work to bring forward suggestions for high value options that are desirable and sustainable.

Additionally, the health and wellbeing of our employees and retirees is a top priority. Human Resources staff manage our wellness programs including: onsite fitness centers, classes such as Bootcamp and Yoga, Rally Rewards program, annual flu shots, annual Health and Sustainability Fair, and the Wellness Reimbursement Program. As part of our partnership with our bargaining units and unrepresented employees, we hold monthly Health Benefits Committee meetings. These meetings are not only a way for employees to have an active voice in the wellness activities provided by the District, but helps in educating employees on the value of their total benefits package.

New Hire Orientation Participants	115
Health Benefits Committee meetings	9
Open Enrollment meetings	12
Flu Shots	170
FMLA/CFRA/PDL	39
Special Leave	8
Military Leave	4
Administrative/Compulsory Leave	5
Benefit Enrollments - Changes/Updates (person)	797
Retiree Enrollments - Changes/Updates (person)	127
COBRA Participants	74
Biometric Screenings	112
Tuition Reimbursement Entries	90



## DEPARTMENT OPERATING PLAN

### Classification and Compensation

Benefits staff also maintain all classification specifications (job descriptions) and maintains position control to ensure compliance with the approved District budget. Staff helps departments ensure employees have the correct title based on titling protocols and that job descriptions fit appropriately within job series.

On the compensation side, Human Resources sets the compensation structures and evaluates competitive pay practices. Staff administers all compensation directives and programs relating to pay, including salary administration and surveys. Staff also creates and analyzes human resources information system reports to ensure equity and makes recommendations to prevent compaction and compression issues.

Finally, Human Resources will audit an employee's work on request (desk audit) to ensure that they are properly classified and compensated accordingly.

New or Revised Classifications	39
Compensation Analysis	28
Desk Audit Requests	14

### Compliance

Compliance with labor and employment laws is a critical Human Resources function. Noncompliance can result in workplace complaints based on unfair employment practices, unsafe working conditions and general dissatisfaction with working conditions that can affect productivity and ultimately, profitability. Staff must be aware of federal and state employment laws such as Title VII of the Civil Rights Act, the Fair Labor Standards Act, the National Labor Relations Act and many other rules and regulations.

HR Related Classes Offered	9
Managers - Sexual Harassment Prevention Training	4
Standard EE - Sexual Harassment Prevention Training	206
Workplace Violence Prevention (Managers)	7
Subpoenas Responded To	12





## DEPARTMENT OPERATING PLAN

### Administration, Records and Transactions

The Human Resources administrative staff are, in most cases, the first point of contact with the Human Resources department. They respond to questions and inquiries by phone, email and in person regarding all areas of Human Resources including recruitment, benefits and policies. Staff issue identification badges to employees, temporary employees, contractors, consultants and retired police officers and ensure they have appropriate access.

Human Resources holds the official personnel file for every employee in the District. As part of personnel file management, staff prepare documents, monitor deadlines and communicate with staff and customers to ensure that there are no issues. They also must ensure that each employee has completed any required acknowledgements for rules/policies/procedures, has been issued a performance evaluation at the appropriate time, and that there is adequate, auditable documentation for any pay changes.

Additionally staff work with other agencies, banks, loan officers, auditors and others to provide requested information, within legal parameters. They also provide records retention to ensure that files are boxed, categorized and sent for destruction at the appropriate time.

Badges Issued	1192
Employment Verifications	176
Performance Evaluations Entered	314
Port Alert Data Entry Notifications	391
Special Events	4
Employees Recognized for Service awards (certificates)	52
Employees Recognized for ELG awards (certificates)	195
Records Retention	99
Temporary Employees placed throughout the District	30

### Equal Opportunity Management

Equal Opportunity is a very specialized area of Human Resources. Through extensive education, outreach, and analysis, Staff helps to promote diversity and inclusion in the very different areas of employment, contracting, and accessibility under the Americans with Disabilities Act (ADA) which includes structural, programmatic, and attitudinal barriers. Additionally, equal opportunity staff has a compliance role in the payment of prevailing wages and other labor compliance requirements on public works projects, as well as complying with grant assurances which can include the federal Disadvantaged Business Enterprise (DBE) program and/or the State of California Disabled Veterans Business Enterprise (DVBE) program.

In employment, Human Resources staff help ensure that applicants and employees are not discriminated against based on gender, race, age, disability and/or other characteristics. The laws in these areas generally do not aim to create equal outcomes, but rather seek to ensure that all employees or job applicants have an equal opportunity to engage in the employment market. In other words, these laws try to level 'the playing field' so that certain classes of people who have



## DEPARTMENT OPERATING PLAN

been discriminated against in the past are not subjected to adverse treatment based upon certain characteristics that have nothing to do with being a qualified job applicant or employee. Additionally, outreach and visibility in the community to educate potential applicants on opportunities and processes is an important element towards creating a diversity pipeline.

Staff also ensures equal opportunity in the District's contracting program. This includes encouraging small, women, minority, and disabled/veteran owned business participation in contracting and leasing opportunities. This is done primarily through education, outreach, goal setting, and participation within community groups. Coordination with District departments procuring goods and services is addressed in the District's Small Business Enterprise (SBE) plan and administrative procedures on SBE goal setting.

Finally, Human Resources staff works with the Board's Accessibility Advisory Committee to review District projects and Tenant proposals to provide advice and guidance on making projects more universally accessible. Additionally staff responds to inquiries or complaints from the public on accessibility issues around the Tidelands.

ADA Grievances	0
ADA Employee Agreements	4
ADA Employment Accommodations	4
Outreach Activities	80
Department of Industrial Relations (PWC 100 Awards) Entries	42
SBE Solicitations Reviewed for an SBE Goal	38
SBE Reviews with a Goal	10
SBE Reviews with no Goal	11
SBE reviews with Bonus Points	17
LCPtracker Entries	39
Accessibility Advisory Committee Meetings	4

### Workforce Demographics

Average Years of Service (Target ≥9)	10.3
Average Age	45.7

### Annual Task List

In addition to any day-to-day work, projects or assignments, the following are projects and duties that recur on an annual basis:



## DEPARTMENT OPERATING PLAN

### January

- 5 year retirement forecast
- Quarterly Beacon Award – “Lighthouse”
- ELG/Service Award Ceremony
- Budget - Position Requests
- Accessibility Advisory Committee Assignments made by Chair
- Quarterly Equal Opportunity Program (EOP) Report Due (Oct, Nov, Dec) – Board Memo
- Special Event – Career Fair

### February

- Special Event - Wear Red Day for Heart Awareness
- Budget Benefit Estimates
- HR NPE Budget Request (Time-Phased)
- Temporary/Overtime Budget Request
- Black History Month
- Military Leave Extension Revisit/Renew

### March

- Notification regarding changes to class specifications
- Women’s History Month

### April

- Quarterly Beacon Award – “Lighthouse”
- ELG/Service Awards Ceremony
- Begin Benefits Renewal Process
- Special Event - Take Your Child To Work Day
- Begin budget item for June Board agenda
- Quarterly EOP Report Due (Jan, Feb, Mar) – Board Memo

### May

- Class specification changes due
- Asian/Pacific American Heritage Month
- Amend Agreements for new FY
- Retirement Plan Update
- National Small Business Week Recognition/Proclamation
- Student Worker Program

### June

- Budget Year changes for 7/1 (Send memo reflecting effective in 1<sup>st</sup> pay period of new budget)
- Salary Ordinance changes for 7/1 Budget
- Classification Directory
- Budget year-end closing
- Gay & Lesbian Pride Month
- Special Event

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## DEPARTMENT OPERATING PLAN

- Writing and Delivering Performance Evaluation Training

### July

- Quarterly Beacon Award – “Lighthouse”
- ELG/Service Awards Ceremony
- Desk Audit Notification
- Annual Reviews due by August 15<sup>th</sup>
- Request agenda title for September board meeting (Salary Ordinance)
- Personnel Advisory Board Chair Appointment
- Quarterly EOP Report Due (Apr, May, Jun) – Board Memo

### August

- PAB Chairperson Agenda
- Salary Ordinance/Class Specifications (New Salary Year)

### September

- Salary Year changes for 10/1
- Salary Ordinance changes for 10/1
- Arrange Flu Shots
- SAP – Input negotiated salary increases (represented)
- Annual EOM Report – Board Agenda
- Hispanic Heritage Month 9/15 – 10/15
- Desk Audits due to HR
- Special Event – Health and Sustainability Fair

### October

- Open Enrollment Packets sent
- Desk Audit Notification
- Quarterly Beacon Award – “Lighthouse”
- ELG/Service Awards Ceremony
- 457/IRS Tax Limits
- Disability Employment Awareness Month
- German/Polish/Italian American Heritage Month
- Flu Shots
- Benefits Renewal Completed
- SAP Benefit changes for 1/1 configured
- Update Active employee, Retiree & COBRA benefit rates
- Halloween Event

### November

- Open Enrollment
- Native American Heritage
- Reminder email notice of wellness reimbursement deadline

### December

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## DEPARTMENT OPERATING PLAN

- Quarterly Beacon Award – “Lighthouse”
- ELG Service Awards
- NEW Jobs & class specs due to HR
- Special Event

## Human Resources

**Reclass:** 1 Executive Assistant I to Management Analyst  
               1 Human Resources Analyst to Human Resources Business Partner  
               1 Human Resources Technician to Benefits Analyst  
**Replace:** 1 Human Resources Technician with Manager, Human Resources  
**Transfer:** 2 Interns to Variable Staffing  
               50 Student Workers (Summer Program) to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Benefits Analyst	0	1
Director, Human Resources	1	1
Equal Opportunity Technician	1	1
Executive Assistant I (Unclassified)	1	0
Human Resources Analyst	2	1
Human Resources Business Partner	0	1
Human Resources Technician	3	1
Management Analyst	0	1
Manager, Equal Opportunity	1	1
Manager, Human Resources	0	1
Senior Benefits and Compensation Analyst	1	1
Senior Human Resources Analyst	1	1
<b>TOTAL</b>	<b>11</b>	<b>11</b>

### INTERN / STUDENT WORKER POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	2	0
Student Worker (Summer Program)	50	0
<b>TOTAL</b>	<b>52</b>	<b>0</b>

## Human Resources

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 1,872,233	\$ 1,955,700	\$ 1,837,000	\$ (118,700)	(6.1)%
Non-Personnel Expense	3,839,640	4,334,200	4,048,300	(285,900)	(6.6)%
<b>Total Direct Expense</b>	<b>\$ 5,711,873</b>	<b>\$ 6,289,900</b>	<b>\$ 5,885,300</b>	<b>\$ (404,600)</b>	<b>(6.4)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 5,711,873</b>	<b>\$ 6,289,900</b>	<b>\$ 5,885,300</b>	<b>\$ (404,600)</b>	<b>(6.4)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,022,439	\$ 1,213,100	\$ 977,500	\$ (235,600)	(19.4)%
Overtime	4,971	4,000	6,000	2,000	50.0 %
Burden	755,442	733,600	853,500	119,900	16.3 %
Temporary Personnel	89,381	5,000	—	(5,000)	(100.0)%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 1,872,233</b>	<b>\$ 1,955,700</b>	<b>\$ 1,837,000</b>	<b>\$ (118,700)</b>	<b>(6.1)%</b>

# Human Resources

## EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 4,000		\$ 6,000		
<b>Total:</b>	\$ 4,971	\$ 4,000	\$ 4,000	\$ 6,000	\$ 2,000	50.0 %
600120 Temporary Personnel						
TEMPORARY PERSONNEL		\$ 5,000		\$ —		
<b>Total:</b>	\$ 89,381	\$ 5,000	\$ 5,000	\$ —	\$ (5,000)	(100.0)%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 94,352	\$ 9,000	\$ 9,000	\$ 6,000	\$ (3,000)	(33.3)%
610100 Awards - Service						
CERTIFICATES		\$ 1,100		\$ 1,100		
<b>Total:</b>	\$ —	\$ 1,100	\$ 1,100	\$ 1,100	\$ —	0.0 %
610110 Books & Periodicals						
HR - PUBLICATIONS		\$ 2,200		\$ 2,200		
<b>Total:</b>	\$ 896	\$ 2,200	\$ 2,200	\$ 2,200	\$ —	0.0 %
610115 Employee Recognition						
DIST EMPLOYEE RECOGNITION		\$ 40,000		\$ 40,000		
HR - EMPLOYEE RECOGNITION		400		500		
<b>Total:</b>	\$ 17,663	\$ 40,400	\$ 40,400	\$ 40,500	\$ 100	0.2 %
610120 Memberships & Dues						
HR/EOM RELATED		\$ 3,600		\$ 3,600		
<b>Total:</b>	\$ 1,054	\$ 3,600	\$ 3,600	\$ 3,600	\$ —	0.0 %
610125 Health and Wellness						
HEALTH & WELLNESS PROGRAMS		\$ 1,500		\$ 1,500		
<b>Total:</b>	\$ 9,520	\$ 1,500	\$ 1,500	\$ 1,500	\$ —	0.0 %
610130 Recruiting						
ASSESSMENT SERVICES		\$ 6,000		\$ 6,000		
RECRUITING		50,000		70,800		
<b>Total:</b>	\$ 51,794	\$ 56,000	\$ 56,000	\$ 76,800	\$ 20,800	37.1 %
610140 Seminars & Training						
COMMISSIONER HARASSMENT TRAINING		\$ 8,000		\$ —		
HP HARASSMENT TRAINING		8,000		—		
HR - DISTRICT TRAINING		10,000		18,000		
<b>Total:</b>	\$ 92,661	\$ 26,000	\$ 26,000	\$ 18,000	\$ (8,000)	(30.8)%
610150 Tuition Reimbursement Program						



**Human Resources**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
TUITION		\$ 60,000		\$ 60,000		
<b>Total:</b>	\$ 50,395	\$ 60,000	\$ 60,000	\$ 60,000	\$ —	0.0 %
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 2,400		\$ 2,400		
<b>Total:</b>	\$ 1,211	\$ 2,400	\$ 2,400	\$ 2,400	\$ —	0.0 %
615110 Travel						
TRAVEL		\$ 3,000		\$ 9,000		
<b>Total:</b>	\$ 5,209	\$ 3,000	\$ 3,000	\$ 9,000	\$ 6,000	200.0 %
620100 Services - Professional & Other						
401(A) & 457 PASSIVE TRUSTEE		\$ 1,000		\$ 1,000		
CONSULTANTS - ADA		5,000		5,000		
CONSULTANTS - DISTRICT		120,000		113,000		
CONSULTANTS - INVESTIGATIVE SEVC		10,000		10,000		
CONSULTANTS - PERSONNEL RULES		10,000		—		
EXECUTIVE MEDICALS		19,700		22,700		
EXPERIAN		1,100		1,100		
FLEX PLAN		16,500		16,600		
PAB HEARINGS		3,000		3,000		
PHYSICALS/TESTS		3,000		3,000		
PRE.EMPLOY. MEDS: GS (GRP II)		2,000		2,000		
RETURN TO WORK MEDICALS		5,000		5,000		
<b>Total:</b>	\$ 85,424	\$ 196,300	\$ 196,300	\$ 182,400	\$ (13,900)	(7.1)%
630110 Equipment & Systems						
FURNITURE		\$ 5,000		\$ 5,000		
MISC. - EQUIPMENT		1,500		1,500		
<b>Total:</b>	\$ 1,761	\$ 6,500	\$ 6,500	\$ 6,500	\$ —	0.0 %
630120 Equipment Rental/Leasing						
EQUIPMENT RENTAL/LEASING		\$ 5,000		\$ —		
<b>Total:</b>	\$ 6,224	\$ 5,000	\$ 5,000	\$ —	\$ (5,000)	(100.0)%
630130 Office & Operating Supplies						
GENERAL OFFICE SUPPLIES		\$ 15,000		\$ 15,000		
<b>Total:</b>	\$ 12,855	\$ 15,000	\$ 15,000	\$ 15,000	\$ —	0.0 %
630140 Postage & Shipping						
POSTAGE		\$ 3,200		\$ 3,200		

**Human Resources**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ 2,236	\$ 3,200	\$ 3,200	\$ 3,200	\$ —	0.0 %
630150 Safety Equipment & Supplies						
SAFETY- ERGONOMICS EQUIP	\$	1,000		\$ 1,000		
<b>Total:</b>	\$ 609	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
640100 Space Rental						
<b>Total:</b>	\$ 783	\$ —	\$ —	\$ —	\$ —	N/A
650120 Equipment Maintenance-Supplies						
EQUIPMENT SUPPLIES	\$	1,800		\$ 1,800		
<b>Total:</b>	\$ —	\$ 1,800	\$ 1,800	\$ 1,800	\$ —	0.0 %
660100 Advertising						
ADVERTISEMENTS/MEDIA	\$	12,000		\$ 12,000		
<b>Total:</b>	\$ 5,256	\$ 12,000	\$ 12,000	\$ 12,000	\$ —	0.0 %
660110 Promotional Services						
EMPLOYEE EVENT(S)	\$	35,000		\$ 35,000		
EOM RELATED		10,000		10,000		
JOB FAIRS - OUTREACH INITIATIVE		5,000		5,000		
MEALS (EXTERNAL PARTICIPANTS)		2,000		2,000		
MISCELLANEOUS - DISTRICT		1,000		1,000		
RETIREE EVENT		5,000		5,000		
RETIREMENT GIFTS/SENDOFF		5,500		5,500		
UNITED WAY		2,000		2,000		
<b>Total:</b>	\$ 28,260	\$ 65,500	\$ 65,500	\$ 65,500	\$ —	0.0 %
660120 Promotional Materials						
JOB FAIRS	\$	5,000		\$ 5,000		
PROMOTIONAL MATERIALS		3,500		3,500		
<b>Total:</b>	\$ 607	\$ 8,500	\$ 8,500	\$ 8,500	\$ —	0.0 %
670150 Retiree Health Benefits (Paid)						
RETIREE HEALTH BENEFITS	\$	3,573,200		\$ 3,272,300		
<b>Total:</b>	\$ 3,205,223	\$ 3,573,200	\$ 3,573,200	\$ 3,272,300	\$ (300,900)	(8.4)%
670155 Preservation of Benefits Plan (POB)						
PRESERVATION OF BENEFITS PLAN	\$	250,000		\$ 265,000		
<b>Total:</b>	\$ 260,000	\$ 250,000	\$ 250,000	\$ 265,000	\$ 15,000	6.0 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 3,839,640	\$ 4,334,200	\$ 4,334,200	\$ 4,048,300	\$ (285,900)	(6.6)%

**Human Resources**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>GRAND TOTAL:</b>					\$ 3,933,992	\$ 4,343,200
					\$ 4,343,200	\$ 4,054,300
					\$ (288,900)	(6.7)%

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## DEPARTMENT OPERATING PLAN

Department:	124 - Information Technology	Planning Cycle:	FY18/19
Director:	Keith Coffey		
VP/AVP:	Shaun Sumner		
MISSION			
The Mission of the Information Technology Department is to:			
<ul style="list-style-type: none"><li>• provide a secure, stable, high performing technology environment;</li><li>• enhance Port operations through administering and supporting solutions that add value to every team and team member; and</li><li>• deliver on-time, on-budget results through collaborative, mission-relevant projects and business services.</li></ul>			
VISION			
The Information Technology Department is recognized as a high-performance team, providing technology excellence, in partnership with all departments, and in alignment with Port of San Diego's mission and goals.			
GOALS			
<ul style="list-style-type: none"><li>• <b>Business Relationships.</b> Implement an IT Business Partner model to improve collaboration with Port staff and stakeholders; employ the Business Partner role to align, coordinate and ensure internal customers receive mission-relevant IT services that deliver results, provide value and enhance outcomes.</li><li>• <b>Prioritize Business Needs and Deliver Value.</b> Establish a customer advisory committee to partner with IT in evaluating and prioritizing business projects and enhancements, ensuring resources are allocated to the highest value efforts for the organization.</li><li>• <b>Cybersecurity and Risk Management.</b> Cascade and integrate cybersecurity and risk management processes within the framework of the strategic business management and operating environments.</li><li>• <b>Operational Excellence.</b> Deploy Information Technology Infrastructure Library (ITIL) service delivery governance model across IT, ensuring a sustainable and supportable operating environment.</li><li>• <b>Modernize User Experience.</b> Progressively enhance and modify our existing platforms and solutions with a focus on providing Port staff with an efficient and intuitive interface.</li><li>• <b>Technical Workforce.</b> Ensure a skilled, responsive, and innovative workforce that keeps current with evolving business critical technologies.</li></ul>			



## DEPARTMENT OPERATING PLAN

### RUN THE BUSINESS

The systems, described broadly below, are a key component of the District's ability to run its daily business as an organization.

**NETWORK.** The Information Technology (IT) Department supports approximately 700 end users (staff, consultants, and temporary workers), located at 12 offices distributed throughout the San Diego waterfront, which are interconnected in a hub and spoke network topology using a redundant mix of leased and private lines. For business continuity of District technology services, IT employs a solution that conducts enterprise-wide backups, with the ability to restore and recover data and application services

**PLATFORMS.** Approximately 300 District servers run on a variety of mainstream operating systems, including physical and virtual platforms, which host all District applications. In addition to the infrastructure listed above, the IT department also runs, supports, and maintains the following enterprise solutions and platforms:

- Enterprise Storage Area Network solution that stores approximately 250 Terabytes of data
- Identity Management solution to manage user and application provisioning
- Enterprise computing security ranging from mobile computing to Firewall protection
- Enterprise Access Control, IP video surveillance, and analytics
- Enterprise email and management
- Enterprise document management system
- Approved internet browser support
- Remote Access Application Management
- Enterprise Voice over IP technology
- 800MHz Radio technology as well as Emergency Satellite equipment
- Cellular Device Support along with Mobile Device Management

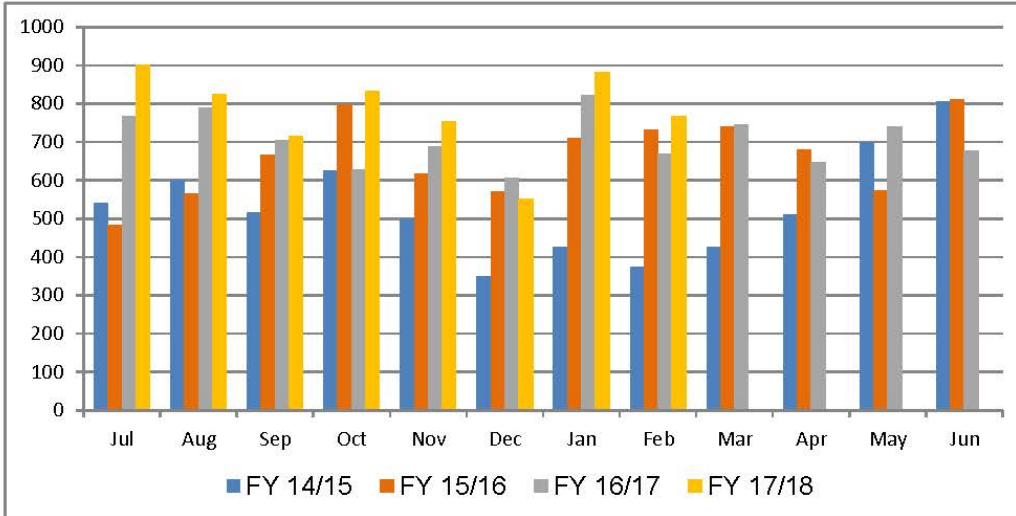
**APPLICATIONS.** The IT department supports over 100 productivity applications and systems such as Microsoft Office Suite, Adobe, Enterprise Mass Notification System, Computer Aided Dispatch System, Public Safety Records Management System, 911 Public Safety Answering Point, Marketing's NetAdmin system, Enterprise Office eDiscovery system, integrated enterprise ERP system supporting multiple shared services divisions, and many others. The IT department also manages the Access Control System, CCTV, and analytics operating on enterprise unified security platform as well as long-range video surveillance solution at various locations surrounding the San Diego Bay.

**WORK ORDERS.** Supporting these networks, platforms, and applications is a significant undertaking. IT experienced an average 12% increase in work orders over the last three fiscal years. This rate is expected to continue to rise based on the number of new systems brought online. The total number of work orders received beginning fiscal year 14/15 are shown below.

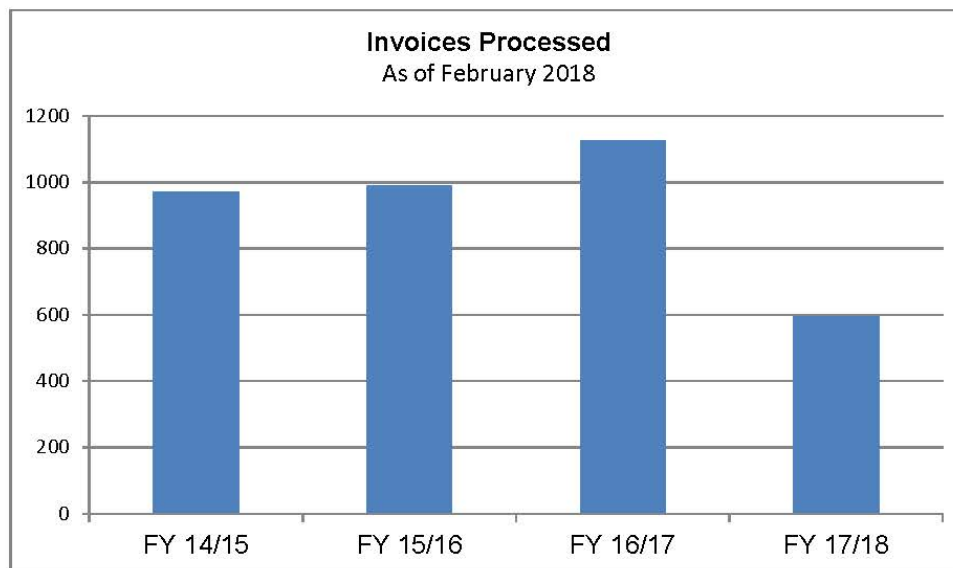




## DEPARTMENT OPERATING PLAN



IT FINANCE. Maintaining our complex Information Technology computing environment and multiple business application solutions requires both technical staff – as well as IT Finance staff to manage our extensive portfolio of licensing, maintenance, and professional services agreements. Regular maintenance ensures that network and systems remain in a secure and stable state, free of failure or outage. In support of optimal system availability and uptime, over 250 agreements are thoughtfully managed, planned, and controlled. Another critical role of the IT Finance team is the processing our regular flow of invoices, which average 95 per month. IT expects that number to reach or exceed 100 per month or 1200 annually in the current fiscal year.



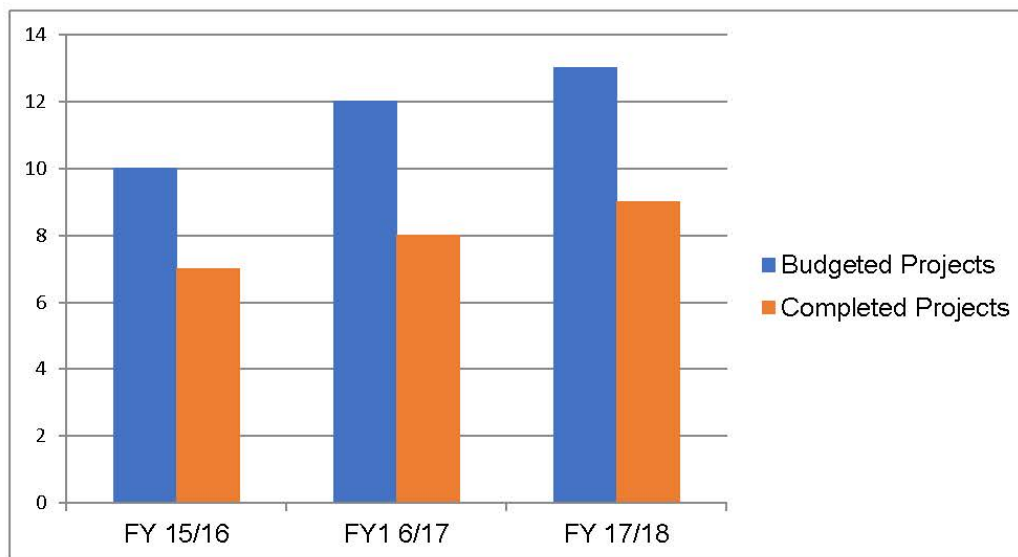
### STRATEGIC TECHNOLOGY INITIATIVES



## DEPARTMENT OPERATING PLAN

In addition to routine support and maintenance, the IT department takes on a number of new projects to evaluate and replace old systems with new technology as well as implement new innovations to help the District in its operational needs.

Some of the technologies implemented are a surplus equipment application, phase 9 of the fiber optic ring, wide area view camera implementation, replace the mass storage solution, enterprise data and analytics platform upgrade, telephony upgrade, and e-discovery application implementation.





## Information Technology

**Reclass:** 1 Technology Security Supervisor to Chief Information Security Officer  
 1 Executive Assistant I (Unclassified) to Enterprise Operation Manager  
 1 Information Systems Supervisor to Manager, IT Business Partner  
 1 Senior Management Analyst to IT Project Manager  
 1 Systems Support Analyst II to IT Systems Engineer IV  
 1 Technical Training Specialist to Management Analyst

**Transfer:** 3 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Business Intelligence Supervisor	1	1
Business Systems Analyst	3	3
Business Systems Supervisor	1	1
Chief Information Security Officer	0	1
Chief Technology Officer	1	1
Director, Business Information & Technology Services	1	1
Enterprise Operation Manager	0	1
Executive Assistant I (Unclassified)	1	0
GIS Analyst	1	1
Information Systems Supervisor	1	0
Information Technology Security Analyst	1	1
Infrastructure Supervisor	1	1
IT Infrastructure Engineer IV	1	1
IT Project Manager	0	1
IT Systems Engineer IV	0	1
Lead Support Services	1	1
Management Analyst	1	2
Manager, IT Business Partner	0	1
Network Systems Analyst	1	1
Senior Applications Developer	1	1
Senior Business Intelligence Analyst	1	1
Senior Business Systems Analyst	2	2
Senior Management Analyst	1	0
Senior Systems Administrator	1	1
Systems Administration Supervisor	1	1
Systems Administrator	1	1
Systems Support Analyst I	3	3
Systems Support Analyst II	2	1
Technical Training Specialist	1	0

## Information Technology

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Technology Security Supervisor	1	0
<b>TOTAL</b>	<b>31</b>	<b>31</b>

## INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	3	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>

## Information Technology

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 3,938,461	\$ 4,245,800	\$ 4,507,600	\$ 261,800	6.2 %
Non-Personnel Expense	129,326	194,800	175,400	(19,400)	(10.0)%
<b>Total Direct Expense</b>	<b>\$ 4,067,787</b>	<b>\$ 4,440,600</b>	<b>\$ 4,683,000</b>	<b>\$ 242,400</b>	<b>5.5 %</b>
Less: Capitalized Expense	(19,034)	(150,000)	(835,000)	(685,000)	456.7 %
Equipment Outlay and Other Capital Projects	35,550	780,000	—	(780,000)	(100.0)%
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 4,084,303</b>	<b>\$ 5,070,600</b>	<b>\$ 3,848,000</b>	<b>\$ (1,222,600)</b>	<b>(24.1)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 2,242,178	\$ 2,852,600	\$ 3,057,600	\$ 205,000	7.2%
Overtime	1,903	—	—	—	N/A
Burden	1,367,950	1,393,200	1,450,000	56,800	4.1%
Temporary Personnel	326,429	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 3,938,461</b>	<b>\$ 4,245,800</b>	<b>\$ 4,507,600</b>	<b>\$ 261,800</b>	<b>6.2%</b>

**Information Technology**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET dollars      pct	
600110 Overtime						
<b>Total:</b>	\$ 1,903	\$ —	\$ —	\$ —	\$ —	N/A
600120 Temporary Personnel						
<b>Total:</b>	\$ 326,429	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 328,333	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals BOOKS & PERIODICALS		\$ 500		\$ 1,000		
<b>Total:</b>	\$ 896	\$ 500	\$ 500	\$ 1,000	\$ 500	100.0 %
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 900		\$ 1,100		
<b>Total:</b>	\$ 1,756	\$ 900	\$ 900	\$ 1,100	\$ 1,100	122.2 %
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 11,400		\$ 14,000		
<b>Total:</b>	\$ 26,498	\$ 11,400	\$ 11,400	\$ 14,000	\$ 2,600	22.8 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 167,000		\$ 144,300		
<b>Total:</b>	\$ 87,519	\$ 167,000	\$ 167,000	\$ 144,300	\$ 2,600	1.6 %
615100 Mileage Reimbursement MILEAGE AND PARKING		\$ 3,200		\$ 3,200		
<b>Total:</b>	\$ 4,782	\$ 3,200	\$ 3,200	\$ 3,200	\$ —	0.0 %
615110 Travel TRAVEL		\$ 4,000		\$ 4,000		
<b>Total:</b>	\$ 4,152	\$ 4,000	\$ 4,000	\$ 4,000	\$ —	0.0 %
620100 Services Professional						
<b>Total:</b>	\$ 106	\$ —	\$ —	\$ —	\$ —	N/A
630110 Equipment & Systems						
<b>Total:</b>	\$ 119	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies OFFICE & OPERATING SUPPLIES		\$ 7,400		\$ 7,400		
<b>Total:</b>	\$ 6,613	\$ 7,400	\$ 7,400	\$ 7,400	\$ —	0.0 %
630140 Postage & Shipping POSTAGE & SHIPPING		\$ 400		\$ 400		

**Information Technology**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET dollars      pct	
<b>Total:</b>	\$ 133	\$ 400	\$ 400	\$ 400	\$ 400	100.0 %
640110 Telephone & Communications						
	\$ (4,023)	\$ —	\$ —	\$ —	\$ —	N/A
660110 Promotional Service						
<b>Total:</b>	\$ 507	\$ —	\$ —	\$ —	\$ —	N/A
660120 Promotional Materials						
<b>Total:</b>	\$ 268	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 129,326	\$ 194,800	\$ 194,800	\$ 175,400	\$ (19,400)	(10.0)%
<b>GRAND TOTAL:</b>	\$ 457,659	\$ 194,800	\$ 194,800	\$ 175,400	\$ (19,400)	(10.0)%

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	153 - MARITIME DIVISION	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	JOEL VALENZUELA		
<b>VP/AVP:</b>	BELLA HEULE		
<b>MISSION</b>			
To strengthen our region through growth of cargo, cruise and maritime industrial business lines while ensuring a clean, safe and secure environment.			
<b>VISION</b>			
Keeping our region strong through a thriving and modern maritime seaport.			
<b>FY 18/19 OPERATING PLAN BACKGROUND AND HIGHLIGHTS</b>			
The following Operating Plan (Plan) defines the goals, strategies and actions to be used by the Maritime Department in FY 18/19 to fulfill the above “Mission” and “Vision” statements. The Plan is organized to align with Maritime’s four primary business units/revenue sources:			
<ul style="list-style-type: none"><li>• Cargo</li><li>• Cruise</li><li>• Maritime Industrial (Shipyards and Other Maritime Assets)</li><li>• Commercial Fishing</li></ul>			
Maritime staffing is organized along two primary functional lines:			
<ul style="list-style-type: none"><li>• Operations</li><li>• Commercial (Business Development and Business Retention)</li></ul>			
Primary Support Departments:			
<ul style="list-style-type: none"><li>• Real Estate (Maritime Real Estate and Development Services Staff)</li><li>• General Services</li><li>• Engineering</li><li>• PGP</li><li>• GCR</li><li>• Harbor Police (Facility Security Coordinator)</li><li>• Marcom</li><li>• IT</li><li>• HR</li></ul>			
Highlights of FY 18/19 Operating Plan include:			
<ul style="list-style-type: none"><li>• Focus on Operational Continuity and Efficiency during completion of Phase 1 and commencement of Phase 2 TIGER Project</li><li>• Focus on Aggressive Business Development for TAMT ( Business Growth during TIGER construction, Mitsubishi Cement)</li><li>• Focus on Retention and Growth of Existing Cargo Tenancies and Customers (Cemex, Searles Valley, Pasha)</li><li>• Focus on Retention and Growth of Existing Maritime Industrial Tenants (BAE and CP Kelco redevelopment projects and new leases)</li><li>• Facilitate Progress of National City Balanced Plan, including Pasha Street Closures and Rail Connector Project</li><li>• Implementation of Cruise Optimization Strategy – Infrastructure Improvements, Entitlements, Negotiations with Cruise Lines</li><li>• Implementation of Process Improvements to administration of commercial fishing facility at G Street Mole</li></ul>			

153 – Maritime Operating Plan\_vFY19 Budget Book

## Maritime

**Replace:** 1 Staff Assistant II with Wharfinger

**Transfer:** 1 Principal, Maritime Business Development (Limited) to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Director, Maritime	1	1
Executive Assistant I (Classified)	1	1
Management Analyst	1	1
Manager, Maritime Operations	1	1
Manager, Maritime Trade Development	1	1
Marine Terminal Supervisor	3	3
Principal, Maritime Business Retention	1	1
Senior Management Analyst	1	1
Senior Trade Account Representative	1	1
Staff Assistant II	1	0
Wharfinger	11	12
<b>TOTAL</b>	<b>23</b>	<b>23</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Principal, Maritime Business Development	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>



## Maritime

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 3,897,664	\$ 3,914,100	\$ 3,811,400	\$ (102,700)	(2.6)%
Non-Personnel Expense	6,334,961	7,170,000	7,378,600	208,600	2.9 %
<b>Total Direct Expense</b>	<b>\$ 10,232,625</b>	<b>\$ 11,084,100</b>	<b>\$ 11,190,000</b>	<b>\$ 105,900</b>	<b>1.0 %</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	672,786	650,300	887,600	237,300	36.5 %
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 10,905,411</b>	<b>\$ 11,734,400</b>	<b>\$ 12,077,600</b>	<b>\$ 343,200</b>	<b>2.9 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 2,380,148	\$ 2,327,500	\$ 2,252,200	\$ (75,300)	(3.2)%
Overtime	33,058	28,000	25,600	(2,400)	(8.6)%
Burden	1,412,676	1,489,600	1,533,600	44,000	3.0 %
Temporary Personnel	71,782	69,000	—	(69,000)	(100.0)%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 3,897,664</b>	<b>\$ 3,914,100</b>	<b>\$ 3,811,400</b>	<b>\$ (102,700)</b>	<b>(2.6)%</b>

## Maritime

### EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DESCRIPTION	QTY	BUDGET FY 2019
G STREET STORAGE BARGES REPLACEMENT	3	\$ 150,000
WAYFINDING SIGNAGE AT B ST CRUISE SHIP TERMINAL	1	135,000
STORMDRAIN MEDIA INSERTS FOR NATIONAL CITY MARINE TERMINAL <sup>(1)</sup>	1	129,000
6' X 20' YOKOHAMA FENDERS	6	126,600
YODOCK SYSTEM	1	100,000
PORTABLE RESTROOM FACILITY	1	80,000
STORMDRAIN MEDIA INSERTS FOR TENTH AVENUE MARINE TERMINAL <sup>(1)</sup>	1	77,400
SOUND SYSTEM UPGRADE AT PORT PAVILION	1	40,000
AUXILIARY GUARD HOUSE	1	20,000
STORMDRAIN MEDIA INSERTS FOR CRUISE SHIP TERMINAL <sup>(1)</sup>	1	15,600
SEATING BRACKET SYSTEM	1	14,000
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>18</b>	<b>887,600</b>

**Note:**

<sup>(1)</sup> Funded from Environmental Fund.

**Maritime**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
MO - WHARFINGERS, MARINE TERM		\$ 28,000		\$ 25,600		
<b>Total:</b>	\$ 33,058	\$ 28,000	\$ 28,000	\$ 25,600	\$ (2,400)	(8.6)%
600120 Temporary Personnel						
TEMPORARY PERSONNEL		\$ 69,000		\$ —		
<b>Total:</b>	\$ 71,782	\$ 69,000	\$ 69,000	\$ —	\$ (69,000)	(100.0)%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 104,840	\$ 97,000	\$ 97,000	\$ 25,600	\$ (71,400)	(73.6)%
610110 Books & Periodicals						
MARITIME/INDUSTRY PERIODICALS		\$ 2,800		\$ 2,800		
<b>Total:</b>	\$ 595	\$ 2,800	\$ 2,800	\$ 2,800	\$ —	0.0 %
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ —		\$ 2,000		
OPS & TRADE		2,000		—		
<b>Total:</b>	\$ 59	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
610120 Memberships & Dues						
MEMBERSHIP & DUES		\$ 33,400		\$ 33,400		
<b>Total:</b>	\$ 25,875	\$ 33,400	\$ 33,400	\$ 33,400	\$ —	0.0 %
610140 Seminars & Training						
PROFESSIONAL DEVELOPMENT		\$ 14,500		\$ 10,000		
SALES TRAINING		3,400		—		
TRAINING PROGRAMS		8,500		11,900		
<b>Total:</b>	\$ 26,931	\$ 26,400	\$ 26,400	\$ 21,900	\$ (4,500)	(17.0)%
615100 Mileage Reimbursement						
MILEAGE		\$ 8,000		\$ 8,000		
<b>Total:</b>	\$ 5,976	\$ 8,000	\$ 8,000	\$ 8,000	\$ —	0.0 %
615110 Travel						
BUSINESS RETENTION / DEVP MISSIONS		\$ 25,400		\$ 12,800		
CLIA EXECUTIVE PARTNER SUMMIT		4,700		—		
CRUISE 3SIXTY CONFERENCE		1,600		—		
CRUISE CONFERENCE/SUMMIT		—		26,200		
DOMESTIC SALES TRIPS / CONF		69,700		39,100		
FL CARRIBEAN CRUISE ASSN CONF		8,600		—		
INTL SALES TRIPS - ASIA		24,400		—		

**Maritime**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
INTL SALES TRIPS - OTHER		\$ 41,200		\$ —		
INTL SALES TRIPS/CONF		—		59,000		
NORTHWEST & CANADA CRUISE CONF		2,000		—		
PROFESSIONAL DEVELOPMENT		13,500		12,900		
SEATRADE GLOBAL CONFERENCE		8,900		—		
<b>Total:</b>	<b>\$ 107,248</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 150,000</b>	<b>\$ (50,000)</b>	<b>(25.0)%</b>
620100 Services - Professional & Other						
CONSULTING SERVICES	\$ 200,000			\$ 140,000		
FACILITY SEC PLAN ASSESSMT/EXERCISE		14,400		58,700		
FACILITY SEC PLAN AUDITS		22,500		—		
FOREIGN TRADE ZONE OPERATOR FEE		10,000		10,000		
INT'L SALES TRIP/TRADE MISSION		13,000		13,000		
LAND SURVEY		60,000		60,000		
MOTEMS STUDIES		92,000		95,000		
OFFICE RELOCATION		—		30,000		
PARTNER AGENCIES AGREEMENTS		50,000		50,000		
PROFESSIONAL SERVICES		2,000		2,000		
<b>Total:</b>	<b>\$ 314,172</b>	<b>\$ 463,900</b>	<b>\$ 463,900</b>	<b>\$ 458,700</b>	<b>\$ (5,200)</b>	<b>(1.1)%</b>
620125 Services - Security						
BOARD MEETING SECURITY	\$ 2,500			\$ 2,500		
CCTV WATCHSTANDER		252,000		252,000		
CRUISE SECURITY SCREENING		863,300		938,500		
MILITARY SECURITY		—		100,000		
PORT PAVILION SPECIAL EVENT SECURITY		81,800		28,000		
TAMT MAIN/BACK GATE SECURITY		403,200		450,000		
<b>Total:</b>	<b>\$ 1,491,899</b>	<b>\$ 1,602,800</b>	<b>\$ 1,602,800</b>	<b>\$ 1,771,000</b>	<b>\$ 168,200</b>	<b>10.5 %</b>
620130 Services - Operator Retention						
PASHA	\$ 3,648,000			\$ 3,585,400		
<b>Total:</b>	<b>\$ 3,298,390</b>	<b>\$ 3,648,000</b>	<b>\$ 3,648,000</b>	<b>\$ 3,585,400</b>	<b>\$ (62,600)</b>	<b>(1.7)%</b>
630110 Equipment & Systems						
CARGO/CRUISE TERMINAL EQUIPMT	\$ 50,000			\$ 45,000		
<b>Total:</b>	<b>\$ 91,576</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 45,000</b>	<b>\$ (5,000)</b>	<b>(10.0)%</b>
630120 Equipment Rental/Leasing						
CRUISE EQUIPMT/TENT RENTAL	\$ 10,000			\$ 6,000		
FURNITURE RENTAL		—		20,000		

**Maritime**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
OFFICE TRAILERS - MARITIME & FSC (TAMT)		—		60,000		
OFFICE TRAILERS - TENANT & SECURITY		—		6,900		
SECURITY/STAFF OFFICE TRAILERS		2,200		—		
TENANT OFFICE TRAILER (METRO)		4,100		—		
TRAILER - MARITIME COMPUTER SERVER		—		10,000		
<b>Total:</b>	\$ 15,392	\$ 16,300	\$ 16,300	\$ 102,900	\$ 86,600	531.3 %
630130 Office & Operating Supplies						
MO - SUPPLIES FOR 3 TERMINALS		\$ 12,000		\$ 12,000		
OFFICE SUPPLIES		5,000		5,000		
TWIC CARDS NEW/REPLACE		2,000		2,000		
<b>Total:</b>	\$ 13,980	\$ 19,000	\$ 19,000	\$ 19,000	\$ —	0.0 %
630140 Postage & Shipping						
FEDEX (INT'L)		\$ 1,500		\$ 1,500		
POSTAGE		1,000		1,000		
<b>Total:</b>	\$ 6,874	\$ 2,500	\$ 2,500	\$ 2,500	\$ —	0.0 %
630150 Safety Equipment & Supplies						
SAFETY EQUIPMENT & SUPPLIES		\$ —		\$ 6,000		
TERMINAL SAFETY EQUIPMENT		4,000		—		
WHARFINGER SAFETY SUPPLIES		2,000		—		
<b>Total:</b>	\$ 6,243	\$ 6,000	\$ 6,000	\$ 6,000	\$ —	0.0 %
630170 Fuel & Lubricants						
<b>Total:</b>	\$ 46	\$ —	\$ —	\$ —	\$ —	N/A
630200 Uniforms						
<b>Total:</b>	\$ 271	\$ —	\$ —	\$ —	\$ —	N/A
640100 Space Rental						
CALIF SLC RENT, MOORING AREAS		\$ 20,000		\$ 20,000		
CRUISE PERSONNEL PARKING		60,000		20,000		
HS - CORONADO HOA LEASE		7,200		7,200		
HS ONE AMERICA PLAZA LEASE		45,000		47,300		
<b>Total:</b>	\$ 72,593	\$ 132,200	\$ 132,200	\$ 94,500	\$ (37,700)	(28.5)%
640130 Utilities-Water						
TERMINALS WATER METER/HYDRANT		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ (663)	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %

**Maritime**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
640150 Facility Management Services						
NATIONAL DISTRIBUTION CENTER		\$ 440,000		\$ 488,000		
<b>Total:</b>	\$ 428,145	\$ 440,000	\$ 440,000	\$ 488,000	\$ 48,000	10.9 %
650100 Facilities Maintenance-Supplies						
CARGO/CRUISE TERMINALS		\$ 2,000		\$ 2,000		
<b>Total:</b>	\$ 39	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
650110 Facilities Maintenance-Outside Services						
GRAVEL - TAMT FRONT DIRT LOT		\$ 5,000		\$ 10,000		
JANITORIAL - B ST & BDWY TERMINALS		116,000		116,000		
K-RAIL		3,000		10,000		
TAMT DELINEATORS		900		—		
TAMT SIGNAGE		1,000		—		
TERMINAL CLEANING (MILITARY)		—		75,000		
<b>Total:</b>	\$ 153,590	\$ 125,900	\$ 125,900	\$ 211,000	\$ 85,100	67.6 %
650120 Equipment Maintenance-Supply						
<b>Total:</b>	1,790	\$ —	\$ —	\$ —	\$ —	N/A
650130 Equipment Maintenance-Outside Services						
OFFICE EQUIPMENT		\$ 10,600		\$ 10,600		
SHOREPOWER SYSTEMS		256,100		264,200		
<b>Total:</b>	\$ 192,821	\$ 266,700	\$ 266,700	\$ 274,800	\$ 8,100	3.0 %
660105 Marketing/Outreach						
<b>Total:</b>	\$ 470	\$ —	\$ —	\$ —	\$ —	N/A
660110 Promotional Services						
BREKBUK CONF - US & INTL		\$ 10,700		\$ 10,700		
CRUISE CONF/PROMOTIONS		—		10,800		
CRUISE SEASON KICK OFF MTG		500		—		
CRUISE TRADE SHOWS		7,600		—		
CUSTOMER RELATIONS MEETINGS / EVENT		20,000		15,000		
DOMESTIC & INTL PROMOTIONS		10,000		10,000		
INDUSTRY / BUSINESS CONF - U.S. & I		38,600		25,000		
INDUSTRY EVENT SPONSORSHIPS		25,000		20,000		
INTERNATIONAL SALES CALLS		1,000		1,000		
MARITIME RETREAT		4,000		4,000		
SEATRADE GLOBAL		2,700		—		

**Maritime**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ 78,719	\$ 120,100	\$ 120,100	\$ 96,500	\$ (23,600)	(19.7)%
660120 Promotional Materials						
<b>Total:</b>	\$ 1,469	\$ —	\$ —	\$ —	\$ —	N/A
670105 Bank & CC Fees						
<b>Total:</b>	\$ 39	\$ —	\$ —	\$ —	\$ —	N/A
670130 Permits/Certificates/License						
PERMITS/CERTIFICATES/LICENSE	\$	300		\$ 1,500		
<b>Total:</b>	\$ 423	\$ 300	\$ 300	\$ 1,500	\$ 1,200	400.0 %
670190 Other Miscellaneous Operating Expenses						
CRUISE TERMINALS - CITY POLICE	\$	700		\$ 700		
<b>Total:</b>	\$ —	\$ 700	\$ 700	\$ 700	\$ —	0.0 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 6,334,962	\$ 7,170,000	\$ 7,170,000	\$ 7,378,600	\$ 208,600	2.9 %
<b>GRAND TOTAL:</b>	\$ 6,439,802	\$ 7,267,000	\$ 7,267,000	\$ 7,404,200	\$ 137,200	1.9 %

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	160 - Marketing & Communications	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Jenifer Barsell		
<b>VP/AVP:</b>	Bella Heule / Job Nelson		
<b>MISSION</b>			
Be a dynamic and trusted strategic partner providing integrated marketing and communications services that clearly and creatively share the San Diego Unified Port District's story, and engage people in the District experience.			
<b>VISION</b>			
People and partners experience a thriving and inviting San Diego Bay waterfront; understand and appreciate the District's purpose; and are left with a sense of enduring pride and extraordinary potential.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Create and sustain positive relationships with stakeholders and the community at large by educating and informing the public and others in a timely manner on District and related issues</li><li>• Develop comprehensive marketing campaigns to support business development with emphasis on the District's primary lines of business including maritime, real estate, and tourism, as well as new lines of business</li><li>• Raise awareness of the District, its business lines, activities, and regional value</li><li>• Utilize positive relationships with the media to keep the public informed of major initiatives</li><li>• Provide effective community outreach to encourage public and stakeholder participation</li><li>• Attract visitors and residents to enjoy the waterfront as a public amenity by promoting access, public recreation, activation efforts, special events, cultural enrichment activities, and community organized events</li><li>• Support activities that generate promotional and economic benefit through marketing sponsorships and signature events</li><li>• Promote a consistent and positive brand image that supports the District's brand promise</li></ul>			
<b><u>Current strategic initiatives</u></b>			
<ul style="list-style-type: none"><li>• <b>Website Redesign/CRM</b><ul style="list-style-type: none"><li>○ <b>Website redesign</b> – Part of the FY18 ELG Strategy Map. Currently working with FreshForm to completely redesign the website to make it more robust and user-friendly, and help tell the Port's story in a more dynamic manner. This contract ends in FY18. Once the new website is launched, it will require more storytelling on the site (rather than just posting of press releases) and more robust content development. There is also an opportunity to disseminate information via an email marketing strategy. Staff will support the Port in staying on trend with latest technology for the site and ensuring the customer journey on the website is a positive one.</li><li>○ <b>CRM</b> – The Port is currently looking at a Customer Relationship Management tool (CRM). A CRM will help create efficiencies across departments and allow the Port to be more customer-focused.</li></ul></li></ul>			

160 – Marketing & Communications Operating Plan\_vFY19 Budget Book



## DEPARTMENT OPERATING PLAN

- **Internal Communications**
  - Part of the FY18 ELG Strategy Map
  - Internal communications planning was added to MarCom responsibilities this past year. The intranet is a vital tool for our internal communications moving forward.
- **Integrated Marketing, Communications and Branding Plan**
  - Part of FY18 ELG Strategy Map
  - The Port launched a new brand in FY17. The replacement of old Port branding is being phased in over time. We will need to replace some of the major branded assets such as signage on Port buildings, terminal signage, etc. Also, staffing is needed to help tell the Port's story through comprehensive marketing and communications outreach campaigns. Several departments (Engineering, Environment, Real Estate, Port As A Service) have identified the need for more dedicated marketing and communications support.
- **Destination/Concessions Marketing Campaign**
  - Part of FY18 ELG Strategy Map
  - *Discover Your Wonderfront* campaign
  - Goals are to increase concession revenue, drive visitor traffic and spending, promote public access and develop tenant co-op with long-term marketing campaign.
  - Conducting pilot campaigns in FY18 for Harbor Island and IB Pier areas. Will need to add in campaign for other areas such as Embarcadero, Coronado, Shelter Island, etc.
  - As we conduct the pilot campaigns in FY18, we will be measuring ROI to determine the impact of the campaigns.

### Key Services:

## MARKETING

### **Port-Wide Projects & Initiatives**

- Ongoing
  - **Integrated Planning** – Provide support materials for community outreach.
  - **Economic Impact/Community Investment** – Produce comprehensive plan and materials for distribution of bi-annual economic impact analysis including support messaging and support materials.
  - **Ticket & Table Sponsorships** – Coordinate logistics of all invitations, purchases, distribution, recognition and regulatory requirements for sponsorship of community events. The team coordinated the participation and promotion for 82 events through this program in FY17. The number of events are projected to at least be the same, if not more, in FY19.
  - **Video Production** – The team supports the entire organization with video production ranging from internal training and cultural videos to special event coverage, social media shorts to broadcast commercials, and presentation videos to media distribution. Over 50 individual videos were produced in FY17. The number of videos produced by the Port continues to grow each year as the number of projects increases and need to be more proactive telling the Port's story externally.
  - **Photography** – The team also supports the entire organization with photography for over 50 individual events, creation of over 40 public online photo albums with over 7.6 million views, and over 30 campaign or program specific photo collections for use by project teams.



## DEPARTMENT OPERATING PLAN

- Annual
  - **Swearing-In Ceremony** – Provide creative production for annual event including video, presentation, invitations, programs, and signage.
- Maritime Sub-Brand**
  - Ongoing
    - **Cargo – The Special Advantage:** support the maritime trade team in securing specialty cargo business with long-term marketing campaign.
      - This campaign garnered 2.4 million gross impressions, among a highly targeted audience, in Q1 and Q2 of 2017 utilizing trade publications, digital ads, electronic newsletters, a pay-per-click social media campaign and a series of four short videos.
      - The cargo section of the Port's website increased from a monthly average of 121 hits in 2016, to 2,337 hits per month over the same period, representing an average percentage increase of 1,831%. With the redesign of the website in FY18, the traffic to the cargo section of the website is anticipated to continue to grow in FY19.
  - Annual
    - **Maritime Month – Ships Bring Prosperity:** celebrate the maritime industry throughout May with events and outreach that educate the community and build local support.
  - As needed
    - Provide target audience research, media buying recommendations and execution, creative production, community outreach, social media, or other marketing support for the following Maritime projects:
      - Tenth Avenue Marine Terminal Modernization
      - National City Marine Terminal Optimization
      - Working Waterfront
- Waterfront Development Sub-Brand**
  - As needed
    - Provide target audience research, media buying recommendations and execution, creative production, community outreach, social media, or other marketing support for the following Waterfront Development projects:
      - Real Estate Development Projects (Chula Vista Bayfront/CV RV Park, Central Embarcadero/Seaport Village Owner Operator, National City Marina District, Harbor Island East Basin, Portside Pier, Other RFPs)
      - Blue Economy Incubator (Aquaculture, BlueTech)
- Public Safety Sub-Brand**
  - Ongoing
    - **Outreach & Recruitment** – raise awareness and stature of Harbor Police and cross-functional teams (K-9, Dive, etc.) with community outreach campaign/materials.
    - **Crime Prevention – iWatch My Bay:** increase public vigilance for suspicious behavior and increase valid reporting with community outreach campaign/materials.
    - **Culture & Training** – support desired HP specific culture and incident specific training for various standard and emergency needs with tailored internal communications program and materials including videos, posters, handbooks, etc.





## DEPARTMENT OPERATING PLAN

### **Experiences Sub-Brand**

- Ongoing
  - **Cruise** – *Welcome to the Port of Land and Sea*: increase passenger demand for San Diego cruises (B2C) and number of cruise calls to the market (B2B) with a long-term marketing campaign.
    - This campaign garnered 5.4 million gross impressions among the highly targeted cruise audience in Q1 and Q2 of 2017 by utilizing trade and travel publications, digital ads, electronic newsletters, a pay-per-click social media campaign, a series of three short videos and robust direct marketing campaign.
  - **Tidelands Activation Program (TAP)** – maximize exposure of the Port's sponsorship of community events and waterfront activation with recognition opportunities and onsite presence. In collaboration with the event organizers, the team promoted 70 events in FY 17. MarCom manages the exposure the Port receives at these events as part of our sponsorship; Waterfront Arts & Activation manages the event coordination and allocation of funding for TAP events.
  - **Coronado Bridge Lighting** – *Illuminate the Bay*: support fundraising efforts and community support with outreach materials and collateral support.
- Annual
  - **Arts Month** – *Immerse yourself in the Arts*: celebrate arts and culture along the waterfront throughout October in order to enhance the visitor experience with events, outreach and creative materials.
  - **Waterfront Shuttle** – promote public access and fulfill coastal requirements to provide affordable, convenient waterfront access with summertime signage, outreach and materials.
- As needed
  - Provide target audience research, media buying recommendations and execution, creative production, community outreach, social media, or other marketing support for the following Experiences projects:
    - Special events/cultural events
    - Parking
    - Venue Rentals

### **Environment Sub-Brand**

- Ongoing
  - **Green Business Network** – support tenants who participate in sustainability efforts with added marketing recognition via a branded system.
- Annual
  - **Taste of the Port** – increase sponsorship and event ticket sales with comprehensive marketing campaign and promotional materials.
  - **Green Port Month** – promote sustainability with month long celebration of the Port's efforts, provide opportunities for the public to participate in conservation and update the community on progress of the Climate Action Plan.



## DEPARTMENT OPERATING PLAN

- As needed
  - Provide target audience research, media buying recommendations and execution, creative production, community outreach, social media, or other marketing support for the following Environment projects:
    - Utility Usage Reporting
    - Stormwater Pollution
    - Boater Outreach

### COMMUNICATIONS

#### **Speakers Bureau**

- Staff provides custom speaking points and PowerPoint presentations for numerous events per year, from District-sponsored waterfront community events, ribbon-cuttings and groundbreakings, to the formal Swearing-in Ceremony. As the District becomes more outward-facing, the number of speaking opportunities has increased. In addition, staff proactively initiated two road shows, one focused on the Port Master Plan Update and the other focused on the District's Economic Impact, resulting in additional speaking opportunities.
- In FY17, staff provided support and content for 96 speaking engagements, a 39% increase over the previous year. With the goal of being more proactive in telling the Port's story, we anticipate the number of speaking engagements to continue to increase in FY19.

#### **Port Tours**

- Staff-led tours are an important tool to foster understanding of the District's important role in economic development, public safety, environmental protection, innovation and quality of life. MarCom maintains an extensive tour script that is frequently updated. In addition to offering multiple public boat and bus tours during Maritime Month each year, MarCom staff receives incoming requests for tours from various groups, individuals and foreign delegations. In addition, during Fiscal Year 2017, staff proactively initiated a program in which tours were offered to key elected officials.
- In FY17, staff provided 24 tours, a 26% increase over the previous year.

#### **Media Inquiries**

- A key component of a government agency's transparency and accountability is media relations. Successful media relations requires providing excellent customer service in response to requests for information and public documents, via a cross-departmental team of MarCom and the Office of the District Clerk. It should be noted that in the past year, other public agencies have been publicly criticized for not being responsive to media. The District has not been targeted in this regard, in large part because of staff's timely and thorough response to requests.
- In FY17, the team responded to 630 inquiries of varying complexity, a 1% increase over the previous year.



## DEPARTMENT OPERATING PLAN

### *Digital Communications*

- **Website**
  - The District's branded website is a central hub where people seek information about the District's issues and activities. In FY17, staff proactively established an online Port Events Calendar that has become a one-stop-shop for information about District-sponsored events, Board meetings, community outreach meetings, and calls by cruise and cargo ships. The District is currently in the process of a full website redesign. Meanwhile, multiple emerging District initiatives have required the creation of new website sections within the existing format.
  - In FY17, the website tracked 930,095 page views, a 5% increase; and 771,824 unique visitors, a 6% increase.
- **Social Media**
  - The District's social media channels are robust and industry-leading; primary branded social media channels are Facebook, Twitter, LinkedIn and Instagram. A cross-departmental team is currently engaged in a project to develop key framework documents, including a Social Media Procedure for the District's internal social media managers, and a Social Media Policy for District employees. The goal of this project to provide guidelines for the appropriate use of social media and protect the District against potential negative impacts.
  - In FY17, each District-owned and branded platform posted significant follower growth: Facebook, +52%; Twitter, +6%; LinkedIn, +80%; and Instagram, +142%. The unusual growth in Instagram was linked to the very low starting number of followers, as well as an Instagram-only campaign highlighting the new viewing platform on the North Embarcadero. MarCom will continue to focus on increasing social media followers for our main Port-branded platforms in FY19.

### *Media Training*

- In FY17, in order to proactively prepare leadership for a range of media opportunities to share public information and news about the District, staff established an annual media training program for the Board and ELG; the training was attended by 15 people in August 2016. This program continues in FY18 and is planned to continue in FY19.

### *Community Outreach*

- As a public agency that touches its stakeholders in many ways, the District seeks to tailor news to specific audiences to ensure that the right content reaches the right individuals. MarCom maintains numerous stakeholder email lists by subject area, which are compiled from sign-up sheets at outreach events as well as self-enrollment via the website. These email lists are utilized to share current news and to invite interested parties to outreach events. In addition, the District hosted multiple in-person outreach events in FY17, including an open house for the Central Embarcadero development opportunity that attracted an unprecedented 1,200 people; and an outreach meeting to discuss the future of the Imperial Beach Pier that attracted 100 people, which set a city record, according to City of Imperial Beach officials.





## DEPARTMENT OPERATING PLAN

### ***Media Outreach***

- Good working relationships with local, national and international media, as well as specialty and trade media and bloggers, are essential for ensuring thorough, fair and frequent coverage of District news and issues. MarCom maintains a comprehensive media list that is updated annually. MarCom organized or played a significant role with partners in 17 separate media events during the past year, resulting in substantial positive coverage described below.
- In FY17, the District issued an unprecedented 93 news releases, a 22% increase over the previous year.

### ***Media Coverage Tracking***

- It is essential to measure the impact of media outreach activities, and for this the District contracts with Cision Public Relations, a software platform that is utilized by trained staff to track performance against goals. Largely as a result of proactive media outreach activities, the number of total media coverage increased dramatically, with 11,177 news mentions in FY17, a whopping 36% increase over the previous year. Further, the vast majority of coverage was either positive or neutral, with just 5.57% negative coverage in FY17, a decrease from the 5.69% negative coverage the previous year.

### ***Crisis Communications***

- Currently, the District has an Emergency Operations Plan that guides the Port District's emergency response as it relates to catastrophic emergencies overseen by the Emergency Response Team headed by the Vice President of Public Safety/Chief of Police. Often, issues, reputational crises, or smaller emergencies happen that do not command an overall emergency response but do require institutional procedures and a focused communication plan that directs staff to respond quickly, efficiently and with appropriate and timely information. In anticipation of such situations, MarCom is proactively developing a formal Crisis Communications Plan during FY18. The plan will involve a cross-departmental team. The goal is achieve synergy with the Emergency Operations Plan while providing guidelines for addressing other crises that do not meet the criteria for a true emergency.

## Marketing & Communications

**Reclass:** 1 Marketing/Public Relations Representative to Senior Multi-Media Specialist  
 1 Principal, Marketing/Public Relations Representative to Public Information Officer

**Transfer:** 3 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	1	1
Director, Marketing & Communications	1	1
Executive Assistant I (Classified)	1	1
Manager, Marketing & Communications	1	1
Marketing/Public Relations Representative	3	2
Multi-Media Specialist	2	2
Principal, Marketing/Public Relations Representative	2	1
Public Information Officer	0	1
Senior Multi-Media Specialist	0	1
Senior Web Developer	1	1
<b>TOTAL</b>	<b>12</b>	<b>12</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	3	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>



## Marketing & Communications

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 1,970,010	\$ 1,415,800	\$ 1,395,700	\$ (20,100)	(1.4)%
Non-Personnel Expense	2,592,730	2,064,300	2,114,300	50,000	2.4 %
<b>Total Direct Expense</b>	<b>\$ 4,562,740</b>	<b>\$ 3,480,100</b>	<b>\$ 3,510,000</b>	<b>\$ 29,900</b>	<b>0.9 %</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	47,183	—	240,000	240,000	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 4,609,923</b>	<b>\$ 3,480,100</b>	<b>\$ 3,750,000</b>	<b>\$ 269,900</b>	<b>7.8 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,384,048	\$ 1,035,600	\$ 984,500	\$ (51,100)	(4.9)%
Overtime	5,070	15,000	15,000	—	0.0 %
Burden	500,973	360,200	396,200	36,000	10.0 %
Temporary Personnel	79,919	5,000	—	(5,000)	(100.0)%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 1,970,010</b>	<b>\$ 1,415,800</b>	<b>\$ 1,395,700</b>	<b>\$ (20,100)</b>	<b>(1.4)%</b>

### EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DESCRIPTION	UNIT COST	BUDGET FY 2019
BAYWIDE SIGNAGE	1	\$ 240,000
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>1</b>	<b>\$ 240,000</b>

**Marketing & Communications**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ 15,000		\$ 15,000		
<b>Total:</b>	\$ 5,070	\$ 15,000	\$ 15,000	\$ 15,000	\$ —	0.0 %
600120 Temporary Personnel TEMPORARY PERSONNEL		\$ 5,000		\$ —		
<b>Total:</b>	\$ 79,919	\$ 5,000	\$ 5,000	\$ —	\$ (5,000)	(100.0)%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 84,989	\$ 20,000	\$ 20,000	\$ 15,000	\$ (5,000)	(25.0)%
610110 Books & Periodicals PROF & MEDIA PUBLICATIONS		\$ 2,000		\$ 2,000		
<b>Total:</b>	\$ 2,203	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 400		\$ 400		
<b>Total:</b>	\$ 2,090	\$ 400	\$ 400	\$ 400	\$ —	0.0 %
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 6,500		\$ 6,500		
<b>Total:</b>	\$ 6,462	\$ 6,500	\$ 6,500	\$ 6,500	\$ —	0.0 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 8,000		\$ 8,000		
<b>Total:</b>	\$ 4,275	\$ 8,000	\$ 8,000	\$ 8,000	\$ —	0.0 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT PARKING/CAR ALLOWANCE		\$ 2,300 1,100		\$ 2,300 1,100		
<b>Total:</b>	\$ 3,624	\$ 3,400	\$ 3,400	\$ 3,400	\$ —	0.0 %
615110 Travel TECHNICAL/TRNG/PROFESSIONAL		\$ 8,000		\$ 8,000		
<b>Total:</b>	\$ 2,108	\$ 8,000	\$ 8,000	\$ 8,000	\$ —	0.0 %
620100 Services - Professional & Other ECONOMIC IMPACT REPORT MARKET RESEARCH MEDIA MONITORING PUBLIC RELATIONS CONSULTANTS		\$ 75,000 150,000 35,000 175,000		\$ — 100,000 35,000 165,000		
<b>Total:</b>	\$ 471,422	\$ 435,000	\$ 435,000	\$ 300,000	\$ (135,000)	(31.0)%
630110 Equipment & Systems						

**Marketing & Communications**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ 6,827	\$ —	\$ —	\$ —	\$ —	N/A
630120 Equipment Rental/Leasing						
<b>Total:</b>	\$ 34,938	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies						
OFFICE & GRAPHIC ART SUPPLIES	\$ 9,000			\$ 9,000		
<b>Total:</b>	\$ 18,477	\$ 9,000	\$ 9,000	\$ 9,000	\$ —	0.0 %
630140 Postage & Shipping						
POSTAGE	\$ 2,000			\$ 2,000		
<b>Total:</b>	\$ 11,116	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
630150 Safety Equipment & Supplies						
<b>Total:</b>	\$ 142	\$ —	\$ —	\$ —	\$ —	N/A
660105 Marketing/Outreach						
ARTS & CULTURE EVENT OUTREACH	\$ 10,000			\$ 10,000		
ARTS & CULTURE PROJECTS	10,000			5,000		
ARTS MONTH	10,000			5,000		
BAYWIDE SIGNAGE	—			210,000		
COMP. MKTG, COMM, & BRAND CAMPAIGN	200,000			175,000		
CORPORATE/COMMUNITY INTERNAL	10,000			15,000		
CORPORATE/COMMUNITY OUTREACH	180,000			150,000		
CORPORATE/COMMUNITY PUBLIC ASSETS	25,000			25,000		
GREEN PORT MONTH	10,000			10,000		
GREEN PORT OUTREACH	10,000			10,000		
GREEN PORT TASTE OF PORT	15,000			—		
HARBOR POLICE OUTREACH	10,000			10,000		
MARCOM MARKETING SERVICES	100,000			90,000		
MARCOM MEDIA RESEARCH	40,000			25,000		
MARITIME CARGO	125,000			100,000		
MARITIME CRUISE	195,000			150,000		
MARITIME MONTH	40,000			40,000		
MARITIME OUTREACH	10,000			5,000		
PLANNING PMPU	25,000			10,000		
REAL ESTATE DLVP SVC OUTREACH	10,000			5,000		
REAL ESTATE DESTINATION	300,000			315,000		
REAL ESTATE PLAN/DVLP PROJECTS	25,000			10,000		
<b>Total:</b>	\$ 1,767,124	\$ 1,360,000	\$ 1,360,000	\$ 1,375,000	\$ 15,000	1.1 %

**Marketing & Communications**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
660110 Promotional Services						
TABLES/BOOTH SPONSORSHIPS		\$ 130,000		\$ 125,000		
<b>Total:</b>	\$ 192,004	\$ 130,000	\$ 130,000	\$ 125,000	\$ (5,000)	(3.8)%
660120 Promotional Materials						
PHOTOS, PRINTS, & DISPLAYS		\$ 30,000		\$ 30,000		
PROMOTIONAL ITEMS/MATERIALS		40,000		40,000		
SIGNAGE/SPECIAL EVENT MATERIALS		30,000		30,000		
<b>Total:</b>	\$ 69,919	\$ 100,000	\$ 100,000	\$ 100,000	\$ —	0.0 %
660135 Eligible Environmental Fund Expenditures						
ENVIRONMENTAL CHAMPIONS		\$ —		\$ 175,000		
<b>Total:</b>		\$ —	\$ —	\$ 175,000	\$ 175,000	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 2,592,730	\$ 2,064,300	\$ 2,064,300	\$ 2,114,300	\$ 50,000	2.4 %
<b>GRAND TOTAL:</b>	\$ 2,677,719	\$ 2,084,300	\$ 2,084,300	\$ 2,129,300	\$ 45,000	2.2 %

## MSA, Interest & Other

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 5,587,206	\$ 5,310,000	\$ 5,310,000	\$ —	0.0%
Non-Personnel Expense	12,694,292	13,081,600	13,091,900	10,300	0.1%
<b>Total Direct Expense</b>	<b>\$ 18,281,498</b>	<b>\$ 18,391,600</b>	<b>\$ 18,401,900</b>	<b>\$ 10,300</b>	<b>0.1%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 18,281,498</b>	<b>\$ 18,391,600</b>	<b>\$ 18,401,900</b>	<b>\$ 10,300</b>	<b>0.1%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ —	\$ —	\$ —	\$ —	N/A
Overtime	—	—	—	—	N/A
Burden	—	—	—	—	N/A
OPEB Annual Expense	5,587,206	5,310,000	5,310,000	—	0.0%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 5,587,206</b>	<b>\$ 5,310,000</b>	<b>\$ 5,310,000</b>	<b>\$ —</b>	<b>0.0%</b>

**MSA, Interest & Other  
EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
620100 Services - Professional & Other						
<b>Total:</b>	\$ (280,000)	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies						
<b>Total:</b>	\$ 440	\$ —	\$ —	\$ —	\$ —	N/A
640100 Space Rental						
CALTRANS-(ADMIN BLDG PARKING)		\$ 21,400		\$ 22,500		
SDCRAA LEASE (EE PARKING)		149,500		149,500		
<b>Total:</b>	\$ 185,055	\$ 170,900	\$ 170,900	\$ 172,000	\$ 1,100	0.6 %
650110 Facilities Maintenance-Outside Services						
IMPERIAL BEACH MAINTENANCE		\$ 983,600		\$ 1,011,200		
<b>Total:</b>	\$ 964,312	\$ 983,600	\$ 983,600	\$ 1,011,200	\$ 27,600	2.8 %
660130 Svcs - Fire, Police, Rescue, Emergency						
MUNICIPAL SERVICE AGREEMENTS		\$ 7,777,800		\$ 7,995,600		
<b>Total:</b>	\$ 7,663,675	\$ 7,777,800	\$ 7,777,800	\$ 7,995,600	\$ 217,800	2.8 %
660160 Financial Assistance						
<b>Total:</b>	\$ 415,614	\$ —	\$ —	\$ —	\$ —	N/A
670140 Legal Cost / Legal Settlements						
<b>Total:</b>	\$ (244,754)	\$ —	\$ —	\$ —	\$ —	N/A
670190 Other Miscellaneous Operating Expenses						
CONTINGENCY		\$ 1,000,000		\$ 1,000,000		
<b>Total:</b>	\$ (144,064)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ —	0.0 %
680120 Interest-SDCRAA, NEVP & Other Misc.						
CIVIC SAN DIEGO		\$ 104,500		\$ 70,000		
SDCRAA NOTE INTEREST		1,882,800		1,781,200		
<b>Total:</b>	\$ 2,119,598	\$ 1,987,300	\$ 1,987,300	\$ 1,851,200	\$ (136,100)	(6.8)%
680190 Other Misc Non-Operating Expense						
<b>Total:</b>	\$ 735,433	\$ —	\$ —	\$ —	\$ —	N/A
680621 Interest Expense - Series A 2004 Bonds						
INTEREST		\$ 227,500		\$ 124,400		
PREMIUM AMORTIZATION		(45,900)		(46,900)		
<b>Total:</b>	\$ 278,695	\$ 181,600	\$ 181,600	\$ 77,500	\$ (104,100)	(57.3)%

**MSA, Interest & Other  
EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
680623 Interest Expense - Series A 2013 Bonds						
INTEREST		\$ 1,236,900		\$ 1,236,900		
PREMIUM AMORTIZATION		(256,500)		(252,500)		
<b>Total:</b>	\$ 1,000,288	\$ 980,400	\$ 980,400	\$ 984,400	\$ 4,000	0.4 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$12,694,292	\$13,081,600	\$13,081,600	\$13,091,900	\$ 9,200	0.1 %
<b>GRAND TOTAL:</b>	\$12,694,292	\$13,081,600	\$13,081,600	\$13,091,900	\$ 9,200	0.1 %

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	106 - Office of the District Clerk (ODC)	<b>Planning Cycle:</b>	FY 18/19
<b>Director:</b>	Donna Morales		
<b>VP/AVP:</b>	Karen Porteous		
<b>MISSION</b>			
The Office of the District Clerk is comprised of Board Docket Management and Records Management; and is dedicated to providing exceptional, precise, and timely management of information and services for our stakeholders.			
<b>VISION</b>			
The Office of the District Clerk is a regional model of excellence, providing leadership at every level, partnering to preserve District history, and anticipating the evolving needs of our stakeholders.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Create and sustain positive relationships with stakeholders and the community at large.</li><li>• Deliver customer-focused services in an effective, timely, and courteous manner.</li><li>• Participate visibly and collaboratively with communities in the region.</li><li>• Retain the intellectual assets and corporate knowledge of the District.</li><li>• Secure and protect security sensitive information.</li><li>• Continuously evaluate and improve business systems and processes.</li><li>• Educate other departments on the role of the District Clerk and departmental process.</li><li>• Recruit and retain a highly skilled, diverse workforce.</li><li>• Encourage an organizational culture of learning and growth.</li><li>• Control costs.</li><li>• Represent the District well as the first contact for customers and stakeholders.</li><li>• Promote a customer service culture throughout the organization that transfers to our external and internal stakeholders.</li><li>• Enhance communication throughout District departments and the Customer Service Center.</li></ul>			
During the next fiscal year, based on the attached statistics, the Office of the District Clerk will:			
<ol style="list-style-type: none"><li>1) Process approximately 800 Public Records Act Requests in compliance with the requirements of the California Public Records Act and the Constitution of the State of California. Requests range in size from a single document to millions of pages of email. The average time it takes to respond to those requests is 3.56 days based on data collected over the last five years. The ODC also does many research projects for internal stakeholders.</li><li>2) Part of the role of the Office is the District Clerk is to ensure compliance with the requirements set forth by the Fair Political Practices Commission (FPPC), which include:<ul style="list-style-type: none"><li>• Processing approximately 82 FPPC Form 802s per year as per Board of Port Commissioners (BPC) Policy No. 070 and Administrative Procedure #106-115 - Passes and Tickets Received and Distributed by the San Diego Unified Port District.</li><li>• Managing the District's Conflict of Interest Program; which includes monitoring and updating the Conflict of Interest Code adopted by BPC Policy No. 024-A and providing annual training and required forms to employees.</li><li>• Processing an average of 276 Statement of Economic Interest (Form 700) per year for</li></ul></li></ol>			

106 – Office of the District Clerk Operating Plan\_vFY19 Budget Book



## DEPARTMENT OPERATING PLAN

employees and Appointed Officials. FY 17/18 brought a new process of electronic filing of Form 700s for all Appointed Officials with the City of San Diego, SANDAG, and the County Board of Supervisors.

- Processing FPPC Form 801s for all gifts of travel to the District.
- 3) Another key function of the ODC is Docket Management, which includes:
- Ownership of the Electronic Agenda and Board Meeting management system, Granicus. This includes handling approximately 20 user requests for service per month.
  - Processing Agenda Packages for approximately 34 Meetings of the BPC annually; generating an average of 12,550 pages per year.
  - Providing logistical and technical support for all BPC Meetings and subsequent creation and distribution of all official Minutes of BPC Meetings, as well as all Resolutions and Ordinances adopted by the BPC. All BPC Meetings must be noticed and run in compliance with the requirements of the Brown Act and Robert's Rules of Order.
  - Processing and distribution of all Agenda Related Materials (ARMS) received by the BPC during the course of the agenda process and making those materials available to members of the public.
  - The ODC handles all noticing requirements for all BPC and Committee Meetings as well as publishing requirements as per BPC Policy No. 023.
- 4) Create and Implement Records and Information Management Systems (RIMS) including policies and procedures regarding Records Retention. The ODC is also responsible for the maintenance and distribution of all BPC Policies, Administrative Procedures, the San Diego Unified Port District Act, and the Port District Code. During FY 17/18, the ODC will be conducting the biennial review of all Administrative Procedures.
- 5) All documents with permanent records retention (Minutes, Resolutions, Ordinances, etc.) are microfilmed on an annual basis as part of a disaster recovery protocol.
- 6) As the official repository of District archives and records, the ODC processes on average 1,550 documents for digitization and uploading into the District's Document Management System (D2). This number does not count all page counts listed above nor does it take into consideration the number of documents currently being uploaded into D2 as a result of the legacy project being conducted now. The purpose of the legacy project is to digitize approximately 40 years worth of ODC documents and upload into D2 for use by internal and external stakeholders. The project is approximately one forth complete and is expected to be completed by FY 19/20.
- 7) The ODC prepares and distributes approximately 52 weekly Information Packages to the BPC and staff.
- 8) The ODC is also responsible for the Customer Service Center (CSC) and the Print Shop. The Print Shop processes on average 60,700 pages per month. The CSC handles on average 2,130 phone calls per month and is the "face" of the District to all external stakeholders and visitors.
- 9) The ODC handles all incoming and outgoing mail for the District. The mail consists of approximately 450 lbs. of incoming mail and 200 lbs. of outgoing mail per month. Mail service includes processing registered mail and Fedex deliveries and pick ups.

### **Commissioner and Executive Services**

During FY 16/17, Commissioner Services booked approximately 1,100 appointments for Commissioners and booked 478 business-related travel trips for employees and Commissioners.

## Office of the District Clerk

**Eliminate:** 1 Document Management Assistant (Limited)

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	2	2
Commissioner Services Assistant	2	2
Deputy District Clerk/Docket Coordinator	1	1
Deputy District Clerk/Records Manager	1	1
District Clerk	1	1
Document Management Assistant	1	1
Document Management Associate	2	2
Executive Assistant I (Classified)	1	1
Management Analyst	1	1
Manager, Commissioner & Executive Svcs	1	1
Office Assistant (Classified)	1	1
<b>TOTAL</b>	<b>14</b>	<b>14</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Document Management Assistant	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Office of the District Clerk

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 1,281,042	\$ 1,629,700	\$ 1,496,300	\$ (133,400)	(8.2)%
Non-Personnel Expense	219,087	224,200	224,200	—	0.0 %
<b>Total Direct Expense</b>	<b>\$ 1,500,129</b>	<b>\$ 1,853,900</b>	<b>\$ 1,720,500</b>	<b>\$ (133,400)</b>	<b>(7.2)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	15,011	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,515,140</b>	<b>\$ 1,853,900</b>	<b>\$ 1,720,500</b>	<b>\$ (133,400)</b>	<b>(7.2)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Regular Salaries & Wages	\$ 829,567	\$ 951,400	\$ 924,900	\$ (26,500)	(2.8)%
Overtime	5,170	15,000	15,000	—	0.0 %
Burden	436,943	638,300	556,400	(81,900)	(12.8)%
Temporary Personnel	9,362	25,000	—	(25,000)	(100.0)%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 1,281,042</b>	<b>\$ 1,629,700</b>	<b>\$ 1,496,300</b>	<b>\$ (133,400)</b>	<b>(8.2)%</b>

**Office of the District Clerk**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 15,000		\$ 15,000		
<b>Total:</b>	\$ 5,170	\$ 15,000	\$ 15,000	\$ 15,000	\$ —	— %
600120 Temporary Personnel						
TEMPORARY PERSONNEL		\$ 25,000		\$ —		
<b>Total:</b>	\$ 9,362	\$ 25,000	\$ 25,000	\$ —	\$ (25,000)	(100)%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 14,532	\$ 40,000	\$ 40,000	\$ 15,000	\$ (25,000)	(62.5)%
610115 Employee Recognition						
COMMISSIONER SERVICES		\$ 100		\$ —		
OFFICE OF THE DISTRICT CLERK		400		500		
<b>Total:</b>	\$ 417	\$ 500	\$ 500	\$ 500	\$ —	— %
610120 Memberships & Dues						
COMMISSIONER SERVICES		\$ 500		\$ —		
OFFICE OF THE DISTRICT CLERK		1,500		2,300		
<b>Total:</b>	\$ 1,790	\$ 2,000	\$ 2,000	\$ 2,300	\$ 300	15.0 %
610140 Seminars & Training						
COMMISSIONER SERVICES		\$ 3,400		\$ —		
OFFICE OF THE DISTRICT CLERK		6,800		10,200		
<b>Total:</b>	\$ 5,316	\$ 10,200	\$ 10,200	\$ 10,200	\$ —	— %
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 2,000		\$ 1,000		
<b>Total:</b>	\$ 750	\$ 2,000	\$ 2,000	\$ 1,000	\$ (1,000)	(50.0)%
615110 Travel						
COMMISSIONER SERVICES		\$ 2,000		\$ —		
OFFICE OF THE DISTRICT CLERK		7,200		9,700		
<b>Total:</b>	\$ 4,689	\$ 9,200	\$ 9,200	\$ 9,700	\$ 500	5.4 %
620100 Services - Professional & Other						
ARC CLOUD STORAGE		\$ —		\$ 2,000		
COPY CENTER SERVICES		72,000		72,000		
MICROFILM CONVERSION		6,000		6,000		
MICROFILMING		600		600		
OFF-SITE STORAGE		500		500		
OFFICE OF THE DISTRICT CLERK		2,500		1,000		



**Office of the District Clerk**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
ON-CALL RECORDS RETENTION SERVICES		800		500		
SHREDDING		8,500		8,500		
TRANSCRIPTION SERVICES		2,000		2,000		
<b>Total:</b>	\$ 130,481	\$ 92,900	\$ 92,900	\$ 93,100	\$ 200	0.2 %
630120 Equipment Rental/Leasing						
OFFSITE BOARD MEETINGS		\$ 28,000		\$ 28,000		
<b>Total:</b>	\$ 25,365	\$ 28,000	\$ 28,000	\$ 28,000	\$ —	0.0 %
630130 Office & Operating Supplies						
OFFICE OF THE DISTRICT CLERK		\$ 58,500		\$ 58,000		
<b>Total:</b>	\$ 35,380	\$ 58,500	\$ 58,500	\$ 58,000	\$ (500)	(0.9)%
630140 Postage & Shipping						
OFFICE OF THE DISTRICT CLERK		\$ 2,400		\$ 2,400		
<b>Total:</b>	\$ 3,607	\$ 2,400	\$ 2,400	\$ 2,400	\$ —	0.0 %
650130 Equipment Maintenance - Outside Services						
OFFICE OF THE DISTRICT CLERK		\$ 3,000		\$ 3,000		
<b>Total:</b>	\$ 4,484	\$ 3,000	\$ 3,000	\$ 3,000	\$ —	0.0 %
660100 Advertising						
OFFICE OF THE DISTRICT CLERK		\$ 15,000		\$ 15,000		
<b>Total:</b>	\$ 6,456	\$ 15,000	\$ 15,000	\$ 15,000	\$ —	0.0 %
660110 Promotional Services						
OFFICE OF THE DISTRICT CLERK		\$ 500		\$ 1,000		
<b>Total:</b>	\$ —	\$ 500	\$ 500	\$ 1,000	\$ 500	100.0 %
660120 Promotional Materials						
<b>Total:</b>	\$ 352	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 219,087	\$ 224,200	\$ 224,200	\$ 224,200	\$ —	0.0 %
<b>GRAND TOTAL:</b>	\$ 233,619	\$ 264,200	\$ 264,200	\$ 239,200	\$ (25,000)	(9.5)%



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	115 - Office of the General Counsel	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Thomas A. Russell, General Counsel		
<b>VP/AVP:</b>	Ellen F. Gross, Assistant General Counsel/Rebecca S. Harrington, Senior Deputy Counsel		
<b>MISSION</b>			
To represent and provide legal expertise, analysis, support, and advice to the Board, the District's Executive Leadership Group, and staff pertaining to all legal matters involving the District.			
<b>VISION</b>			
To zealously advocate on behalf of the District and provide exceptional legal representation in a proactive and preventative manner.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Provide quality, efficient, and effective legal services to the District</li><li>• Implement legally defensible revenue generation streams</li><li>• Reduce outside counsel costs through the use of in-house counsel</li></ul>			
<p>The Office of the General Counsel (OGC) is responsible for providing legal advice and representation to the Board of Port Commissioners, the CEO and Executive Team, as well as all departments of the District. This includes defending the District in litigation and administrative procedures, as well as advising the District on transactions, policies and other matters. In order to best advise and defend the District, in addition to the in-house attorneys, the Office of the General Counsel sometimes utilizes the services of outside counsel to provide legal services in specific areas of law and to supplement the services of the in-house resources.</p> <p>While the day-to-day demand for legal services is constantly fluctuating, the aggregate amount of legal services required by the District in recent years has been increasing. Furthermore, each new District business line, initiative, increase in employees, tenants, and vendors increases the aggregate demand for legal services.</p> <p>By FY19, we anticipate the demand will exceed the currently available in-house resources and outside counsel budget. The OGC can continue to meet the increasing demand by expanding in-house attorneys and staff resources, or increasing spending on counsel and other non-personnel expenses, or a combination of the two.</p>			

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## Office of the General Counsel

**Retitle:** 1 Deputy General Counsel V to Senior Deputy General Counsel

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Assistant General Counsel	1	1
Deputy General Counsel IV	2	2
Deputy General Counsel V	4	3
General Counsel	1	1
Legal Assistant	2	2
Manager, Office of General Counsel Admin	1	1
Paralegal	2	2
Senior Deputy General Counsel	0	1
<b>TOTAL</b>	<b>13</b>	<b>13</b>



## Office of the General Counsel

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 2,891,603	\$ 3,150,500	\$ 3,239,800	\$ 89,300	2.8 %
Non-Personnel Expense	4,577,782	4,321,000	3,888,900	(432,100)	(10.0)%
<b>Total Direct Expense</b>	<b>\$ 7,469,385</b>	<b>\$ 7,471,500</b>	<b>\$ 7,128,700</b>	<b>\$ (342,800)</b>	<b>(4.6)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 7,469,385</b>	<b>\$ 7,471,500</b>	<b>\$ 7,128,700</b>	<b>\$ (342,800)</b>	<b>(4.6)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,997,808	\$ 2,050,200	\$ 2,192,900	\$ 142,700	7.0 %
Overtime	695	500	500	—	0.0 %
Burden	863,437	1,099,800	1,046,400	(53,400)	(4.9)%
Temporary Personnel	29,663	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 2,891,603</b>	<b>\$ 3,150,500</b>	<b>\$ 3,239,800</b>	<b>\$ 89,300</b>	<b>2.8 %</b>

**Office of the General Counsel**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ 500		\$ 500		
<b>Total:</b>	\$ 695	\$ 500	\$ 500	\$ 500	\$ —	0.0 %
600120 Temporary Personnel						
<b>Total:</b>	\$ 29,663	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 30,358	\$ 500	\$ 500	\$ 500	\$ —	0.0 %
610110 Books & Periodicals BOOKS & PERIODICALS		\$ 27,200		\$ 27,200		
<b>Total:</b>	\$ 31,066	\$ 27,200	\$ 27,200	\$ 27,200	\$ —	0.0 %
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 500		\$ 500		
<b>Total:</b>	\$ 544	\$ 500	\$ 500	\$ 500	\$ —	0.0 %
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 11,000		\$ 11,000		
<b>Total:</b>	\$ 9,278	\$ 11,000	\$ 11,000	\$ 11,000	\$ —	0.0 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 22,000		\$ 22,000		
<b>Total:</b>	\$ 15,696	\$ 22,000	\$ 22,000	\$ 22,000	\$ —	0.0 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 26,000		\$ 26,000		
<b>Total:</b>	\$ 20,460	\$ 26,000	\$ 26,000	\$ 26,000	\$ —	0.0 %
615110 Travel TRAVEL		\$ 23,000		\$ 23,000		
<b>Total:</b>	\$ 22,673	\$ 23,000	\$ 23,000	\$ 23,000	\$ —	0.0 %
620100 Services - Professional & Other SERVICES - PROFESSIONAL & OTHER		\$ 985,500		\$ 873,600		
<b>Total:</b>	\$ 1,516,224	\$ 985,500	\$ 985,500	\$ 873,600	\$ (111,900)	(11.4)%
620110 Services - Legal - Port Attorney SERVICES - LEGAL		\$ 3,201,600		\$ 2,881,400		
<b>Total:</b>	\$ 2,846,994	\$ 3,201,600	\$ 3,201,600	\$ 2,881,400	\$ (320,200)	(10.0)%
630110 Equipment & Systems EQUIPMENT & SYSTEMS		\$ 2,000		\$ 2,000		

**Office of the General Counsel**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ —	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES		\$ 11,300		\$ 11,300		
<b>Total:</b>	\$ 9,621	\$ 11,300	\$ 11,300	\$ 11,300	\$ —	0.0 %
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ 551	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
660110 Promotional Services						
PROMOTIONAL SERVICES		\$ 9,900		\$ 9,900		
<b>Total:</b>	\$ 2,633	\$ 9,900	\$ 9,900	\$ 9,900	\$ —	0.0 %
660120 Promotional Materials						
<b>Total:</b>	\$ 42	\$ —	\$ —	\$ —	\$ —	N/A
670140 Legal Cost/Settlement						
<b>Total:</b>	\$ 102,000	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 4,577,782	\$ 4,321,000	\$ 4,321,000	\$ 3,888,900	\$ (432,100)	(10.0)%
<b>GRAND TOTAL:</b>	\$ 4,608,140	\$ 4,321,500	\$ 4,321,500	\$ 3,889,400	\$ (432,100)	(10.0)%

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	116 - Office of the Port Auditor	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>			
<b>Board Appointee:</b>	Bob Monson – Port Auditor		
<b>MISSION</b>			
To provide independent, objective assurance, and advisory services that seek to improve the accountability, efficiency, and effectiveness of the District's operations and programs helping the District accomplish its objectives.			
<b>VISION</b>			
To be a regional model dedicated to providing professional world-class auditing services to advance the public's understanding and trust in the District.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Provide professional auditing services to assist the District in improving the effectiveness of internal control, governance and risk management processes.</li><li>• Conduct audits in accordance with current professional standards and safeguard District assets against fraud, waste, and abuse</li><li>• Ensure the District's compliance with applicable laws, policies, procedures, and mandates</li><li>• Assist in maintaining the District's financial stability</li><li>• Deliver customer focused services in an effective, timely, and courteous manner</li><li>• Build and maintain collaborative stakeholder relationships</li><li>• Support the District's Strategic Goals</li><li>• Continuously evaluate and improve business systems and processes</li><li>• Recruit and retain a highly skilled, diverse workforce</li></ul>			
<p>The Office of the Port Auditor (OPA) is responsible for all internal and external auditing services. Its mission is to provide independent, objective assurance, and advisory services that seek to improve the accountability, efficiency, and effectiveness of the District's operations and programs helping the District accomplish its strategic objectives. The OPA manages the audit function and performs audit engagements in conformance with the International Professional Practices Framework (Red Book) of the Institute of Internal Auditors. In addition, other auditing standards (i.e., government auditing standards (Yellow Book) and AICPA standards) are applied as appropriate.</p> <p>Currently, OPA staff consists of the Port Auditor, Assistant Port Auditor, two Deputy Port Auditor II, two Deputy Port Auditor I, and Assistant to the Port Auditor. Additionally, the OPA's budget includes costs for the District's annual financial statement review and single audit conducted by an outside independent audit firm and other contracted services as needed.</p> <p>One of the primary responsibilities of the Port Auditor is to prepare the District's Audit Plan for approval by the Board each fiscal year pursuant to Board of Port Commissioners (BPC) Policy 35. Powers and</p>			

116 – Office of the Port Auditor Operating Plan\_vFY19 Budget Book





## DEPARTMENT OPERATING PLAN

Functions of the Port Auditor. The International Professional Practices Framework Standard 2010 (Planning) requires the establishment of a risk-based approach to determine the priorities of the District's Audit Plan. The assessment is based on the Port's audit universe, discussions with senior management, and an assessment of risk and exposures affecting the Port. The Port Auditor's assessment is used as a means to help identify, measure, and prioritize the Port's potential audits.

The Port Auditor's first step in the planning approach is to define the Port's audit universe. The audit universe is composed of three segments:

- Port tenants - Port tenants included in the audit universe are limited to those that pay percentage rent on sales or a minimum annual guarantee based on a measurable standard (e.g., tonnage). As of FY2017/18, 92 tenants from various industries are included in the universe. There has been no significant change in the number tenants included in this universe for the last three years.
- Port internal processes/contracts/programs - The audit universe represents a listing of auditable activities from all Port departments (their processes, contracts, and programs). In FY2017/18 there were 166 activities included in the universe. This represents an 8% increase over the auditable activities noted in FY2016/17. This increase was primarily due to District reorganization and the creation of new departments. The universe will increase in FY2018/19 due to the inclusion of Port-wide strategic processes/initiatives (e.g., performance measurements, enterprise risk management, strategic planning).
- Port's Information Technology applications and infrastructure - The IT audit universe is broken down into nine functional areas and six application systems. Auditable activities identified in the assessment are comprised of IT processes (e.g., IT Strategic Planning) and activities (e.g., strategic plans are prepared annually and progress monitored throughout the year) in each functional area and applications. In FY2017/18 there were 100 auditable activities noted in the universe. The OPA outsources IT audits to an external firm. The number of IT audits conducted over the past five years is between one to two reviews a year. The audit universe may change in FY2018/19 due to an updated risk assessment to be performed in FY2017/18.

The second step is to create an assessment model to rank the major risks associated with each auditable activity. Risk assessment by definition is a process of systematically scoring (or rating) the relative impact of a variety of "risk factors." A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the organization. Auditable activities in each segment of the audit universe receive a risk score and all risk scores are ranked from highest to lowest in each segment.

The third step is to align the audit plan with the resources needed to carry out the plan.

The Audit Plan also includes reviews that are required to be performed annually by an independent outside audit firm pursuant to the District Act. The District's basic financial statement audit and single audit are performed by the firm, Macias, O'Connell and Gini (MGO). MGO's agreement with the District terminates upon the completion of the FY2016/17 audit.

### **FY18/19 Operating Plan**

The FY18/19 Operating Plan will continue to cover the District's routine audit areas (i.e., Tenant, Internal Processes, Programs and Contracts). However, there are two areas that will require increased audit coverage:

- Information Technology (IT): IT and the risks associated with IT processes change rapidly. This rapidly changing environment creates a need for consistent, on-going IT audit coverage. While current audit staff members have sufficient general understanding of IT implications to conduct their routine audit work, there is no staff with IT expertise that can consistently assess risks associated to the ever-changing IT environment, interact on an ongoing basis with the IT Department or the Information Security Officer, or develop opportunities to increase audit effectiveness through the use of data mining and continuous auditing. A skill gap exists that cannot be filled through training.



## DEPARTMENT OPERATING PLAN

- Port-Wide Strategic Planning and Budgeting Processes and Initiatives: The Port is strategically changing its port-wide planning and budget processes using innovative thinking and technology. This new approach has required in some cases new departmental skillsets, the creation of new departments, and new lines of business (e.g., Parking). Risks associated with this new approach create an increased need for consistent audit coverage related to strategic processes/initiatives (e.g., governance, performance measurements, enterprise risk management).

The workload in FY2018/19 will be increased to adequately address the District's routine audit areas and sufficiently provide on-going coverage in IT and Port-wide processes/initiatives as expected by the Board and Audit Oversight Committee. Resources will need to be added to carry out the increased workload.

Expenses related to the audit of the District's basic financial statements and single audit for FY2017/18 by an external auditing firm pursuant to the District Act. MGO is the firm that currently conducts the annual audit. MGO's agreement with the District ends upon completion of the FY2016/17 audit. In June the Audit Oversight Committee recommended that negotiations be conducted with MGO to extend their agreement for three years which would cover the audits of FY2017/18, FY2018/19 and FY2019/20.

## Office of the Port Auditor

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Assistant Port Auditor	1	1
Assistant to Port Auditor	1	1
Deputy Port Auditor I	2	2
Deputy Port Auditor II	2	2
Port Auditor	1	1
<b>TOTAL</b>	<b>7</b>	<b>7</b>



## Office of the Port Auditor

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 834,384	\$ 941,900	\$ 998,600	\$ 56,700	6.0 %
Non-Personnel Expense	220,093	313,400	311,900	(1,500)	(0.5)%
<b>Total Direct Expense</b>	<b>\$ 1,054,477</b>	<b>\$ 1,255,300</b>	<b>\$ 1,310,500</b>	<b>\$ 55,200</b>	<b>4.4 %</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,054,477</b>	<b>\$ 1,255,300</b>	<b>\$ 1,310,500</b>	<b>\$ 55,200</b>	<b>4.4 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 610,599	\$ 600,500	\$ 702,600	\$ 102,100	17.0 %
Overtime	35	—	1,000	1,000	N/A
Burden	204,091	341,400	295,000	(46,400)	(13.6)%
Temporary Personnel	19,659	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 834,384</b>	<b>\$ 941,900</b>	<b>\$ 998,600</b>	<b>\$ 56,700</b>	<b>6.0 %</b>

**Office of the Port Auditor**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ —		\$ 1,000		
<b>Total:</b>	\$ 35	\$ —	\$ —	\$ 1,000	\$ 1,000	N/A
600120 Temporary Personnel						
<b>Total:</b>	\$ 19,659	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 19,694	\$ —	\$ —	\$ 1,000	\$ —	N/A
610110 Books & Periodicals PROFESSIONAL PUBLICATION		\$ 900		\$ 1,000		
<b>Total:</b>	\$ 360	\$ 900	\$ 900	\$ 1,000	\$ 100	11.1 %
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 300		\$ 300		
<b>Total:</b>	\$ 46	\$ 300	\$ 300	\$ 300	\$ —	0.0 %
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 2,600		\$ 3,200		
<b>Total:</b>	\$ 2,711	\$ 2,600	\$ 2,600	\$ 3,200	\$ 600	23.1 %
610140 Seminars & Training SEMINARS		\$ 16,100		\$ 18,700		
<b>Total:</b>	\$ 8,403	\$ 16,100	\$ 16,100	\$ 18,700	\$ 2,600	16.1 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 15,500		\$ 15,500		
<b>Total:</b>	\$ 13,780	\$ 15,500	\$ 15,500	\$ 15,500	\$ —	0.0 %
615110 Travel TRAVEL		\$ 11,000		\$ 11,000		
<b>Total:</b>	\$ 4,384	\$ 11,000	\$ 11,000	\$ 11,000	\$ —	0.0 %
620100 Services - Professional & Other EXTERNAL AUDITOR FRAUD/ETHICS HOTLINE OUTSOURCED AUDITS		\$ 105,500 2,700 152,400		\$ 118,000 2,700 135,900		
<b>Total:</b>	\$ 180,411	\$ 260,600	\$ 260,600	\$ 256,600	\$ (4,000)	(1.5)%
630110 Equipment & Systems EQUIPMENT & SYSTEMS		\$ 1,200		\$ 1,200		
<b>Total:</b>	\$ 5,777	\$ 1,200	\$ 1,200	\$ 1,200	\$ —	0.0 %

**Office of the Port Auditor**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630130 Office & Operating Supplies						
OFFICE SUPPLIES		\$ 4,700		\$ 4,100		
<b>Total:</b>	\$ 4,147	\$ 4,700	\$ 4,700	\$ 4,100	\$ (600)	(12.8)%
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 300		\$ 100		
<b>Total:</b>	\$ 27	\$ 300	\$ 300	\$ 100	\$ (200)	(66.7)%
630150 Safety & Equipment						
SAFETY EQUIPMENT		\$ 100		\$ 100		
<b>Total:</b>	\$ 30	\$ 100	\$ 100	\$ 100	\$ —	0.0 %
660110 Promotional Services						
PROMOTIONAL SERVICES		\$ 100		\$ 100		
<b>Total:</b>	\$ 16	\$ 100	\$ 100	\$ 100	\$ —	0.0 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 220,093	\$ 313,400	\$ 313,400	\$ 311,900	\$ (1,500)	(0.5)%
<b>GRAND TOTAL:</b>	\$ 239,787	\$ 313,400	\$ 313,400	\$ 312,900	\$ (500)	(0.2)%

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## DEPARTMENT OPERATING PLAN

Department	107 - People Strategies	Planning Cycle:	FY/1819							
Director:	Tim DeNike									
VP/AVP:	Karen Porteous									
MISSION										
To develop strategies to create a workplace where the Port of San Diego Employees can do the greatest good and do it remarkably well...and beyond.										
VISION										
To build a sustainable 21 <sup>st</sup> Century Port Culture!										
GOALS										
21 <sup>st</sup> Century Port via People Strategies:										
<ul style="list-style-type: none"><li>• Foster and encourage a culture of constructive behaviors and Port Leadership Enterprise wide</li><li>• Support District departments in strategically running their businesses</li><li>• Support the District's financial and operational goals.</li><li>• Retain and develop a highly skilled, diverse workforce</li><li>• Continuously evaluate and improve business systems and processes</li><li>• Track and implement new and relevant industry trends</li><li>• Support management in implementing improvements</li><li>• Focus on delivering operational excellence Key Services implementation and sustainability:<ul style="list-style-type: none"><li>– Strategic Workforce Planning (ELG Focused/FY18) completed by June 2018</li><li>– Talent Selection (ELG Focused/FY18) completed by June 2018</li><li>– Leadership Development ELG Focused/FY18) on-going</li></ul></li><li>• Port Wide, Servant Leadership and Leadership Core Competencies (FY18) completed and delivered to Project Manager's overseeing Strategic Workforce Planning, Talent Selection and Leadership Development Executive Key Services:</li></ul>										
<table><tr><td>CEO Senior Staff Meetings (On-Going)</td></tr><tr><td>Senior Team Meetings (On-Going)</td></tr><tr><td>ELG Retreats (On-Going)</td></tr><tr><td>CEO Senior Staff Retreats (On-Going)</td></tr><tr><td>Senior Team Retreats (On-Going)</td></tr><tr><td>ELG Strategic Planning and Mapping (On-Going)</td></tr><tr><td>PLC (Port Learning Center) Trainings (On-Going)</td></tr></table>				CEO Senior Staff Meetings (On-Going)	Senior Team Meetings (On-Going)	ELG Retreats (On-Going)	CEO Senior Staff Retreats (On-Going)	Senior Team Retreats (On-Going)	ELG Strategic Planning and Mapping (On-Going)	PLC (Port Learning Center) Trainings (On-Going)
CEO Senior Staff Meetings (On-Going)										
Senior Team Meetings (On-Going)										
ELG Retreats (On-Going)										
CEO Senior Staff Retreats (On-Going)										
Senior Team Retreats (On-Going)										
ELG Strategic Planning and Mapping (On-Going)										
PLC (Port Learning Center) Trainings (On-Going)										



## DEPARTMENT OPERATING PLAN

- The People Strategies team designs programs and processes to improve individual and Departmental performance at the Port of San Diego.
- Our work helps to ensure all Employees are equipped with skills to achieve success, engaged in meaningful work, and enthusiastic about being a part of the Port of San Diego family.
- Below are some examples of where People Strategies deliver our advisory, coaching, and strategic planning services:
  - Succession Planning
  - Port-wide, Role-based and Leadership Competencies
  - Employee Orientation (Submitting for approval FY19 / Combined with On-Boarding)
  - Employee On-Boarding (Submitting for approval FY19 / Combined with Orientation)
  - Employee Engagement
  - Professional and Skill-Based Learning Programs (Submitting for approval FY19)
  - Performance Management (Submitting for approval FY19)
  - Rewards and Recognition
  - Work/Life Programs (i.e. Telecommuting/Remote)

## People Strategies

**Transfer:** 1 People Strategies Business Partner (Limited) to Variable Staffing  
3 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Asst I (Unclassified)	1	1
Director, People Strategies	1	1
Manager, People Strategies	1	1
People Strategies Business Partner	2	2
<b>TOTAL</b>	<b>5</b>	<b>5</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
People Strategies Business Partner	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	3	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>

## People Strategies

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 686,447	\$ 843,500	\$ 775,300	\$ (68,200)	(8.1)%
Non-Personnel Expense	209,907	301,400	388,300	86,900	28.8 %
<b>Total Direct Expense</b>	<b>\$ 896,354</b>	<b>\$ 1,144,900</b>	<b>\$ 1,163,600</b>	<b>\$ 18,700</b>	<b>1.6 %</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 896,354</b>	<b>\$ 1,144,900</b>	<b>\$ 1,163,600</b>	<b>\$ 18,700</b>	<b>1.6 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 471,622	\$ 645,900	\$ 511,600	\$ (134,300)	(20.8)%
Overtime	31	—	—	—	N/A
Burden	214,794	197,600	263,700	66,100	33.5 %
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 686,447</b>	<b>\$ 843,500</b>	<b>\$ 775,300</b>	<b>\$ (68,200)</b>	<b>(8.1)%</b>



**People Strategies**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
<b>Total:</b>	\$ 31	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 31	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals PUBLICATIONS		\$ 2,500		\$ 5,000		
<b>Total:</b>	\$ 3,034	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	100.0 %
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 500		\$ 1,000		
<b>Total:</b>	\$ 177	\$ 500	\$ 500	\$ 1,000	\$ 500	100.0 %
610120 Memberships & Dues MEMBERSHIPS		\$ 1,000		\$ 5,000		
<b>Total:</b>	\$ 1,224	\$ 1,000	\$ 1,000	\$ 5,000	\$ 4,000	400.0 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 50,000		\$ 112,000		
<b>Total:</b>	\$ 55,588	\$ 50,000	\$ 50,000	\$ 112,000	\$ 62,000	124.0 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ 558	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
615110 Travel TRAVEL		\$ 5,000		\$ 5,000		
<b>Total:</b>	\$ 4,912	\$ 5,000	\$ 5,000	\$ 5,000	\$ —	0.0 %
620100 Services - Professional & Other LEADERSHIP DEVELOPMENT PROFESSIONAL SERVICES		\$ 140,000 80,000		\$ 140,000 106,800		
<b>Total:</b>	\$ 127,476	\$ 220,000	\$ 220,000	\$ 246,800	\$ 26,800	12.2 %
630110 Equipment & Systems FURNITURE		\$ 5,000		\$ 5,000		
<b>Total:</b>	\$ 11,350	\$ 5,000	\$ 5,000	\$ 5,000	\$ —	0.0 %
630130 Office & Operating Supplies OFFICE SUPPLIES		\$ 5,000		\$ 5,000		
<b>Total:</b>	\$ 5,502	\$ 5,000	\$ 5,000	\$ 5,000	\$ —	0.0 %

**People Strategies**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630140 Postage & Shipping POSTAGE		\$ 400		\$ 500		
<b>Total:</b>	\$ —	\$ 400	\$ 400	\$ 500	\$ 100	25.0 %
660110 Promotional Services PROMOTIONAL SERVICE		\$ 10,000		\$ 1,000		
<b>Total:</b>	\$ 86	\$ 10,000	\$ 10,000	\$ 1,000	\$ (9,000)	(90.0)%
660120 Promotional Materials PROMOTIONAL MATERIALS		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ —	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 209,907	\$ 301,400	\$ 301,400	\$ 388,300	\$ 86,900	28.8 %
<b>GRAND TOTAL:</b>	\$ 209,938	\$ 301,400	\$ 301,400	\$ 388,300	\$ 86,900	28.8 %



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	144 - Planning	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Lesley M. Nishihira		
<b>VP/AVP:</b>	Jason H. Giffen		
<b>MISSION</b>			
Create and support a well-planned and integrated waterfront through strategic initiatives, policy formation, and agency coordination.			
<b>VISION</b>			
Advance a holistically planned waterfront that is welcoming, sustainable, prosperous, and improves the quality of life for present and future generations.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Complete the Port Master Plan Update (PMPU), including Board certification of Environmental Impact Report (EIR) and approval of PMPU in early 2019, followed by the California Coastal Commissioner's (CCC) certification by late 2019/early 2020. A successful PMPU process includes production of a thorough, accurate and implementable document that achieves the Board's stated objectives and has been given ample consideration by the Board, member cities, relevant agencies, stakeholders, and the general public with the aim of achieving support from all interested parties. Subsequent to the completion of the PMPU, coordination activities to establish appropriate supportive procedures, guidelines and a web-based plan for efficient and effective implementation and monitoring of the Port Master Plan will be essential.</li><li>• Progress entitlement efforts for the National City Bayfront Projects (formerly known as "National City Balanced Plan") in a collaborative manner with the City of National City and other internal and external stakeholders with targeted Board certification of EIR and approval of Port Master Plan Amendment (PMPA) by late 2018, and certification of the PMPA by the CCC in mid-2019. Once entitled, coordination and oversight for the implementation of the National City Bayfront Projects will continue with issuance of Coastal Development Permits (CDP) and other follow-up activities.</li><li>• Establish a comprehensive equipment inventory and a cargo throughput tracking system by 2018 to ensure compliance with the approved Tenth Avenue Marine Terminal (TAMT) Redevelopment Program, including implementation of the EIR's mitigation measures as required by 2020, 2025 and 2030. Ensure successful on-going implementation by working with existing and prospective tenants, stakeholders, and the community to understand compliance requirements and to establish fair-share contributions toward mitigation requirements. Implementation strategies may also include pursuit of grants and other funding opportunities at the local, state and federal levels.</li><li>• Continue on-going advanced planning support for District-sponsored and major redevelopment efforts, including California Environmental Quality Act (CEQA), Coastal Act and Port Master Plan compliance and coordination for: major redevelopment projects (e.g., Central Embarcadero, East Harbor Island, Chula Vista Bayfront, Harbor Drive Multi-Modal Corridor), exploration of and entitlements for new programs or lines of business (e.g., Ocean Planning, Aquaculture/Blue Tech, Mitigation Banking), implementation and updates to adopted programs and initiatives (e.g., Climate Action Plan Amendment, AB 691 Sea Level Rise Assessment compliance) and tracking of local, state and regional planning issues.</li></ul>			

144 - Planning Operating Plan\_vFY19 Budget Book



## DEPARTMENT OPERATING PLAN

Foster public outreach, stakeholder engagement, agency coordination, and participation in local, regional, and state planning collectives relevant to planning policies, legislation and emerging regulations involving CEQA, Coastal Act, climate change, and mobility issues, to name a few.

### Department Overview:

The primary functions of the Planning Department involve master planning, environmental planning and special projects in support of the PMPU, Climate Action Plan Amendment and National City Balanced Land Use Plan; along with a multitude of District-wide initiatives that integrate with long-range planning. To achieve the Department's Mission and Vision statements and Goals, staff is committed to providing the following Key Services:

- Focus on highly technical and complex planning and environmental issues with goals of advancing key policy formation in the areas of climate sustainability, greenhouse gas reductions, and air quality improvements to ensure compliance with all mandated regulatory requirements (e.g., AB691, SB32)
- Create and sustain positive relationships with stakeholders and the community at large on environmental and planning issues
- Foster environmentally responsible behavior among District staff, tenants, and the public to minimize environmental impacts
- Compliance with California Environmental Quality Act; National Environmental Policy Act; and California Coastal Act
- Preparation and processing of all post-PMPU amendments to the Port Master Plan
- Coordination with local, regional, state and federal agencies on District-wide planning initiatives (e.g., Coastal Commission, Airport Authority, SANDAG, member cities, etc.)
- Community outreach and stakeholder collaboration
- Master planning at the Planning district and Sub-district level in a manner that integrates all District tidelands and submerged lands
- Environmental planning and mitigation
- Historical support for implementation of large-scale redevelopment projects (e.g., Chula Vista Bayfront Master Plan)
- Climate mitigation and adaptation planning, as well as support for Climate Action Plan implementation strategies
- Support San Diego Ocean Planning Partnership
- Review of tenant and District-sponsored project submittals for compliance with BPC Policy No. 752, Guidelines for Conducting Project Consistency Review Related to the Integrated Port Master Plan Update
- CEQA and Coastal Act processing, including Agenda Sheet Environmental Review language, for Port-driven programs (not tenant or Port development/construction projects)
- Responses to Public Records Act Requests



## DEPARTMENT OPERATING PLAN

The Planning Department also houses the Administrative, Financial, Mapping & Outreach, and overall Operations support functions for the Planning & Green Port (PGP) departments and teams, which includes a total of five (5) cost centers. The PGP Operations Team staff in these support functions are responsible for and committed to the following Key Services:

- Processing and monitoring all agreements, contracts, requisitions, task authorizations and invoices
- Monthly budget tracking – accruals and variance reporting
- Annual budget development
- Purchasing
- Cost recovery
- Board Agendas and Memos
- Presentations – internal and external, for print and web use
- Outreach (workshops, open houses and various committees)
- CRM and Records Requests
- Travel Reports
- Timecard Management
- New Employee Onboarding
- Stormwater Inspection Notifications and Letters

## Planning

**Transfer:** 1 Staff Assistant II to Environmental Conservation

**Retitle:** 1 Management Analyst to Department Administrative Manager

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Associate Planner	1	1
Department Administrative Manager	0	1
Director, Planning	1	1
Lead Mapping and Outreach	1	1
Management Analyst	3	2
Program Manager, Planning & Green Port	3	3
Senior Planner	1	1
Staff Assistant II	2	1
<b>TOTAL</b>	<b>12</b>	<b>11</b>



## Planning

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 2,665,677	\$ 1,368,000	\$ 1,576,900	\$ 208,900	15.3 %
Non-Personnel Expense	5,132,253	1,553,100	1,397,300	(155,800)	(10.0)%
<b>Total Direct Expense</b>	<b>\$ 7,797,930</b>	<b>\$ 2,921,100</b>	<b>\$ 2,974,200</b>	<b>\$ 53,100</b>	<b>1.8 %</b>
Less: Capitalized Expense	(41,170)	(72,100)	(19,700)	52,400	(72.7)%
Equipment Outlay and Other Capital Projects	7,123	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 7,763,883</b>	<b>\$ 2,849,000</b>	<b>\$ 2,954,500</b>	<b>\$ 105,500</b>	<b>3.7 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,669,122	\$ 960,700	\$ 966,000	\$ 5,300	0.6%
Overtime	1,495	1,300	1,300	—	—%
Burden	992,527	406,000	609,600	203,600	50.1%
Temporary Personnel	2,533	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 2,665,677</b>	<b>\$ 1,368,000</b>	<b>\$ 1,576,900</b>	<b>\$ 208,900</b>	<b>15.3%</b>

**Planning**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 1,300		\$ 1,300		
<b>Total:</b>	\$ 1,495	\$ 1,300	\$ 1,300	\$ 1,300	\$ —	0.0 %
600120 Temporary Personnel						
<b>Total:</b>	\$ 2,533	\$ —	\$ —	\$ —		
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 4,028	\$ 1,300	\$ 1,300	\$ 1,300	\$ —	0.0 %
610110 Books & Periodicals						
PROFESSIONAL PUBLICATIONS		\$ 300		\$ 300		
<b>Total:</b>	\$ 144	\$ 300	\$ 300	\$ 300	\$ —	0.0 %
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ 1,238	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
610120 Memberships & Dues						
MEMBERSHIPS & DUES		\$ 1,700		\$ 2,700		
<b>Total:</b>	\$ 5,305	\$ 1,700	\$ 1,700	\$ 2,700	\$ 1,000	58.8 %
610140 Seminars & Training						
SEMINARS & TRAINING		\$ 2,100		\$ 6,600		
<b>Total:</b>	\$ 15,024	\$ 2,100	\$ 2,100	\$ 6,600	\$ 4,500	214.3 %
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 2,900		\$ 2,900		
<b>Total:</b>	\$ 6,865	\$ 2,900	\$ 2,900	\$ 2,900	\$ —	0.0 %
615110 Travel						
TRAVEL		\$ 4,300		\$ 8,800		
<b>Total:</b>	\$ 9,490	\$ 4,300	\$ 4,300	\$ 8,800	\$ 4,500	104.7 %
620100 Services - Professional & Other						
DESIGN & BUILD OFFICE RECONFIGURE		\$ 10,000		\$ —		
INTEGRATED PLANNING		1,010,000		900,000		
MARITIME / INDUSTRIAL PLANNING		6,000		20,000		
ON-CALL PLANNING CONSULTANT		400,000		360,000		
SOUTH BAY PLANNING & ENVIRON REVIEW		80,000		—		
<b>Total:</b>	\$ 3,434,444	\$ 1,506,000	\$ 1,506,000	\$ 1,280,000	\$ (226,000)	(15.0)%
620140 Climate Action Plan						
<b>Total:</b>	\$ 29,921	\$ —	\$ —	\$ —	\$ —	N/A



**Planning**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630110 Equipment & Systems						
OFFICE RECONFIGURATION		\$ 5,000		\$ 5,000		
<b>Total:</b>	\$ 7,915	\$ 5,000	\$ 5,000	\$ 5,000	\$ —	0.0 %
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES		\$ 17,500		\$ 17,500		
<b>Total:</b>	\$ 15,746	\$ 17,500	\$ 17,500	\$ 17,500	\$ —	0.0 %
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 1,500		\$ 1,500		
<b>Total:</b>	\$ 2,817	\$ 1,500	\$ 1,500	\$ 1,500	\$ —	0.0 %
630150 Safety Equipment & Supplies						
<b>Total:</b>	\$ 830	\$ —	\$ —	\$ —	\$ —	N/A
630170 Fuel & Lubricant						
<b>Total:</b>	\$ 109	\$ —	\$ —	\$ —	\$ —	N/A
660100 Advertising						
ADVERTISING		\$ 800		\$ 800		
<b>Total:</b>	\$ 45	\$ 800	\$ 800	\$ 800	\$ —	0.0 %
660110 Promotional Services						
<b>Total:</b>	\$ 134,192	\$ —	\$ —	\$ —	\$ —	N/A
660120 Promotional Materials						
<b>Total:</b>	\$ 58	\$ —	\$ —	\$ —	\$ —	N/A
660135 Eligible Environmental Fund Expenditures						
CA SEA GRANT FELLOWS		\$ —		\$ 67,000		
<b>Total:</b>	\$ 638,805	\$ —	\$ —	\$ 67,000	\$ 67,000	N/A
660150 Refuse & Hazardous Waste Disposal						
<b>Total:</b>	\$ 74,164	\$ —	\$ —	\$ —	\$ —	N/A
660170 Joint Programs/Studies Assistance						
<b>Total:</b>	\$ 495,842	\$ —	\$ —	\$ —	\$ —	N/A
670130 Permits/Certificates/License						
PERMITS & LICENCES		\$ 10,000		\$ 3,200		
<b>Total:</b>	\$ 259,299	\$ 10,000	\$ 10,000	\$ 3,200	\$ (6,800)	(68.0)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 5,132,253	\$ 1,553,100	\$ 1,553,100	\$ 1,397,300	\$ (155,800)	(10.0)%

**Planning**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>GRAND TOTAL:</b>	\$ 5,136,281	\$ 1,554,400	\$ 1,554,400	\$ 1,398,600	\$ (155,800)	(10.0)%



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	138 - Port As A Service - Parking	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Ken Wallis		
<b>VP/AVP:</b>	TBD		
<b>MISSION</b>			
To develop, manage, and grow the District's parking assets to their highest and best use based on market rates and demand within the District's planning and regulatory framework.			
<b>VISION</b>			
Creating America's finest waterfront with public accessible parking options supported with current technology, for a fair value to visitors, tenants, their employees, and customers.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Maintain the District's financial stability by growth of parking revenues as a core-business to help fund increasing public service needs and costs.</li><li>• Build a smart parking ecosystem as part of the District's Smart City Strategy to optimize supply and demand matching and yield management.</li><li>• Create reasonably priced, convenient parking as an important public service and value.</li><li>• Improve parking user experience through People Centered Design</li><li>• Facilitate new parking development where feasible and redevelop current parking with new technology.</li><li>• Increase pricing in opportunistic areas based on market and demand.</li><li>• Create flexible pricing for parking to maximize parking revenues.</li><li>• Effectively administer agreements and permits for parking on tidelands.</li><li>• Support other departments as relates to parking needs.</li><li>• Convert areas of non-paid parking to meters or pay station parking where demand is high.</li><li>• Continuously evaluate and improve business systems and processes related to parking.</li><li>• Identify new sources of parking revenue.</li></ul>			



## DEPARTMENT OPERATING PLAN

### Parking Provides the Following Services:

#### ***Parking Asset Management***

- Parking asset and operations management
- Contract and tidelands use and occupancy permit (TUOP) renegotiations, administration, obligation monitoring and enforcement
- Tenant and contractor relationship management
- Parking asset inspections and improvement planning
- Special event coordination for parking
- Parking financial data management
- Monthly and quarterly performance reporting
- Citation and parking coordination with Harbor Police and Community Service Officers team

#### ***Parking Mangement and Development***

- Feasibility studies for new parking lots and garages
- Market research/financial analysis
- Customer service for the public and visitors to tidelands' parking
- Request for Proposals (RFP) - solicitations for new operators
- New development project monitoring and reporting
- Interdepartmental and inter-agency coordination
- Appraisals and review of outside appraisals
- Consultant management
- Marketing of available parking locations
- Project management for parking
- Property acquisition for new parking
- New contract and agreement negotiations
- Tenant redevelopment proposal review

#### ***Current TUOPs:***

- ABM Parking Services
- Budget Rent A Car
- JAMR Properties, LLC
- Park 'N Fly
- USS Midway Museum

#### ***Current Operating Contracts:***

- ABM Parking Services
- Ace Parking Management, Inc.

#### ***Current Agreements:***

- City of San Diego
- IPS Group, Inc.

<b>Parking Assets:</b>	<b>Spaces</b>
Hilton Garage	1834
Convention Center	1859
Navy Pier	386
B Street Pier	189
Pacific Highway Corridor	1347
Harbor Island	620
Traditional Meters	275
Smart Meters	764
Pay Stations	286
<b>Total Paid Spaces:</b>	<b>7560</b>
<b>Free Spaces:</b>	<b>2562</b>
<b>Total:</b>	<b>10122</b>

## Port as a Service - Parking

**Transfer:** 1 Director, Port as a Service (Limited) to Variable Staffing  
1 Management Analyst (Limited) to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Assistant Parking Manager	1	1
Parking Manager	1	1
<b>TOTAL</b>	<b>2</b>	<b>2</b>

### LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Director, Port as a Service	1	0
Management Analyst	1	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

## Port as a Service - Parking

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 458,416	\$ 675,000	\$ 388,800	\$ (286,200)	(42.4)%
Non-Personnel Expense	2,683,804	2,891,900	2,963,400	71,500	2.5 %
<b>Total Direct Expense</b>	<b>\$ 3,142,220</b>	<b>\$ 3,566,900</b>	<b>\$ 3,352,200</b>	<b>\$ (214,700)</b>	<b>(6.0)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	75,545	20,000	162,500	142,500	712.5 %
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 3,217,765</b>	<b>\$ 3,586,900</b>	<b>\$ 3,514,700</b>	<b>\$ (72,200)</b>	<b>(2.0)%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 266,942	\$ 391,800	\$ 180,900	\$ (210,900)	(53.8)%
Overtime	—	—	—	—	N/A
Burden	191,474	283,200	207,900	(75,300)	(26.6)%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 458,416</b>	<b>\$ 675,000</b>	<b>\$ 388,800</b>	<b>\$ (286,200)</b>	<b>(42.4)%</b>

### EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS

DESCRIPTION	QTY	BUDGET FY 2019
PARKING LOT IMPROVEMENTS AT PACIFIC HIGHWAY AND HARBOR DRIVE	1	\$ 140,000
PAY STATIONS	3	22,500
<b>TOTAL EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS</b>	<b>4</b>	<b>\$ 162,500</b>

**Port as a Service - Parking**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals BOOKS & PERIODICALS		\$ 200		\$ 100		
<b>Total:</b>	\$ 48	\$ 200	\$ 200	\$ 100	\$ (100)	(50.0)%
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 300		\$ 300		
<b>Total:</b>	\$ 293	\$ 300	\$ 300	\$ 300	\$ —	0.0 %
610120 Memberships & Dues CA PARKING ASSOCIATION INTERNATIONAL INSTITUTE		\$ 200 600		\$ 200 500		
<b>Total:</b>	\$ 135	\$ 800	\$ 800	\$ 700	\$ (100)	(12.5)%
610140 Seminars & Training COURSES & SEMINARS MICROSOFT OFFICE SUITE TRAINING PARKING CONFERENCE		\$ 2,000 400 6,000		\$ 1,800 300 5,400		
<b>Total:</b>	\$ 1,452	\$ 8,400	\$ 8,400	\$ 7,500	\$ (900)	(10.7)%
615100 Mileage Reimbursement MILEAGE & PARKING		\$ 400		\$ 400		
<b>Total:</b>	\$ 193	\$ 400	\$ 400	\$ 400	\$ —	0.0 %
615110 Travel COURSES & SEMINARS PARKING BUSINESS TRAVEL TRAVEL		\$ 800 8,300 2,900		\$ 700 7,000 2,900		
<b>Total:</b>	\$ 1,263	\$ 12,000	\$ 12,000	\$ 10,600	\$ (1,400)	(11.7)%
620100 Services - Professional & Other AS-NEEDED REVIEW/CONSULTANT		\$ 147,000		\$ 116,300		
<b>Total:</b>	\$ —	\$ 147,000	\$ 147,000	\$ 116,300	\$ (30,700)	(20.9)%
630110 Equipment & Systems HANDHELD TICKET WRITERS & SUPPLIES MISC EQUIP & FURNITURE		\$ — 2,000		\$ 16,100 1,800		
<b>Total:</b>	\$ 5,554	\$ 2,000	\$ 2,000	\$ 17,900	\$ 15,900	795.0 %
630120 Equipment Rental/Leasing WATER COOLERS & COFFEE MAKER		\$ 300		\$ 200		

**Port as a Service - Parking**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ —	\$ 300	\$ 300	\$ 200	\$ (100)	(33.3)%
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES	\$	3,000		\$ 2,700		
<b>Total:</b>	\$ 1,826	\$ 3,000	\$ 3,000	\$ 2,700	\$ (300)	(10.0)%
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$	100		\$ 200		
<b>Total:</b>	\$ 77	\$ 100	\$ 100	\$ 200	\$ 100	100.0 %
630180 Parking Meter Supplies						
<b>Total:</b>	\$ 9,788	\$ —	\$ —	\$ —	\$ —	N/A
640100 Space Rental						
I.B. PARKING LOT AMORTIZATION	\$	7,700		\$ 7,700		
PARKING LEASE - 3275 PAC HWY		111,700		114,500		
PARKING LEASE - 3405 PAC HWY		26,000		26,600		
<b>Total:</b>	\$ 156,021	\$ 145,400	\$ 145,400	\$ 148,800	\$ 3,400	2.3 %
640150 Facility Management Services						
B STREET PIER	\$	72,100		\$ 102,700		
CONV CTR HOTEL PKNG STRUCTURE		469,300		512,800		
CONVENTION CENTER PARKING		1,288,600		1,334,200		
CONVENTION CTR GARAGE		40,400		40,400		
EMBARC CIRCULAR SHUTTLE SYSTEM		25,000		25,000		
NAVY PIER LOT		273,900		209,200		
PARKING METER MANAGEMENT		133,800		134,100		
<b>Total:</b>	\$ 2,253,002	\$ 2,303,100	\$ 2,303,100	\$ 2,358,400	\$ 55,300	2.4 %
650130 Equipment Maintenance - Outside Services						
CONV CTR GARAGE MAINT	\$	—		\$10,800		
CONVENTION CTR GEN REPAIRS/EQPT		12,000		—		
<b>Total:</b>	\$ —	\$ 12,000	\$ 12,000	\$ 10,800	\$ (1,200)	(10.0)%
660110 Promotional Services						
TENANT & PUBLIC OUTREACH	\$	—		\$ 200		
<b>Total:</b>	\$ 139	\$ —	\$ —	\$ 200	\$ 200	N/A
670105 Bank & Credit Card Fees						
B STREET PIER CREDIT CARD FEES	\$	20,900		\$ 24,200		
CONVENTION CTR PARKING CREDIT CARD		61,000		86,200		
CREDIT CARD FEES FOR EVENT PARKING		1,000		1,000		



**Port as a Service - Parking**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS	ORIGINAL BUDGET	ADJUSTED BUDGET	BUDGET	CHANGE FROM ADJUSTED BUDGET	
	FY 2017	FY 2018	FY 2018	FY 2019	dollars	pct
CREDIT CARD FEES FOR SMART METERS		109,500		114,700		
HILTON GARAGE CREDIT CARD FEES		29,700		40,200		
NAVY PIER LOT CREDIT CARD FEES		34,800		22,000		
<b>Total:</b>	\$ 244,314	\$ 256,900	\$ 256,900	\$ 288,300	\$ 31,400	12.2 %
670140 Legal Cost / Legal Settlements						
<b>Total:</b>	\$ 9,700	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 2,683,804	\$ 2,891,900	\$ 2,891,900	\$ 2,963,400	\$ 71,500	2.5 %
<b>GRAND TOTAL:</b>	\$ 2,683,804	\$ 2,891,900	\$ 2,891,900	\$ 2,963,400	\$ 71,500	2.5 %

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	129 - Procurement Services	<b>Planning Cycle:</b>	FY18/19																																			
<b>Director:</b>	Matt Earle																																					
<b>VP/AVP:</b>	Bob DeAngelis																																					
<b>MISSION</b>																																						
To partner with our internal customers to develop business solutions, to provide a level playing field for our vendors, and contractors, and to maximize fiscal resources through cost-effective and efficient operations.																																						
<b>VISION</b>																																						
Procurement Services is a valued, integrated, one-stop shop staffed by a talented, innovative, dedicated and ethical team.																																						
<b>GOALS</b>																																						
<ul style="list-style-type: none"> <li>• Continue to process all requests as timely and efficiently as possible.</li> <li>• Evaluate and improve business systems and processes as time permits.</li> <li>• Encourage an organizational culture of learning and growth</li> <li>• Maximize the use of District funds</li> </ul>																																						
<table border="1"> <thead> <tr> <th>Time Period</th> <th>Agreements Processed<sup>4</sup></th> <th>Solicitations Processed</th> <th>Public Works Bids</th> </tr> </thead> <tbody> <tr> <td>Calendar Year 2014</td> <td>220</td> <td>86</td> <td>14</td> </tr> <tr> <td>Calendar Year 2015</td> <td>272</td> <td>83</td> <td>21</td> </tr> <tr> <td>Calendar Year 2016</td> <td>309</td> <td>76</td> <td>8</td> </tr> <tr> <td>Through June 30, 2017</td> <td>154<sup>1</sup></td> <td>47<sup>2</sup></td> <td>11<sup>3</sup></td> </tr> </tbody> </table> <p><sup>1</sup> This is 6 more agreements that were processed through June 30, 2016 and are on pace to process 321 total agreements for calendar year 2017.</p> <p><sup>2</sup> This is 5 fewer solicitations processed through June 30, 2017 compared to the same time period in 2016.</p> <p><sup>3</sup> This is 3 more Public Works Bids processed through June 30, 2017 compared to the same time period in 2016.</p> <p><sup>4</sup> Number of agreements drafted is on a 14.6% average increase over the past 3 years.</p> <p>The overall processing time has decreased from 33.9 days in 2014 to 27.8 days in 2016 through efficiencies and limited attempts at training classes on procurement processes for Port staff. The benefit to training classes for our customer departments is to improve the quality of the requests we receive. High quality requests allow us to start on them quickly and take less time to process.</p> <p>In addition to the data in the table above, the department has also processed the following numbers of purchase orders and annual dollar spend for the same period:</p> <table border="1"> <thead> <tr> <th>Time Period</th> <th>Purchase Orders</th> <th>Dollar Spend</th> </tr> </thead> <tbody> <tr> <td>Calendar Year 2014</td> <td>1475</td> <td>\$54,173,634</td> </tr> <tr> <td>Calendar Year 2015</td> <td>1629</td> <td>\$49,691,503</td> </tr> <tr> <td>Calendar Year 2016</td> <td>1555</td> <td>\$81,300,383</td> </tr> <tr> <td>Through June 30, 2017</td> <td>851</td> <td>\$33,943,559</td> </tr> </tbody> </table> <p>Finally, the department processes more than just agreements and solicitations. We also process amendments and until very recently, also processed task authorizations for the Engineering Department. In the first 6 months of 2017, we have processed 79 amendments to agreements. Processing an</p>				Time Period	Agreements Processed <sup>4</sup>	Solicitations Processed	Public Works Bids	Calendar Year 2014	220	86	14	Calendar Year 2015	272	83	21	Calendar Year 2016	309	76	8	Through June 30, 2017	154 <sup>1</sup>	47 <sup>2</sup>	11 <sup>3</sup>	Time Period	Purchase Orders	Dollar Spend	Calendar Year 2014	1475	\$54,173,634	Calendar Year 2015	1629	\$49,691,503	Calendar Year 2016	1555	\$81,300,383	Through June 30, 2017	851	\$33,943,559
Time Period	Agreements Processed <sup>4</sup>	Solicitations Processed	Public Works Bids																																			
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## DEPARTMENT OPERATING PLAN

amendment is generally the same process as processing an agreement and data shows we process roughly half as many amendments as we do agreements. This averages out to an additional 134 documents per calendar year.

We also spend considerable time moving funds around in SAP for the departments that have large as-needed agreements where the budget is split between several consultants. We also close out many purchase orders throughout the year in an attempt to make the year-end closing process easier.

## Procurement Services

**Reclass:** 1 Distribution & Storage Technician I to Distribution & Storage Technician II

**Transfer:** 2 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Director, Procurement Services/Chief Procurement Officer	1	1
Distribution & Storage Technician I	2	1
Distribution & Storage Technician II	1	2
Executive Assistant I (Classified)	1	1
Lead Distribution & Storage Technician	1	1
Manager, Distribution & Storage	1	1
Manager, Procurement Services	1	1
Procurement Analyst I	2	2
Procurement Analyst II	5	5
Procurement Supervisor	1	1
Staff Assistant II	2	2
<b>TOTAL</b>	<b>18</b>	<b>18</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

## Procurement Services

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 1,755,556	\$ 1,943,800	\$ 2,016,500	\$ 72,700	3.7%
Non-Personnel Expense	44,114	70,700	78,200	7,500	10.6%
<b>Total Direct Expense</b>	<b>\$ 1,799,670</b>	<b>\$ 2,014,500</b>	<b>\$ 2,094,700</b>	<b>\$ 80,200</b>	<b>4.0%</b>
Less: Capitalized Expense	(606)	—	(5,200)	(5,200)	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,799,064</b>	<b>\$ 2,014,500</b>	<b>\$ 2,089,500</b>	<b>\$ 75,000</b>	<b>3.7%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 1,049,452	\$ 1,157,000	\$ 1,187,900	\$ 30,900	2.7%
Overtime	251	2,000	2,000	—	0.0%
Burden	705,853	784,800	826,600	41,800	5.3%
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 1,755,556</b>	<b>\$ 1,943,800</b>	<b>\$ 2,016,500</b>	<b>\$ 72,700</b>	<b>3.7%</b>

**Procurement Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
OVERTIME		\$ 2,000		\$ 2,000		
<b>Total:</b>	\$ 251	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 251	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 500		\$ 800		
<b>Total:</b>	\$ 432	\$ 500	\$ 500	\$ 800	\$ 300	60.0 %
610150 Tuition Reimbursement						
<b>Total:</b>	\$ 645	\$ —	\$ —	\$ —	\$ —	N/A
610120 Memberships & Dues						
CAPPO MEMBERSHIP		\$ 2,000		\$ 2,400		
MEMBERSHIPS & DUES		1,000		1,000		
NAT CONTRACT MGT ASSN (NCMA)		500		—		
<b>Total:</b>	\$ 3,704	\$ 3,500	\$ 3,500	\$ 3,400	\$ (100)	(2.9)%
610140 Seminars & Training						
ADDITIONAL PROCUREMENT TRAINING		\$ 3,500		\$ 2,000		
CAPPO MEETINGS		—		1,800		
CMAA CONSTRUCTION LAW UPDATE		700		500		
MISC PROCUREMENT BASED TRAINING		3,000		—		
NIGP NATIONAL CONFERENCE		1,800		2,000		
NPI NATIONAL CONFERENCE		1,400		1,200		
<b>Total:</b>	\$ 6,703	\$ 10,400	\$ 10,400	\$ 7,500	\$ (2,900)	(27.9)%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 2,500		\$ 2,500		
TRANSIT PASSES		200		200		
<b>Total:</b>	\$ 712	\$ 2,700	\$ 2,700	\$ 2,700	\$ —	0.0 %
615110 Travel						
TRAINING		\$ 18,000		\$ 18,000		
<b>Total:</b>	\$ 7,078	\$ 18,000	\$ 18,000	\$ 18,000	\$ —	0.0 %
630100 Breakage & Obsolescence						
<b>Total:</b>	\$ 1,904	\$ —	\$ —	\$ —	\$ —	N/A
630110 Equipment & Systems						
<b>Total:</b>	\$ 1,305	\$ —	\$ —	\$ —	\$ —	N/A

**Procurement Services**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630120 Equipment Rental/Leasing EQUIPMENT RENTAL/LEASING		\$ 500		\$ 200		
<b>Total:</b>	\$ —	\$ 500	\$ 500	\$ 200	\$ (300)	(60.0)%
630130 Office & Operating Supplies OPERATING SUPPLIES		\$ 20,000		\$ 22,000		
<b>Total:</b>	\$ 15,257	\$ 20,000	\$ 20,000	\$ 22,000	\$ 2,000	10.0 %
630140 Postage & Shipping POSTAGE & SHIPPING		\$ 5,000		\$ 4,000		
<b>Total:</b>	\$ 3,113	\$ 5,000	\$ 5,000	\$ 4,000	\$ (1,000)	(20.0)%
630150 Safety Equipment & Supplies SAFETY SUPPLIES & EQUIPMENT		\$ 2,000		\$ 1,000		
<b>Total:</b>	\$ 608	\$ 2,000	\$ 2,000	\$ 1,000	\$ (1,000)	(50.0)%
630200 Uniforms LOSS/DAMAGE ALLOWANCE UNIFORM SERVICE		\$ 200 1,500		\$ 200 3,000		
<b>Total:</b>	\$ —	\$ 1,700	\$ 1,700	\$ 3,200	\$ 1,500	88.2 %
650120 Equipment Maintenance - Supplies EQUIPMENT MAINTENANCE-SUPPLIES		\$ 500		\$ —		
<b>Total:</b>	\$ —	\$ 500	\$ 500	\$ —	\$ (500)	(100.0)%
650130 Equipment Maintenance-Outside Services EQUIPMENT MAINTENANCE-OUTSIDE		\$ 500		\$ —		
<b>Total:</b>	\$ —	\$ 500	\$ 500	\$ —	\$ (500)	(100.0)%
660100 Advertising ADVERTISING		\$ 5,000		\$ 15,000		
<b>Total:</b>	\$ 2,653	\$ 5,000	\$ 5,000	\$ 15,000	\$ 10,000	200.0 %
670130 Permits/Certificates/License PERMIT/CERT/LICENSE		\$ 400		\$ 400		
<b>Total:</b>	\$ —	\$ 400	\$ 400	\$ 400	\$ —	0.0 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 44,114	\$ 70,700	\$ 70,700	\$ 78,200	\$ 7,500	10.6 %
<b>GRAND TOTAL:</b>	\$ 44,365	\$ 72,700	\$ 72,700	\$ 80,200	\$ 7,500	10.3 %





## DEPARTMENT OPERATING PLAN

<b>Department:</b>	Real Estate	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Tony Gordon		
<b>VP/AVP:</b>	Shaun Sumner		
<b>MISSION</b>			
The Real Estate Team manages and enhances the District's commercial and industrial real estate portfolio from end to end from tenant selection, to development, to asset management, to redevelopment. The team is divided into four functional units with the first three focused on specific phases of the lifecycle of development: Business Development, Redevelopment, and Asset Management; and a fourth unit Marine Industrial, which is focused specifically on the marine industrial portfolio.			
<b>VISION</b>			
To sustain and grow a best in class commercial and industrial real estate portfolio with internationally recognized amenities, attractions, and development.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Complete milestones necessary to advance the Chula Vista Bayfront through the pre-development and pre-construction phases in consultation with Planning &amp; Green Port, Engineering, and Development Services.</li><li>• Negotiate leases and other agreements as needed, and identify funding and activation elements for development and implementation of the National City Balanced Plan as it relates to District tidelands.</li><li>• Finalize project description, initiate environmental review and negotiate a lease and other agreements to redevelop the former rental car sites on Harbor Island.</li><li>• Finalize project description, initiate environmental review and negotiate a lease and other agreements for the Central Embarcadero.</li><li>• Generate market rent for District real estate assets.</li><li>• Attract visitors from all over the world through high quality development on San Diego Bay.</li><li>• Create and sustain positive relationships throughout the San Diego region.</li><li>• Facilitate new development and redevelopment through rigorous tenant selection and retention, including development of national and international marketing campaigns.</li><li>• Administer the District's commercial and marine/industrial real estate portfolio.</li><li>• Recruit, retain, and prepare for advancement of a highly skilled, diverse workforce.</li><li>• Increase awareness of and promote the District's real estate portfolio through marketing and relationship building within the development community.</li><li>• Identify ways to enhance existing lines of business and responsibly add new lines of business.</li></ul>			



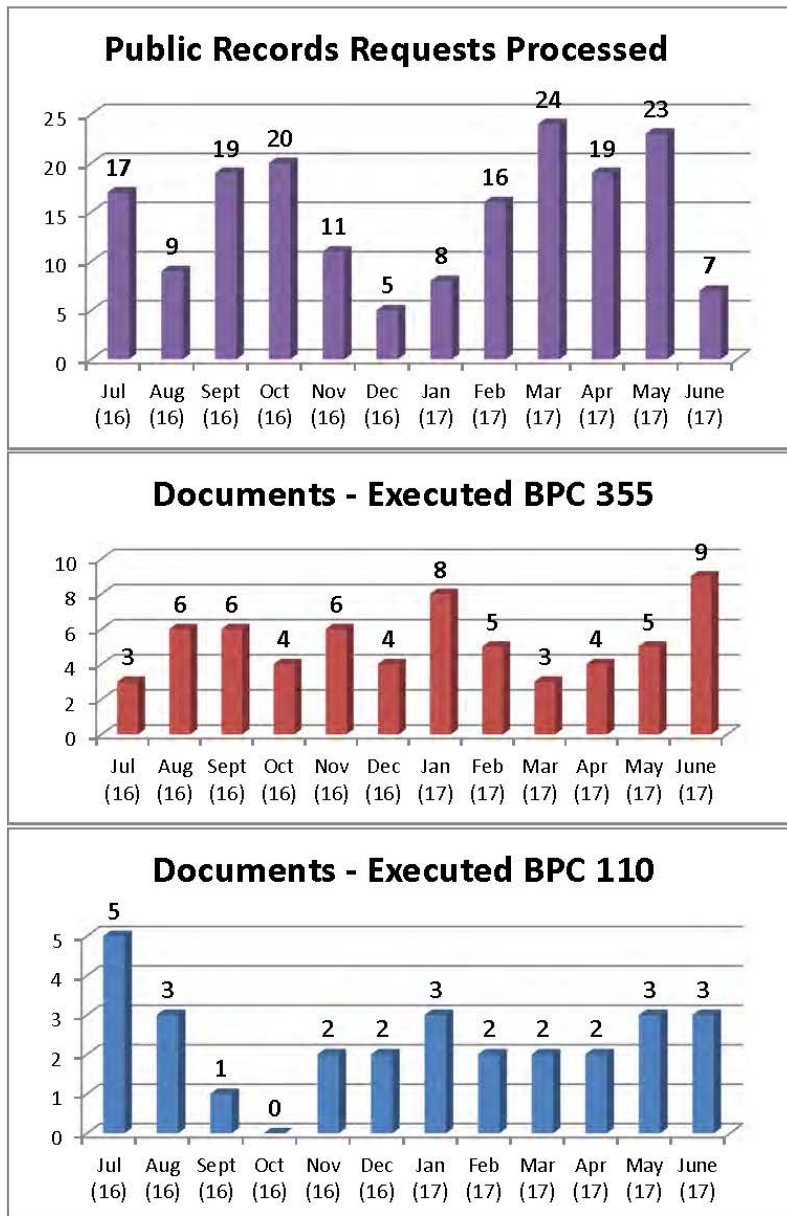
## DEPARTMENT OPERATING PLAN

Real Estate Development Balanced Scorecard - FY 2016-17																							
100 Type	Financial	Jul (16)	Aug (16)	Sept (16)	Oct (16)	Nov (16)	Dec (16)	Jan (17)	Feb (17)	Mar (17)	Apr (17)	May (17)	June (17)	TOTAL									
101 KPI	Rent - Minimum Percentage (ratio)	0.53	0.60	0.59	0.60	0.58	0.59	0.57	0.60	0.55	0.59	0.55	0.56	0.59									
102 Metric	Number of Tenants Paying Minimum Rent	Target	12	10	11	12	9	15	18	8	10	9	10	129									
103 KPI	41 - Percentage of All Projected Revenues Received	100%	100%	101%	100%	97%	96%	97%	101%	105%	103%	103%	101%	80%									
104 KPI	Rental Agreements Unbudgeted	Target	3	0	0	0	0	1	1	0	1	1	0	2									
105 Metric	New Rent Only Annually	488,894	0	0	0	0	27,711	500	0	96,000	430	10	10	15,760									
200 Type	Leasehold Management	Jul (16)	Aug (16)	Sept (16)	Oct (16)	Nov (16)	Dec (16)	Jan (17)	Feb (17)	Mar (17)	Apr (17)	May (17)	June (17)	TOTAL									
201 Metric	Branches Approved	0	0	0	1	0	1	1	0	0	0	0	0	3									
202 Metric	Rent Adjustments Processed (CPI, MAP Only)	5	10	8	6	2	7	13	0	13	2	7	1	74									
203 Metric	Rent Reviews Processed	2	0	1	1	1	2	0	0	0	0	0	0	10									
204 Metric	Number of Future Rent Reviews (12 months)	14	17	18	18	15	13	9	5	2	4	6	5	108									
205 Metric	Subleases Consented To	0	5	5	0	1	3	13	2	2	5	9	11	66									
206 Metric	Agreements Newly Placed on Holdover	1	2	2	2	1	0	3	0	0	1	1	1	14									
207 Metric	Number of Agreements Expiring in the Next 2 Years	29	29	29	18	20	19	19	21	30	17	16	29	276									
208 Metric	Audit Letters Sent (closed out)	0	0	2	0	0	1	1	0	3	0	1	1	9									
300 Type	Board Related	Jul (16)	Aug (16)	Sept (16)	Oct (16)	Nov (16)	Dec (16)	Jan (17)	Feb (17)	Mar (17)	Apr (17)	May (17)	June (17)	TOTAL									
301 Metric	Agenda Sheets - Content	2	0	0	1	3	3	3	1	1	1	3	2	20									
302 Metric	Closed Session Items	3	3	4	5	1	3	1	2	2	4	3	3	34									
303 Metric	Number of Lease to the Board (New/Existing)	0	1	1	3	3	2	2	1	1	0	0	0	14									
304 Metric	Board Meeting Action Agendas/ Presentations	1	2	1	4	1	0	1	1	1	2	1	1	17									
305 Metric	Meetings - Commissioners	3	4	6	1	3	7	5	7	2	9	9	1	57									
306 Metric	Board Memos - Public	3	3	1	2	3	2	3	3	3	1	1	1	28									
307 Metric	Board Memos - Confidential	3	6	8	7	1	4	5	5	8	6	10	3	66									
400 Type	Assignments	Jul (16)	Aug (16)	Sept (16)	Oct (16)	Nov (16)	Dec (16)	Jan (17)	Feb (17)	Mar (17)	Apr (17)	May (17)	June (17)	TOTAL									
401 Metric	Assignments - Completed	17	27	44	22	13	22	26	1	28	34	11	31	296									
402 Metric	Assignments - Overdue	123	118	101	100	104	121	141	156	205	185	186	171	1711									
403 KPI	Assignments - Efficiency Ratio	14%	25%	44%	22%	13%	16%	16%	13%	14%	16%	16%	16%	17%									
500 Type	Internal Business Processes	Jul (16)	Aug (16)	Sept (16)	Oct (16)	Nov (16)	Dec (16)	Jan (17)	Feb (17)	Mar (17)	Apr (17)	May (17)	June (17)	TOTAL									
501 Metric	Documents - Decided RPT 110	5	3	1	0	2	2	3	2	2	2	3	3	28									
502 Metric	Documents - Decided RPT 355	3	6	6	4	6	4	8	5	3	4	5	9	63									
503 Metric	Closed CMA Transactions	2	7	1	1	5	3	11	14	5	1	3	6	59									
504 Metric	Public Records Request Processed	17	9	19	20	11	5	8	16	24	19	23	7	179									
505 Metric	Public Meetings - Board Board Meetings	0	0	1	0	1	0	1	1	1	5	2	2	14									
600 Type	Training	Jul (16)	Aug (16)	Sept (16)	Oct (16)	Nov (16)	Dec (16)	Jan (17)	Feb (17)	Mar (17)	Apr (17)	May (17)	June (17)	TOTAL									
601 KPI	Dept. Seminars and Trainings (with budget impact)	0	0	6	3	3	0	4	2	4	3	1	6	32									
602 Metric	Speaking Engagements	Target	24	24	24	24	24	24	24	24	24	24	24	24									
		0	0	5	1	0	0	1	2	0	1	1	0	11									
	Target	24	24	24	24	24	24	24	24	24	24	24	24	24									

Internal Business Process  
FY 16/17



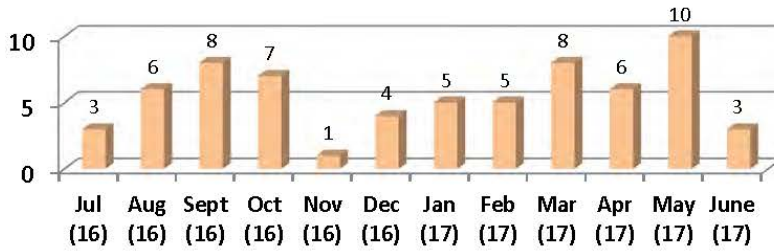
## DEPARTMENT OPERATING PLAN



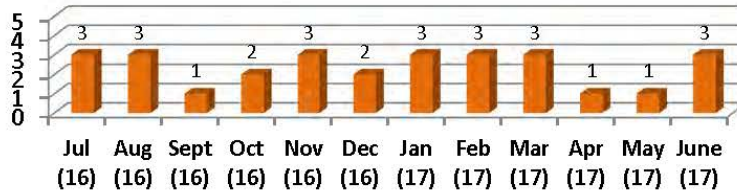


## DEPARTMENT OPERATING PLAN

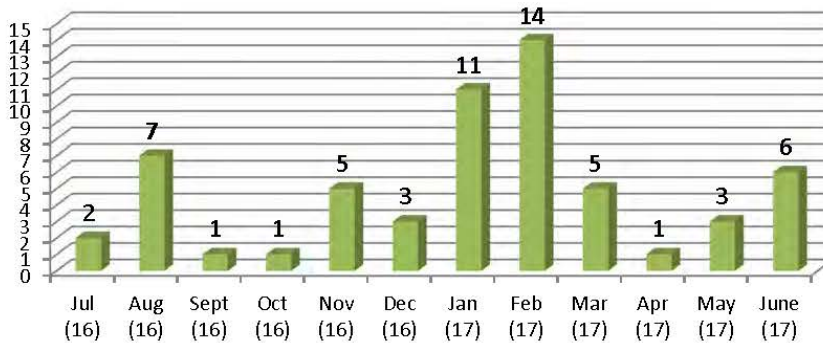
### Board Memos - Confidential



### Board Memos - Public



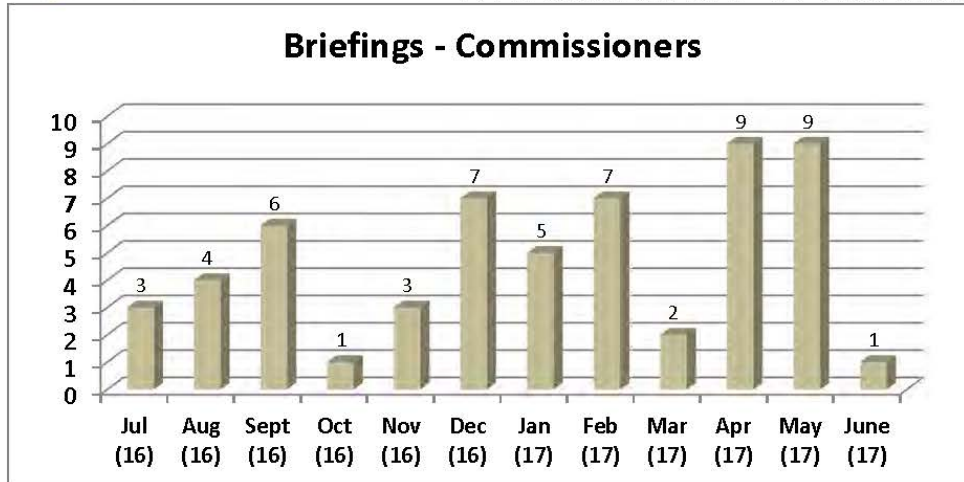
### Closed CRM Transactions







## DEPARTMENT OPERATING PLAN



### List of Board/ ELG Strategic Projects Staffed by Real Estate

#### *Board Focused*

- 101 – Develop a Plan to Improve Workplace Environment
- 205 – Introduce Triple Bottom Line to Board
- 301 – Circulate Environmental Impact Report for National City Balanced Land Use Plan
- 302 – Finalize Plan for Harbor Island
- 304 – Identify Central Embarcadero Terms, Project Description and Commence Environmental Review
- 309 – Disposition and Development Agreement w/ RIDA for Chula Vista Bayfront

#### *ELG Focused*

- 154 – Project Blue Team
- 352 – Develop Annual Marketing Plan to Grow (and Test) Concession Revenue
- 354 – Define Port as a Developer Business Plan



## DEPARTMENT OPERATING PLAN

### Workload Analysis

The previous charts give a snapshot of the volume and variety of assignments completed by Real Estate staff in FY 17. In addition to supporting or leading 9 strategic projects (6 Board focused and 3 ELG focused), Real Estate routinely processes contracts, leases, CRMs and public records requests throughout the year. This is in addition to the almost 300 leasehold management assignments completed each year. Real Estate is also responsible for managing the relationships with every Port tenant and responding to questions and other concerns of the tenants. Real Estate staff conducts multiple Commissioner briefings each month as well as drafting Board memos and agenda sheets on a monthly basis.

Many of the District's new lines of business also require support from Real Estate. Parking, Advertising and Attractions are all forecasted to grow which will require increasing levels of support from Real Estate. Aquaculture and Blue Tech are also expected to require Real Estate assistance.

Real Estate is currently in the process of issuing an RFP for a third party to operate Seaport Village when the lease expires in September 2018. While the operator will do the bulk of the work, Real Estate staff will still be required to manage the approximately 70 subtenant agreements which will be directly with the District rather than the master tenant as is the case now.

## Real Estate

**Transfer:** 1 Department Manager, Advertising from Attractions & Advertising  
 1 Intern to Variable Staffing

**Reclass:** 1 Department Manager, Advertising to Department Manager, Real Estate

**Retitle:** 1 Department Manager, Acquisitions & Development to Department Manager, Real Estate  
 1 Department Manager, Asset Management to Department Manager, Real Estate  
 1 Department Manager, Business Development to Department Manager, Real Estate  
 1 Department Manager, Redevelopment to Department Manager, Real Estate

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	3	3
Asset Manager	7	7
Department Manager, Acquisitions & Development	1	0
Department Manager, Asset Management	1	0
Department Manager, Business Development	1	0
Department Manager, Real Estate	2	7
Department Manager, Redevelopment	1	0
Director, Real Estate	1	1
Program Manager, Real Estate	5	5
Staff Assistant II	1	1
<b>TOTAL</b>	<b>23</b>	<b>24</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Real Estate

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 2,676,160	\$ 3,134,900	\$ 3,709,500	\$ 574,600	18.3 %
Non-Personnel Expense	1,446,157	1,635,600	4,036,100	2,400,500	146.8 %
<b>Total Direct Expense</b>	<b>\$ 4,122,317</b>	<b>\$ 4,770,500</b>	<b>\$ 7,745,600</b>	<b>\$ 2,975,100</b>	<b>62.4 %</b>
Less: Capitalized Expense	—	(14,400)	—	14,400	(100.0)%
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 4,122,317</b>	<b>\$ 4,756,100</b>	<b>\$ 7,745,600</b>	<b>\$ 2,989,500</b>	<b>62.9 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Regular Salaries & Wages	\$ 1,798,357	\$ 2,054,200	\$ 2,343,600	\$ 289,400	14.1%
Overtime	46	—	—	—	N/A
Burden	871,811	1,080,700	1,365,900	285,200	26.4%
Temporary Personnel	5,946	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 2,676,160</b>	<b>\$ 3,134,900</b>	<b>\$ 3,709,500</b>	<b>\$ 574,600</b>	<b>18.3%</b>



**Real Estate**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime						
<b>Total:</b>	\$ 46	\$ —	\$ —	\$ —	\$ —	N/A
600120 Temporary Personnel						
<b>Total:</b>	\$ 5,946	\$ —	\$ —	\$ —	\$ —	N/A
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 5,992	\$ —	\$ —	\$ —	\$ —	N/A
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 700		\$ 800		
<b>Total:</b>	\$ 1,009	\$ 700	\$ 700	\$ 800	\$ 100	14.3 %
610120 Memberships & Dues						
HOTEL MOTEL ASSOCIATION		\$ 500		\$ —		
INT'L COUNCIL OF SHOPPING CTRS		2,400		—		
MARINA RECREATION ASSOCIATION		700		—		
MEMBERSHIP & DUES		500		5,800		
URBAN LAND INSTITUTE		1,800		—		
<b>Total:</b>	\$ 650	\$ 3,800	\$ 5,900	\$ 5,800	\$ (100)	(1.7)%
610140 Seminars & Training						
AMERICAS LODGING INVESTMENT SUMMIT		\$ 6,400		\$ —		
CERT COM'L INVEST MEMBER INST CLASS		4,500		—		
COURSES & SEMINARS		4,000		—		
E3 CONFERENCE		2,000		—		
INT'L COUNCIL OF SHOPPING CTRS RECO		3,600		—		
LODGING CONFERENCE		6,900		—		
MARINA RECREATION ASSOC CONFERENCE		2,000		—		
NYU INT'L HOSPITALITY INDUSTRY		7,500		—		
P3C - PUBLIC PRIVATE PARTNERSHIP CO		2,500		—		
SEMINARS & TRAINING		11,500		59,000		
URBAN LAND INSTITUTE		5,000		—		
USD REAL ESTATE CONFERENCE		2,100		—		
<b>Total:</b>	\$ 30,793	\$ 58,000	\$ 58,000	\$ 59,000	\$ 1,000	1.7 %
615100 Mileage Reimbursement						
MILEAGE & PARKING		\$ 4,000		\$ 3,000		
<b>Total:</b>	\$ 1,087	\$ 4,000	\$ 4,000	\$ 3,000	\$ (1,000)	(25.0)%
615110 Travel						
AMERICAS LODGING INVESTMENT SUMMIT		\$ 3,000		\$ —		

**Real Estate**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
E3 CONFERENCE		2,000		—		
INT'L COUNCIL OF SHOPPING CTRS RECO		3,000		—		
LODGING CONFERENCE		3,600		—		
MARINA RECREATION ASSOC CONFERENCE		3,000		—		
MTG WITH NAT'L/INT'L DEVELOPERS		12,500		—		
NYU INT'L HOSPITALITY INDUSTRY		6,900		—		
P3C - PUBLIC PRIVATE PARTNERSHIP CO		2,000		—		
TRAVEL		—		53,800		
URBAN LAND INSTITUTE MEETING		4,500		—		
<b>Total:</b>	\$ 24,059	\$ 40,500	\$ 40,500	\$ 53,800	\$ 13,300	32.8 %
620100 Services - Professional & Other						
ALT OFFICE SPACE/RELOCATION STUDY	\$ 75,000			\$ —		
CV BAYFRONT MASTER SCHEDULE	25,000			—		
FINANCIAL ADVISORS	—			450,000		
HOSPITALITY CONSULTING SERVICES	405,000			370,000		
INDUSTRY REPORTS	10,000			5,000		
LOOP NET DATA SERVICES	4,200			4,500		
MARRIOTT APPRAISAL	20,000			—		
MARSHALL VALUATION SERVICE	1,000			—		
MISCELLANEOUS REAL ESTATE REPORTS	1,000			—		
MISCELLANEOUS STUDIES	25,000			100,000		
ON-CALL APPRAISER	25,000			—		
PKF HOTEL INDUSTRY REPORTS	1,100			—		
PORT AS A DEV STUDY & PILOT PROJ	150,000			—		
PORT MAST PLN UPDATE/TRIP BTM LINE	445,000			—		
REPL COST & REVERSION INT ANALYSIS	50,000			25,000		
WORKPLACE ENVIRONMENT 101	50,000			—		
<b>Total:</b>	\$ 1,362,161	\$ 1,287,300	\$ 1,287,300	\$ 954,500	\$ (332,800)	(25.9)%
640100 Space Rental						
SLC LEASE, E HARBOR ISLND AREA	\$ 18,000			\$ 25,000		
<b>Total:</b>	\$ 13,077	\$ 18,000	\$ 18,000	\$ 25,000	\$ 7,000	38.9 %
640150 Facility Management Services						
SEAPORT VILLAGE OPERATOR	\$ —			\$ 2,664,000		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 2,664,000	\$ 2,664,000	N/A
660100 Advertising						

**Real Estate**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
ADVERTISING		\$ 25,000		\$ 25,000		
<b>Total:</b>	\$ 7,670	\$ 25,000	\$ 25,000	\$ 25,000	\$ —	0.0 %
660105 Marketing/Outreach						
HOTEL MOTEL ASSOC GOLD KEY AWARDS	\$ 1,200			\$ —		
MARKETING/OUTREACH	160,000			225,000		
RFP GRAPHIC DESIGN	20,000			—		
<b>Total:</b>	\$ 1,493	\$ 181,200	\$ 181,200	\$ 225,000	\$ 43,800	24.2 %
660110 Promotional Services						
TENANT & PUBLIC OUTREACH	\$ 15,000			\$ 10,000		
<b>Total:</b>	\$ 4,158	\$ 15,000	\$ 15,000	\$ 10,000	\$ (5,000)	(33.3)%
670105 Bank & Credit Card Fees						
BANK & CREDIT CARD FEES	\$ —			\$ 10,200		
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 10,200	\$ 10,200	N/A
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 1,446,157	\$ 1,633,500	\$ 1,635,600	\$ 4,036,100	\$ 2,400,500	146.8 %
<b>GRAND TOTAL:</b>	\$ 1,452,149	\$ 1,633,500	\$ 1,635,600	\$ 4,036,100	\$ 2,400,500	146.8 %

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# Real Estate & Development Services - Performance & Reporting



## DEPARTMENT OPERATING PLAN

<b>Department:</b>	149 - Performance & Reporting	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>			
<b>VP/AVP:</b>	Shaun D. Sumner		
<b>MISSION</b>			
The Real Estate & Development Services – Performance & Reporting team administers the revenue and expense budgets of the Real Estate and Development Services departments with an emphasis on clear and accurate reporting and consistency, including the identification, reporting, and analysis of metrics and key performance indicators for continuous improvement.			
<b>VISION</b>			
To sustain and grow a best-in-class commercial and industrial real estate portfolio with internationally recognized amenities, attractions, and development.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Update and manage the District's lease administration and task reporting systems</li><li>• On behalf of the Real Estate and Development Services Departments:<ul style="list-style-type: none"><li>○ Manage all common area budget expenses</li><li>○ Manage all contracts and task authorizations</li><li>○ Develop and monitor cost recovery, revenue, and expense budgets</li><li>○ Develop and manage metrics and key performance indicators</li><li>○ Produce reports and identify trends in real estate performance</li></ul></li><li>• Consult with other District departments as needed</li></ul>			
The Performance and Reporting Team serves as the finance, budget, and administrative team for the Real Estate Department and Development Services Department, reporting directly to the Assistant Vice President, Real Estate & Development Services. We administer the District's largest revenue budget. We abstract leases and invoice tenants from agreements negotiated by Real Estate and input them into the Real Estate module in SAP to ensure that critical information about the tenant's leasehold is properly documented. We input Cost Recovery fees and invoice tenants based on negotiated numbers prepared by Real Estate staff members, identify and report monthly variances to Finance, process accruals, and enter sublease information into SAP. We prepare, manage and execute the expense budgets for the Real Estate and Development Services Departments. Our team is also responsible for preparing vendor contracts and task authorizations (TA) and ensuring that the requisitions are input into SAP at the time of execution of the contract or TA so that invoices will be paid in a timely manner.			

## Real Estate & Development Services - Performance & Reporting

**Transfer:** 1 Intern to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Department Administrative Manager	1	1
Management Analyst	1	1
Office Manager	1	1
Staff Assistant II	1	1
<b>TOTAL</b>	<b>4</b>	<b>4</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	1	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>

## Real Estate & Development Services - Performance & Reporting

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 481,886	\$ 544,200	\$ 567,400	\$ 23,200	4.3%
Non-Personnel Expense	45,246	66,500	66,500	—	0.0%
<b>Total Direct Expense</b>	<b>\$ 527,132</b>	<b>\$ 610,700</b>	<b>\$ 633,900</b>	<b>\$ 23,200</b>	<b>3.8%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	9,081	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 536,213</b>	<b>\$ 610,700</b>	<b>\$ 633,900</b>	<b>\$ 23,200</b>	<b>3.8%</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Regular Salaries & Wages	\$ 273,383	\$ 313,500	\$ 300,700	\$ (12,800)	(4.1)%
Overtime	233	200	200	—	0.0 %
Burden	208,270	230,500	266,500	36,000	15.6 %
Temporary Personnel	—	—	—	—	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 481,886</b>	<b>\$ 544,200</b>	<b>\$ 567,400</b>	<b>\$ 23,200</b>	<b>4.3 %</b>

**Real Estate & Development Services - Performance & Reporting**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ 200		\$ 200		
<b>Total:</b>	\$ 233	\$ 200	\$ 200	\$ 200	\$ —	0.0 %
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 233	\$ 200	\$ 200	\$ 200	\$ —	0.0 %
610110 Books & Periodicals BOOKS & PERIODICALS		\$ 700		\$ 200		
<b>Total:</b>	\$ 773	\$ 700	\$ 700	\$ 200	\$ (500)	(71.4)%
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 100		\$ 200		
<b>Total:</b>	\$ 169	\$ 100	\$ 100	\$ 200	\$ 100	100.0 %
610140 Seminars & Training COURSES & SEMINARS		\$ 2,500		\$ 2,500		
<b>Total:</b>	\$ 528	\$ 2,500	\$ 2,500	\$ 2,500	\$ —	0.0 %
615100 Mileage Reimbursement MILEAGE/PARKING		\$ 1,000		\$ 1,000		
<b>Total:</b>	\$ 255	\$ 1,000	\$ 1,000	\$ 1,000	\$ —	0.0 %
630110 Equipment & Systems MISC EQUIPMENT & OFFICE FURNITURE		\$ 28,100		\$ 34,200		
	\$ —	\$ 28,100	\$ 28,100	\$ 34,200	\$ 6,100	21.7 %
630120 Equipment Rental/Leasing						
<b>Total:</b>	\$ 16,108	\$ —	\$ —	\$ —	\$ —	N/A
630130 Office & Operating Supplies OFFICE SUPPLIES		\$ 24,400		\$ 24,400		
<b>Total:</b>	\$ 25,105	\$ 24,400	\$ 24,400	\$ 24,400	\$ —	0.0 %
630140 Postage & Shipping POSTAGE		\$ 9,700		\$ 4,000		
<b>Total:</b>	\$ 2,308	\$ 9,700	\$ 9,700	\$ 4,000	\$ (5,700)	(58.8)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 45,246	\$ 66,500	\$ 66,500	\$ 66,500	\$ —	0.0 %
<b>GRAND TOTAL:</b>	\$ 45,479	\$ 66,700	\$ 66,700	\$ 66,700	\$ —	0.0 %



## Technology Management Program

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ —	\$ —	\$ —	N/A
Non-Personnel Expense	5,763,744	6,527,400	6,928,300	400,900	6.1 %
<b>Total Direct Expense</b>	<b>\$ 5,763,744</b>	<b>\$ 6,527,400</b>	<b>\$ 6,928,300</b>	<b>\$ 400,900</b>	<b>6.1 %</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	305,103	95,000	—	(95,000)	(100.0)%
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 6,068,847</b>	<b>\$ 6,622,400</b>	<b>\$ 6,928,300</b>	<b>\$ 305,900</b>	<b>4.6 %</b>

**Technology Management Program**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
610110 Books & Periodicals						
	\$ 498	\$ —	\$ —	\$ —	\$ —	N/A
610115 Employee Recognition						
	\$ 27	\$ —	\$ —	\$ —	\$ —	N/A
620100 Services - Professional & Other						
ACCESS CONTROL		\$ 15,000		\$ 30,000		
AS-NEEDED JOOMLA SUPPORT SERVICES		25,000		—		
BOARD ROOM MAINTENANCE		6,000		—		
BUS WHSE - LOAD MONITORING		8,000		9,000		
CCTV MAINTENANCE		650,000		—		
CONFERENCE EQPT MAINTENANCE		20,000		—		
CONSULTING FEES		155,000		440,000		
D2 PLAN STORAGE (SKYSITE)		25,000		—		
ENTERPRISE DESKTOP MGT & ENG		8,000		6,000		
ENTERPRISE SERVER ENG SVCS		10,000		10,000		
FIBER OPTIC MAINTENANCE		30,000		—		
IT TECH SERVICES - LEVEL 3		200,000		—		
IT TECHNICAL SERVICES		196,000		176,000		
MICROSOFT PREMIER SERVICES		—		325,000		
MICROSOFT TECH SERVICES-LEVEL 3		100,000		—		
NETWORK PROJECT MGT		45,000		—		
NETWORK TIER 3 SUPPORT		90,000		137,000		
OFFICE RELOCATION		—		100,000		
PROJECT ASSISTANT SERVICES		—		45,000		
PROJECT MGT CONSULTING SVC		200,000		—		
SAP ADMINISTRATION		113,000		100,000		
SAP CONSULTING SUPPORT		200,000		—		
SAP DEVELOPER SERVICES		—		182,000		
SDMIS MAINTENANCE SERVICES		24,700		—		
SECURITY SERVICE		—		100,000		
STORMWATER DATABASE MANAGEMENT		180,000		154,000		
VESSEL COPPER REDUCTION MAINT		20,000		20,000		
VESSEL COPPER/SPEED REDUCTION		20,000		10,000		
<b>Total:</b>	\$ 2,257,205	\$ 2,340,700	\$ 2,340,700	\$ 1,844,000	\$ (496,700)	(21.2)%

**Technology Management Program**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630110 Equipment & Systems						
800 MHZ RADIOS		\$ 5,000		\$ —		
ACTIVE DIRECTORY FEDERATED SERVICES		40,000		—		
ADOBE CREATIVE CLOUD		40,000		—		
ARC PLANWELL		10,000		—		
AUTODESK LICENSES		80,000		—		
BACK-UP TAPES		1,500		—		
BIOMETRIC READER		—		85,000		
CABLES, DISKS		33,600		—		
CELL PHONES		25,000		15,000		
CISCO INFRASTRUCTURE-MODIFICATIONS		25,000		—		
CLOUD BACKUP SERVICES		36,000		—		
CLOUD SOFTWARE AS A SERVICE		300,000		—		
COMPUTERS/LAPTOPS		145,100		500,000		
DATA STORAGE		—		60,000		
DIRECTORY SVCS & FILE SYSTEM		20,000		—		
DISPLAY MONITOR		3,000		—		
DOCUMENT MANAGEMENT		—		5,000		
E911 INTEGRATION TO CAD		30,000		—		
FREEDOM OF INFO ACT SUBSCRIPTION		6,500		—		
INFRASTRUCTURE AS A SERVICE		30,000		30,000		
INTERNAL APPLICATIONS		42,000		—		
IT SECURITY PROGRAM SUBSCRIPTIONS		120,000		120,000		
LCP TRACKER		10,000		—		
LINKEDIN		41,700		—		
LOGIKCULL SUBSCRIPTION		96,000		125,000		
MARKETING TRAFFIC VIDEO SYSTEM		100,000		—		
MS ISAC - SECURITY INTRUSION		14,000		—		
NETWORK MONITORING		—		14,000		
NEW EMPLOYEE COMPUTER EQUIPMENT		20,000		—		
ONLINE TRAINING		—		10,000		
PERIPHERAL		—		33,600		
PHOTO & VIDEO ARCHIVING		—		30,000		
PIERS T1 ANNUAL SUBSCRIPTION		20,000		—		
PLANNED COLLOBORATIVE - ARC DOC		10,000		—		
QUANTUM BACKUP		40,000		—		
RECRUITER RENEWAL		—		50,000		

**Technology Management Program**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
SOFTWARE AS A SERVICE		—		403,500		
SOFTWARE/SUBSCRIPTIONS		25,000		489,700		
SSL CERTIFICATES		5,000		—		
SURVEY MONKEY		1,000		—		
TWIC ESCORT/FSO ONLINE TRNG		20,000		—		
UPS BATTERIES		10,000		10,000		
USER SECURITY AWARENESS TRAINING		25,000		—		
WDESK ANNUAL SUBSCRIPTION		37,300		—		
WEB HOSTING		12,000		4,500		
WEBDAM - PHOTO & VIDEO ARCHIVING		12,000		—		
WINDOW SERVER OS		10,000		—		
<b>Total:</b>	<b>\$ 1,415,865</b>	<b>\$ 1,501,700</b>	<b>\$ 1,501,700</b>	<b>\$ 1,985,300</b>	<b>\$ 483,600</b>	<b>32.2 %</b>
640110 Telephone & Communications						
3 C'S ANNUAL LINE FEES	\$ 3,000			\$ —		
CELLULAR - VOICE/DATA SERVICES		150,000		150,000		
HS - RCS SYSTEM FEES		25,000		55,000		
INTERNET CIRCUITS		—		323,000		
INTERNET CONNECTIVITY		30,000		30,000		
LOCAL/LONG DIST & TEL CONNECTIVITY		336,000		336,000		
SATELLITE TELEVISION SERVICES		6,000		6,000		
WAN CONNECTIVITY		305,000		—		
WIFI / DATA		18,000		—		
<b>Total:</b>	<b>\$ 824,076</b>	<b>\$ 873,000</b>	<b>\$ 873,000</b>	<b>\$ 900,000</b>	<b>\$ 27,000</b>	<b>3.1 %</b>
650130 Equipment Maintenance - Outside Services						
3 C'S-MAINTENANCE	\$ 3,000			\$ —		
800 MHZ RADIO		30,000		—		
ACCESS CONTROL		15,000		—		
AUTOMATED LIC PLATE READER MAINT		10,000		12,000		
BACK-UP HARDWARE		24,500		—		
BOARD ROOM MAINTENANCE		—		6,000		
CCTV HARDWARE MAINTENANCE		30,000		—		
CCTV MAINTENANCE		—		570,000		
CISCO INFRASTR SMARTNET MAINT		180,000		—		
CONFERENCE EQUIPMENT MAINT		—		30,000		
DATA CTR FIRES SUPPRESSION MAINT		5,000		5,000		
FIBER OPTIC MAINTENANCE		—		30,000		

**Technology Management Program**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
FIREWALL MAINTENANCE		20,000		45,000		
HARDWARE STORAGE		—		50,000		
PRINTER/COPIER/METER MAINT		280,000		320,000		
REGIONAL SAFETY DATA		—		6,000		
SAN MAINT NIMBLE		50,000		—		
SECURITY SYS MAINT - GS BLDG		50,000		25,000		
SENSORS MAINTENANCE		—		4,500		
SMARTNET MAINTENANCE		—		170,000		
UPS-MAINTENANCE		15,000		—		
VIDEO CONFERENCING MAINTENANCE		15,000		15,000		
WAV CAM		45,000		45,000		
<b>Total:</b>	<b>\$ 459,057</b>	<b>\$ 772,500</b>	<b>\$ 772,500</b>	<b>\$ 1,333,500</b>	<b>\$ 561,000</b>	<b>72.6 %</b>
650140 Software Maintenance						
ACCELOPS SUBSCRIPTION/MAINTENANCE	\$	25,000		\$ —		
ACCESS CONTROL MAINTENANCE		20,000		9,000		
ACRONIS BACKUP & RECOVERY		6,000		—		
ANTI-VIRUS END POINT PROTECTION		75,000		40,000		
ART CATALOG MANAGEMENT		—		30,000		
BACKUP & RECOVERY		—		41,000		
CCTV CAMERA ANALYTICS		50,000		—		
CCTV VIDEO MGMT SYSTEM		20,000		—		
CITRIX LICENSE/SUPPORT/MAINTENANCE		3,000		10,000		
COLLABORATION SOFTWARE MAINT		30,000		—		
DOCUMENT MANAGEMENT		130,000		150,000		
DS METER/RAZOR MAINTENANCE		4,000		4,000		
EMAIL FORWARDING SERVICES		20,000		20,000		
EMBARK SOFTWARE-MAINTENANCE		1,500		—		
ENT SEASAM BACK-UP MAINT		35,000		—		
ERP MAINTENANCE		—		250,000		
FAX MESSAGE MANAGER		5,000		—		
GIS MAINTENANCE		40,000		65,000		
INFORMATION MANAGEMENT MAINT		—		50,000		
MICROSOFT ENTERPRISE MAINT		280,000		—		
NETWORK MONITORING		—		34,000		
NOVELL SOFTWARE MAINT		50,000		—		
SAP ERP MAINTENANCE		180,000		—		

**Technology Management Program**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
SEA-WEB SYSTEM SUBSCRIPTION		5,000		—		
SECURITY SOFTWARE MAINT		32,000		32,000		
SECURITY SYSTEM MAINTENANCE		—		70,000		
SOFTWARE MAINTENANCE		—		10,500		
VIRTUAL MACHINE MAINTENANCE		25,000		50,000		
Z OPTION		3,000		—		
<b>Total:</b>	\$ 807,016	\$ 1,039,500	\$ 1,039,500	\$ 865,500	\$ (174,000)	(16.7)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 5,763,744	\$ 6,527,400	\$ 6,527,400	\$ 6,928,300	\$ 400,900	6.1 %
<b>GRAND TOTAL:</b>	\$ 5,763,744	\$ 6,527,400	\$ 6,527,400	\$ 6,928,300	\$ 400,900	6.1 %

## Utilities

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ —	\$ —	\$ —	N/A
Non-Personnel Expense	2,510,996	3,465,700	2,865,700	(600,000)	(17.3)%
<b>Total Direct Expense</b>	<b>\$ 2,510,996</b>	<b>\$ 3,465,700</b>	<b>\$ 2,865,700</b>	<b>\$ (600,000)</b>	<b>(17.3)%</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 2,510,996</b>	<b>\$ 3,465,700</b>	<b>\$ 2,865,700</b>	<b>\$ (600,000)</b>	<b>(17.3)%</b>

**Utilities**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
640120 Utilities-Gas & Electric						
UTILITIES-GAS & ELECTRIC		\$ 2,000,000		\$ 1,600,000		
<b>Total:</b>	\$ 1,525,976	\$ 2,000,000	\$ 2,000,000	\$ 1,600,000	\$ (400,000)	(20.0)%
640130 Utilities-Water						
UTILITIES-WATER		\$ 1,465,700		\$ 1,265,700		
<b>Total:</b>	\$ 985,020	\$ 1,465,700	\$ 1,465,700	\$ 1,265,700	\$ (200,000)	(13.6)%
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 2,510,996	\$ 3,465,700	\$ 3,465,700	\$ 2,865,700	\$ (600,000)	(17.3)%
<b>GRAND TOTAL:</b>	\$ 2,510,996	\$ 3,465,700	\$ 3,465,700	\$ 2,865,700	\$ (600,000)	(17.3)%



## Variable Staffing

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ —	\$ —	\$ 3,815,100	\$ 3,815,100	N/A
Non-Personnel Expense	—	—	—	—	N/A
<b>Total Direct Expense</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3,815,100</b>	<b>\$ 3,815,100</b>	<b>N/A</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3,815,100</b>	<b>\$ 3,815,100</b>	<b>N/A</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ —	\$ —	\$ 2,823,100	\$ 2,823,100	N/A
Overtime	—	—	—	—	N/A
Burden	—	—	649,700	649,700	N/A
Temporary Personnel	—	—	342,300	342,300	N/A
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3,815,100</b>	<b>\$ 3,815,100</b>	<b>N/A</b>

The District personnel expenses consist of limited, temporary, interns, and student workers, along with regular employees. The District continues to manage the increasing demands for resources along with executing the strategic goals presented herein by relying more on the flexibility of having variable staff. Services of limited, temporary, intern, and student workers may be reduced at any time as the nature of the services are limited in duration. For instance, by Board Policy, in the event of an economic downturn in finances, reductions would first occur in this variable subset of staffing.

In this regard, a new cost center to capture the cost of the variable workforce was adopted for this budget. Departments that had employees in this category in prior year budgets reflect them as transferred to the variable staffing cost center budget.

The variable personnel expense will still be included as part of the Total Personnel Expense Appropriation, consistent with prior years budget.

This methodology is being implemented in FY 2019 therefore prior years expenses are not being restated. Actual and Budget expenses in prior years are reflected in departments where the variable staffing is assigned.

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## DEPARTMENT OPERATING PLAN

<b>Department:</b>	161 - Waterfront Arts & Activation	<b>Planning Cycle:</b>	FY18/19
<b>Director:</b>	Yvonne Wise		
<b>VP/AVP:</b>	Bella Heule / Job Nelson		
<b>MISSION</b>			
To create a vibrant waterfront experience with innovative public art, cultural programming, special events, and recreation opportunities that enhance the cultural richness of District tidelands.			
<b>VISION</b>			
To establish District tidelands as a waterfront destination where people have extraordinary experiences daily.			
<b>GOALS</b>			
<ul style="list-style-type: none"><li>• Expand opportunities for residents and visitors to experience a variety of signature events, and arts, cultural, and recreational activities on the waterfront through creative strategies, qualitative data and curated programming</li><li>• Build awareness of the economic benefits of investing in the creative economy and creative placemaking as a means to attract businesses, skilled workers, tourists, and residents to the region</li><li>• Implement creative placemaking principles by incorporating special events and arts and cultural activities into public parks, public spaces, capital improvement programs, and tenant development projects</li><li>• Foster relationships with stakeholders, tenants, cultural institutions, organizations, member cities, and the community-at-large in support of recreation, community events, arts, culture, and the creative economy on District tidelands</li><li>• Support community events and develop exhibitions and activities that increase park activation and public spaces and attract audiences of all ages and cultures to the waterfront</li><li>• Utilize best practices in the fields of visual &amp; performing arts, parks &amp; recreation, and event administration, and continuously strive for improvement in managing public programs and projects</li><li>• Increase the diversity of programming in the District to better serve our community</li><li>• Maintain the "Tidelands Collection" as a regional cultural asset that engages and inspires present and future generations</li><li>• Create a stronger, more unique sense of place for the waterfront</li><li>• Use a triple bottom line approach – People / Profit / Planet – in its operations.</li></ul>			

161 - Waterfront Arts & Activation Operating Plan\_vFY19 Budget Book



## DEPARTMENT OPERATING PLAN

### Key Services Highlights

- Responsible for the Tidelands Collection of 70+ artworks, a “free-to-the-public” regional cultural asset valued at over \$14M
- Responsible for issuing 1200+ special event, filming and temporary commercial activity permits, annually
- Handle over 3,000+ public inquiries for special event permitting
- Issue 150+ film permits of varying levels of logistical complexity, annually
- Administer the Tidelands Activation Program with over 75+ sponsorships with over \$725,000 in annual funding and \$1M in services
- Administration of the Tenant Percent for Art Program – artwork funded by and maintained by District tenants for public benefit
- Administration of the Curatorial Program – a Port-initiated community-based artwork program where artists engage with the community to install temporary pop-up exhibitions around the waterfront
- Manage District special event production including entertainment, equipment rentals, ceremonies, logistics, and program planning
- Manage the District’s event facilities and public parks including usage, facility rental, permitting, community-organized event sponsorships, and major/city-wide special event coordination
- Develop large-scale monumental signature artworks for national recognition
- Curate the display of historic objects and cultural gifts
- Oversee sponsor requests to exhibit items for public display on tidelands
- Provide fiscal management of the Public Art Fund
- Provide on-going stewardship of the “Tidelands Collection” through professional conservation, maintenance, and collections management programs
- Sponsor artist “working sessions” to engage the community in the development of art projects

### **Administer the following BPC Policies:**

- Administer BPC Policy No. 452 – Permit Fees for Use of District Parks



## DEPARTMENT OPERATING PLAN

- Administer BPC Policy No. 608 – Tenant Percent for Art Program
- Administer BPC Policy No. 609 – Public Art Programs
- Administer BPC Policy No. 611 – Receipt of Donations and Loans
- Administer BPC Policy No. 771 – Tidelands Activation Program

### **Maintain the following sections of the Port District Code:**

- Monitor 8.02 Parks Ordinance
- Monitor and assist with oversight 8.05 Vending & Expressive Activities

### **Manage the following Board Advisory Committees:**

- Oversee the work of the Tidelands Activation Program Advisory Committee
- Oversee the work of the Arts & Culture Advisory Committee

## Waterfront Arts & Activation

**Reclass:** 1 Office Manager to Management Analyst  
 1 Manager, Business Dev & Recreation Svcs to Program Manager  
 1 Marketing/Public Relations Representative to Project Manager, Waterfront Arts & Activation  
 1 Special Events Associate to Project Manager, Waterfront Arts & Activation  
**Transfer:** 2 Interns to Variable Staffing

### REGULAR POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Administrative Assistant II (Classified)	1	1
Director, Waterfront Arts & Activation	1	1
Management Analyst	0	1
Manager, Business Dev & Recreation Svcs	1	0
Marketing/Public Relations Representative	1	0
Office Manager	1	0
Program Manager	2	3
Project Manager, Waterfront Arts & Activation	0	2
Senior Project Manager, Waterfront Arts & Activation	1	1
Special Events Associate	1	0
<b>TOTAL</b>	<b>9</b>	<b>9</b>

### INTERN POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 2018	BUDGET FY 2019
Intern	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>

## Waterfront Arts & Activation

### SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Personnel Expense	\$ 708,293	\$ 1,353,900	\$ 1,254,400	\$ (99,500)	(7.3)%
Non-Personnel Expense	437,650	1,798,500	2,966,000	1,167,500	64.9 %
<b>Total Direct Expense</b>	<b>\$ 1,145,943</b>	<b>\$ 3,152,400</b>	<b>\$ 4,220,400</b>	<b>\$ 1,068,000</b>	<b>33.9 %</b>
Less: Capitalized Expense	—	—	—	—	N/A
Equipment Outlay and Other Capital Projects	—	—	—	—	N/A
<b>TOTAL DEPARTMENTAL EXPENSE</b>	<b>\$ 1,145,943</b>	<b>\$ 3,152,400</b>	<b>\$ 4,220,400</b>	<b>\$ 1,068,000</b>	<b>33.9 %</b>

### PERSONNEL EXPENSE

	ACTUAL RESULTS FY 2017	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FY 2019-2018 BUDGET	% CHANGE
Salaries and Wages	\$ 377,567	\$ 836,700	\$ 778,300	\$ (58,400)	(7.0)%
Overtime	2,972	2,000	2,000	—	0.0 %
Burden	327,754	500,200	474,100	(26,100)	(5.2)%
Temporary Personnel	—	15,000	—	(15,000)	(100.0)%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>\$ 708,293</b>	<b>\$ 1,353,900</b>	<b>\$ 1,254,400</b>	<b>\$ (99,500)</b>	<b>(7.3)%</b>

**Waterfront Arts & Activation**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
600110 Overtime OVERTIME		\$ 2,000		\$ 2,000		
<b>Total:</b>	\$ 2,972	\$ 2,000	\$ 2,000	\$ 2,000	\$ —	0.0 %
600120 Temporary Personnel TEMPORARY PERSONNEL		\$ 15,000		\$ —		
<b>Total:</b>	\$ —	\$ 15,000	\$ 15,000	\$ —	\$ (15,000)	(100)%
<b>SUBTOTAL: OVERTIME &amp; TEMPS</b>	\$ 2,972	\$ 17,000	\$ 17,000	\$ 2,000	\$ (15,000)	(88.2)%
610110 Books & Periodicals PROFESSIONAL PUBLICATIONS		\$ 100		\$ 200		
<b>Total:</b>	\$ 286	\$ 100	\$ 100	\$ 200	\$ 100	100.0 %
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 300		\$ 300		
<b>Total:</b>	\$ 141	\$ 300	\$ 300	\$ 300	\$ —	0.0 %
610120 Memberships & Dues MEMBERSHIPS		\$ 1,600		\$ 1,600		
<b>Total:</b>	\$ 2,629	\$ 1,600	\$ 1,600	\$ 1,600	\$ —	0.0 %
610140 Seminars & Training SEMINARS & TRAINING		\$ 500		\$ 600		
<b>Total:</b>	\$ —	\$ 500	\$ 500	\$ 600	\$ 100	20.0 %
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 2,000		\$ 2,800		
<b>Total:</b>	\$ 22	\$ 2,000	\$ 2,000	\$ 2,800	\$ 800	40.0 %
615110 Travel ART CONFERENCES		\$ 8,100		\$ 9,500		
<b>Total:</b>	\$ 10,394	\$ 8,100	\$ 8,100	\$ 9,500	\$ 1,400	17.3 %
620100 Services - Professional & Other ART CONSULTANTS		\$ 120,000		\$ —		
ARTS & ACTIVATION CONSULTANTS		—		100,000		
CORONADO BRIDGE LIGHTING		388,000		—		
<b>Total:</b>	\$ 139,693	\$ 508,000	\$ 508,000	\$ 100,000	\$ (408,000)	(80.3)%
630110 Equipment & Systems EQUIPMENT & SYSTEMS		\$ 4,000		\$ 2,500		
<b>Total:</b>	\$ 3,912	\$ 4,000	\$ 4,000	\$ 2,500	\$ (1,500)	(37.5)%



**Waterfront Arts & Activation**  
**EXPENSE BUDGET BREAKDOWN**

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
630120 Equipment & Systems						
SPECIAL EVENTS RENTAL		\$ 40,000		\$ 40,000		
<b>Total:</b>	\$ 3,490	\$ 40,000	\$ 40,000	\$ 40,000	\$ —	0.0 %
630130 Office & Operating Supplies						
OFFICE SUPPLIES		\$ 3,500		\$ 5,000		
<b>Total:</b>	\$ 7,992	\$ 3,500	\$ 3,500	\$ 5,000	\$ 1,500	42.9 %
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 300		\$ 200		
<b>Total:</b>	\$ 202	\$ 300	\$ 300	\$ 200	\$ (100)	(33.3)%
630150 Safety Equipment & Supplies						
SAFETY		\$ 100		\$ 100		
<b>Total:</b>	\$ 23	\$ 100	\$ 100	\$ 100	\$ —	0.0 %
650110 Facilities Maintenance - Outside Service						
ARTWORK CONSERVATION/HANDLING		\$ 145,000		\$ 125,000		
ARTWORK RESTORATION		40,000		35,000		
<b>Total:</b>	\$ 72,954	\$ 185,000	\$ 185,000	\$ 160,000	\$ (25,000)	(13.5)%
660100 Advertising						
ADVERTISING		\$ —		\$ 1,000		
<b>Total:</b>	\$ 140	\$ —	\$ —	\$ 1,000	\$ 1,000	N/A
660105 Marketing/Outreach						
BAY-WIDE SPECIAL EVENTS		\$ 308,500		\$ 300,000		
TAP EVENTS		371,500		776,700		
TAP HOLIDAY BOWL PARADE		145,000		—		
<b>Total:</b>	\$ —	\$ 825,000	\$ 825,000	\$ 1,076,700	\$ 251,700	30.5 %
660110 Promotional Services						
PROMOTIONAL SERVICES		\$ 25,000		\$ 50,000		
<b>Total:</b>	\$ 65,980	\$ 25,000	\$ 25,000	\$ 50,000	\$ 25,000	100.0 %
660120 Promotional Materials						
PROMOTIONAL MATERIALS		\$ 40,000		\$ 40,000		
<b>Total:</b>	\$ 56,679	\$ 40,000	\$ 40,000	\$ 40,000	\$ —	0.0 %
660137 Public Art Fund Expenditures						
CORONADO BRIDGE LIGHTING		\$ —		\$ 1,270,500		
EXHIBITIONS		—		40,000		

**Waterfront Arts & Activation**  
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 2017	ORIGINAL BUDGET FY 2018	ADJUSTED BUDGET FY 2018	BUDGET FY 2019	CHANGE FROM ADJUSTED BUDGET	
					dollars	pct
<b>Total:</b>	\$ —	\$ —	\$ —	\$ 1,310,500	\$ 1,310,500	N/A
660190 Arts & Culture Programs						
EXHIBITIONS		\$ 155,000		\$ 165,000		
<b>Total:</b>	\$ 73,113	\$ 155,000	\$ 155,000	\$ 165,000	\$ 10,000	6.5 %
<b>SUBTOTAL: NON-PERSONNEL EXPENSE</b>	\$ 437,650	\$ 1,798,500	\$ 1,798,500	\$ 2,966,000	\$ 1,167,500	64.9 %
<b>GRAND TOTAL:</b>	\$ 440,622	\$ 1,815,500	\$ 1,815,500	\$ 2,968,000	\$ 1,152,500	63.5 %

## 5 Appendix

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# Glossary of Terms

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**Accrual Basis of Accounting** - under this method, revenues are recorded when earned and expenses are recorded when incurred.

**Actual** - is earned revenue or incurred expense during the stated fiscal year.

**Americans with Disabilities Act (ADA)** - prohibits, under certain circumstances, discrimination based on disability.

**AMP** - Asset Management Program

**Appropriation** - is an authorization made by the Board of Port Commissioners that permits District departments to make expenditures of governmental resources. All appropriations that have not been expended or lawfully encumbered lapse at the end of the fiscal year. The Board of Port Commissioners may increase or decrease appropriations by majority vote.

**Asset** - are resources owned or held that have an economic value.

**Balanced Budget** - is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds.

**Bond** - is a written promise to pay a designated amount (called the principal), at a specific date in the future, together with periodic interest at a specified rate. In the budget, these payments are identified as debt service. Bonds are usually used to obtain long-term financing for capital improvements.

**Board** - Board of Port Commissioners

**Board of Port Commissioner (BPC) Policies** - San Diego Unified Port District Act requires the Board of Port Commissioners to make and enforce necessary rules and regulations governing the use and control of all navigable waters, tidelands, and submerged lands within the District and to make and enforce certain local police and sanitary regulations relating to the District.

**Brown Act** - guarantees the public's right to attend and participate in meetings of local legislative bodies.

**Budget** - is a financial plan for a specified period of time (fiscal year) that matches plan expenses and revenues with planned services.

**Budgetary Control** - is the control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

**Burden** - is the benefits and taxes that a company must or chooses to pay on their payroll. These can include, but are not limited to, all of the following: payroll taxes (both federal and state), retirement/pension costs, fringe benefits, health care, life/AD&D insurance, paid time off, worker's compensation costs, long-term disability insurance, and short-term disability insurance.

**California Environmental Quality Act (CEQA)** - requires state and local agencies within California to follow a protocol of analysis and public disclosure of environmental protection a mandatory part of every California state and local agency's decision making process.

**California Fair Employment and Housing Act (FEHA)** - is used to fight sexual harassment and other forms of unlawful discrimination in employment and housing.

**California Public Records Act** - requires inspection and/or disclosure of governmental records to the public upon request, unless exempted by law.

# Glossary of Terms

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**Caltrans** - California Department of Transportation

**Capital Improvement Program (CIP)** - is the District's five-year fiscal plan detailing the amount and timing of anticipated capital expenditures. It is updated annually with the adoption of the budget.

**Capital Labor** - is internal labor costs (personnel and overhead) that are directly incurred in the development and construction of capital projects.

**CCDC** - Center City Development Corporation

**CEO** - Chief Executive Officer

**Coastal Act** - addresses issues such as shoreline public access and recreation, lower cost visitor accommodations, terrestrial and marine habitat protection, visual resources, landform alteration, agricultural lands, commercial fisheries, water quality, offshores oil and gas development, transportation, development design, power plants, ports, and public works. The Coastal Commission, in partnership with coastal cities and countries, plans and regulates the use of land and water in the coastal zone.

**Cost Center** - is a unit within the District to which costs may be charged for accounting purposes.

**CST** - Cruise Ship Terminal

**DEA-NTF** - Drug Enforcement Administration Narcotic Task Force

**Department** - is a major administrative unit of the District, which indicates overall management responsibility for an operation or a group of related operations within a functional area, and the organizational level at which the budget is adopted and controlled.

**District** - San Diego Unified Port District

**EDMS** - Electronic Document Management System

**EMOS** - Electronic Maritime Operation System

**Enterprise Fund** - in governmental accounting, a fund that provides goods and services to the public for a fee that makes the entity self-supporting.

**Expense** - is a charge incurred (whether paid immediately or accrued) for operations, maintenance, interest or other charges.

**Fiscal Year (FY)** - is the annual period beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>.

**GASB** - Government Accounting Standards Board, the body responsible for establishing GAAP for governmental entities.

**GDP** - Gross Domestic Product

**Generally Accepted Accounting Principles (GAAP)** - is the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

**GFOA** - Government Finance Officers Association

# Glossary of Terms

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**GIS** - Geographic Information System

**Grant** - is a contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending on the grantee.

**IMP** - Infrastructure Management Program

**JHOC** - Joint Harbor Operations Center

**JTTF** - Joint Terrorism Task Force

**MIIF** - Maritime Industrial Impact Fund

**MM** - Major Maintenance

**MOIS** - Maritime Operations Information System

**MOTEMS (Marine Oil Terminal Engineering and Maintenance Standard)** - are the standards that apply to all existing and new marine oil terminals in California, and include criteria for inspection, structural analysis and design, mooring and berthing, geotechnical considerations, fire, piping, and mechanical and electrical systems.

**MOU** - Memorandum of Understanding

**MTF** - Marine Task Force

**NEVP** - North Embarcadero Visionary Plan

**NCMT** - National City Marine Terminal

**NOAA** - National Oceanic Atmospheric Administration

**Non-Personnel Expense (NPE)** - includes costs for materials and supplies, equipment, communications, outsourced services, travel, and other expenses.

**Operating Reserves** - are unrestricted funds, usually accumulated over several years that are available for appropriation (also see Unreserved Fund Balance).

**Other Post-Employment Benefits (OPEB)** - that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee. Other post-employment benefits that a retiree can be compensated for are life insurance premiums, healthcare premiums, and deferred-compensation arrangements.

**OPH** - Old Police Headquarters

**Overhead Expense (Overhead)** - refers to an expense in the District that cannot be directly associated and charged to a service or project.

# Glossary of Terms

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**Personnel Expense** - is the sum of all wages paid to employees, as well as the cost of employee benefits and payroll taxes paid by an employer.

**Public Contract Code** - requires competitive bidding for the vast majority of public projects.

**RCS** - Regional Communications System Interoperability

**Revenue** - sources of income financing the operations of government

**RFP** - Request for Proposal

**RFQ** - Request for Qualifications

**RIMS** - Records & Information Management System

**RSVP** - Retired Senior Volunteer Program

**SANDAG** - San Diego Association of Governments

**San Diego Unified Port District Act** - provides for the calling of municipal elections therefor; describing the powers, duties, and functions thereof, authorizing the district to borrow money and issue bonds for district purposes; to provide means of raising revenues for the operation, maintenance and bond redemption of the district; and to provide, for the transfer to such district of tidelands and lands lying under inland navigable waters.

**SDCRAA** - San Diego County Regional Airport Authority

**TAMT** - Tenth Avenue Marine Terminal

**Team** - is a sub-administrative unit of a department, which has responsibility for an operation or a group of related operations within a functional area.

**TUOP** - Tidelands Use Occupancy Permit

**TUP** - Temporary Use Permit

**TWIC** - Transportation Worker Identity Card





(3)

## BPC Policy No. 090

**SUBJECT:** TRANSFER BETWEEN OR WITHIN APPROPRIATED ITEMS IN BUDGET

**PURPOSE:** To establish a policy for the transfer of amounts between appropriated items in the budget in accordance with Section 86 of the San Diego Unified Port District Act (Act), as well as within appropriated items.

**POLICY STATEMENT:**

The Act requires the Board of Port Commissioners (Board) adopt an annual budget by ordinance. After the budget is adopted, circumstances may arise that require adjustments by way of transfers between appropriated items in the budget. The Act authorizes the Executive Director to request in writing to the Board for a transfer of amounts from one appropriated item to another in the budget. On the approval of the Board by a two-thirds vote, the Port Auditor will make the transfer. Furthermore, circumstances may arise that require adjustments by way of transfers within appropriated items in the budget. The Act does not set forth when such intra-item transfers require Board approval.

**TRANSFER GUIDELINES:**

1. Appropriated items are defined as broad categories of budgeted costs within each budget class as follows:

Ordinary Annual Expenses (Class):

Personnel Expenses (appropriated Item)

Non-Personnel Expenses (appropriated Item)

Expense Major Maintenance (appropriated Item)

Capital Outlay (Class):

Capital Improvement Program (CIP) (appropriated Item)

Technology Management Program (TMP) (appropriated Item)

Capital Major Maintenance (appropriated Item)

Equipment Outlay (appropriated Item)

\*Clerk's Note: This document supersedes Clerk's Document No. 64142, and corrects the inadvertent omission of language approved by the Board on March 3, 2015.

Prior Indebtedness (Debt Service Principal) (Class)

The entire amount assigned to this class is the appropriated item.

2. The following rules shall be used to determine whether a transfer requires Board approval:

A. Rules for All Transfers:

- Individual transfer amounts may be made in a single transfer or multiple transfers if, in aggregate, they do not exceed the amount authorized.

B. Rules for Transfers Between Appropriated Items or Classes:

- A transfer between classes (e.g., amounts transferred between Ordinary Annual Expenses and Capital Outlay) requires Board approval.
- A transfer between appropriated items requires Board approval.

C. Rules for Transfers Within Appropriated Items:

- Applicable to all appropriated items except CIP, Expense Major Maintenance and Capital Major Maintenance:
  - o Transfer of amounts within each appropriated item requires approval of the Executive Director.
- CIP (appropriated item):
  - Board approval is required for any transfers between CIP projects.
  - Transfer amounts between fiscal years within the 5-year CIP approved project budget, requires approval of the Executive Director with notification to the Board.
  - If the transfer amount exceeds the 5-year CIP approved project budget, Board approval is required.
- Capital or Expense Major Maintenance (appropriated items):
  - o Transfer amounts to projects related to emergency, safety and health require approval of the Executive Director with notification to the Board.
  - o All other transfers involving planned projects within Capital or Expense Major Maintenance require approval of the Executive Director for individual transfer amounts not in excess of \$175,000 with notification to the Board. If individual transfer amounts exceed \$175,000, Board approval is required.

- o All other transfers involving unplanned projects within Capital or Expense Major Maintenance require approval in compliance with BPC Policy No. 080 – Unplanned Work Consideration. Transfers involving unplanned projects with a total cost equal to or less than \$175,000 require approval of the Executive Director with notification to the Board. Board approval is required for transfers involving unplanned projects with total costs in excess of \$175,000, \*or in aggregate exceeding \$500,000 per year.
3. To ensure compliance with auditing standards, when the Board approves a transfer, the Port Auditor shall make the Board-approved transfer with the understanding that if this activity becomes a part of the District's annual audit plan, it must be reviewed by a party independent of the Port Auditor.

RESOLUTION NUMBER AND DATE: 2015-138, dated October 21, 2015 (Supersedes BPC Policy No. 090, Resolution 2015-17, dated March 3, 2015; and Resolution 2013-109, dated June 11, 2013)

BPC Policy No. 090

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(17)

## BPC Policy No. 115

**SUBJECT:** GUIDELINES FOR PRUDENT INVESTMENTS

**PURPOSE:** To define the District's investment program objectives and to establish policies and procedures for the prudent investment of the District's cash.

**POLICY STATEMENT:**

### 1.0 INTRODUCTION

It is the policy of the San Diego Unified Port District (the District) to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the District. The investment policies and practices of the District are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio's exposure to each issue and issuer of debt, and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the District.

### 2.0 SCOPE

This investment policy applies to all the District's investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. The financial assets of all other District funds shall be administered in accordance with the provisions of this policy. These funds are accounted for in the District's Comprehensive Annual Financial Report and include:

#### 2.1 Funds

##### 2.1.1 General Fund

##### 2.1.2 Capital Outlay Fund

##### 2.1.3 Any new fund created by the Board of Port Commissioners or operation of law, unless specifically exempted.

### 3.0 PRUDENCE

Persons authorized to make investment decisions for the District are trustees and therefore fiduciaries subject to the prudent investor standard.

#### 3.1 When investing, reinvesting, purchasing, acquiring, exchanging, selling, and

managing funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

3.2 Investment officials acting in accordance with written procedures and investment policy and exercising due diligence shall be relieved of personal responsibility of an individual security's credit risk or market price changes, provided deviation from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### 4.0 OBJECTIVES

The primary objectives, in priority order, of the District's investment activities shall be:

4.1 **Safety of principal:** Safety of principal is the District's foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default, or erosion of market value. The District shall seek to preserve principal by mitigating credit risk and market risk.

4.1.1 Credit Risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the District's cash flows.

4.1.2 Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by structuring the portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and, by prohibiting the taking of short positions, that is, selling securities that the District does not own.

4.1.3 It is explicitly recognized, however, that in a diversified portfolio occasional losses may occur and must be considered within the context of overall investment return.

4.2 **Liquidity:** The District's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the District.

4.3 **Return on investment:** State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the District's investment risk constraints and cash flow requirements.

#### 5.0 AUTHORITY TO INVEST FUNDS

The monies entrusted to the District will be invested and actively managed. This

function is viewed as a full-time responsibility. The authority to execute investment transactions shall be limited to the Treasurer and Deputy Treasurer. The Treasurer and Deputy Treasurer will observe, review, and react to the changing conditions that affect the investment portfolio. The Treasurer and Deputy Treasurer will meet on a regular basis to discuss current market conditions and future trends and how each of these affects the investment portfolio and the District. The Treasurer and Deputy Treasurer shall establish a system of controls to ensure compliance with the District's investment policy and to regulate the activities of subordinate officials.

## **6.0 ETHICS AND CONFLICTS OF INTEREST**

Board Commissioners, District officers or District employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program, or which could impair the Treasurer's or Deputy Treasurer's ability to make impartial investment decisions. District staff involved with the investment process shall disclose to the Executive Director/President and Chief Executive Officer any material financial interest in financial institutions that conduct business with the District, and they shall further disclose any large personal financial and/or investment positions that could be related to the performance of the District's portfolio. Board Commissioners, District officials and District employees shall subordinate their personal investment transactions to those of the District, particularly with regard to the timing of purchases and sales.

## **7.0 QUALIFIED DEALERS**

The District shall transact business only with commercial banks, savings and loans, and investment securities dealers. The dealers must be primary dealers regularly reporting to the Federal Reserve Bank of New York. Regional dealers that qualify under the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) will be approved at the discretion of the Treasurer.

7.1 All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with an audited financial statement, proof of National Association of Security Dealers certification, trading resolution, proof of state registration, completed broker/dealer questionnaire, and certification of (a) having read the District's investment policy and depository contracts and (b) recommending and executing only transactions that comply with same. The Treasurer shall determine if they are adequately capitalized, make markets in securities appropriate to the District's needs, and are recommended by managers of portfolios similar to the District's.

7.2 An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

7.3 The District shall at least annually send a copy of the current investment policy to all financial institutions and broker/dealers approved to do business with the District. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the District's investment policy and will recommend and execute only transactions suitable for and in compliance with the District's investment policy.

## 8.0 AUTHORIZED INVESTMENTS

The District is authorized by California Government Code Section 53600 et seq. to invest in the following types of securities, further limited herein:

8.1 **United States Treasury Bills, Bonds, and Notes**, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category.

8.2 **Obligations issued by United States Government Agencies** such as, but not limited to, the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Student Loan Marketing Association (SLMA) and the Tennessee Valley Authority (TVA). Although there is no percentage limitation of the dollar amount that can be invested in these issuers, the "prudent person" rule shall apply for any single agency name.

8.3 Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as **bankers acceptances** which are eligible for purchase by the Federal Reserve System, may not exceed 180 days to maturity or 40 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in banker's acceptances issued by any one bank.

8.4 **Commercial paper** of prime quality that is rated "A-1" or higher, or equivalent as provided for by a nationally recognized statistical rating organization (NRSRO) and issued by a domestic corporation having assets in excess of \$500 million and having an A or its equivalent or higher rating on its long term debt as provided by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity. Purchases of commercial paper may not exceed 15 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation. An additional 15 percent, or 30 percent of the market value of the portfolio, may be invested in eligible commercial paper only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper investment multiplied by the number of days to maturity, divided by the total amount of outstanding commercial paper.

8.5 **Negotiable certificates of deposit (NCDs)** issued by a nationally or state-chartered bank or a state or federal savings institution. Purchased NCDs may not exceed 30 percent of the market value of the portfolio and the maximum maturity date shall not exceed one year.

8.5.1 The Treasurer shall use a nationally recognized statistical rating organization (NRSRO), as designated by the Securities and Exchange Commission, for the qualitative and quantitative analysis of financial institutions.



8.5.2 The Treasurer shall specify minimum criteria for investment as derived from the evaluation service.

8.6 **Medium Term Notes** (MTNs) issued by corporations organized and operating within the United States. MTNs eligible for purchase shall be rated in a rating category of "A" or its equivalent or better by an NRSRO.. MTNs with an "A" rating shall be limited to 24 months maximum maturity; AA rated MTNs shall be limited to 36 months. The aggregate total of all purchased MTNs may not exceed 30 percent of the market value of the investment portfolio. No more than 5 percent of the market value of the portfolio may be invested in notes issued by any one corporation. Commercial paper holdings shall be considered when calculating the maximum percentage of any issuer name.

8.7 **Repurchase agreements** (RPAs) shall only be made with primary dealers of the Federal Reserve Bank of New York. The Public Securities Association master repurchase agreement shall be the District's master repurchase agreement.

8.7.1 The term of the agreement may not exceed one year.

8.7.2 The market value of the securities used as collateral for repurchase agreements shall be monitored daily by the Deputy Treasurer and will not be allowed to fall below 102 percent of the value of the repurchase agreement.

8.7.3 The market value of the securities that underlay the repurchase agreement shall be adjusted no less than quarterly.

8.7.4 In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be certificates of deposit, eligible banker's acceptances, or securities that are direct obligations of the United States government.

8.8 **Reverse Repurchase Agreements** (RRPAs) shall only be made with primary dealers of the Federal Reserve Bank of New York and are authorized when the security to be sold on reverse repurchase agreement has been owned and fully paid for a minimum of 30 days prior to sale, the earnings from the matching investment(s) are greater than or equal to the cost of the reverse(s), and the terms and conditions are otherwise favorable to the District. Reverse repurchase agreements may not exceed 60 days to maturity and the maturity of the security purchased with the proceeds of the reverse must coincide with the date of the expiry of the reverse. No more than 10 percent of the portfolio may be invested in reverse repurchase agreements.

8.9 The **Local Agency Investment Fund** (LAIF), established by the State Treasurer for the benefit of local agencies and identified under Government Code Section 16429.1, is authorized up to the maximum amount permitted by State law.

8.10 The District may place funds in **inactive deposits** with those banks having offices in San Diego County. Such deposits in each bank shall be limited to no more than five percent (5%) of the total assets of the bank. All deposits shall be secured in accordance with California Government Code § 53652 and the District shall not waive the first

\$100,000 of deposit insurance for collateral purposes. No more than ten percent (10%) of the portfolio may be invested in this category since time deposits are not liquid. Further, in accordance with California Government Code § 53635, to be eligible to receive funds, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record in meeting the credit needs of California's communities, including low-and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

8.11 The District may place funds in **shares of beneficial interest** issued by diversified management companies investing in the securities and obligations as authorized by California Government Code § 53601 subdivisions (a) to (l) inclusive. To be eligible for investment, these companies shall either:

8.11.1 attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or,

8.11.2 retain an investment adviser registered with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligation as authorized by California Government Code §53601 subdivision (a) to (m), inclusive and with assets under management in excess of five hundred million dollars (\$500,000,000).

8.11.3 The purchase price of shares of beneficial interest shall not exceed 20 percent of the portfolio's market value and no more than 10 percent of the portfolio's market value may be invested in shares of beneficial interest of any one mutual fund.

8.12 **Derivative securities** are those securities that derive their value from another asset or index, such as Treasury securities or the prime interest rate. A derivative security offers a yield higher than a comparable security because of the intrinsic risk associated with the security's imbedded option (e.g., an interest rate that floats off the prime rate versus a fixed interest rate). Investments in derivative securities shall be made using the prudent investor person standard and shall be limited to federal agency issues.

8.13 **Investment Trust of California** (CalTRUST), a Public Joint Powers Authority pooled investment program, created by local public agencies and authorized by Government Code sections 53601(p) and 53635. Investments in CalTRUST shall not exceed 30 percent of the portfolio's market value.

8.14 The District may place funds in **Certificates of Deposit** pursuant to California Government Code Sections 53601.8 and 53635.8. Purchases of Certificates of Deposit pursuant to Sections 53635.8 and subdivision (h) of Section 53601 shall not, in total, exceed 30 percent of the portfolio's market value.

8.15 In accordance with California Government Code Section 53601 (d), the District may place funds in **California State & Local Agency Obligations** or registered treasury notes or bonds of any other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or

operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California; provided that the obligations are rated AAA by a nationally recognized statistical-rating service organization (NRSRO).

**8.16 Supranational Obligations** issued in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

## **9.0 PROHIBITED INVESTMENTS**

Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, common stocks, and long-term corporate notes or bonds are prohibited from use in this portfolio. The District shall not invest any funds in any security that could result in zero interest accrual if held to maturity. Investments that exceed five years to maturity require authorization by the Board of Port Commissioners prior to purchase.

## **10.0 INVESTMENT POOLS/MUTUAL FUNDS**

A thorough investigation of the pool/fund is required prior to investing and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of the eligible investment securities and a written statement of investment policy and objectives.
- A description of interest calculations and how interest is distributed and how gains and losses are treated.
- A description of how the securities are safeguarded, including settlement processes, and how often the securities are priced and the program is audited.
- A description of who may invest in the program, how often, what size deposit and withdrawals are allowed, and notification requirements pertaining to deposits or withdrawals.
- A schedule for receiving statements and portfolio holdings.
- A statement that indicates if reserves, retained earnings, etc. are utilized by the pool/fund.
- A fee schedule and when and how fees are assessed.
- A statement that indicates if the pool/fund is eligible for the deposit of bond proceeds and/or if the pool/fund will accept such proceeds.

A published prospectus that answers these questions may be used in lieu of the District questionnaire.

## **11.0 SAFEKEEPING OF SECURITIES**

To protect against potential losses by the collapse of individual securities dealers, all securities owned by the District shall be held in safekeeping by a third party bank trust department acting as agent for the District under the terms of a custody agreement executed by the bank and the District. All securities will be received and delivered using standard **delivery-versus-payment** procedures.

## **12.0 MAXIMUM MATURITY**

The portfolio's weighted average days to maturity shall be limited to a maximum of three years. The maximum maturity of any one security, unless otherwise restricted by Government Code, shall be limited to five years. Investments that exceed five years to maturity require authorization by the Board of Port Commissioners prior to purchase.

## **13.0 SELLING OR SWAPPING SECURITIES**

13.1 The Treasurer has the authority to sell any security in the District's portfolio in order to take advantage of profitable market movements or for the purpose of raising cash. Any security that is sold at a loss will be recorded as such in the District's accounting system; all securities that are sold will be identified in the investment reports issued by the Treasurer.

13.2 A swap is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. Losses or gains on security swaps shall be recorded as a completed sale and purchase in the District's accounting system.

## **14.0 PORTFOLIO ADJUSTMENTS**

Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Treasurer shall consider reconstructing the portfolio basing the decision in part on the expected length of time that the portfolio will be imbalanced.

## **15.0 PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return commensurate with the District's investment risk constraints and its anticipated cash flow requirements.

**15.1 Benchmark Market Yield:** The basis used by the Treasurer to determine whether market yields are being achieved shall be a comparison of the District's yield to maturity at month end to:

15.1.1 The month end yield to maturity of the State of California's Local Agency Investment Fund; and,

15.1.2 The average monthly yield of the Constant Maturity Treasury (CMT) whose duration most closely approximates the duration of the District's portfolio at month end.

Although the duration of either the LAIF portfolio or the CMT may not be exactly equal to the duration of the District's portfolio, the rationale for using these two benchmarks is to show whether the District's portfolio is following market trends with respect market yields.

## **16.0 REPORTING REQUIREMENTS**

16.1 On a quarterly basis, the Treasurer shall render a report to the Executive Director/President and Chief Executive Officer, the Internal Auditor, and the Board of Port Commissioners.

16.1.1 The report shall be submitted within 30 days of the end of the quarter covered by the report.

16.1.2 The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District.

16.1.3 The report shall include a description of any funds, investments, or programs that are under the management of contracted parties.

16.1.4 The report shall also include a current market value as of the report date and identify the source of the valuation.

16.1.5 The report shall state compliance of the portfolio to the statement of investment policy, or the manner in which it is not in compliance.

16.1.6 The report shall state the District's ability to meet its budgeted expenditure requirements for the next six months, or to explain why sufficient money may not be available.

### **16.2 The report will consist of:**

**16.2.1 Portfolio Master Summary:** A summary of the District's investment holdings. This report identifies, by investment type, book value (cost), percent of portfolio, average term, average days to maturity, and yield to maturity on a 360 day basis (bond equivalent yield) and 365 day basis (CD equivalent yield).

**16.2.2 Investment Portfolio Details:** A detailed accounting of the District's investment holdings by investment type. This report identifies each security by subsidiary investment number, issuer, purchase date, book value (cost), face value (par value), market value, stated rate (either interest rate or discount rate), yield to maturity on a 360- and 365- basis, maturity date and days to maturity. Additionally, this report identifies the average balance for each investment class.

**16.2.3 Investment Activity Summary:** A summary of the District's historic investment

activity from the beginning of the fiscal year through the current reporting period. This report identifies, by month, the number of active investments, the total dollar amount invested, the yield to maturity on a 360- and 365- day basis, the number of securities purchased, the number of securities matured or sold, the average term, and the average days to maturity. The report concludes with averages of each reporting category.

**16.2.4 Interest Earnings Summary:** A summary of the portfolio earnings for the current month and fiscal year to date.

## **17.0 INTERNAL CONTROL**

The development of internal controls is a function of management. The Treasurer and Deputy Treasurer shall establish an annual process of independent review by an external examiner.

## **18.0 INVESTMENT POLICY ADOPTION**

This investment policy shall be reviewed annually and adopted by resolution to ensure its consistency with the District's objectives of preservation of principal, liquidity, rate of return, and the policy's relevance to current law and financial and economic trends. The Treasurer is responsible for maintaining guidance over this investment policy and ensuring that the District can adapt readily to changing market conditions and shall submit to the Board of Port Commissioners any modification to the investment policy prior to implementation.

## GLOSSARY OF TERMS

**AGENCIES:** Federal agency securities.

**ASKED:** The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

**BANKERS' ACCEPTANCE (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BASIS POINT:** One one-hundredth of a percentage point (i.e., 0.01%).

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BID:** The price offered for securities (that is, the price at which a firm will pay to purchase a security an investor owns).

**BROKER:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMMERCIAL PAPER:** An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from 2 to 270 days.

**CONSTANT MATURITY TREASURY:** An index for a U.S. Treasury maturity that reflects the weekly or monthly average yield adjusted to a constant maturity. Yields on Treasury securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve, which is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. The CMT indexes are volatile and move with the market. They reflect the state of the economy, and respond quickly to economic changes.

**COUPON:** (a) The annual rate of interest that bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing

interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury bills).

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**DURATION:** A measurement of a bond's price volatility. It is the weighted-average term-to-maturity of the bond's cash flows, with the weights being the present value of each cash flow. Mathematically, duration is the first derivative of price with respect to yield.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals (e.g., small business firms, students, farmers, and farm cooperatives).

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**FEDERAL FUNDS RATE:** The rate of interest at which the Fed funds are traded. This rate is currently pegged by the Federal Reserve through open market operations.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend to



savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and 4,115 commercial banks (at December 31, 1994) that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA or VA mortgages. The term pass-throughs is often used to describe Ginnie Maes.

**INVERSE FLOATING RATE NOTE:** A debt security with an interest rate stated as a fixed rate minus an index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. The State of California's pool is known as the Local Agency Investment Fund, or LAIF.

**MARKET VALUE:** The price at which a security is trading and could presumably be sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MEDIUM-TERM NOTES:** A class of debenture.

**MONEY MARKET:** The market in which short-term debt instruments (Treasury bills, commercial paper, bankers' acceptances, discount notes, etc.) are issued and traded.

**MORTGAGE POOL:** A group of mortgages sharing similar characteristics in terms of class of property, interest rate, and maturity. Investors buy participations and receive income derived from payments on the underlying mortgages.

**MUTUAL FUND:** A fund operated by an investment company that raises money from shareholders and invests it in stocks, bonds, options, commodities, or money market securities. These funds offer investors the advantages of diversification and professional management.

**OFFER:** The price asked by a seller of securities. See also Asked and Bid.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks, and a few unregulated firms.

**PRUDENT INVESTOR STANDARD:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state, the-so-called legal list. In other states, the trustee may invest in a

security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RANGE NOTE:** A debt security with a varied interest payment that depends on the number of days the designated index falls within (or in some cases outside) an established range of interest rates. Should rates move beyond the range on either end, the investor faces the risk of a reduced, or zero, interest payment for the applicable interest period.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price.

**REPURCHASE AGREEMENT (RP OR REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES AND EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15C3-1:** See Uniform Net Capital Rule.

**STRIP (Bonds):** Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (e.g., FHLB, FNMA, SLMA, etc.) and Corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**SUPRANATIONAL OBLIGATIONS:** Bonds and Notes issued by two or more

international institutions with the purpose of promoting economic development for the member countries. Examples include The International Finance Corporation and The World Bank.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Treasury bills are issued to mature in one month, three months, or six months.

**TREASURY BONDS:** Long-term U.S. Treasury securities having initial maturities of more than ten years.

**TREASURY NOTES:** Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one year to ten years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

RESOLUTION NUMBER AND DATE: 2017-091, dated June 20, 2017 (Supersedes BPC Policy No. 115, Resolution 2016-85, dated June 16, 2016; Resolution 2015-72, dated June 11, 2015; Resolution 2014-135, dated July 8, 2014; Resolution 2013-115, dated July 16, 2013; Resolution 2012-94, dated July 10, 2012; 2011-146, dated October 11, 2011; Resolution 2010-89, dated June 8, 2010; Resolution 2009-123, dated July 7, 2009, Resolution 2008-284, dated December 2, 2008, Resolution 2008-126, dated July 1, 2008, Resolution 2007-103, dated June 12, 2007; Resolution 2006-113, dated July 11, 2006; Resolution 2005-99, dated June 21, 2005; Resolution 2004-87, dated June 22, 2004; Resolution 2003-114, dated June 17, 2003; Resolution 2002-148, dated June 18, 2002; Resolution 2001-118, dated June 19, 2001; Resolution 2000-132, dated June 27, 2000; Resolution 99-151, dated June 22, 1999; Resolution 98-158, dated June 30, 1998; Resolution 97-115, dated June 17, 1997; Resolution 96-165, dated June 25, 1996; Resolution 95-242, dated July 25, 1995; Resolution 95-321, dated September 26, 1995; Resolution 86-23, dated January 14, 1986; Resolution 81-328, dated October 6, 1981; and Resolution 75-15, dated January 21, 1975)

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San Diego Unified Port District  
Document No. **55299**  
Filed **AUG 07 2009**  
Office of the District Clerk

## BPC Policy No. 117

### SUBJECT: OPERATING RESERVE POLICY

**PURPOSE:** The purpose of this policy is to establish general guidelines for the establishment, maintenance, and use of an operating reserve.

#### POLICY STATEMENT:

Operating reserves (i.e., cash reserves) are a measurement of sound fiscal management. Operating reserves generate investment income, provide a margin of safety and stability to protect the Port from exposure to catastrophic events and economic impacts, and provide flexibility to pursue emergent opportunities. To ensure long-term financial sustainability, the San Diego Unified Port District shall establish and endeavor to maintain an operating reserve balance that is available at the end of each fiscal year in an amount equal to six months of budgeted operating and maintenance expenditures.

#### PROCEDURE:

##### 1. Establishing the operating reserve balance

- a. The operating reserve balance shall be established annually upon the adoption of the fiscal year budget.
- b. The dollar amount of the operating reserve balance shall be one-half the sum of budgeted operating and maintenance expenses minus budgeted expenses for the SDCRAA Harbor Police Service Level Agreement and any other operating expense for which a separate reserve exists.
- c. The operating reserve balance includes a \$20 million minimum required operating reserve balance, which is established for the purpose of self-insurance against possible losses that could occur as the result of a catastrophic event (i.e., a natural or man-made disaster).

##### 2. Maintaining the operating reserve balance

- a. At least annually, Financial Services staff will forecast cash inflows and outflows over a five-year period to evaluate the sufficiency of the target operating reserve balance over the forecast horizon.

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- b. Financial Services staff will present the results of the cash flow forecast to the Senior Management Team and discuss the target operating reserve balance over the forecast horizon.
- c. In the event that forecast cash inflows are insufficient to maintain the target operating reserve balance, staff will propose strategies to replenish the operating reserve balance, which include using one-time revenues, reducing expenses, suspending programs not linked to strategic goals, increasing revenues, or any combination of those strategies.
- d. At no time, except due to the occurrence of a catastrophic event, shall the operating reserve balance be allowed to fall below the \$20 million minimum required operating reserve balance without approval by the Board of Port Commissioners.

### 3. Uses of the operating reserve balance

- a. Operating reserves above the \$20 million minimum required operating reserve balance are authorized for use for the following purposes and in accordance with the following criteria.
  - i. A project is needed to comply with a current regulatory requirement or legal mandate.
  - ii. Cash flow requirements
    - Temporarily needed as a result of unfavorable financial performance due to the impact of an unfavorable economic environment.
  - iii. Major maintenance
    - 1. Project is necessary for the preservation of prior capital investment or an existing revenue stream; or
    - 2. Project costs exceed initial estimates due to higher than expected construction or material costs or an unforeseen problem during construction; or
    - 3. Project is scheduled to commence in a future fiscal year but is critical to complete earlier than planned.



iv. Capital development

Project is directly linked to and strongly supports one of the Port's strategic goals and is needed to start, resume, accelerate, or augment a currently approved Capital Development Program project.

v. Emergent opportunities

1. Directly benefits the Port by:

- a. Creating a new revenue stream; or
- b. Significantly enhancing an existing revenue stream; or
- c. Preserving an existing revenue stream; or
- d. Strengthening the Port's financial performance; and

2. Project payback is five years or less.

- b. Except in the case of a catastrophic event and in accordance with the San Diego Unified Port District Act § 58 "Suspension of Rules and Regulations in Emergencies; Emergency Regulations," any use of the \$20 million minimum required operating reserve balance requires approval by the Board of Port Commissioners.
4. The balance in the operating reserve shall be reported quarterly as necessary. Use of the operating reserve balance in no way contradicts, nullifies or usurps any other Board Policy, including but not limited to, BPC 110, "Procedure for the Administration of Contracts, Agreements, and the Purchasing of Supplies, Materials, and Equipment."

RESOLUTION NUMBER AND DATE: 2009-128, dated July 7, 2009

BPC Policy No. 117

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## BPC Policy No. 120

**SUBJECT:** CAPITAL IMPROVEMENT PROGRAM (CIP)

**PURPOSE:** To establish a policy for the orderly development or improvement of the capital assets of the Port District through a Capital Improvement Program ("CIP Policy").

**PREAMBLE:** The Unified Port District of San Diego has a responsibility to provide for the orderly development and improvement of the lands and capital assets under its jurisdiction to execute its State Tidelands Trust obligations. The Port District acknowledges that each area of tidelands in its trust offers different Public Trust assets and value, and that each possesses varying degrees of opportunity for development, real estate, maritime, recreation and conservation as well as constraints.

The Port District, therefore, establishes this CIP Policy for the purpose of improving its CIP process and results. This CIP Policy is intended to facilitate capital development projects and budgets which are strategically cohesive, ensure clear and consistent treatment of all proposed capital projects on the tidelands, streamline the process, increase efficiency, reduce costs and improve outcomes.

It is the policy of the Port District to evaluate capital development projects as follows:

- To reflect sound land use and capital improvement planning principles, as well as the strategic development, business and operational goals set by the Board of Port Commissioners ("BPC").
- To implement the appropriate and necessary sequencing of capital improvement projects based upon operational and business demands.
- To ensure projects given priority have a direct relationship to the establishment or improvement of capital assets needed to facilitate upcoming priority developments and pressing operational needs.
- To distribute the Port's capital investments in a balanced manner throughout the tidelands located in all of the Member Cities.
- To advance projects that are consistent with the Port District Act and the Port's numerous duties and state mandates:
  - A) To serve as an economic engine for the region;

- B) To be an environmental steward of the bay and tidelands;
- C) To provide public access to the waterfront;
- D) To provide recreational and community services as specified under the Port District Act; and
- E) To ensure public safety and Homeland Security.

The CIP process will proceed as follows:

#### **Five Year CIP Program**

1. The CIP will be developed using a long-term land use planning strategy every five (5) years. A flow chart of a typical five year process is shown in Attachment (1).
2. The CIP project selection process should be open, inclusive, efficient and effective by producing a program within a reasonable period of time. The resulting CIP program should reflect the Port District's specific strategic goals (COMPASS) and business or operational needs. Application forms for new projects can be submitted by Port staff, Commissioners and representatives of member cities. Port Tenants and other public stakeholders can propose CIP project through Port staff, Commissioners and representatives of member cities.

#### **Projects:**

3. For consideration during the five-year CIP review process, a project proponent will develop for each proposed on-tidelands project the following objective assessment:
  - A) A project description including a statement of need for the project;
  - B) Identification of the specific strategic goals (COMPASS) the project addresses;
  - C) A financial analysis of the costs of the project, the availability of grant funding, matching funds, or other District funds (i.e., a CIP project could also potentially receive funding from the Maritime Industrial Impact Fund), as well as any expected return on investment ("ROI") – including operational costs, maintenance costs, and life-cycle costs – of the project;
  - D) An analysis of any anticipated non-monetary public benefits of the project;
  - E) An explanation of the project's compatibility with existing, related development projects both on and off-tidelands (including non-Port District

development projects);

- F) A rational assessment of the need for the timing of the improvements, and an explanation of the appropriateness of the timing of the investment;
  - G) An explanation of how the project implements or facilitates the implementation of the Port Master Plan or other approved plans; and
  - H) An analysis of the project's potential to create future economic benefit or impact if no immediate economic benefit is identified.
4. [Intentionally Omitted]: The Maritime Terminal Impact Fund previously discussed in this section has been revised and relocated to a standalone Policy No. 773]
5. Where a proponent proposes a CIP project, the Port District must receive the proponent's completed information regarding the project at least 120 days before the BPC begins its five year review of the CIP. Once this information is received, an objective Port Staff assessment of the project including the factors set forth in section 3 will be prepared.
6. The proposed list of CIP projects, along with the proponent's information and Port Staff's assessment, shall be made publicly available at least 10 days before a CIP workshop or BPC meeting in which the CIP program will be considered.
7. Proposed CIP projects will be evaluated and ranked based on factors set forth in section 3 and the following criteria (in no particular order). Port Staff shall attach the proposed projects evaluation and ranking, including the proponent's information, to the BPC as part of the annual CIP process described in section 8 of this policy:
- A) Contribution to the Port's strategic goals (COMPASS);
  - B) Adherence to Port objectives and the Port District Act;
  - C) Represents a balanced distribution of the Port District's proposed capital investment throughout the tidelands and Member Cities;
  - D) Capacity to produce revenue and to enhance local and regional economic growth; and
  - E) Capacity to provide non-monetary public benefits.

### **Annual CIP Reviews**

The annual CIP reviews will focus on review of existing projects in the approved CIP. Working through a staff committee, staff will review the existing CIP to determine recommendations for existing projects (such as remain funded; be postponed, delayed

or removed; or added back into the CIP list if previously removed). New projects will be considered for funding during the annual reviews only when new funding is available, as defined below. A flow chart of a typical annual review process is shown in Attachment (2).

8. The procedure for the annual reviews shall be as follows:

- A. For the annual reviews, an additional set of project filters will be applied to evaluate the status of existing projects. An example list of project filters is included in Attachment (3). Filters applied to the existing projects may be modified from time to time based upon Board direction.
- B. Existing projects will not be re-ranked against each other during the annual reviews. The project filters will be applied to determine if projects remain on the list, are removed from the list or deferred for future consideration. If projects are removed or deferred, any remaining funding balances will be reallocated to the CIP Reserve. Projects deferred will remain in the CIP until the Board removes the project from the CIP. The Board may elect to remove an existing project from the CIP at any time. The project filters applied to existing projects can be used as guidelines for the Board's determination to remove projects.
- C. During the annual reviews, additional funding may be recommended for continuation of existing approved projects as determined by the CIP staff committee.
- D. With respect to funding for new projects, each spring prior to the fall workshop, there shall be a determination made by District staff regarding availability of additional funding for CIP.
- E. Provided that the CIP is fully funded, annually at the April Board meeting, the Board will determine the amount of funding available for new CIP projects and the subsequent decision to solicit project application forms for consideration at the following fall CIP workshop.
- F. Application forms for new projects may be submitted for the annual CIP reviews by Port staff, Commissioners and Member Cities. Forms must be received by July 15th of each year for consideration for the fall CIP workshop.
- G. For new projects, application forms shall be prepared in accordance with section (3).
- H. New projects will be evaluated based upon criteria in sections 3 and 7 (pages 2 and 3) above. Proposed new projects must meet both criteria 7(A) and 7(B) and at least one of the criteria 7(C), 7(D), or 7(E). Projects which do not meet the criteria as described will not be considered for funding during that year's annual review. New projects which are found to

meet the initial criteria will be reviewed for funding recommendation and will be ranked through the staff committee reviews. BPC will determine which new projects will be funded by the CIP.

- I. For the annual reviews, the proposed list of CIP projects (new and existing), shall be made publicly available at least 7 calendar days before the CIP workshop or BPC meeting in which the CIP program will be considered.

### **Out of Cycle Requests**

9. Out of cycle requests are defined as requests for modifications to the CIP which arise between the fall CIP workshops.

Out of cycle requests may be considered by the Board for the following situations:

- i. Additional funding needed to complete approved CIP projects in progress,
- ii. Unplanned projects as defined in Board Policy No. 080, Unplanned Work Consideration,
- iii. Opportunities for grants that require matching funds or to position the District to receive grants,
- iv. Member City requests for re-prioritization of funds among existing approved projects which require no additional CIP funding and where there is a business reason for consideration as an out of cycle request

Out of cycle requests will be reviewed by the staff committee and if recommended to move forward will proceed to the Board as soon as practical.

10. Funding for CIP projects will be established by the Executive Director consistent with the BPC-adopted budget. Funds for new CIP projects will be placed in a CIP Reserve at the end of each fiscal year based on available unrestricted/undesignated reserves. Once in the CIP Reserve, the funds can be allocated to projects in the five-year plan in accord with the procedures set forth above.

CIP projects may be phased such that the completion of a phase of the project results in a complete and usable product even if the project in its entirety is not complete.

11. [Intentionally Omitted]: The Maritime Terminal Impact Fund previously discussed in this section has been revised and relocated to a standalone Policy No, 773]

### **12. Reporting to the Board:**

The CIP budget once approved by the BPC shall constitute direction from the



BPC regarding Port District administration of the program. The Executive Director will update the BPC periodically on the execution of the approved CIP program, and may propose on an individual basis, consistent with the objectives and analysis identified above, additional projects for BPC consideration and approval. If new or additional information is discovered during the implementation of an approved CIP project that makes the implementation of the project infeasible or impractical, then this information will be reported promptly to the Board.

**13. CIP Contingency:**

As a recommended guideline, when the Board approves new funding for the CIP, the Board may approve an additional funding amount for a program contingency. The program contingency will be used for unforeseen conditions during the execution of CIP projects. The budgeting guidelines for the program contingency amount will be based on a percentage of the total program budget per the following table:

Guidelines for Program Contingency Amount - Table 1

<b>Total CIP Program Budget</b>	<b>Program Contingency Amount</b>
Less than \$25 million	12%
Greater than \$25 million, and Less than \$50 million	10%
Greater than \$50 million	8%

At the completion of a CIP project, any funds remaining in the approved CIP budget will be reallocated to the CIP Reserve account. Reserve funds are available for allocation to existing or new CIP projects at the discretion of the Board. Reallocation of funds from CIP Reserve to any individual projects will require Board approval in accordance with this policy as well as other applicable policies including Board Policy No. 090, Transfer Between or Within Appropriated Items in Budget.

- 14. Notwithstanding any other provision of this policy, the annual funding for the CIP may be changed or otherwise suspended from time to time if the BPC makes a finding that, because of a fiscal emergency there is an established need for all or part of these funds to be expended for the repair, operation, maintenance or development of Port District infrastructure critical and paramount to the operation of the Port District.**

For purposes of this provision, "fiscal emergency" means an extraordinary occurrence or combination of circumstances that was unforeseen and unexpected and which requires immediate and sudden action of a drastic but temporary nature.



Attachment (1): Flow chart – typical five year CIP process (EXAMPLE)

Attachment (2): Flow chart – typical annual CIP process (EXAMPLE)

Attachment (3): Project filters for annual reviews (EXAMPLE)

RESOLUTION NUMBER AND DATE: 2015-138, dated October 21, 2015 (Supersedes BPC Policy No.120, Resolution 2015-28, dated April 14, 2015; Resolution 2015-25, dated March 10, 2015; Resolution 2014-45, dated March 4, 2014; Resolution 2011-45, dated April 12, 2011; Resolution 2008-116, dated July 1, 2008; and Resolution 82-13, dated January 5, 1982)

BPC Policy No. 120

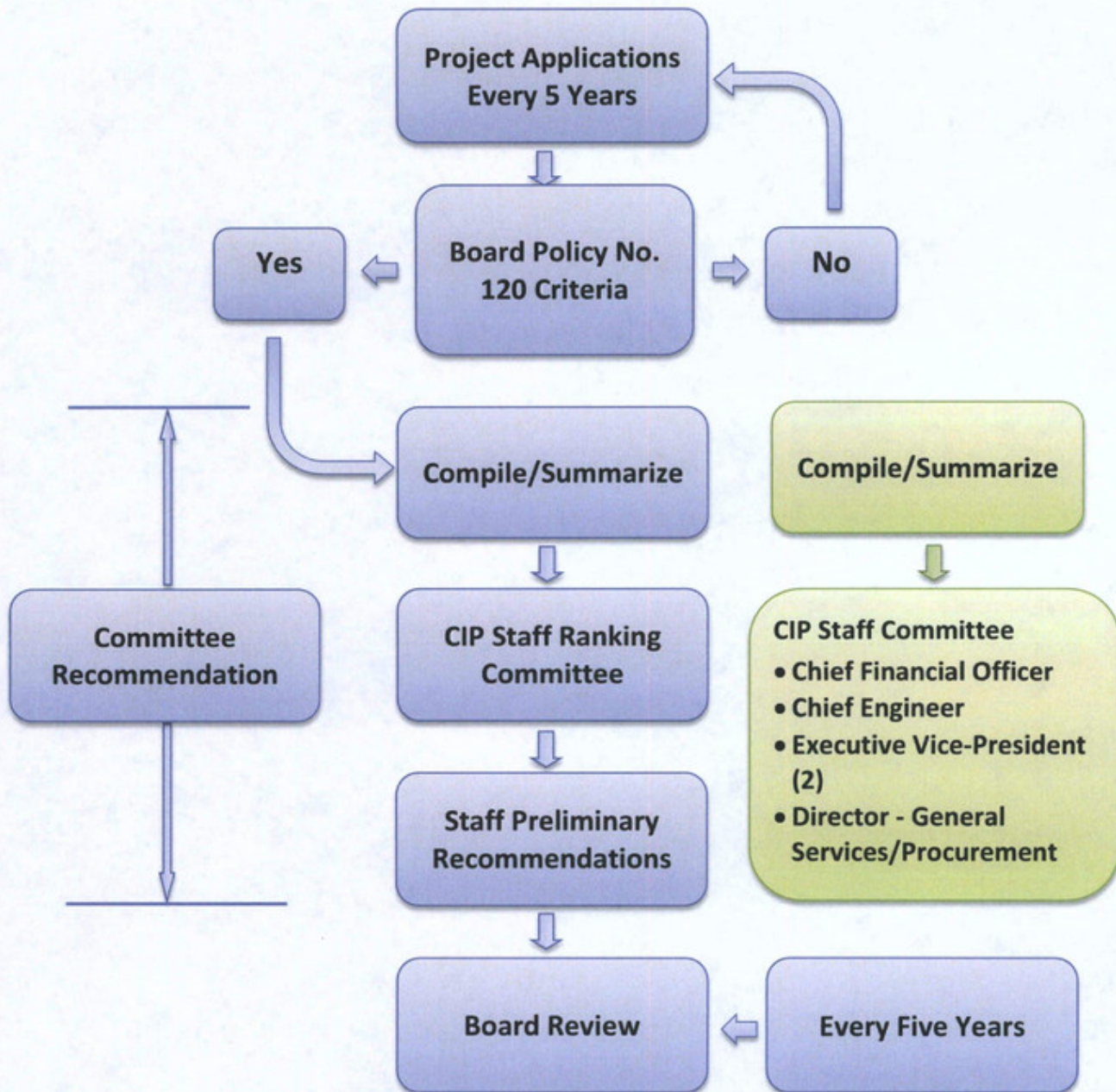
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Attachment (1)  
**Capital Improvement Program (CIP)**  
**5 Year-Process Used in 2012-Per Board Policy 120 (Example)**

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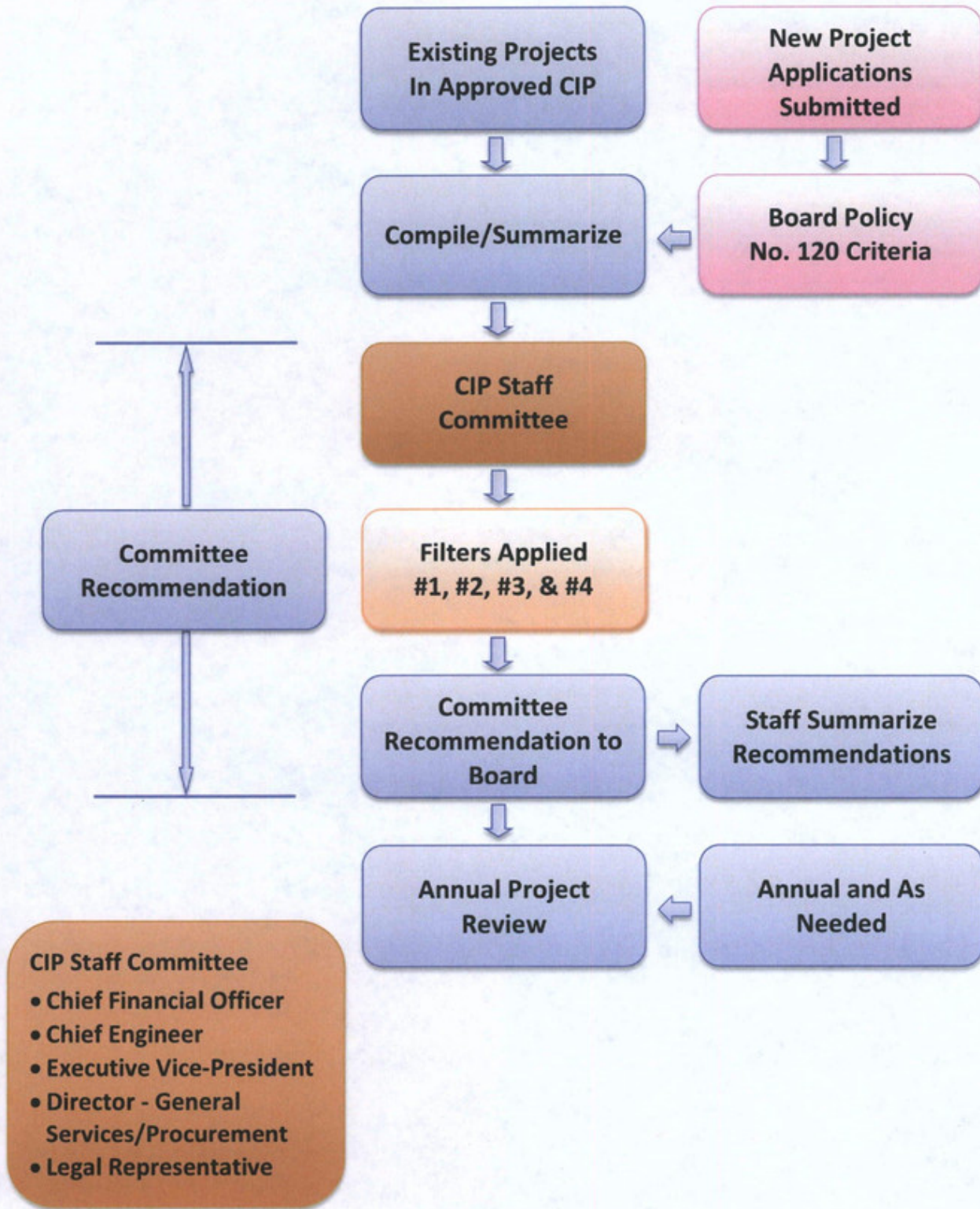
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Attachment (2)  
**Capital Improvement Program (CIP)**  
**Annual Review (Example)**

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## Capital Improvement Program Filters for Project Reviews

Project Filters 1- Go Forward	
Under Construction	Board has awarded construction contract and project is in construction phase.
Legal/Contractual Obligations	There is a legal or contractual obligation related to the project.
Regulatory Mandate Or Permit Requirement	Project is required to comply with a Federal, state or local regulation or required under a permit issued by a jurisdictional agency.
Public Safety Or Homeland Security	Project will enhance protection of public safety and/or Homeland Security.
Operational Necessity	Project is necessary to improve Port operations and implement District's strategic goals and objectives.



## Capital Improvement Program Filters for Project Reviews

Project Filters 2-Continue Stay Funded	
Implements Approved Plan Or Board Direction	Project will implement a Board approved plan or direction.
Revenue Generating	Project is estimated to generate a Return on Investment (ROI).
Short Payback Period	Project is projected to have a payback period of three years or less.
Public & Or Stakeholder Expectation	There is a stakeholder expectation surrounding the completion of the project that has been confirmed through Board action or direction.
Grant or Outside Funding Potential	Project will position the District for potential grants or outside funding agreements and priority is confirmed through Board action or direction.
Project That Has Obtained Entitlements	Project has obtained entitlements necessary to implement project through design and construction.

## Capital Improvement Program Filters for Project Reviews

Project Filters 3- Postpone/Delay/Remove	
New Information/Infeasible	Projects determined infeasible to implement based upon new information or developments.
Changes In Applicable Laws, Regulations Or Contractual Requirements	Projects for which new laws, regulations or contractual requirements render them infeasible as scoped.
New Funding Source	Projects where a new funding source has been identified and District funding is anticipated to be reduced or modified substantially.
Blocked Or Stalled	Projects which have been blocked or stalled and implementation as planned is no longer feasible.
Removal Requested By Proponent	Projects which original proponents no longer desire to implement.



## Capital Improvement Program Filters for Project Reviews

Project Filters 4- Back on the List	
Changes Which Warrant Reconsideration	Changes in project circumstances which warrant a reevaluation or reconsideration for funding approval.
Change In Litigation Status	Resolution of pending or ongoing litigation will permit project to proceed.
Reasons Put "On-Hold" Resolved	Factors which led to project being placed in an "on hold" status were resolved.
Project Proponent Request Reconsideration	Request was received to reconsider project previously removed from CIP list.

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(2)

## BPC Policy No. 130

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### **SUBJECT: MAJOR MAINTENANCE PROGRAM**

**PURPOSE:** To establish a policy for the orderly maintenance of the capital assets of the San Diego Unified Port District (District) through a Major Maintenance Program Policy.

**PREAMBLE:** The District has a responsibility to provide for the orderly maintenance of the lands and capital assets under its jurisdiction for the execution of its responsibilities under the State of California Tidelands Trust obligations. Each area of tidelands within the District's jurisdiction offers different kinds of assets, function and value; accordingly, there exist different cost levels of and justifications for maintenance for real estate, maritime, recreation and conservation assets.

The District, therefore, establishes this Major Maintenance Policy for the purpose of improving its Major Maintenance process and results, to streamline project selection and funding process, and to address the repair, operation, maintenance or development of District infrastructure and facilities.

Major Maintenance is distinguished from routine operational maintenance in that Major Maintenance replaces or restores an asset to an improved condition, typically through a public works contract and may require an engineering design or technical evaluation prior to commencement of work.

### **Major Maintenance Annual Project Approval Process:**

Projects recommended for Major Maintenance funding are primarily derived from the District's Asset Management Program which utilizes a systematic process to assess and optimally manage physical assets. District staff will review the project list on an annual basis each January and February, to determine staff capacity and available funding.

Staff recommendations will be formulated, and then submitted as an agenda item to the Board of Port Commissioners (Board) annually in the first quarter of the calendar year with project details included.

The staff submission will include a recommendation for a contingency fund to address emergency projects and emergent Major Maintenance needs. The Board's review and preliminary approval will be conducted at either an annual Major Maintenance Workshop or Board meeting early in the budget preparation cycle so that final selection and funding decisions will be available for the Preliminary Budget Workshop in May or June.

### **Major Maintenance Actions that require Board Approval:**

The Major Maintenance project list and budget, once approved by the Board, shall constitute Board direction regarding staff administration of the program. Throughout the year, the following actions require Board approval:

- Recommendations for deferral or cancellations of approved projects;
- Recommendations for any new Major Maintenance projects which exceed \$175,000 in total cost and were not included in the Board approved annual budget, require approval in compliance with PBC Policy No. 080, Unplanned Work Consideration and BPC Policy No. 090, Transfer Between or Within Appropriate Items in Budget. New projects with a total cost equal to or less than \$175,000 require approval of the Executive Director with notification to the Board; the aggregate of such projects may not total more than \$500,000 per fiscal year;
- Recommendations for transfer of funds from one project to another where the amount of the funds transferred exceeds the threshold as defined in BPC Policy No. 090, Transfer Between or Within Appropriated Items in Budget.

### **Major Maintenance Reporting to the Board:**

The Major Maintenance budget, once approved by the Board, shall constitute Board direction regarding staff administration of the program. The Executive Director or Designee will update the Board quarterly on the execution of the approved Major Maintenance Program, on a project-by-project basis, through the issuance of a report that will include the following elements:

- Project description, schedule, and budget;
- Status and issues for each project;
- Information concerning actions taken by staff, that did not require Board approval, in the prior quarter;
- Information concerning actions taken in the prior quarter, approved by the Board for deferrals, delays, cancellations, addition of new projects, transfers of funds.

Quarterly reports will be submitted to the Board after the end of each quarter.

RESOLUTION NUMBER AND DATE: 2016-37, dated March 8, 2016 (Supersedes BPC Policy No. 130, Resolution 2015-17, dated March 3, 2015; and Resolution 2013-104, dated June 11, 2013)



(12)

## BPC Policy No. 608

**SUBJECT:** TENANT PERCENT FOR ART PROGRAM

**PURPOSE:**

To establish a policy for the inclusion of artworks in San Diego Unified Port District (District) tenant improvements and for the administration of the Tenant Percent for Art Program.

The Board of Port Commissioners (Board) is committed to expanding opportunities for residents and visitors to the region to experience a vibrant waterfront destination with innovative artworks that enhance the visual excitement and cultural richness of Port tidelands. Such artworks have the ability to encourage artistic exploration of the tidelands and give art a key role in making the District's mission and operations more understandable to the public at large.

The Waterfront Arts & Activation department was created and invested with the mission of supporting the District, its tenants, and member communities by providing leadership, management of the District's public art programs, and stewardship of the Tidelands Collection as a regional cultural asset. Additionally, the Arts, Culture & Design Committee was established to serve in an advisory capacity to the Board and the Waterfront Arts & Activation department, promoting the District's vision of Port tidelands as a world-class arts and cultural destination.

**POLICY STATEMENT:**

**1. Tenant Percent for Art Applicability and Calculations**

- a. **Calculations.** Tenants undertaking improvements to their leaseholds, unless otherwise exempted below, shall be required to provide a tenant percent for art allocation no less than one percent of the tenant improvement's total project cost. Project cost is defined as the combined total of all hard and soft costs for tenant projects, exclusive of furnishings, fixtures, and equipment. The tenant shall allocate at least eighty percent of the tenant percent for art allocation to the art budget. In addition, the tenant may utilize up to twenty percent of the tenant percent for art allocation for artwork-related expenses approved by the Director of Waterfront Arts & Activation.

b. **Categories.** For the purpose of the tenant percent for art allocation, tenant improvements shall be divided into the following two categories:

- (1) Tenant improvements with a project cost of \$5,000,000 and up to \$17,500,000 (equaling a tenant percent for art allocation of \$50,000 - \$175,000 for artwork).
- (2) Tenant improvements with a project cost of more than \$17,500,000 (equaling a tenant percent for art allocation of more than \$175,000 for artwork).

c. **Exemptions.**

- (1) Tenant improvements with a project cost of less than \$5,000,000 shall be exempt from the tenant percent for art requirement set forth herein; or
- (2) The following types of projects, unless occurring in conjunction with tenant leasehold development and/or redevelopment, shall be exempt from the tenant percent for art allocation requirements of this section:
  - (a) Mechanical, plumbing, and electrical system upgrades
  - (b) Seismic upgrades
  - (c) Modifications for disabled access
  - (d) Landscape renovation and replanting projects
  - (e) Dredging and sand replenishment
  - (f) Sewer and waterline repair or replacement
  - (g) Drainage and irrigations system repair or replacement
  - (h) Erosion-control projects
  - (i) Repaving and new paving projects
  - (j) Sign changes or new signs
  - (k) Utilities
  - (l) Lighting
  - (m) Maintenance and repair of existing facilities
  - (n) Demolition projects

## 2. **Tenant Percent for Art Options**

The tenant percent for art allocation shall be used by the tenant to comply with the requirements set forth herein through one, or more, of the following means:

- a. **Commission.** Commission one or more permanent or temporary artworks to be sited in a publically accessible area on the leasehold in accordance with the provisions in section 1.
- b. **Purchase.** Purchase and install one or more permanent or temporary artworks in a publically accessible area on the leasehold in accordance with the provisions in section 1.
- c. **In-Lieu Contribution.** Deposit into the District's Public Art Fund an in-lieu contribution in an amount equivalent to the tenant percent for art allocation as specified in section 1. In the event that a tenant has chosen to satisfy the percent for art requirement by commissioning and/or purchasing artworks for their leasehold, but the artwork-related budgets for such artworks are less than the required allocation, the tenant shall pay into the Public Art Fund an amount equal to the difference between their commissioned and/or purchased artwork-related budgets and the required percent for art allocation.
- d. **Designated In-Lieu Contribution.** Tenants who choose to make in-lieu contributions to the District's Public Art Fund in accordance with sections 2.c. and tenants making partial in-lieu contributions as required by sections 2.a. and 2.b. may designate their in-lieu contributions specifically for use in the District's San Diego – Coronado Bay Bridge Lighting Project. This tenant percent for art option shall remain in effect until such time as the District determines that additional funds for this project are no longer needed. In the event that this project is not realized for any reason, these funds shall remain the Public Art Fund to be used for future public art projects at the District's discretion.
- e. **Early Contributions.** Anyone who makes a financial contribution to the District's Public Art Fund, who is not obligated to do so at the time the contribution is made, may credit such contribution against any obligation such person may have under this BPC Policy No. 608 that may arise within five (5) years subsequent to the contribution. Such contribution shall be unconditional, without recourse, and shall under no circumstances be considered in connection with any future project approval, nor shall such contribution have any effect whatsoever on the District's sole and absolute discretion to approve or disapprove such project.

### 3. Tenant Percent for Art Review Process

The tenant percent for art review process is divided into two categories.

Tenants should follow the corresponding review process, as follows:

Tenant improvements with a project cost of \$5,000,000 up to \$17,500,000 (equaling a tenant percent for art allocation of \$50,000 - \$175,000 for artwork) shall follow the review process outlined in section 3.a.(1) - (15); or tenant improvements with a project cost of more than \$17,500,000 (equaling a tenant percent for art allocation of more than \$175,000 for artwork) shall follow the review process outlined in section 3.b.(1) - (17).

- a. **Review Process for Category \$5,000,000 - \$17,500,000.** For tenant improvements with a project cost of \$5,000,000 up to \$17,500,000 (equaling a tenant percent for art allocation of \$50,000 - \$175,000 for artwork) the tenant shall complete the following steps:
  - (1) **Tenant Percent for Art Application.** Complete and submit a Tenant Percent for Art Application to the Waterfront Arts & Activation department.
  - (2) **Preliminary Meeting.** Meet with the Waterfront Arts & Activation department to discuss the tenant percent for art requirement as set forth herein.
  - (3) **Tenant Art Worksheet.** Declare in a Tenant Art Worksheet the means by which the tenant will comply with the requirements as set forth herein.
  - (4) **Approval of Tenant Art Worksheet.** Submit the completed Tenant Art Worksheet to the Waterfront Arts & Activation department. The Director of Waterfront Arts & Activation shall review the Tenant Art Worksheet ensuring that it meets the evaluation criteria outlined in section 4.a.
  - (5) **Payment.** If applicable, pay an in-lieu contribution or any remaining obligation into the District's Public Art Fund in accordance with the provisions of section 2.
  - (6) **Artist's Name and Qualifications.** The Tenant shall declare and submit the name and qualifications of the selected artist(s) to the Waterfront Arts & Activation department.
  - (7) **Approval of Artist.** The Director of Waterfront Arts & Activation shall review the name and qualifications of the selected artist(s) utilizing the evaluation criteria outlined in section 4.c.

- (8) **Draft Artist Agreement.** The tenant shall submit to the Waterfront Arts & Activation department the draft artist agreement, which shall be reviewed by the Director of Waterfront Arts & Activation to ensure that the District's interests and role are accurately represented.
- (9) **Copy of Artist Agreement.** The tenant shall enter into an agreement with the approved artist(s) and provide the Waterfront Arts & Activation department with a fully executed copy thereof.
- (10) **Artwork Concept Proposal or Proposed Purchase of Artwork.** The tenant shall submit to the Waterfront Arts & Activation department the concept proposal or information about the proposed purchase of artwork. The concept proposal, at a minimum, should include the following documentation: a written description of the proposed artwork; a color graphic representation of the artwork in the form of scale drawings, renderings, models, and/or photographs; a site plan; and an initial art budget.
- (11) **Approval of the Artwork Concept Proposal or Proposed Purchase of Artwork.** The Director of Waterfront Arts & Activation shall review the concept proposal or information about the proposed artwork to be purchased utilizing the evaluation criteria outlined in section 4.d.
- (12) **Artwork Final Design or Final Information about Artwork.** The tenant shall submit to the Waterfront Arts & Activation department the final design or final information about the artwork to be purchased. The final design should include any updated or more fully developed information about the artwork since the original concept proposal and should include current versions of the following documentation: a written description of the proposed artwork; a color graphic representation of the artwork in the form of scale drawings, renderings, models, and/or photographs; a site plan; and the final art budget.
- (13) **Review of Artwork Final Design or Final Information about Artwork.** The Director of Waterfront Arts & Activation shall review the final design or final information to ensure that the District's tenant percent for art requirement set forth herein is satisfied and that it is consistent with the approved concept proposal or approved artwork to be purchased.

- (14) **Access to Installation Site.** The tenant shall provide to the Waterfront Arts & Activation department access to the site(s) where the artwork is to be installed to ensure that installation of the artwork satisfies the District's tenant percent for art requirement set forth herein and is in compliance with the approved final design or final information.
- (15) **Documentation.** The tenant shall install signage identifying the artist, artwork, and date, and shall provide the District with photographic documentation of the installed artwork.
- b. **Review Process for Category above \$17,500,000.** For tenant improvements with a project cost over \$17,500,000 (equaling a tenant percent for art allocation of more than \$175,000 for artwork) the tenant shall complete the following steps:
  - (1) **Tenant Percent for Art Application.** Complete and submit a Tenant Percent for Art Application to the Waterfront Arts & Activation department.
  - (2) **Preliminary Meeting.** Meet with the Waterfront Arts & Activation department to discuss the tenant percent for art requirement as set forth herein.
  - (3) **Tenant Art Worksheet.** Declare in a Tenant Art Worksheet the means by which the tenant will comply with the requirements as set forth herein.
  - (4) **Approval of Tenant Art Worksheet.** Submit the completed Tenant Art Worksheet to the Waterfront Arts & Activation department. The Director of Waterfront Arts & Activation shall review the Tenant Art Worksheet ensuring that it meets the evaluation criteria outlined in section 4.a.
  - (5) **Payment.** If applicable, pay an in-lieu contribution or any remaining obligation into the District's Public Art Fund in accordance with the provisions of section 2.
  - (6) **Tenant Art Plan.** Declare in a Tenant Art Plan the means by which the tenant will comply with the requirements as set forth herein.
  - (7) **Approval of Tenant Art Plan.** Submit the completed Tenant Art Plan to the Waterfront Arts & Activation department. The Director of



- (14) **Artwork Final Design or Final Information about Artwork.** The tenant shall submit to the Waterfront Arts & Activation department the final design or final information about the artwork that is to be purchased. The final design should include any updated or more fully developed information about the artwork since the original concept proposal and should include current versions of the following documentation: a written description of the proposed artwork; a color graphic representation of the artwork in the form of scale drawings, renderings, models and/or photographs; a site plan; and the final art budget.
- (15) **Review of Artwork Final Design or Final Information about Artwork.** The Director of Waterfront Arts & Activation shall review the final design or final information to ensure that the District's tenant percent for art requirement set forth herein is satisfied and that it is in compliance with the approved concept proposal or approved artwork that is to be purchased.
- (16) **Access to Installation Site.** The tenant shall provide to the Waterfront Arts & Activation department access to the site(s) where the artwork is to be installed to ensure that installation of the artwork satisfies the District's tenant percent for art requirement set forth herein and is in compliance with the approved final design or final information.
- (17) **Documentation.** The tenant shall install signage identifying the artist, artwork, and date, and shall provide the District with photographic documentation of the installed artwork.

#### **4. Evaluation Criteria**

##### **a. Criteria for Evaluating Tenant Art Worksheets**

- (1) Reflects a commitment to fulfilling the tenant percent for art requirement set forth herein.
- (2) Is consistent with any applicable redevelopment plans or other District-approved plans for the area.
- (3) Includes all information as required for the Tenant Art Worksheet.

##### **b. Criteria for Evaluating Tenant Art Plans**

- (1) Reflects a commitment to fulfilling the tenant percent for art requirement set forth herein.
- (2) Is consistent with any applicable redevelopment plans or other District-approved plans for the area.
- (3) Establishes clear goals and processes against which the project can later be evaluated.
- (4) Includes all information as required for the Tenant Art Plan.

**c. Criteria for Evaluating Artist Qualifications**

- (1) Meets the definition of artist. For the purpose of this policy, an artist is an individual generally recognized by critics and peers as a professional practitioner of the visual, performing, or language arts, based on his or her body of work, educational background, experience, exhibition history, publication, and/or creation of artworks.
- (2) Demonstrates artistic excellence, innovation, and originality as represented in past work and supporting materials.
- (3) Demonstrates capacity for working in media and with concepts that are appropriate to the project goals and site.
- (4) Demonstrates interest and capability in creating artworks in collaboration with the tenant (if applicable), the design team (if applicable), and other project partners.
- (5) Demonstrates experience in successfully completing artworks of similar scope, scale, budget, and complexity, or the ability to articulate how he or she would be able to bring the necessary artistic and technical skills to the project.
- (6) Demonstrates interest in, and understanding of the project.
- (7) Is available to perform the scope of the work in a timely and professional manner.

**d. Criteria for Evaluating Artwork Concept Proposals & Artwork Purchases**

- (1) Meets the definition of artist. For the purpose of this policy, an artist is an individual generally recognized by critics and peers as a professional practitioner of the visual, performing, or language arts, based on his or her body of work, educational background, experience, exhibition history, publication, and/or creation of artworks.
- (2) Meets the definition of artwork. For the purpose of this policy, an artwork is an aesthetic creation resulting from the skill and creativity of artist(s). An artwork may be made of any materials or combination of materials and may be permanent, temporary, fixed, or portable. An artwork can be an integral part of a building or structure and can be integrated with the work of other design professionals. Artworks can include visual representations of performing and literary arts, or can incorporate performative, narrative, or time-based elements.
- (3) Demonstrates excellence in aesthetic quality, workmanship, innovation, and creativity.
- (4) Demonstrates appropriateness in scale and form and will be fabricated with materials/ media suitable for the site.
- (5) Demonstrates feasibility in terms of cost, timeline, safety, durability, operation, maintenance, conservation, security, and siting.
- (6) Demonstrates feasibility with respect to legal and/or ethical issues that may be related to possession or display of the artwork.
- (7) For projects with a tenant percent for art allocation of more than \$175,000, meets the project's goals as outlined in the Tenant Art Plan.

**f. Criteria for Board Evaluation**

- (1) The District policy, as set forth herein and as administered by the Waterfront Arts & Activation department and advised by the Arts, Culture & Design Committee, if applicable, has been followed properly.

- (2) All relevant District departments have appropriately undertaken all necessary reviews.

## **GLOSSARY:**

For purposes of this policy, the following definitions shall apply:

**Art Budget:** The allocated budget for the design, fabrication, and installation of an artwork that is newly commissioned, or the budget for the purchase, shipping and installation of an existing artwork that is being purchased.

**Artist:** An individual generally recognized by critics and peers as a professional practitioner of the visual, performing, or language arts, based on his or her body of work, educational background, experience, exhibition history, publication, and/or creation of artworks.

**Arts, Culture & Design Committee:** An advisory body to the Board of Port Commissioners and the Waterfront Arts & Activation department on matters related to arts and culture within the District's jurisdiction. The committee assists in upholding the District's vision of tidelands as a world-class arts and cultural destination and supports the development of arts and cultural programs within the District's jurisdiction.

**Artwork:** An aesthetic creation resulting from the skill and creativity of an artist or artists. An artwork may be made of any materials or combination of materials and may be permanent, temporary, fixed, or portable. An artwork can be an integral part of a building or structure, and can be integrated with the work of other design professionals. For the purposes of the Waterfront Arts & Activation department, artworks can include visual representations of performing and literary arts, or can incorporate performative, narrative, or time-based elements.

**Publicly Accessible:** The availability for viewing and experience by the general public without a fee during normal hours of business operation consistent with the operation and use of the leasehold.

**Project Cost:** The combined total of all hard costs and soft costs for tenant projects, exclusive of furnishings, fixtures, and equipment.

**Public Art Fund:** A designated District fund established in 1982 for the purpose of accumulating funds from various sources for commissioning and acquisition of permanent or temporary public artworks for exhibition within the District's jurisdiction. Originally funded through an annual budget set-aside, the Public Art Fund serves as a depository for funds received from other sources, such as: tenant percent for art in-lieu contributions; aggregated District percent for art contributions from Capital Improvement Program

projects; art sales and loans; sales of licensed artwork reproductions; public art-related grants and/or grant-matching funds; and monetary bequests and donations received from the public or other agencies for public artworks.

Tenant: The persons or entities holding leasehold interest(s) within the District's jurisdiction.

Tenant Art Plan: A detailed plan that a tenant who is making leasehold improvements with a project cost of more than \$17,500,000 submits to provide additional detail about how the tenant intends to fulfill the tenant percent for art requirement that is generated by the leasehold improvements being made.

Tenant Art Worksheet: The summary sheet that all tenants wishing to make improvements to leaseholds with a project cost of \$5,000,000 or more submit to the Waterfront Arts & Activation department.

Tenant Percent for Art Allocation: The percentage of a tenant's approved development or redevelopment project budget that is to be set aside for artwork for the tenant's leasehold or for payment into the District's Public Art Fund as an in-lieu contribution.

Tenant Percent for Art Application: The initial application form that a tenant who is subject to the District's percent for art requirement submits to the Waterfront Arts & Activation department to begin the review process.

RESOLUTION NUMBER AND DATE: 2018-015, dated January 9, 2018 (Supersedes BPC Policy 608, Resolution 2016-130, dated September 8, 2016; Resolution 2016-77, dated May 10, 2016, Resolution 2015-29, dated April 14, 2015; Resolution 2011-160, dated November 8, 2011)

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## BPC Policy No. 609

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### **SUBJECT: PUBLIC ART PROGRAMS**

### **PURPOSE:**

To establish a policy for the inclusion of public artworks and objects within the San Diego Unified Port District's (District) jurisdiction and for the administration and operation of the District's public art programs and Arts, Culture & Design Committee.

The Board of Port Commissioners (Board) is committed to expanding opportunities for residents and visitors to the region to experience a vibrant waterfront destination with innovative artworks, cultural programming, and activation opportunities that enhance the visual excitement and cultural richness of Port tidelands.

The Waterfront Arts & Activation department was created and invested with the mission of supporting the District, its tenants, and its member cities by providing leadership, management of the public art programs, and stewardship of the District's Tidelands Collection as a regional cultural asset. Additionally, the Arts, Culture & Design Committee was established to serve in an advisory capacity to the Board and the Waterfront Arts & Activation department, promoting the District's vision of Port tidelands as a world-class arts and cultural destination.

### **POLICY STATEMENT:**

#### **1. Waterfront Arts & Activation Department**

The Waterfront Arts & Activation department administers the District's arts and cultural programming to enhance the visual excitement and cultural richness of Port tidelands.

#### **2. Duties and Functions – Waterfront Arts & Activation Department**

- a. Develop and administer arts and culture programming.
- b. Develop multi-year curatorial plans.
- c. Manage the Public Art Fund.
- d. Administer the District's Percent for Art Program.

- e. Administer the Tenant Percent for Art Program in accordance with BPC Policy No. 608.
- f. Manage the acquisition of all artwork within the District's jurisdiction.
- g. Serve as steward of the Tidelands Collection.
- h. Administer the Donations and Loan Program.
- i. Facilitate the activities of the Arts, Culture & Design Committee.

### **3. Arts, Culture & Design Committee**

The Arts, Culture & Design Committee serves as the advisory body to the Board and the Waterfront Arts & Activation department on matters related to arts and culture within the District's jurisdiction. The committee assists in upholding the District's vision of tidelands as a world-class arts and cultural destination and supports the development of arts and cultural programs within the District's jurisdiction.

The Arts, Culture & Design Committee shall assist the Waterfront Arts & Activation department with the following duties and functions:

- a. Developing, reviewing, and recommending curatorial plans.
- b. Reviewing District art-related policies.
- c. Reviewing and recommending artwork to be commissioned, purchased, or exhibited within the District's jurisdiction.
- d. Reviewing Tenant Percent for Art projects, in accordance with BPC Policy No. 608.
- e. Reviewing proposed donations and loans of artworks and objects.
- f. Reviewing the deaccession of artwork and objects from the Tidelands Collection.

### **4. Arts, Culture & Design Committee Membership**



The Arts, Culture & Design Committee shall consist of thirteen members who serve without compensation. The Chair of the Board shall approve all recommendations to the Arts, Culture & Design Committee, subject to the following conditions: 1) Seven members shall be recommended by the Director of Waterfront Arts & Activation; 2) Five members, one from each of the five member cities, shall be recommended by their respective city mayors; and 3) One member shall be recommended by the San Diego Port Tenant's Association. The Director of Waterfront Arts & Activation shall submit a list of candidates to the Chair of the Board for appointment or reappointment to the Arts, Culture & Design Committee.

**5. Qualifications of Arts, Culture & Design Committee Members**

Members shall have substantive professional or volunteer experience in the visual arts, an interest in contributing to the development of the District's art activities, and the ability to volunteer time to serve on the Arts, Culture & Design Committee and on selection panels, as needed.

Individuals with substantive professional or volunteer experience, as intended herein, include those recognized by peers as curators, artists, art critics, art historians, art collections managers, art educators, art collectors, art fabricators, art preparators, and other persons with considerable visual arts experience, as well as architects and landscape architects, and others with substantive visual arts experience.

Membership of the Arts, Culture & Design Committee shall include individuals from diverse locales throughout the San Diego region.

Elected officials, agents, officers, and employees of the District and its member cities shall not be considered for appointment to the Arts, Culture & Design Committee, nor accept such a position while serving as a member of the Arts, Culture & Design Committee.

**6. Designation of Arts, Culture & Design Committee Chair**

The Director of Waterfront Arts & Activation shall recommend a member to serve as Committee Chair, subject to approval by the Chair of the Board. The Arts, Culture & Design Committee Chair shall serve a one-year term as chair and may be reappointed for additional one-year terms.

**7. Arts, Culture & Design Committee Members Terms**

Arts, Culture & Design Committee members may serve up to two, three-year terms. The expiration date of all terms shall be December 31. No member shall serve for more than six years on the Committee unless recommended for continued service, subject to approval by the Executive Chief Curator (President/CEO) and appointment by the Chair of the Board.

At the request of the Chair of the Board, a member may serve an extension of term until a successor is recommended and approved.

Should a seat on the Arts, Culture & Design Committee become vacant prior to the end of that member's scheduled term, the Director of Waterfront Arts & Activation shall forward any recommendations to fill the vacancy to the Chair of the Board for appointment.

**8. Arts, Culture & Design Committee Meetings and Reporting**

Meetings of the Arts, Culture & Design Committee shall be noticed and open to the public. Arts, Culture & Design Committee meetings shall be conducted according to applicable California state laws.

Summary reports of each Arts, Culture & Design Committee meeting shall be prepared by Waterfront Arts & Activation department staff and forwarded to the Board.

**9. Resignation and Removal of Arts, Culture & Design Committee Members**

Any Arts, Culture & Design Committee member may submit a written resignation to the Director of Waterfront Arts & Activation. The Director, Waterfront Arts & Activation, shall notify the Arts, Culture & Design Committee Chair and the Chair of the Board of any such resignation.

The Director of Waterfront Arts & Activation may recommend to the Chair of the Board that an individual Arts, Culture & Design Committee member be removed.

**10. Arts, Culture & Design Committee Quorum**

A quorum shall be a majority of the members of the Arts, Culture & Design Committee.

**11. Arts, Culture & Design Committee Conflicts of Interest**

To the extent required by law, the Committee will operate in compliance with the

Political Reform Act and Government Code section 1090 regarding conflicts of interest. Committee members with financial interests in matters coming before the Committee shall be required to disclose the interest and abstain from any participation as to the matter.

**12. Public Art Fund**

The Public Art Fund is a designated District fund that exists for the purpose of accumulating funds from various sources for use in the commissioning and acquisition of permanent and temporary artworks for exhibition within the District's jurisdiction. It contains funds received from past annual budget set-asides, and also serves as a depository for funds received from other sources, such as: tenant percent for art in-lieu contributions; aggregated District percent for art contributions from Capital Improvement Program projects; art sales and loans; sales of licensed artwork reproductions; public art-related grants and/or grant-matching funds; monetary bequests; and donations received from the public or other agencies for public artworks.

The Public Art Fund shall be used solely to meet costs directly associated with the commissioning and acquisition of permanent or temporary artworks within the District's jurisdiction. Balances in the Public Art Fund shall be carried over annually, and the interest that accrues thereon shall remain in the Public Art Fund.

**13. Inclusion of Artworks on District Tidelands**

The District acquires artworks for placement within its jurisdiction through the following programs:

- a. District Curatorial Program.
- b. District Percent for Art Program for Capital Improvement Program projects.
- c. Tenant Percent for Art Program in accordance with BPC Policy No. 608.
- d. Donations and Loans Program.

**14. District Percent for Art Program**

- a. **Percent for Art Allocation.** The percent for art allocation shall apply to Capital Improvement Program projects with a Board-approved budget of \$500,000 or more, except as exempted herein. When the Board approves

such a Capital Improvement Program project request, the total appropriation shall include an allocation of funds for artwork in an amount no less than one percent (1%) of the total proposed project budget presented to the Board. Such funds allocated for Capital Improvement Program-related artworks shall be held in the appropriate District fund.

b. **Applicability.** The percent for art allocation requirement shall apply to the construction and/or alteration of the following:

- (1) Buildings, structures, and other physical above-grade facilities for public access, accommodation, or use.
- (2) Parks, plazas, marinas, trails, and bikeways.

c. **Exemptions.** The following types of projects shall be exempt from the percent for art allocation requirement unless they are part of a larger applicable Capital Improvement Program project:

- (1) Transportation infrastructure, street paving or repaving, and surface or underground parking projects.
- (2) Mechanical, electrical, and plumbing system upgrades.
- (3) Landscape renovation, replanting, and irrigation projects.
- (4) Repair or replacement of existing playground equipment or play structures.
- (5) Repair, replacement, or upgrade of piers, wharfs, docks, boat launching ramps, and maritime cargo handling facilities.
- (6) Design studies, analyses, and planning documents.
- (7) Communications, lighting, and signage projects.
- (8) Structural or seismic upgrades.
- (9) Modifications to facilitate disabled access.
- (10) Dredging, sand replenishment, and erosion control projects.
- (11) Water, sewer, and drainage lines.

(12) Utilities.

(13) Demolition projects.

(14) Security, health, and public safety projects.

(15) Projects required to meet state and federal regulatory requirements.

- d. **Artwork-Related Expenses.** The Waterfront Arts & Activation department shall manage and administer all artwork agreements, and supervise and control the expenditure of percent for art allocations. Up to twenty percent (20%) of said allocations may be used for administration and project costs, including maintenance and conservation. Funds set aside pursuant to this section shall be deposited into the designated District public art maintenance fund.
- e. **Aggregation of Funds.** In the event that either the Capital Improvement Program percent for art allocation is insufficient to execute a significant artwork or the project site is unsuitable for the appropriate display of artwork, the Capital Improvement Program percent for art allocation may be used for the acquisition or exhibition of artworks in other tidelands locations, as recommended by the Director of Waterfront Arts & Activation and the Chief Engineer, and approved by the Board of Port Commissioners. Funds set aside pursuant to this section shall be deposited into the District Public Art Fund.

#### 15. **Planning and Acquisition Process**

The Waterfront Arts & Activation department shall be responsible for developing plans and strategies for the acquisition and exhibition of art and cultural programming within the District's jurisdiction, based on the District's vision of Port tidelands as a world-class arts and cultural destination. Such plans may include public art master plans and multi-year curatorial plans, as determined by the Director of Waterfront Arts & Activation. These plans shall be submitted to the Arts, Culture & Design Committee for input and recommendation to the Board. Additionally, the Waterfront Arts & Activation department shall be responsible for managing the artist recruitment, selection process, and related activities to select artists, artworks, and artwork concept proposals, including organizing selection panels as needed, based on the evaluation criteria herein.

#### 16. **Approval Process for Artworks and Art Agreements**

The Waterfront Arts & Activation department shall be responsible for managing the artist and artwork approval process for the acquisition and exhibition of artworks within the District's jurisdiction. The Arts, Culture & Design Committee shall review proposed artists and artworks based on the evaluation criteria outlined herein, and provide recommendations to the appropriate approval authority. The appropriate level of approval authority for agreements shall be equivalent to the approval authority authorized for District service agreements as specified in BPC Policy No. 110.

**17. Approval Process for Authorizing Amendments to Art Agreements**

In the course of any agreements for public art projects, authorization to negotiate and execute any amendments shall follow the approval authority as designated in BPC Policy No. 110.

**18. Management and Control of Artworks**

Any artworks proposed for contract, exhibit, or placement within the District's jurisdiction shall be submitted to the Waterfront Arts & Activation department for review and recommendation as required by the Director, Waterfront Arts & Activation, the Arts, Culture & Design Committee, and the Board, as set forth in this policy.

No existing artworks owned by or in the custody of the District shall be deaccessioned, removed, relocated, conserved, altered, exhibited, or disposed of in any way without the approval of the Director of Waterfront Arts & Activation following review and recommendation by the Arts, Culture & Design Committee and the Board, as set forth in this policy.

Collections Management shall be the responsibility of the Waterfront Arts & Activation department, under the direction of the Director of Waterfront Arts & Activation.

**19. Title to Artworks**

Title to all acquisitions accepted by the District shall be vested and held in the name of the District.

**20. Deaccession**

**a. General Provisions for the Deaccession of Artworks/Objects**

On occasion, it may be necessary to permanently remove artworks and/or objects from the Tidelands Collection. Deaccessioning should be applied only after careful evaluation of an artwork by the Waterfront Arts & Activation department, the Arts, Culture & Design Committee, and the Board to avoid the premature disposal of an artwork from the collection. The following general provisions should be used:

- (1) The District shall comply with state, federal, and international laws such as the Visual Artists Rights Act of 1990 (17 U.S.C. 106A and 113 [d]) or the California Art Preservation Act of 1979 (California Civil Code, Section 987) pertaining to the disposal of certain artworks. The District shall comply with legal agreements pertaining to deaccession and/or disposal of certain artworks.
- (2) The District shall observe any restrictions to deaccessioning applied to artworks/objects acquired through donation, unless deviation from those restrictions is authorized by the donor, the donor's official legal designee, or a court of competent jurisdiction. Reasonable efforts to comply with any non-binding restrictions will be made.

**b. Reasons for Deaccession**

The following reasons may be cause for deaccessioning artworks/objects from the Tidelands Collection:

- (1) Condition. The artwork/object has deteriorated beyond a reasonable means of conservation; has been damaged beyond reasonable repair or is actively deteriorating in a manner that negatively affects the artwork/object's site and/or other District property.
- (2) Maintenance. The artwork/object needs excessive maintenance or conservation, or the artwork/object repeatedly fails to operate properly.
- (3) Authenticity. The authenticity, level of aesthetic quality, and workmanship of the artwork/object, and/or the relationship of the artwork/object to the artist/designer's body of work, is determined to be false, insufficient, or insignificant.
- (4) Duplicative. The artwork/object is redundant or is a duplicate in a large holding of artworks/objects of that type or category, or by that artist/designer.

- (5) Legal and Ethical Considerations. The District's possession of the artwork/object violates state, federal, or international laws; the provenance of the artwork/object is unknown or unconfirmed; and/or the District does not have a clear legal title to the artwork/object.
- (6) Site. The artwork/object is located at a site undergoing changes in ownership, use, design, and/or environmental conditions which may affect the integrity of, or access to the artwork/object.
- (7) Significance. The artwork/object has little or no correlation to the District's vision for art on tidelands.
- (8) Safety. The security of the artwork/object cannot be sustained; and/or the artwork/object poses a public safety and/or public health risk.
- (9) Resources. The artwork/object requires a total amount of funds to exhibit, operate, store, maintain, and/or conserve in excess of its fair market value, or is an excessive financial burden to the District.

**c. Deaccession Process**

The Waterfront Arts & Activation department shall conduct deaccession evaluation through the following process:

- (1) Initiate a deaccession evaluation, which includes an independent professional appraisal of the fair market value of the artwork/object and a recommendation from the Director of Waterfront Arts & Activation on whether to deaccession the artwork/object from the Tidelands Collection, which would include the recommended method of disposal. The Director of Waterfront Arts & Activation may also request additional input from the artist, conservators, and other professionals to assist in the deaccession evaluation.
- (2) Submit the deaccession evaluation to the Arts, Culture & Design Committee for input and recommendation.
- (3) Review and submit the Arts, Culture & Design Committee's recommendation as follows:
  - (a) The Director of Waterfront Arts & Activation shall have the authority to approve the deaccession of artworks from the



Tidelands Collection with a fair market value up to \$75,000.

- (b) The Director of Waterfront Arts & Activation shall recommend approval of the deaccession of artworks from the Tidelands Collection to the Executive Director's (President/CEO) authorized designee with a fair market value greater than \$75,000 and up to \$125,000.
- (4) The Director of Waterfront Arts & Activation shall prepare a report for the Board, with the Arts, Culture & Design Committee's recommendation for approval of the deaccession of artworks/objects from the Tidelands Collection, and make a recommendation for approval of the deaccession of artworks with a fair market value greater than \$125,000.
- (5) Deposit any proceeds resulting from the deaccession of artworks/objects into the Public Art Fund.

**21. Outgoing Loans of Artworks /Objects from the Tidelands Collection**

The Director of Waterfront Arts & Activation is authorized to loan artworks/objects from the Tidelands Collection for use in exhibitions, research, and education.

In general, the District considers loaning artworks/objects to government entities, agencies, institutions, or organizations and only to private individuals, companies, and commercial galleries when doing so is likely to elevate the value and/or significance of the Tidelands Collection.

**22. External Requests to Exhibit Artworks/Objects on Tidelands**

**a. Review Procedure for External Requests**

The Waterfront Arts & Activation department administers the District's annual program to review external requests to exhibit artworks, objects, and other items on the tidelands. External requests may propose the following methods for exhibiting artworks and objects on tidelands: (1) temporary display of an artwork/object within the District's jurisdiction through the loan of said artwork/object to the District for the duration of an exhibit; or (2) a donation of an artwork/object, where the artwork's/object's legal ownership is transferred to the District.

- (1) The Waterfront Arts & Activation department shall oversee the submittal procedures for reviewing external requests to exhibit artworks/objects within the District's jurisdiction, convene review panels for additional input, and forward external requests to the Arts, Culture & Design Committee for review and recommendation based on the evaluation criteria herein.
- (2) For any external requests that the Director of Waterfront Arts & Activation and the Arts, Culture & Design Committee recommend the District pursue, sponsors shall be required to develop their requests into formal proposals. Acceptance of formal proposals shall be subject to further District review, as well as approval by the Director, Waterfront Arts & Activation, the Arts, Culture & Design Committee, and the Board.

**b. Social and Merit Issues Regarding Commemorative Artworks/Objects**

- (1) Requests to display artworks/objects, within the District's jurisdiction, that are intended to be commemorative in nature shall only be considered if they concern subject matter that is:
  - (a) Tangibly and directly associated with District tidelands and its member cities, or is of broad and undisputed importance to the San Diego Bay region.
  - (b) Generally accepted as having had an exemplary and positive impact on tidelands or the broader San Diego Bay region.
  - (c) Culturally or historically relevant to the tidelands or the broader San Diego Bay region.
- (2) Requests to display artworks/objects that commemorate or depict the following topics, shall not be considered for exhibit within the District's jurisdiction:
  - (a) Disasters or health-related topics.
  - (b) Subjects that are trademarked or commercially licensed.
  - (c) Subjects duplicative with respect to the existing Tidelands Collection.
  - (d) Political and/or social movements or issues.

- (3) Requests to display artworks/objects that commemorate individuals shall not be considered until the individual has been deceased for at least five years, except in instances where there is broad and undisputed community consensus for earlier commemoration.
- (4) Requests to display artworks/objects that commemorate ideas or events shall not be considered until ten years after the idea or event, except in instances where there is broad and undisputed community consensus for earlier commemoration.
- (5) Requests to display artworks/objects that commemorate the contributions of individuals or particular groups shall not be considered unless the contributions of such individuals or groups have had noteworthy and significant impact on the tidelands or the broader San Diego Bay region.

**c. General Acceptance Conditions for External Requests to Exhibit Artworks/Objects on Tidelands**

The District has no obligation to accept any sponsor proposal to exhibit artwork/objects on tidelands. The District has the right to determine, at its sole and absolute discretion, what artworks/objects will be accepted for exhibit by the District. The following conditions shall be met before the District will consider accepting a sponsor request to exhibit artwork/objects within the District's jurisdiction:

- (1) All expenses shall be the responsibility of the sponsor, except in extraordinary circumstances. These expenses may include, but are not limited to: design, fabrication, shipping, insuring, site preparation, installation, signage, and lighting.
- (2) For donations of artworks/objects, sponsors shall deposit funds equal to, or greater than, ten percent of the commission cost or the fair market value of the item(s) into the designated District public art maintenance fund for ongoing conservation and maintenance, before groundbreaking or installation.
- (3) The District prefers unrestricted donations of artworks/objects; however, restricted donations may be accepted, only if the District pre-approves the restrictions or limitations and these are expressly stated in the title conveyance documents.

- (4) Before sponsor proposals are accepted by the District, title conveyance documents, including any limitations or restrictions, and/or any loan or donation agreements between sponsor and the District regarding same, must be prepared by or approved by the District.
- (5) The District reserves the right to require sponsors to comply with state, federal, or international laws.

**23. Reproductions or Adaptations of Artwork/Objects**

Waterfront Arts & Activation department staff is authorized to negotiate with the copyright holder for each artwork/object that is in, or proposed for inclusion in the Tidelands Collection, or that is exhibited within the District's jurisdiction, for the purpose of acquiring a license to make, or cause to be made, reproductions or adaptations of an artwork/object. Reproductions or adaptations of an artwork/object are made according to the terms and conditions of the licensing agreements.

**24. Proceeds from the Sale, Loan, Reproduction or Adaptation of Artworks/Objects**

Funds realized from the sale or loan of artworks/objects from the Tidelands Collection, or proceeds from the licensing and sale of reproductions or adaptations thereof, less any payments owed, shall be deposited into the Public Art Fund.

**25. Administrative Procedures**

The Waterfront Arts & Activation department shall promulgate office administrative procedures and/or guidelines, as needed, consistent with this policy, to facilitate the implementation of its responsibilities under this policy.

**EVALUATION CRITERIA:**

**Criteria for Evaluating Artist Qualifications**

- (1) Meets the definition of artist. For the purpose of this policy, an artist is an individual generally recognized by critics and peers as a professional practitioner of the visual, performing, or language arts, based on his or her body of work,

educational background, experience, exhibition history, publication, and/or creation of artworks.

- (2) Demonstrates artistic excellence, innovation, and originality as represented in past work and supporting materials.
- (3) Demonstrates capacity for working in media and with concepts that are appropriate to the project goals and site, as applicable.
- (4) Demonstrates interest and capability in creating public artworks in collaboration with the District, the design team (if applicable), and other project partners and stakeholders.
- (5) Demonstrates experience in successfully completing artworks of similar scope, scale, budget, and complexity, or the ability to articulate how he or she would be able to bring the necessary artistic and technical skills to this project.
- (6) Demonstrates interest in, and understanding of the project.
- (7) Is available to perform the scope of the work in a timely and professional manner.
- (8) Broadens the diversity of artists exhibiting on tidelands.
- (9) If applicable, demonstrates ability to work as part of a cohesive team.
- (10) If applicable, demonstrates satisfactory past performance on agreements.

**Criteria for Evaluating Artwork Concept Proposals and Existing Artworks**

- (1) Responds to the District's vision for art on the tidelands.
- (2) Meets the definition of artwork. For the purpose of this policy, an artwork is an aesthetic creation resulting from the skill and creativity of artist(s). An artwork may be made of any materials or combination of materials and may be permanent, temporary, fixed, or portable. An artwork can be an integral part of a building or structure and can be integrated with the work of other design professionals. Artwork shall be defined in terms of the visual arts, as distinguished from performing or literary arts. However, artworks can include visual representations of performing and literary arts, or can incorporate performative, narrative, or time-based elements.

- (3) Demonstrates excellence in aesthetic quality, workmanship, innovation, and creativity.
- (4) Demonstrates appropriateness in scale and form, and will be fabricated with materials/media suitable for the site and artwork concept.
- (5) Meets the project's goals.
- (6) Demonstrates feasibility in terms of cost, timeline, safety, durability, operation, maintenance, conservation, security, and siting.
- (7) Demonstrates feasibility with respect to legal and/or ethical issues that may be related to possession or display of the artwork.
- (8) Broadens the diversity of artworks exhibited on tidelands.

**Criteria for Evaluating Object Concept Proposals and Existing Objects**

- (1) Demonstrates excellence in aesthetic quality, workmanship, innovation, and creativity.
- (2) Demonstrates appropriateness in scale and form, and will be fabricated with materials/media suitable for the site and project concept.
- (3) Meets the project's goals
- (4) Demonstrates feasibility in terms of cost, timeline, safety, durability, operation, maintenance, conservation, security, and siting.
- (5) Demonstrates feasibility with respect to legal and/or ethical issues that may be related to possession or display of the object.
- (6) Broadens the diversity of objects and visual experiences exhibited on tidelands.

**Criteria for Board Evaluation**

- (1) The District policy, as set forth herein and as administered by the Waterfront Arts & Activation department and advised by the Arts, Culture & Design Committee, has been followed properly.
- (2) Recommendations are consistent with relevant budgets.
- (3) Recommendations are consistent with curatorial plans, project plans, and

redevelopment plans.

## **GLOSSARY:**

For purposes of this policy, the following definitions shall apply:

**Budget:** The allocated budget for the design, fabrication, and installation of an artwork/object that is newly commissioned, or the budget for the purchase, shipping and installation of an existing artwork/object that is being purchased.

**Artist:** An individual generally recognized by critics and peers as a professional practitioner of the visual, performing, or language arts, based on his or her body of work, educational background, experience, exhibition history, publication, and/or creation of artworks.

**Arts, Culture & Design Committee:** An advisory body to the Board of Port Commissioners and the Waterfront Arts & Activation department on matters related to arts and culture within the District's jurisdiction. The committee assists in upholding the District's vision of tidelands as a world-class arts and cultural destination and supports the development of arts and cultural programs within the District's jurisdiction.

**Artwork:** An aesthetic creation resulting from the skill and creativity of an artist or artists. An artwork may be made of any materials or combination of materials and may be permanent, temporary, fixed, or portable. An artwork can be an integral part of a building or structure, and can be integrated with the work of other design professionals. For the purposes of the Waterfront Arts & Activation department artworks can include visual representations of performing and literary arts, or can incorporate performative, narrative, or time-based elements.

**Concept Proposal:** The initial design phase of an artwork/object project in which an artist/designer creates a design concept that is detailed enough to communicate the intended content, scale, location, artistic media, and relationship of components and materials of the proposed artwork/object. The documentation of the design concept can include a narrative description of the work, diagrams, and/or a maquette.

**Collections Management:** Activities that include, but are not limited to, the acquisition, incoming loan, outgoing loan, deaccession, disposal, relocation, removal, exhibition, operation, maintenance, conservation, documentation, storage, reproduction, and/or adaptation of artworks/objects.

Commemorative Artwork/Object: An artwork/object that commemorates an individual, idea, or event that has shaped or impacted the tidelands.

Creative Direction: A broadly described thematic area that the Waterfront Arts & Activation department will use to explore curatorial possibilities and define individual projects.

Curatorial Plan: A multi-year work plan that establishes priorities for the types of projects the Waterfront Arts & Activation department will be developing over a three-to-five-year period. The strategy describes the types of projects the Waterfront Arts & Activation department will work to develop, the kinds of artists it will recruit, any specific geographic areas it will focus on, and any partnerships it would like to establish.

Object: A 3-dimensional or 2-dimensional item, marker, or document that may be perceived by the senses and which has value or utility for public display on Tidelands or for other uses as a District asset.

Percent for Art Allocation: The percentage of the total proposed project budget in accordance with the requirements set forth herein, which is set aside for the administrative fees, art budget, and collections management associated with a public art project.

Public Art Fund: A designated District fund established in 1982 for the purpose of accumulating funds from various sources for the commissioning and acquisition of permanent or temporary public artworks for exhibition within the District's jurisdiction. Originally funded through an annual budget set-aside, the Public Art Fund serves as a depository for funds received from other sources, such as: tenant percent for art in-lieu contributions; aggregated District percent for art contributions from Capital improvement Program projects; art sales and loans, sales of licensed artwork reproductions; public art-related grants and/or grant-matching funds; and monetary bequests and donations received from the public or other agencies for public artworks.

Selection Panel: An ad-hoc panel that reviews artist materials and makes recommendations to the Arts, Culture & Design Committee and Director of Waterfront Arts & Activation regarding acquisitions and exhibitions of artworks within the District's jurisdiction.

Sponsor: An individual or entity that proposes the loan or donation of an artwork/objects for exhibit within the District's jurisdiction.



Tidelands Collection: Artworks/objects which are publicly owned, possessed, or controlled by the District and administered by the Waterfront Arts & Activation department.

RESOLUTION NUMBER AND DATE: 2018-014, dated January 9, 2018 (Supersedes BPC Policy No. 609, Resolution 2016-129, dated September 8, 2016; Resolution 2016-62, dated May 10, 2016; Resolution 2013-27, February. 12, 2013; Resolution 2011-160, dated November 8, 2011; Resolution 2008-89, dated June 10, 2008; Resolution 2003-125, dated July 7, 2003; Resolution 2002-94, dated April 23, 2002; Resolution 98-81, dated March 31, 1998; Resolution 96-236, dated September 24, 1996; Resolution 86-63, dated February 18, 1986; Resolution 86-234, dated August 5, 1986; Resolution 82-343, dated December 14, 1982)

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San Diego Unified Port District  
Document No. **58391**  
Filed **JAN 04 2012**  
Office of the District Clerk

## BPC Policy No. 611

### **SUBJECT: RECEIPT OF DONATIONS AND LOANS**

#### **PURPOSE:**

To establish a policy to be followed by the San Diego Unified Port District (District) in reviewing and accepting Donations as well as reviewing and lending or borrowing property.

Donations can be useful ways of developing the District's Public Places and serving the community, if the Donations are in keeping with the District's overall goals and priorities, if they are placed or used in appropriate Public Places and integrated appropriately with their sites, and with proper advance planning. Procedures and evaluation criteria which guide the review of such Donations ensure that the District possess suitable plans and adequate resources, if required, for administering such Donations.

In addition to Donations, there are occasions when the District is requested to lend property. Likewise, on occasion, the District may wish to borrow property.

#### **POLICY STATEMENT:**

##### **1. DONATIONS**

###### **a. Offers of Donations**

- (1) Donations are solely offers until accepted by the District.
- (2) Donations may only be accepted by the District representatives authorized in this policy.
- (3) All Donations shall be evaluated to determine whether the Donation is consistent with the District's goals and priorities.
- (4) All offers of Donations of artworks and commemorative artworks as defined in Board Policy 609 shall be processed in compliance with the donations of artworks section outlined in Board Policy 609.

###### **b. Acceptance Conditions**

The following conditions shall be met for the District to consider accepting

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proposed Donations:

- (1) All expenses for proposed Donations shall be the responsibility of the Donors, except in extraordinary circumstances.
- (2) Proposed Donations of Memorials shall be presented by a Civic Donor.

c. **Review Process for Donations**

The process for proposing and reviewing offers of Donations to the District shall include the following steps:

- (1) **Preliminary Inquiry.** Potential Donors shall begin the process by contacting the External Relations Division about the requirements as set forth herein and to request guidelines for submitting information about the proposed Donation.
- (2) **Written Proposals.** Potential Donors shall submit to External Relations Division offers of Donations in writing, accompanied by information about the proposed Donation.
- (3) **Preliminary Review.** The External Relations Division shall conduct preliminary reviews of written information for proposed Donations satisfactory to the External Relations Division, that they include adequate information to evaluate the proposed Donation.

- d. **Technical Review.** For proposed Donations that pass the preliminary review as outlined in section 1c, External Relations Division shall organize an interdepartmental technical review conducted by District staff. The members of the technical review shall evaluate the proposed Donation utilizing the criteria for technical review outlined in section 1g(1), and, when applicable, the criteria for review of social and merit for Memorials outlined in section 1g(2).

If the Donation requires expenditures not included in the approved District budget, approval of the Donation shall be contingent on the District first certifying the availability of funds for such expenditures.

- e. **Staff Approval or Rejection.** After technical review, written Donation proposals shall be either:

- (1) Returned to the Donor for additional development and documentation;

- (2) Forwarded to the higher level District staff or the Board of Port Commissioners (Board) as set forth in section 1f; or
  - (3) Rejected.
- f. **Final Approval.** Once proposed Donations are reviewed and a recommendation is determined, the External Relations Division will submit the matter for consideration to either the higher level District staff or the Board depending on the fair market value of the Donation as follows:
- (1) For proposed Donations with a fair market value of up to \$125,000 that the members of the technical review recommend to accept, the External Relations Division shall have the authority to accept the Donations.
  - (2) When Donations are approved and accepted by District staff as outlined in section 1f(1), the External Relations Division shall prepare a Board memo to inform the Board of the acceptance.
  - (3) For proposed Donations with a fair market value of more than \$125,000 that the members of the technical review recommend to accept, the External Relations Division shall prepare and submit a report, including the technical review members' recommendation and External Relations Division staff's recommendation to the Board for review. The Board's role shall be to ensure that the review process was followed utilizing the criteria for the Board outlined in section 1g(3).

g. **Evaluation Criteria for Reviewing Donations**

The evaluation criteria for reviewing Donations shall, when applicable, include:

(1) **Criteria for Technical Review**

- (a) Significantly affects or changes any aspect of District operations and/or Public Places.
- (b) Necessitates the District to make expenditure, which has not been included in the approved District budget.
- (c) Requires ongoing maintenance which has not been included in the approved District budget.

Additional criteria for technical review may be developed as necessary by District staff.

**(2) Criteria for Review of Social and Merit Issues for Memorials**

- (a) Proposed Donations for commemorating individuals should not be considered until at least ten years after the death of the individual. Proposed Donations of Memorials for commemorating ideas or events will not be considered until at least twenty years after the occurrence of the event. Where an overwhelming and undisputed community consensus exists, proposals may be considered before these periods have passed.
- (b) Proposed Donations that commemorate specific disasters (whether natural or man-made), health-related themes, or organizations in general should not normally be considered, unless it can be demonstrated that they are unique to the tidelands and that their long-term impact has uniquely shaped the history of the tidelands or its member cities.
- (c) Proposed Donations that are commemorative in nature must concern subjects that have been tangibly and directly associated with the tidelands or the member cities of the District. The strongest consideration will be given to proposals with a direct relation to the tidelands, as opposed to the member cities in general. In the case of contributions of an individual or a particular group of people, for example, strongest consideration will be given to those who have had an impact on the history of the tidelands, which goes beyond the impact they may have had on a particular community, or the world at large.
- (d) Proposed Donations that are commemorative in nature must have cultural significance to the general public, not one interest group. The subject will be commemorated only if it is generally accepted as having had an exemplary and a positive influence on the tidelands, or on the life of residents of member cities of the District.
- (e) Proposed Donations that are commemorative in nature must not duplicate the themes or subject matter of an existing Memorial, commemorative artwork and/or commemorative site in the tidelands or its member cities.

- (f) In no instance should proposed Donations that are commemorative in nature depict subjects that are trademarked or commercially licensed.

**(3) Criteria for Board Review**

- (a) The District's policy, as set forth herein, and as administered by the External Relations Division have been followed properly.
- (b) Recommendations are consistent with relevant budgets and/or redevelopment plans.

**h. No Obligation to Accept Proposed Donations**

Within thirty business days following the District's decision to accept or reject the proposed Donation, designated District staff shall give notice of the District's decision to the Donor. The District has no obligation to accept, any property proposed for Donation to the District. The District has the right to determine, in its sole and absolute discretion, what property offered to it will be accepted by the District.

**i. Records of Donations**

The District will be responsible for maintaining detailed Donation records.

**j. Transfer of Donation**

**(1) Acceptance**

All Donations shall become District property upon formal acceptance by the District.

**(2) Condition of Title**

The District prefers Unrestricted Donations. Restricted Donations may, however, be accepted if the District pre-approves the restrictions or limitations and such are expressly stated in the title conveyance documents which must be approved or prepared by the District.

**k. Legal Documents**

Before Donations are accepted by the District, title conveyance documents, including any limitations or restrictions and/or any agreements between Donor and the District regarding same, must be prepared by or approved by the District's Legal Department.

**l. Appraisals**

The District will not provide or assume responsibility for appraisals for tax-deduction or other external purposes.

**m. Compliance with Laws**

The District reserves the right to require a Donor to comply with state, federal, or international laws.

**2. LOANS**

**a. Outgoing Loans**

- (1) The Executive Director's authorized designee is authorized to loan District property. In general, the District lends property to government entities, agencies, institutions, or organizations and only to private individuals and companies when to do so is likely to support the District's mission.
- (2) Outgoing loans of artwork and commemorative artwork as defined in Board Policy 609 shall be processed in compliance with the outgoing loans section outlined in Board Policy 609.

**b. Incoming Loans**

- (1) All incoming loans with the exception of artwork shall follow the process for Donations set forth in section 1a-1i and 1l-1m using the criteria given in section 1g herein. The term "incoming loan" shall replace the term "donation" and the term "lender" shall replace the term "donor."
- (2) Incoming loans of artwork and commemorative artwork as defined in Board Policy 609 shall be processed in compliance with the incoming loans section outlined in Board Policy 609.



### **3. Administrative Procedures**

The External Relations Division shall promulgate office administrative procedures and/or guidelines as needed consistent with this policy to facilitate the implementation of its responsibilities under this policy.

#### **DEFINITIONS:**

For purposes of this policy, the following definitions shall apply:

**Civic Donor:** A Donor that is an incorporated, non-profit organization, organized at least five years before submitting written information and/or application for a proposed Donation to the District, or a municipal government or other public agency.

**Donation:** A charitable contribution to the District, during lifetime or testamentary transfer, whether whole or fractional interest, including, but not limited to, cash and cash equivalents, personal tangible property, intellectual property, and/or artworks which would serve a useful purpose in the fulfillment of District's goals and priorities.

**Memorial:** A monument, plaque, fountain, basic park accessories such as landscaping, plazas, site furnishings, or otherwise, erected to commemorate an individual, idea or event that has shaped or impacted the tidelands. Memorials specified or designed by an artist are considered commemorative artworks.

**Donor:** An individual or entity that proposes a Donation to the District.

**Public Places:** The tidelands and submerged lands granted to the District pursuant to the Port Act and any other lands conveyed to the District by any City or the County of San Diego or acquired by the District, or any area, land water, building or otherwise, where the District manages its land management authority or powers.

**Restricted Donation:** A Donation to the District with limitations placed on its use. Restrictions must be formally outlined in writing and are distinct from informal recommendations or expressions of preference.

**Unrestricted Donation:** A Donation to the District without any limitation placed on its use.

**RESOLUTION NUMBER AND DATE:** 2011-160, dated November 8, 2011 (Supersedes BPC Policy 611, Resolution 2008-182, dated September 2, 2008; and Resolution 2000-27, dated January 25, 2000)

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San Diego Unified Port District

Document No. 60008

Filed MAR 21 2013  
Office of the District Clerk

## BPC Policy No. 730

**SUBJECT:** PORT ENVIRONMENTAL ADVISORY COMMITTEE POLICY

**PURPOSE:** To review and provide input and recommendations on all Port environmental programs and initiatives, and comment on funding projects aimed at improving the condition of the Bay and surrounding Port tidelands, and provide a Tenant Environmental Compliance Loan Program.

**POLICY STATEMENT:**

The Board of Port Commissioners (Board) is committed to protecting and improving the environmental conditions of San Diego Bay and Port tidelands (Bay). To that end, an Environmental Services Department (ESD) and Environmental Advisory Committee (EAC) were created and invested with the responsibility of ensuring the Port's compliance with environmental laws and regulations, as well as advising the Board on actions that can be taken to improve the condition of the Bay.

San Diego Bay is often referred to as the "Crown Jewel" of San Diego. Beneath its beautiful surface, the Bay serves a number of important ecological roles, serving as a spawning ground for many local fish species, acting as a key stopping point for a variety of bird species traveling along the Pacific Fly Way, and providing the discharge point for numerous creeks and rivers within the San Diego Bay watershed.

The Bay also has played an essential role in supporting the growth of the region's population and economy. In the past, fulfilling this role often has resulted in negative impacts on the Bay. For years, raw sewage and industrial wastes were discharged, untreated, into the waters of the Bay. Modern environmental laws, coupled with the corporate commitments of Port industry, have significantly reduced some industrial sources of Bay pollution. Unfortunately, discharges continue in the form of urban runoff from businesses and homes throughout San Diego Bay's extensive watershed.

The development of the Bay with hotels, roads and businesses has significantly altered the natural condition of the Bay. During the last 100 years, natural shoreline has been removed and replaced with artificial hard structures, a type of substrate not native to the Bay and of limited value to native wildlife. As a result, there has been a 70% loss of salt marsh, 84% loss of intertidal areas other than salt marsh, and a 42% loss of shallow subtidal zone habitats.

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## BPC Policy No. 730

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Improving the condition of the Bay cannot be accomplished solely through regulatory compliance. The restoration of the Bay to a more pristine condition requires efforts that are beyond mere regulatory compliance. This will require the concerted, coordinated efforts of all the stakeholders of the Bay - academia, environmental groups, government, Port tenants, and regulatory and resource agencies. The Board has created the Environmental Advisory Committee (Committee) to function as a forum to provide the Board with input and recommendations for accomplishing the Port's strategic goal to "protect and improve the environmental conditions of San Diego Bay and the Tidelands."

This Committee Policy details the organization, structure and functioning of the Committee and management of the Environmental Fund.

### **ANALYSIS:**

1. The Bay is the "Crown Jewel" of the San Diego region and a focal point in media descriptions of the San Diego region.
2. The Bay is an ecosystem which plays an important role in the broader, regional ecosystem, as illustrated by the U.S. Fish and Wildlife Service's designation of south San Diego Bay as a National Wildlife refuge. The Bay is home to 89 species of fish, seven endangered species and thousands of birds visiting San Diego during their annual migration along the Pacific Fly Way.
3. The Bay is an important economic resource for the region, supporting the U.S. Navy's Pacific Fleet, two marine terminals, three shipyards, other maritime industries, and 8,000 recreational boat slips, as well as a wide range of hotels, restaurants and convention facilities to support the tourism industry.
4. The Bay is the discharge point of urban runoff from throughout the San Diego Bay watershed, an area of 415 square miles and where 50% of the county's population lives or works.
5. The ecological and economic roles or "uses" of the Bay have not always been compatible. As a result, the Bay's sediments, home to organisms at the base of the food chain, contain "legacy" pollutants and historic habitat along the shoreline has been replaced by artificial concrete structures, including

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seawalls, which are inefficient as habitat.

6. The Port of San Diego has accepted the role of "environmental steward" of the Bay, responsible for the protection and enhancement of 2,508 acres of tideland and 2,860 acres of water in the Bay.
7. The ESD and EAC were created to ensure that the Port is in compliance with environmental laws and regulations. ESD programs include but are not limited to: Green Port; Urban Runoff; Redevelopment; and Natural Resources. The ESD staffs the Committee and manages the Environmental Fund, awarding grants to environmental programs and projects.
8. The Port's environmental efforts are a regional investment, benefiting the entire county by supporting assets such as hotels and shipyards, which provide jobs and support businesses throughout the region. The Port also incurs significant costs associated with the impacts of pollution from the region entering the Bay via urban runoff.

### **ENVIRONMENTAL ADVISORY COMMITTEE:**

The Committee operates according to the guidelines for all Board advisory committees, as established in BPC Policy No. 018 (2008-273, 2 December 2008) and articulated in the Charter prepared specifically for the Committee. The purpose of this, and all other Port advisory committees, is to advise the Board. The Committee is advisory in nature and has no authority to negotiate for, represent, or commit the Port in any respect.

The membership of all committees is the prerogative of the Chair of the Board. In January of each calendar year, the incoming Chair establishes the slate of committees for that year and appoints the members of each. The Committee shall be composed of no more than two (2) members of the Board, and representatives of stakeholder groups including, but not limited to: Port tenants; environmental advocacy groups; the U.S. Navy; regulatory agencies; resource agencies; member cities; academia; local business; and labor. Committee membership shall not exceed eighteen members (stakeholders and two commissioners). Commissioners shall not offer a motion or vote on any matter coming before the Committee. This diverse membership will allow the Committee to achieve the Board's goal of receiving input from a broad and balanced cross section of the community. Committee meetings are intended to encourage input from stakeholders

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and interaction with Port staff and Board members.

### TERMS:

Committee membership is the prerogative of the Chair of the Board. It is the intent of the Board to control the terms of an individual's or organization's participation in order to: (1) provide an opportunity for as many qualified and willing individuals as possible to serve their community; (2) promote equal opportunity for membership; (3) most precisely match membership's expertise to the program's needs.

Should a Committee vacancy occur prior to the end of a member's term, the Chair may choose to appoint a replacement for the unexpired portion of that term and notify the Board of such action. There will be no alternate Committee members. Committee members shall receive no compensation for their services.

### CONFLICTS OF INTEREST:

To the extent required by law, the Committee will operate in compliance with the Political Reform Act and Government Code section 1090 regarding conflicts of interest. Committee members with financial interests in matters coming before the Committee shall be required to disclose the interest and abstain from any participation as to the matter. Members and their organizations seeking funding from the Committee will not be able to participate in the matter and may be subject to disqualifying requirements of Government Code section 1090.

Although Port District staff cannot provide legal advice to Committee members regarding potential conflicts of interest, staff will be available to provide members with information to assist members in making appropriate determinations.

### FUNDING MECHANISMS:

Environmental regulatory programs are focused largely on preventing contamination of the air, water and land or on maintaining habitat for birds, fish and wildlife. Efforts to restore areas to historic conditions are more problematic, whether it be by the remediation of areas with legacy contamination or the recovery of lost wetlands. Although regulatory programs exist to effect these changes, in almost all cases their implementation is exceedingly slow and drawn out, often by technical and legal challenges and, thus, the success of such programs often is less than optimal.

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The Board has developed a program to assist in funding environmental projects.

### 1. ENVIRONMENTAL FUND

**Purpose:** The purpose of the Environmental Fund (Fund) is to fund projects that address air, water and sediment quality, sustainability, natural resources management, habitat creation or protection, reclaiming natural shoreline conditions, and/or other issues in the Bay and/or the tidelands.

**Project Selection:** Projects will be identified and reviewed by staff of the ESD. Projects to be considered will be ranked on a Project List (List), which will be revised and/or updated as new potential projects are identified or other projects are removed. In evaluating a project for inclusion on the List, staff will determine if it meets the objectives identified by the Committee.

In selecting projects, staff will address questions such as, but not limited to:

- Will the project create new habitat for fish or birds?
- Will the project restore historic habitat that has been lost through development or other means?
- Will the project remediate, or hasten the move towards remediation, of a contaminated area of the Bay?
- Will the project enhance the public's enjoyment of the Bay without impacting the environment?
- Will the project improve air quality in the region?
- Will the project reduce energy and/or water use?
- Will the project improve environmental decision-making?
- Will the project prevent contamination of the Bay?
- Will the project resolve a regulatory impasse which has prevented, or significantly slowed, the restoration of the Bay?
- Is the project located within the Bay, or is it of direct benefit to the Bay and the surrounding region?

**Project Approval:** In order for a project to receive funding, whether partial, in-kind, or complete, the project must be approved by the Board. Neither staff nor the Committee has the authority to act on behalf of the Board. The Board is the ultimate and final decision maker on all matters related to the expenditure of

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funds.

**Funding:** Each year, the Board shall set aside  $\frac{1}{2}$  of 1% of the Port District's projected gross revenues for that year. For the purpose of this calculation, gross revenue shall not include anticipated grants from any source or any other restricted revenue source. Such money set aside shall be expended for specific environmental projects or allocated to a fund set aside within the Port District Revenue Fund for environmental projects within the Port District.

The Port Act allows the maintenance of a single, general fund (Port Act, Section 10) and does not allow the creation and maintenance of multiple funds. The Board can choose to set aside money for an Environmental Fund within the Port District Revenue Fund. Money so set aside may be accumulated for more than one year, but its use, from year-to-year, will be subject to the discretion of the Board.

Staff will recommend projects to the Committee, which will provide comments. Staff will then make a recommendation to the Board to approve funding for projects.

1. Seek funding from sources other than the Fund, and/or
2. Seek matching funds from other sources.

### 2. TENANT ENVIRONMENTAL COMPLIANCE LOAN PROGRAM

**Purpose:** The goal of the Environmental Loan Program is to achieve environmental compliance and produce an overall environmental benefit to the Bay.

**Background:** The Port Tenants' Environmental Compliance Loan Program (Loan Program) was created by the Board in 2001 (Docket No. 43239, December 21, 2004, approved by resolution 2001-66, dated April 3, 2001, and amended by resolution 2001-273, dated December 11, 2001). The Loan Program provides a low-cost source of funds to Port tenants to support environmental remediation or tenant environmental enhancement. The Port makes available to its tenants low interest loans for projects that will improve the environmental conditions of the Bay. Tenants may qualify for a maximum amount of \$100,000 at a low fixed interest rate, payable over 5 years.

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## BPC Policy No. 771

**SUBJECT:** SAN DIEGO UNIFIED PORT DISTRICT TIDELANDS ACTIVATION PROGRAM

**PURPOSE:** To provide criteria and a process to consider and grant sponsorships in support of events and activities promoting the mission of the San Diego Unified Port District.

### POLICY STATEMENT:

#### Purpose

1. Pursuant to the San Diego Unified Port District (District) Act (*Harbors & Navigation Code* Appendix 1), the District is responsible for promoting commerce, navigation, recreation and fisheries on District Tidelands. The District's mission includes providing regional and community benefits through a balanced approach to maritime industry, tourism, recreation, environmental stewardship and public safety.
2. Pursuant to the District Port Master Plan, the District strives to provide: a) for the optimal present use and enjoyment of the bay and tidelands in such a way as to maintain options and opportunities that optimize future use and enjoyment; b) as trustee for the people of the State of California, administration of the tidelands so as to provide the greatest economic, social, and aesthetic benefits to present and future generations; and c) sensitivity to the needs, and cooperation with adjacent communities and other appropriate governmental agencies in bay and tideland development.
3. To support and carry out its mission, the District sponsors regional and community events and activities conducted by a variety of civic, non-profit, business and government organizations under the Tidelands Activation Program.

#### Sponsorship Types

1. District sponsorships under the Tidelands Activation Program are of two types:
  - a. Community Event Sponsorships. The District provides funding and/or services for events that promote one or more of the District's mission areas, with an emphasis on attracting the public to District Tidelands to

recreate; and on educating the public regarding the District and its mission.

- b. Signature Event Sponsorships. The District provides funding and/or District services to major public events that give title sponsorship or similarly valuable consideration to the District, attract large numbers of people to the Tidelands and generate significant, documented levels of positive financial impact, marketing value and/or promotional return to the District.

2. District services include but are not limited to the waiving of all or portions of fees for the use of District parks and facilities including parking spaces and the District's performance stage; the cost of providing District personnel to prepare, coordinate, conduct, and evaluate an event, as well as assist in regulatory compliance and obtaining necessary entitlements as required by applicable law; providing District equipment for an event, and other agreed-upon services at a set amount based upon the cost of the District services provided or negotiated not-to-exceed amounts. All waivers of District charges for parking spaces shall be in accordance with the appropriate internal District administrative procedures and guidelines.

### **Budget**

The District's Waterfront Arts & Activation Department is responsible for budgeting all District sponsorships under the Tidelands Activation Program. Separate budget line items may be established for the aggregate of Community Event Sponsorships the aggregate of Signature Event Sponsorships, and/or for individual Signature Event Sponsorships.

### **Procedures & Criteria - General**

All requests for sponsorship from the District shall be submitted to the District's Director of Waterfront Arts & Activation. The following sets out general procedures and criteria for the submitting, review and approval of sponsorships.

### **Procedures & Criteria – Community Event and Signature Event Sponsorships**

1. Community Event and Signature Event Sponsorship applications shall be submitted in accordance with an annual timeline and application guidelines implemented by the Director of Waterfront Arts & Activation.
2. To be eligible for a sponsorship, a Community Event or Signature Event should occur on District Tidelands. For moving events with no single fixed location such as runs, walks and bike rides, at least a portion of the event must occur on District Tidelands and that portion occurring on District Tidelands must include a majority of the participants in the event (e.g. the beginning or finish line of a race). If a proposed event will not occur on District Tidelands, the applicant must show how the proposed event meets the criteria set forth in Sections 3a. through 3e. or 4a. through 4e. below.
3. Community Event Sponsorship applications will be evaluated using the following criteria.
  - a. Number of people the event will attract to District Tidelands considering the area utilized, the nature of the event and the affected community;
  - b. Ability of the event to address one or more of these activation, community engagement and education areas:
    - i. Attract diverse visitors and demographics to District Tidelands;
    - ii. Foster relationships between the District and its stakeholders in the region and community;
    - iii. Provide a desirable attraction that is rare or unique to District Tidelands, parks or facilities;
    - iv. Provide the District with opportunities to educate the public and its stakeholders, promote one or more of its mission areas, attract attention to future economic activities and opportunities on the District Tidelands, and activate its parks, the waterfront and San Diego Bay through community engagement and/or media coverage;
    - v. Become self-sustaining through broad support and sustainable funding.
  - c. Ability and methods used to measure the event's attendance and support;
  - d. Percentage of the event's budget that is being requested from the District including both District funding and services;
  - e. Projected impacts of the event, positive and negative, on District tenant businesses and the surrounding community, including displacement of parking, traffic and pedestrian circulation; noise and concessions that compete with local businesses.

4. Signature Event Sponsorship applications will be evaluated using the following criteria:

- a. Number of people the event will attract to District Tidelands considering the area utilized, the nature of the event and the affected community;
- b. Documented past and expected future economic impact and financial return to the District. For Signature Events Sponsorships, the District in its sole discretion may conduct an audit and/or require at the applicant's sole cost and expense a post-event economic impact analysis using a scope and methodology approved by the District as a condition of receiving funding and/or District services;
- c. Expected promotional and/or marketing value of the event for the District through attendee participation, event promotion and media coverage;
- d. Ability of the event to:
  - i. Attract diverse visitors and demographics to District Tidelands;
  - ii. Foster relationships between the District and its stakeholders in the region and community;
  - iii. Become self-sustaining;
  - iv. Grow in numbers.
- e. Percentage of the event's budget that is being requested from the District including both District funding and services.

5. Community Event and Signature Event Sponsorship applications will be reviewed and evaluated using the following process:

- a. District staff will review each application and prepare preliminary recommendations for funding and/or District services. In conducting its reviews of sponsorship applications, staff will consult with the applicant and any potentially impacted parties including government or resource agencies, community organizations and District tenants to identify and determine the nature and extent of any impacts of the proposed event or activity.
- b. A BPC-appointed Tidelands Activation Program Advisory Committee will review District staff recommendations and make its recommendations for funding and/or District services for each application.
- c. District staff will finalize its recommendations for Board of Port Commissioners (BPC) consideration.

6. Unbudgeted or out-of-cycle requests for Community Event or Signature Event sponsorships will be assessed by the Director of Waterfront Arts & Activation and considered on a case-by-case basis. To be considered for sponsorship funding or services, the requestor must provide a compelling reason(s) for submitting the sponsorship request out-of-cycle.
7. Following approval of a sponsorship by the BPC, the District and the sponsorship recipient will enter into an agreement that sets out the obligations of both parties as they relate to the District's sponsorship of the event or activity. Except as addressed below, the District will execute single-year agreements with the recipients of sponsorships.
8. Beginning with the Fiscal Year 2018-2019 TAP, and will offer to the recipients of Signature Event Sponsorships the option of negotiating multi-year agreements for terms of up to three years. District staff reserves the right to not recommend such an agreement for a Signature Event, but shall put forth the reasons to the sponsorship recipient and the BPC. In developing its recommendation, District staff will consider the event's history with respect to its economic, financial and/or promotional impact as a District-sponsored or previously non-sponsored event. District funding and/or services for the second and third years of a multi-year agreement are contingent on the fulfillment of the sponsorship recipient's obligations to the District in the previous year, as well as the approval of the budget for the event by the BPC in each year. The recipients of multi-year agreements will be required to provide reports of the results of their events as determined by the District but will not be required to reapply to TAP for years two and three, potentially reducing administrative costs to District and event sponsor and providing other potential benefits.

#### **Tidelands Activation Program Advisory Committee**

1. A Tidelands Activation Program Advisory Committee (Committee) will be appointed annually to review District staff recommendations and make its recommendations for funding and/or District services for each application.
2. The Committee will consist of a non-voting Chairperson, a non-voting Alternate Chairperson, a minimum of seven at-large voting members, and six non-voting advisory members representing the San Diego Port Tenants Association and each of the five District member cities.



3. The Committee Chairperson, Alternate Chairperson and at-large voting members shall be appointed by the Chair of the Board of Port Commissioners during the calendar year in which the Committee will review sponsorship applications. The Committee Chairperson and Alternate Chairperson positions may be filled by Port Commissioners.
4. The San Diego Port Tenants Association (SDPTA) representative to the Committee shall be designated by the Executive Director of the SDPTA or his or her designee.
5. The individual District member city representatives to the Committee shall be appointed as agreed upon between the District and appropriate individual city administrative staff.
6. A quorum will consist of the Committee Chairperson or Alternate Chairperson and a majority of the at-large members.

RESOLUTION NUMBER AND DATE: 2018-024, dated January 9, 2018 (Supersedes BPC Policy No. 771, Resolution 2016-09, dated January 12, 2016; Resolution 2014-106, dated May 6, 2014)



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## BPC Policy No. 773

### **SUBJECT: MARITIME INDUSTRIAL IMPACT FUND (MIIF)**

**PURPOSE:** To establish a policy for the orderly selection of projects to offset the adverse impacts to areas as a result of the presence of maritime industry and terminals through a Maritime Industrial Impact Fund (MIIF).

### **PREAMBLE:**

The San Diego Unified Port District (District) seeks to provide a predictable and systematic way to select projects that mitigate disproportionate adverse impacts and constraints to certain communities as a result of the presence of District's maritime industry and terminals. The selection of the projects shall be conducted in a transparent, efficient and cost-effective manner.

On July 6, 2010, the District established the Maritime Industrial Impact Fund (MIIF), formerly Maritime Terminal Impact Fund. The MIIF was established in recognition that certain communities may be subject to disproportionate adverse impacts and constraints as a result of the presence of maritime industry and terminals, which at the same time enable a significant benefit to the District, or region, as a whole. The MIIF is used to fund projects to mitigate Off-Tidelands impacts from District's maritime terminals and maritime industry. MIIF projects must be located off Tidelands.

This policy sets forth the process and requirements for the District's consideration and possible approval of MIIF projects. This policy also establishes the framework to create administrative procedures, which will include more detailed direction for evaluating and processing MIIF applications and projects. The administrative procedures will be published and maintained by the Executive Director. The administrative procedures shall comply with the provisions of this policy, and all applicable regulations and laws.

### **Definition of Off-Tidelands Impacts**

For purposes of this policy, "Off-Tidelands impacts" are defined as impacts to communities adjacent to, directly associated with, or resulting from the District's maritime industry and terminals, which are of a unique, adverse or exclusionary nature.

Off-Tideland impacts are recognized when a direct relationship or nexus between the District's On-Tidelands maritime industrial operations result in adverse impacts that can be reasonably established as specified under the Port District Act. Examples of such impacts can include, but are not limited to, diminished air quality; visual impacts; heavy movement of vehicles or equipment through adjacent commercial or residential areas; or disproportionate degradation or use of public infrastructure such as roads, streets or

sidewalks, all of which may occur within and disproportionately impact the communities in proximity to the District's marine terminals and maritime industry.

In recognition of the fact that these communities are also subject to adverse impacts and constraints resulting from sources other than the District's maritime terminals and maritime industry, the District's contributions to mitigation efforts are limited to a reasonable portion of the overall mitigation costs. The portions shall be determined based on the portion of the impact associated with the cause.

The District is currently, and intends to remain, in compliance with all applicable regulatory requirements with respect to maritime terminal operations and adjacent impacts. The District considers this MIIF policy to be above and beyond compliance, to reflect best practices and sound land use planning principles, and to be in the public interest.

### **Process for Applying for MIIF Projects**

Member Cities and other public entities may propose projects to be considered for MIIF approval. The MIIF applications will be considered based on the criteria set forth in this policy. Therefore, applications for MIIF projects should present as much information and detail as available to the applicant. At a minimum, applications **must** include the following:

- A) A project description including a statement of need for the project, amount of MIIF funding requested, an overall budget for the project, and the amount and sources of non-MIIF funding, including documented in-kind services. If the overall project budget is greater than \$5M, applicant must describe how the project could be scaled and/or completed in phases, with corresponding budget amounts; and
- B) A description of the relationship or nexus between the District's maritime industrial operations and the Off-Tidelands impacts which the project seeks to mitigate; and
- C) A description of why the amount of requested MIIF funding is reasonable in light of the relationship or nexus between the District's On-Tidelands operations and the Off-Tidelands impacts which the project seeks to mitigate and other factors contributing to such adverse impacts. For certain types of projects, use of numeric calculations (e.g., traffic studies to compare marine industrial-related traffic to non-marine terminal traffic), should be included, while for other projects, conceptual comparisons are possible.

District staff will coordinate with applicants to clarify and supplement the application prior to Board consideration of the request for MIIF funding. However, it is the responsibility of the applicant to present as much information as available when completing the application.



To support the request for MIIF funding on qualified projects, applications **should** also include the following:

- 1) An analysis of any anticipated non-monetary public benefits of the project;
- 2) An explanation of how the project implements or facilitates the implementation of approved District plans;
- 3) An analysis of the project's potential economic benefit. Examples could be, but are not limited to job creation due to the project (direct, indirect or induced) or reduction in expenditures from operational changes; and
- 4) Any other relevant information supporting the funding of the project.

Once an application is received, District staff will review the application, work with an applicant to clarify and supplement the application, and present the application to the Board along with its recommendation regarding the MIIF request. If District staff recommends denial of a request, the applicant may request the MIIF project be presented to the Board.

#### **Evaluation Criteria for MIIF Funding**

Any MIIF funding, whether partial, in-kind, phased, or complete, requires Board approval. Approval of MIIF projects must comply with the Port District Act and the District's role as a Tidelands trustee. Applications presented to the Board by District staff will be evaluated and considered based on the application, District staff recommendations, any other material presented, and any testimony at the Board meeting, using the factors and criteria identified below.

- A project description including the statement of need for the project, the amount of MIIF funds requested, the overall budget for the project, and the amount and sources of non-MIIF funding;
- The extent to which the application demonstrates the relationship or nexus between the District's On-Tidelands operations and the Off-Tidelands impacts which the project seeks to mitigate;
- The extent to which the application demonstrates that the amount of requested MIIF funds is reasonable in light of the extent of the relationship or nexus between the District's On-Tidelands operations and the Off-Tidelands impacts which the project seeks to mitigate and other factors contributing to such negative impacts;
- Any anticipated non-monetary public benefits of the project;

- How the project implements or facilitates the implementation of approved District plans;
- The project's potential to create economic benefit. Examples could be, but are not limited to job creation due to the project (direct, indirect or induced) or reduction in expenditures from operational changes; and
- Any other relevant information relating to the project

Board approval of funding for MIIF projects is for budgeting purposes only. Expenditure of MIIF monies may be conditioned on, and subject to: further consideration of notice or approval of the California State Lands Commission; environmental analysis under the California Environmental Quality Act (CEQA) and other laws; consistency with the California Coastal Act; other needed entitlements; execution of an Agreement between the District and applicant; and other requirements, as applicable.

### **MIIF Project Selection**

Applications for MIIF funding can be proposed at any time, however projects will be reviewed by District staff and presented to the Board on a semi-annual basis, in Fall and Spring. This will allow for projects to be submitted and reviewed within an allotted time frame and for submitted projects to be fairly compared.

The District will develop administrative procedures to more fully set forth the application, staff review, and Board presentation process.

The MIIF was originally funded by the Board with a capital contribution of \$500,000. Additional annual funding for the MIIF is authorized at one-half of one percent (0.5%) of District's gross maritime industrial revenue. The District's gross maritime industrial revenue includes District's terminal revenues earned from the operation of the Tenth Avenue Marine Terminal and the National City Marine Terminal each year as well as District's revenue from its maritime industrial tenants located between the District's two terminals. The Board may allocate additional funds to the MIIF at its discretion. MIIF projects are not precluded from receiving additional funding from other sources. Total funding for approved MIIF projects may not exceed the balance of MIIF funding available.

All MIIF approved projects must have the funding obligated within 36 months and the period of performance will be no longer than five years from date of execution of agreement or MOU with applicant.

### **Reporting to the Board of Port Commissioners**

The Executive Director will report to the Board periodically on the status of approved MIIF projects. A report will contain the list of approved MIIF projects, funds expended to

date, overall MIIF fund unobligated balance, new projects submitted by member cities for consideration, and the status of proposed MIIF project reviews.

RESOLUTION NUMBER AND DATE: 2015-80, dated June 11, 2015 (Supersedes BPC Policy No. 773, Resolution 2015-25, dated March 10, 2015)

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Ordinance XXXX - will be inserted after budget adoption



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