

Unified Port of San Diego

FY 14/15

FINAL BUDGET

JUNE 10, 2014

*“A financially
sustainable Port that
drives regional job
creation and regional
economic vitality.”*

THIS PAGE INTENTIONALLY LEFT BLANK

OVERVIEW

The San Diego Unified Port District's (District) budget document has been redesigned and expanded to provide more information and higher-level summaries to assist the reader in understanding how the District plans to meet the needs of the public. The document also includes information on District operations and funding sources so citizens can better understand how the District operates.

The District's budget is divided into five (5) primary sections as presented below:

Section 1 – Introduction

This section contains the Board of Port Commissioners, Mission, Vision, and Core Values, Map of Tidelands, District Information, and Public Trust Doctrine.

This section also contains the Message from the CFO/Treasurer, Budget in Brief, U.S. Economic Forecast, and the Strategic Plan. The Message from the CFO/Treasurer discusses the current state and future plans of the District, which will be included in the final Adopted Budget. The Message from the CFO/Treasurer also highlights the major provisions that have been included in the FY 14/15 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 provides an overview of the District organization, the District's fund and budget document structure, budget process, the budget timetable, and general information. This section is designed to help familiarize the reader with the District and its budget.

Section 3 – Highlights

This section provides an overview of staffing, revenue and expenses, equipment outlay, capital improvement program, major maintenance program, and other fund highlights.

Section 4 – Departments/Cost Centers

In this section, departments and cost centers are organized alphabetically. Departments include mission, vision, objectives, and current services followed by a detailed list of positions, summary of departmental expense, equipment outlay, and expense budget breakdown. The cost centers include a summary of departmental expense 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 policies affecting the budget.

THIS PAGE INTENTIONALLY LEFT BLANK

SECTION 1 – INTRODUCTION**Section - Page**

<i>Board of Port Commissioners</i>	1-3
<i>Executive Leadership Group</i>	1-4
<i>Vision, Mission, and Core Values</i>	1-5
<i>Map of Tidelands</i>	1-6
<i>District Information and Public Trust Doctrine</i>	1-7
<i>Message from the CFO/Treasurer</i>	1-8
<i>Budget in Brief</i>	1-12
<i>U.S. Economic Forecast</i>	1-15
<i>Strategic Plan</i>	1-16

SECTION 2 – READER’S GUIDE

<i>Organization</i>	2-3
<i>Organization Chart</i>	2-5
<i>Overview of Financial Policies and Guidelines</i>	2-6
<i>Budget Timetable</i>	2-8

SECTION 3 – HIGHLIGHTS

<i>Staffing Overview</i>	3-3
<i>Revenue</i>	3-5
<i>Expense</i>	3-12
<i>Debt Management</i>	3-19
<i>Equipment Outlay</i>	3-20
<i>Public Art Fund</i>	3-21
<i>Environmental Fund</i>	3-23
<i>Marine Terminal Impact Fund</i>	3-25
<i>Capital Improvement Program</i>	3-26
<i>Major Maintenance Program</i>	3-28
<i>Technology Strategic Plan</i>	3-30
<i>Technology Management Program</i>	3-31
<i>Sponsorships & Grants</i>	3-32

SECTION 4 – DEPARTMENTS/COST CENTERS (Alphabetically)

<i>Board of Port Commissioners</i>	4-3
<i>Business Information & Technology Services Department</i>	4-5
<i>Engineering – Construction Department</i>	4-9
<i>Environmental & Land Use Management Department</i>	4-15
<i>Financial Assistance</i>	4-23
<i>Financial Services Department</i>	4-25
<i>General Services & Procurement Department</i>	4-31
<i>Government & Civic Relations</i>	4-41
<i>Harbor Police Department</i>	4-47
<i>Human Resource Department</i>	4-55
<i>Maritime Department</i>	4-63
<i>Marketing & Communications Department</i>	4-73
<i>Miscellaneous Administration Building</i>	4-79
<i>MSA, Interest and Other</i>	4-81

TABLE OF CONTENTS

SECTION 4 – DEPARTMENTS/COST CENTERS (continued) Section - Page

<i>Office of the District Clerk</i>	4-83
<i>Port Attorney</i>	4-89
<i>Port Auditor</i>	4-95
<i>Real Estate Department</i>	4-99
<i>Technology Management Program</i>	4-105
<i>Utilities</i>	4-111

SECTION 5 – APPENDIX

<i>Glossary of Terms</i>	5-3
<i>BPC Policy No. 090 – Transfer Between Or Within Appropriated Items In Budget</i>	5-7
<i>BPC Policy No. 115 – Guidelines For Prudent Investments</i>	5-11
<i>BPC Policy No. 117 – Operating Reserve Policy</i>	5-27
<i>BPC Policy No. 120 – Capital Improvement Program</i>	5-31
<i>BPC Policy No. 130 – Major Maintenance Program</i>	5-45
<i>BPC Policy No. 609 – Public Art</i>	5-47
<i>BPC Policy No. 730 – Port Environmental Advisory Committee</i>	5-85
<i>Resolution 2013-111 – Resolution Adopting Non-Binding Sense Of The Board Related to Amendment of Fiscal Year 2012/2013 Budget</i>	5-99
<i>Resolution 2013-110 – Resolution Adopting The Fiscal Year 2013/2014 Preliminary Budget And Setting The Date For A Public Hearing On The Budget As July 16, 2013</i>	5-101

**DEPARTMENTS/COST CENTERS SORTED BY
ORGANIZATION CHART**

Section - Page

<i>Board of Port Commissioners</i>	4-3
<i>Port Attorney</i>	4-89
<i>Port Auditor</i>	4-95

OPERATIONS

<i>Marketing & Communications Department</i>	4-73
<i>Maritime Department</i>	4-63
<i>Real Estate Department</i>	4-99
<i>Environmental & Land Use Management Department</i>	4-15

FINANCIAL SERVICES

<i>Business Information & Technology Services Department</i>	4-5
<i>Financial Services Department</i>	4-25

ADMINISTRATION

<i>Engineering – Construction Department</i>	4-9
<i>General Services & Procurement Department</i>	4-31
<i>Office of the District Clerk</i>	4-83
<i>Human Resources Department</i>	4-55
<i>Harbor Police Department</i>	4-47

COST CENTERS

<i>Government & Civic Relations</i>	4-41
<i>Financial Assistance</i>	4-23
<i>Miscellaneous Administration Building</i>	4-79
<i>MSA, Interest and Other</i>	4-81
<i>Technology Management Program</i>	4-105
<i>Utilities</i>	4-111

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTION

**Board of Port Commissioners
Executive Leadership Group
Vision, Mission, and Core Values
Map of Tidelands
District Information and Public Trust Doctrine
Message from the CFO/Treasurer
Budget in Brief
U.S. Economic Forecast
Strategic Plan**

THIS PAGE INTENTIONALLY LEFT BLANK

BOARD OF PORT COMMISSIONERS

CHAIRMAN

Robert Nelson
City of San Diego

VICE CHAIRMAN

Dan Malcolm
City of Imperial Beach

SECRETARY

Marshall Merrifield
City of San Diego

COMMISSIONERS

Robert “Dukie” Valderrama
City of National City

Ann Moore
City of Chula Vista

Rafael Castellanos
City of San Diego

Garry J. Bonelli
City of Coronado

EXECUTIVE LEADERSHIP GROUP

Wayne Darbeau
President/CEO

Thomas A. Russell
General Counsel

Robert M. Monson
Port Auditor

Ellen F. Gross
Assistant General Counsel

Randa Coniglio
Executive Vice President, Operations

Karen G. Porteous
Executive Vice President, Administration

Robert DeAngelis
Chief Financial Officer/Treasurer

Chief John A. Bolduc
Vice President, Public Safety/Chief of Harbor Police

Brandy D. Christian
Vice President, Strategy & Business Development

VISION

To Foster a World-Class Port through Excellence in Public Service.

MISSION

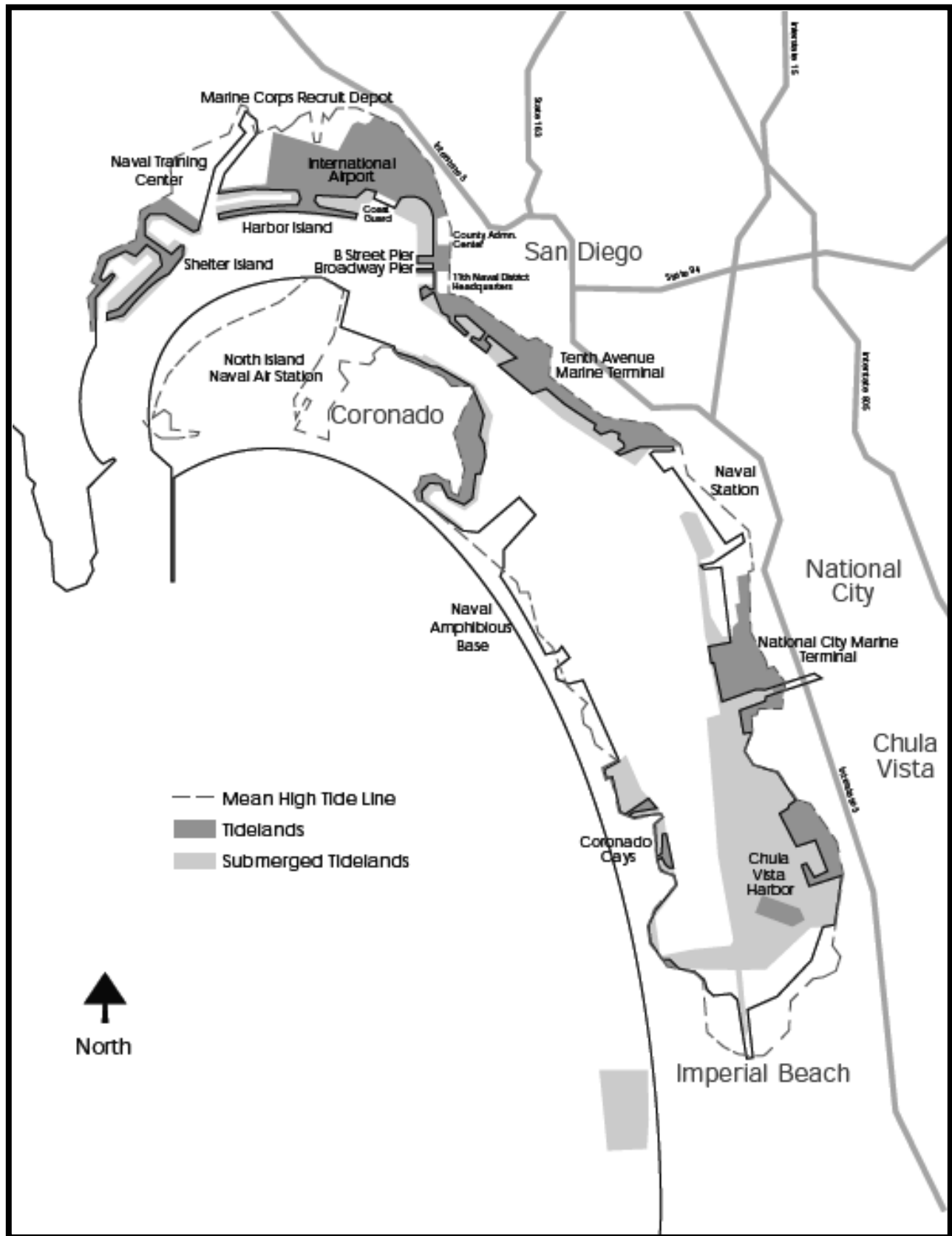
The San Diego Unified Port District will protect the Tidelands Trust resources by providing economic vitality and community benefit through a balanced approach to maritime industry, tourism, water and land recreation, environmental stewardship, and public safety.

CORE VALUES

*Accountability
Courage
Inclusiveness
Fairness
Fun*

*Innovation
Integrity
Teamwork
Transparency*





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 San Diego Bay. This consolidation provides ongoing efficiencies and centralized planning for the tidelands along 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 and real estate operations generate billions of dollars for the region's economy and allows the District to operate without the benefit of tax dollars. The District does have the authority to levy a tax, but has not done so since 1969.

PUBLIC TRUST DOCTRINE

The San Diego Unified Port District Act is based on 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.

MESSAGE FROM THE CFO/TREASURER

The *Bridge Year* to Long-Term Financial Sustainability

It is my pleasure to present a balanced budget for the Port of San Diego for Fiscal Year 2014/2015 (FY 14/15). The coming year is shaping up to be a significant transition period for the District's budget, a *Bridge Year*, to Long-Term Financial Sustainability. In the aftermath of the Great Recession, this transition year was anticipated by the Executive Leadership Group as we began executing the Strategic Vision set by the Board of Port Commissioners (Board) for the long-term financial sustainability of the District.

Recent financial performance is encouraging and management can reasonably forecast that the District will end the current fiscal year with positive results. These forecasted results, along with economic forecasting and market analyses, are indicators that support management's progress in its concerted efforts to control discretionary costs, right-size the organization with input from labor, and allocate resources to the highest priorities of the Board. I am proud to report that the District is continuing to provide quality services in the context of fiscal discipline, while growing our various business lines.

Although we are not completely out of the woods, we see promising signs that the organization is turning the corner to greater success, replenishment of reserves, and generation of future surpluses that can be used to drive regional job creation and economic vitality, while meeting other strategic and regulatory priorities of the Board. All of this was achieved with the full support of the Board and within the context of a modestly recovering regional, national, and global economy. As partners in the District's future, our tenants' operational success, expansion, and investment are an important contributor to this positive outlook.

According to a recent Bloomberg survey of economists, the national economy, as measured by Gross Domestic Product, is expected to grow 2.7% and 3% for calendar years 2014 and 2015. The Consumer Price Index is forecasted to be right around 1.7% and 2% for calendar years 2014 and 2015, respectively. Overall, San Diego's index of economic indicators has been trending modestly upward for most of calendar year 2013. The economic outlook for San Diego County is expected to be moderate for 2014 with continued growth in the construction, leisure, and hospitality sectors; all of which are relevant to our business. The San Diego Regional Economic Development Corporation forecasts that 2014 will be a year of continued economic growth and recovery. The District will need to reaffirm its commitment to fiscal discipline, while recognizing the shared sacrifices made by our workforce, and continuing to seize investment and revenue generation opportunities.

As a reminder, during the near financial collapse of the global economy in 2009, businesses and other agencies – public, private and not-for-profit – experienced major challenges to their budgetary bottom lines. The District's annual budget process faced such challenges over the last two years, as the Board and management grappled with resetting the agency for long-term financial sustainability and future success. For the FY 13/14 Budget, the Board had directed staff to present a balanced budget without incurring layoffs. In order to accomplish the Board's direction, staff recommended and the Board approved the utilization of the District's Public Art and Environmental Funds. The District's Vacancy Management Team, established under the authority and oversight of President/CEO Wayne Darbeau, strategically managed and re-deployed employee vacancies to match the needs of the organization without increasing headcount. The President/CEO also established the District's Revenue Generation Team to harness the entrepreneurial spirit that has been a defining characteristic of the District since its inception in 1962. The team's efforts led to the District's securing approximately \$1 million in new revenues. Some of the significant increases in revenue are associated with utilizing the B Street Cruise Terminal parking lot for public parking on non-cruise days, along with a Board-adopted pilot program adjusting parking meter

rates and schedules to increase parking turnover. In addition, the District is negotiating leases for previously vacant District space that can be converted to revenue generating uses.

As a result of this hard work by our organization, I am proud to present a balanced budget for FY 14/15, with no layoffs recommended by staff. This budget was developed with due care for ensuring that discretionary costs are managed judiciously while, at the same time, identifying and implementing revenue generation opportunities. It reflects continued organizational discipline, the positive culture of respect for labor relations, and employee input in achieving prudent cost-control measures. These priorities are intended to ensure the health of the organization and a balance of work and life for all employees, by strategically allocating finite resources to meet the District's highest business and regulatory priorities.

The FY 14/15 Budget will support the District's eight Strategic Goals adopted by the Board of Port Commissioners, as outlined in Section 1. These goals are used to guide and shape allocation of finite financial, budgetary and organizational resources to drive the Board's projects, plans, and priorities. In FY 13/14, the District invested about \$25 million of capital projects in its surrounding Unified Port member regions. It is estimated that the District will invest another \$21 million of capital projects in its Unified Port communities in FY 14/15. The District's operating revenues, combined with the new identified revenue sources, have funded a number of high priority Board projects. These initiatives represent a significant investment of today's resources, which enables the District to advance tomorrow's strategic priorities including economic growth and environmental sustainability, along with statewide and community benefits.

The FY 14/15 budget funds high-priority District initiatives including:

- **Integrated Planning:** We have begun developing a new, long-term vision that will ensure a holistic, thoughtful, and balanced approach to the future land and water uses on San Diego Bay. Our Integrated Planning initiative officially began in October 2013, and we are currently advancing a 50-year Vision Plan. Future phases will guide development of a new Port Master Plan.
- **Chula Vista Bayfront:** The 535-acre Chula Vista Bayfront is the last large developable waterfront site in Southern California and a prime opportunity for uniquely branded resort, convention center and other commercial development, along with 240 acres of public realm space set aside as parks, open space and nature preserves. The District is continuing its multi-year efforts to demolish legacy industrial structures. An outreach effort has begun to secure a quality development team partner.
- **Maritime Tenth Avenue Marine Terminal Optimization Planning Study:** The District has embarked on a comprehensive refresh of our long-term facilities planning to optimize terminal throughput and meet evolving market demands. A programmatic Environmental Impact Report has been initiated to facilitate business development and accelerate partnerships in capital investments to maximize the terminal.
- **Green Port – Clean Air, Climate Action Plan and Sustainability:** The Board of Port Commissioners adopted the Climate Action Plan in December 2013, becoming one of the first ports in the nation to voluntarily do so. It provides an integrated and strategic vision that will ensure the Port's sustainability. The plan identified six Greenhouse Gas emission reduction categories including transportation and land use, energy conservation and efficiency, alternative energy generation, water conservation and recycling, and waste reduction and recycling.

The below accomplishments mark significant gains made in FY 13/14. These projects will continue to contribute to the present and future success of the District, well into 2015 and beyond, as follows:

-
- The District secured entitlements for the long-awaited San Diego Convention Center Expansion and Hilton San Diego Bayfront Expansion, with a unanimous vote by the California Coastal Commission on October 10, 2013 to approve a Port Master Plan Amendment. The approval of the convention center project was the result of a five-year collaboration among the San Diego Convention Center Corporation, the City of San Diego, the Port of San Diego, hotel developers, business groups and the community.
 - The North Embarcadero Visionary Plan (NEVP) Phase I Project is nearly complete and on track to open to the public in FY 14/15. This important project reconfigures and beautifies the front porch of the City of San Diego, located at the foot of Broadway and North Harbor Drive. NEVP Phase 1 increases and enhances the public's access to San Diego Bay through a wide esplanade and waterfront promenade. With new groves of jacaranda trees and world-class public art, the area becomes more welcoming and attractive to the public.
 - The Chula Vista Bayfront Master Plan (CVBMP) recently achieved several key milestones. Construction is well underway on the Chula Vista H Street Extension. This project extends H Street from Interstate 5 to Marina Parkway with a modified four-lane street, sidewalks, and bikeways. This project will facilitate direct public access to the bayfront. The District and the City of Chula Vista are working jointly on implementation of the CVBMP. Infrastructure cost estimates and financing alternatives are in development, and a robust developer solicitation has been launched.
 - The Headquarters opened in November 2013. Originally the site of the City of San Diego's Police Department Headquarters, the facilities on this landmark property sat vacant and in disrepair for many years. The District's tenant restored and redeveloped the site, which is located between downtown San Diego and the waterfront. The property, listed on the National Register of Historic Places, has been transformed into an upscale open-air urban retail, dining, and entertainment venue designed as a destination for both locals and tourists.

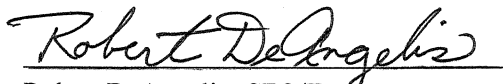
As the economy continues to recover and grow, we expect to consider more development project proposals, thereby increasing costs to the District associated with moving such projects forward. This past year, the District began fully implementing Cost Recovery, consistent with best management practices. As a steward of public resources, the District is ever mindful that recipients of special benefits must be held responsible for the cost of providing those services. The District is committed to continuing to refine the Cost Recovery framework to ensure that it is transparent, understandable and fair to all concerned.

Other significant accomplishments achieved in FY 13/14 include the following:

- Construction began on a new hotel and public park on the Lane Field site. The Lane Field North Hotel Project consists of a dual-branded hotel that will be developed on Lane Field, the former home of the Pacific Coast League Padres. The development incorporates about two acres of public space including a new waterfront park.
- A major capital project in Imperial Beach was completed. The Imperial Beach Pier, an iconic and popular fishing and viewing destination, was refurbished with new decking.
- Staff continued efforts to attract and retain cruise partners. After several years of a depressed cruise market in Southern California, capacity is now being redeployed to the West Coast in 2015. The District has secured new business partners such as Disney Cruise Line and Norwegian Cruise Line with new homeports. San Diego also retained valued long-term partners such as Holland America.

-
- Long-term debt of \$26 million was refinanced, which will save interest expenses of approximately \$2.5 million over the life of the debt.
 - Automobile imports at National City Marine Terminal are up approximately 26% year-over-year, reinforcing the terminal's status as the most efficient auto processing terminal on the West Coast.

All of these significant projects were completed despite the modest economic growth results for both the national and regional economies. They represent the District's essential value, reflected in its civic and economic contributions to communities in the Unified Port region and statewide. As we commence this *Bridge Year* to a future of greater prosperity and success for the District, management and I are mindful of the many obstacles and challenges that we continue to face in this journey. We remain fully aware that economics is not a precise science, and that business cycles may rise and fall over time. We plan to remain just as vigilant in continuously addressing the bottom-line indicators of success for this essential public agency. Our staff will remain focused with the Board and our stakeholders on generating future growth, prosperity and environmental stewardship over the next 50 years, as we strive to fulfill State Senator Jim Mills' vision of a Unified Port in the Port Act of 1962.


Robert DeAngelis, CFO/Treasurer

BUDGET IN BRIEF
OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS & FUND ACTIVITIES

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
<u>Operating Revenue</u>					
Maritime	\$ 33,469,190	\$ 35,508,900	\$ 36,253,200	\$ 744,300	2.1%
Real Estate	82,604,486	86,352,100	87,249,900	897,800	1.0%
Harbor Police	15,312,590	14,619,900	14,565,800	(54,100)	-0.4%
Miscellaneous (G&A reimb for HPD Svcs to SDCRAA, Op Grants, etc.)	3,878,631	4,827,200	3,751,600	(1,075,600)	-22.3%
Total Operating Revenue	\$ 135,264,897	\$ 141,308,100	\$ 141,820,500	\$ 512,400	0.4%
<u>Non-Operating Revenue</u>					
Grants - Capital Project Reimbursement	\$ 4,996,663	\$ 1,337,400	\$ 461,300	\$ (876,100)	-65.5%
NEVP Capital Project Contribution	5,174,580	6,800,000	1,761,400	(5,038,600)	-74.1%
Investment Revenue	467,385	380,000	400,000	20,000	5.3%
Other (reimbursed legal fees, donated revenue, etc.)	2,222,849	590,000	110,000	(480,000)	-81.4%
Total Non-Operating Revenue	\$ 12,861,477	\$ 9,107,400	\$ 2,732,700	\$ (6,374,700)	-70.0%
Total Revenue	\$ 148,126,374	\$ 150,415,500	\$ 144,553,200	\$ (5,862,300)	-3.9%
<u>Operating Expense</u>					
Salaries & Wages	\$ 46,284,409	\$ 46,212,100	\$ 46,291,600	\$ 79,500	0.2%
Burden	28,786,357	30,197,400	30,119,900	(77,500)	-0.3%
OPEB Annual Expense	4,467,016	5,219,600	5,219,600	-	0.0%
Non-Personnel Expense (NPE)	46,748,902	46,744,950	51,350,700	4,605,750	9.9%
Major Maintenance - Expense	1,053,936	2,317,500	1,470,000	(847,500)	-36.6%
Technology Strategic Plan - Projects NPE	504,156	372,000	383,200	11,200	3.0%
Less: Capitalized Labor	(3,383,947)	-	(2,152,000)	(2,152,000)	-
Total Operating Expense	\$ 124,460,829	\$ 131,063,550	\$ 132,683,000	\$ 1,619,450	1.2%
<u>Non-Operating Expense</u>					
Financial Assistance (Convention Center)	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
Miscellaneous Interest Expense	4,206,449	4,029,500	4,044,900	15,400	0.4%
Other Miscellaneous Expense	81,499	60,000	60,000	-	0.0%
Total Non-Operating Expense	\$ 8,787,948	\$ 8,589,500	\$ 4,104,900	\$ (4,484,600)	-52.2%
Total Direct Expense	\$ 133,248,777	\$ 139,653,050	\$ 136,787,900	\$ (2,865,150)	-2.1%
Earnings Before Depreciation	\$ 14,877,597	\$ 10,762,450	\$ 7,765,300	\$ (2,997,150)	-27.8%
Percent to Total Revenue	10.0%	7.2%	5.4%		
<u>Non Cash Adjustments</u>					
OPEB Expenditure Accrual (GASB 45)	\$ 4,874,465	\$ 5,219,600	\$ 5,219,600	\$ -	0.0%
Unrealized Gain/(Loss) on Investments (GASB 31)	206,298	-	-	-	-
Capital Projects - Capitalized Labor	(3,383,947)	-	-	-	-
Total Non Cash Adjustments	\$ 1,696,816	\$ 5,219,600	\$ 5,219,600	\$ -	0.0%
Cash Provided from Operations	\$ 16,574,413	\$ 15,982,050	\$ 12,984,900	\$ (2,997,150)	-18.8%

Note:

See Section 3 Pages 5 and 6 for Revenue Highlights explanations and Section 3 Pages 12 and 13 for Expense Highlights explanations.

BUDGET IN BRIEF
OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS & FUND ACTIVITIES

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Cash Provided from Operations	\$ 16,574,413	\$ 15,982,050	\$ 12,984,900	\$ (2,997,150)	-18.8%
Uses of Cash					
<u>Capital and Debt Requirements</u>					
Capital Improvement Program	\$ (19,606,936)	\$ (31,724,100)	\$ (20,775,100)	\$ 10,949,000	-34.5%
Technology Management Program (TMP) Capital Projects	-	(95,000)	(250,000)	(155,000)	163.2%
Technology Strategic Plan (TSP) Capital Projects	(1,010,562)	(1,409,800)	(1,409,800)	-	0.0%
Capital Major Maintenance Projects	(7,792,803)	(2,445,300)	(3,570,000)	(1,124,700)	46.0%
Equipment Outlay	(1,438,460)	(1,463,800)	(2,022,800)	(559,000)	38.2%
Debt Service (Principal Only)	(3,698,257)	(4,526,100)	(3,696,500)	829,600	-18.3%
Total Capital and Debt Requirements	\$ (33,547,018)	\$ (41,664,100)	\$ (31,724,200)	\$ 9,939,900	-23.9%
Non Cash Funds and Reserves (Increases)/Decreases					
<u>Additions to Funds (Annual Set-Asides to Funds)</u>					
Public Art Fund	\$ (200,000)	\$ (600,000)	\$ (350,000)	\$ 250,000	-41.7%
Environmental Fund	(592,100)	(621,100)	(623,400)	(2,300)	0.4%
Marine Terminal Impact Fund (TAMT & NCMT)	(100,000)	(100,000)	(90,000)	10,000	-10.0%
Total Additions to Funds	\$ (892,100)	\$ (1,321,100)	\$ (1,063,400)	\$ 257,700	-19.5%
<u>Uses of Restricted Reserves (funding from restricted funds)</u>					
Major Maintenance Capital Project	\$ 491,893	\$ -	\$ -	\$ -	-
Equipment Outlay, TMP Grant Funded, and Asset Forfeiture	85,690	378,800	405,300	26,500	7.0%
Total Use of Restricted Reserves	\$ 577,583	\$ 378,800	\$ 405,300	\$ 26,500	7.0%
<u>Uses of Funds (funding from reserves)</u>					
Public Art, Environmental, and Marine Terminal Impact Fund	\$ 2,865,841	\$ 1,324,300	\$ 1,060,000	\$ (264,300)	-20.0%
Major Maintenance Expense Projects - Environmental Fund & Others	367,242	30,000	-	(30,000)	-100.0%
Major Maintenance Capital Project - Environmental Fund & Others	-	40,000	-	(40,000)	-100.0%
Total Use of Funds	\$ 3,233,083	\$ 1,394,300	\$ 1,060,000	\$ (334,300)	-24.0%
<u>Uses of or (Additions) to Capital Reserves</u>					
Capital Improvement Program Projects	\$ 19,606,936	\$ 31,724,100	\$ 20,775,100	\$ (10,949,000)	-34.5%
Capital Grants	(4,996,663)	(1,337,400)	(461,300)	876,100	-65.5%
San Diego Fisheries Revitalization - Funded by CIP	182,000	-	-	-	-
NEVP Capital Project Contribution	(6,446,361)	(6,800,000)	(1,761,400)	5,038,600	-74.1%
ACH Parking Facility Revenue	(215,002)	(215,000)	(215,000)	-	-
Municipal Services Agreements	1,200,000	-	-	-	-
Total Use of or (Addition) to Capital Reserves	\$ 9,330,910	\$ 23,371,700	\$ 18,337,400	\$ (5,034,300)	-21.5%
<u>Funds from Surplus, Public Art, and Environmental Fund</u>					
Funds From Prior Year Surplus	\$ 731,200	\$ -	\$ -	\$ -	-
Public Art Fund	-	1,500,000	-	(1,500,000)	-100.0%
Environmental Fund	-	524,000	-	(524,000)	-100.0%
Total Funds from Surplus, Public Art, and Environmental Fund	\$ 731,200	\$ 2,024,000	\$ -	\$ (2,024,000)	-100.0%
Addition To or (Draw On)					
Undesignated/Unrestricted Funds	\$ (3,991,929)	\$ 165,650	\$ -	\$ (165,650)	-100.0%

BUDGET IN BRIEF
Sources and Uses of Funds Format

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
SOURCES OF FUNDS					
Operating Revenue:					
Maritime	\$ 33,469,190	\$ 35,508,900	\$ 36,253,200	\$ 744,300	2.1%
Real Estate	82,604,486	86,352,100	87,249,900	897,800	1.0%
Harbor Police	15,312,590	14,619,900	14,565,800	(54,100)	-0.4%
Miscellaneous (G&A reimb for HPD Svcs to SDCRAA, Op Grants, etc.)	3,878,631	4,827,200	3,751,600	(1,075,600)	-22.3%
Total Operating Revenue	\$ 135,264,897	\$ 141,308,100	\$ 141,820,500	\$ 512,400	0.4%
Non-Operating Revenue and Other Sources of Funds:					
Grants - Capital Project Reimbursement	\$ 4,996,663	\$ 1,337,400	\$ 461,300	\$ (876,100)	-65.5%
NEVP Capital Project Contribution	5,174,580	6,800,000	1,761,400	(5,038,600)	-74.1%
Investment Revenue	467,385	380,000	400,000	20,000	5.3%
Other (reimbursed legal fees, donated revenue, etc.)	2,222,849	590,000	110,000	(480,000)	-81.4%
Major Maintenance Capital Project - Funded by TYD reserve	491,893	-	-	-	0.0%
Equipment Outlay, TMP Grant Funded, and Asset Forfeiture	85,690	378,800	405,300	26,500	7.0%
Public Art, Environmental, and Marine Terminal Impact Fund	2,865,841	1,324,300	1,060,000	(264,300)	-20.0%
Major Maintenance Expense Projects - Env Fund & Others	367,242	30,000	-	(30,000)	-100.0%
Major Maintenance Capital Project - Env Fund & Others	-	40,000	-	(40,000)	-100.0%
Capital Improvement Program Projects	19,606,936	31,724,100	20,775,100	(10,949,000)	-34.5%
San Diego Fisheries Revitalization - Funded by CIP	182,000	-	-	-	0.0%
Municipal Services Agreements	1,200,000	-	-	-	0.0%
Funds From Prior Year Surplus	731,200	-	-	-	0.0%
Funds From Public Art Fund	-	1,500,000	-	(1,500,000)	-100.0%
Funds From Environmental Fund	-	524,000	-	(524,000)	-100.0%
Total Non-Operating Revenue and Other Sources of Funds	\$ 38,392,279	\$ 44,628,600	\$ 24,973,100	\$ (19,655,500)	-44.0%
Total Sources of Funds	\$ 173,657,176	\$ 185,936,700	\$ 166,793,600	\$ (19,143,100)	-10.3%
USES OF FUNDS					
Operating Expenses:					
Salaries & Wages	\$ 46,284,409	\$ 46,212,100	\$ 46,291,600	\$ 79,500	0.2%
Burden	28,786,357	30,197,400	30,119,900	(77,500)	-0.3%
OPEB	4,467,016	5,219,600	5,219,600	-	0.0%
Non-Personnel Expense (NPE)	46,748,902	46,744,950	51,350,700	4,605,750	9.9%
Major Maintenance - Expense	1,053,936	2,317,500	1,470,000	(847,500)	-36.6%
Technology Strategic Plan - Projects NPE	504,156	372,000	383,200	11,200	3.0%
Less: Capitalized Labor	(3,383,947)	-	(2,152,000)	(2,152,000)	0.0%
Total Operating Expenses	\$ 124,460,829	\$ 131,063,550	\$ 132,683,000	\$ 1,619,450	1.2%
Less: Non-Cash Adjustments	\$ (1,696,816)	\$ (5,219,600)	\$ (5,219,600)	\$ -	0.0%
Total Operating Expenses (net of non cash adjustments)	\$ 122,764,013	\$ 125,843,950	\$ 127,463,400	\$ -	0.0%
Non-Operating Expenses and Other Uses of Funds:					
Financial Assistance (Convention Center)	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
Miscellaneous Interest Expense	4,206,449	4,029,500	4,044,900	15,400	0.4%
Other Miscellaneous Expense	81,499	60,000	60,000	-	0.0%
Capital Improvement Program	19,606,936	31,724,100	20,775,100	(10,949,000)	-34.5%
Technology Management Program (TMP) Capital Projects	-	95,000	250,000	155,000	163.2%
Technology Strategic Plan (TSP) Capital Projects	1,010,562	1,409,800	1,409,800	-	0.0%
Capital Major Maintenance Projects	7,792,803	2,445,300	3,570,000	1,124,700	46.0%
Equipment Outlay	1,438,460	1,463,800	2,022,800	559,000	38.2%
Debt Service (Principal Only)	3,698,257	4,526,100	3,696,500	(829,600)	-18.3%
Public Art Fund Set Aside	200,000	600,000	350,000	(250,000)	-41.7%
Environmental Fund Set Aside	592,100	621,100	623,400	2,300	0.4%
Marine Terminal Impact Fund (TAMT & NCMT) Set Aside	100,000	100,000	90,000	(10,000)	-10.0%
Capital Grants	4,996,663	1,337,400	461,300	(876,100)	-65.5%
NEVP Capital Project Contribution	6,446,361	6,800,000	1,761,400	(5,038,600)	-74.1%
ACH Parking Facility Revenue	215,002	215,000	215,000	-	0.0%
Total Non-Operating Expenses and Other Uses of Funds	\$ 54,885,092	\$ 59,927,100	\$ 39,330,200	\$ (20,596,900)	-34.4%
Total Uses of Funds	\$ 177,649,105	\$ 185,771,050	\$ 166,793,600	\$ (20,596,900)	-11.1%
Excess (Deficit) of Sources over Uses of Funds	\$ (3,991,929)	\$ 165,650	\$ -	\$ 1,453,800	878%

Note:

Balanced Budget - Total Sources of Funds Equals or Exceeds Total Uses of Funds in a Fiscal Year.

U.S. ECONOMIC FORECAST

According to Bloomberg and various economic reports, the national economy, as measured by GDP, grew at an annual average rate of 1.9% in calendar year 2013. Solid but modest U.S. economic expansion is expected for calendar year 2014 with an outlook for an annual average growth rate of 2.7% for calendar year 2014 and 3.0% for calendar year 2015. Gradual improvement in the labor market continues with the unemployment rate declining from 7.4% in 2013 to a forecast rate of 6.4% for calendar year 2014 and 6.0% for 2015. The housing sector continues to improve with higher home values and low mortgage rates. Inflation remained low at 1.5% for calendar year 2013 and is expected to remain low over the foreseeable future with economists forecasting the consumer price index to be at around 1.7% for calendar year 2014 and 2.0% for 2015.

Short-term interest rates, which are controlled by the Federal Open Market Committee and are measured by the Federal Funds target rate, remained unchanged in 2013. Most recently, the Federal Reserve indicated that it expects to maintain a "highly accommodative stance" for monetary policy and is slowly scaling back its bond purchases through 2014, unless its outlook for the economy changes substantially. Also, the Federal Reserve modified its forward guidance regarding monetary policy to a more qualitative approach and will take into account a "wide range of information" in determining interest rate policy.

California's economic performance was on a more solid footing in 2013 than in past years. The unemployment rate is falling, the housing market is improving, and the principal economic indicators are rising.

The Construction sector continues to be a leading growth factor for the State with the recovery in new housing now underway and Healthcare and Tourism making notable contributions to the economic recovery. Also, a major element contributing to California's economic recovery is the improving fiscal outlook with budget surpluses now in sight, though they are dependent on continuing economic growth and restrained spending. Economists are forecasting an average annual growth rate of 2.8% for calendar year 2014 and 3.5% for calendar year 2015. The State's unemployment rate is forecasted to be at approximately 7.9% for 2014 and 7.1% for 2015.

San Diego's index of economic indicators have been modestly upward for most of calendar year 2013 with a recent couple of months of negative results. In spite of this, the economic outlook for San Diego is expected to be moderate for 2014 with continued growth in the construction, leisure and hospitality, and health care sectors. The local unemployment rate is forecasted to average 6.4% in 2014 and 5.6% in 2015.

U.S. Economic Forecast*

Economic Indicator	1Q.2014	2Q.2014	3Q.2014	4Q.2014	Avg.2014	Avg.2015	Avg.2016
Gross Domestic Product (GDP) - Annualized	1.90%	2.80%	3.00%	3.00%	2.70%	3.00%	3.00%
Consumer Spending	2.20%	2.70%	2.80%	2.80%	2.50%	2.80%	3.00%
Unemployment Rate	6.60%	6.50%	6.40%	6.20%	6.40%	6.00%	5.70%
Consumer Price Index (YOY %)	1.40%	1.70%	1.80%	1.90%	1.70%	2.00%	2.30%
Benchmark Interest Rates	1Q.2014	2Q.2014	3Q.2014	4Q.2014	1Q.2015	2Q.2015	3Q.2015
Federal Funds Rate – Target	.25%	.25%	.25%	.25%	.25%	.25%	.50%
Ten-year Treasury Note	2.80%	3.00%	3.20%	3.35%	3.50%	3.60%	3.75%

**Source: Bloomberg; Median economists' forecasts for U.S. economic indicators (82 economists surveyed March 7 to March 12, 2014).*

STRATEGIC PLAN

Overview

The budget reflects many projects, challenges, and opportunities that face the District over the next several years. As outlined in our new Strategic Plan for FY 2012 – 2017 each one of the eight strategic goals has a set of strategies to be pursued at some point over the next five years. Below are the District's Strategic Goals and key strategies outlined in the District's Compass Strategic Plan.

District departments identify and budget resources for key initiatives and projects in support of these strategic goals and strategies. Projects are tracked and reported quarterly to the Board of Port Commissioners.

1	<i>A Port that the public understands, trusts, and values</i>
2	<i>A thriving and modern maritime seaport</i>
3	<i>A vibrant waterfront destination where residents and visitors converge</i>
4	<i>A Port with a healthy and sustainable bay and its environment</i>
5	<i>A Port with a comprehensive vision for Port land and water uses integrated to regional plans</i>
6	<i>A Port that is a safe place to visit, work, and play</i>
7	<i>A Port with an innovative and motivated workforce</i>
8	<i>A financially sustainable Port that drives regional job creation and regional economic vitality</i>

Strategic Goals and Strategies

1 Goal: A Port that the public understands, trusts, and values

Strategies:

- 1.1 Solicit feedback from stakeholders and respond to input
- 1.2 Increase understanding of the District's mission, identity, and social and economic impact
- 1.3 Provide the public with easy access to information
- 1.4 Foster an environment of employee charitable giving and volunteerism
- 1.5 Develop a legislative agenda and leverage partnerships that furthers the District's policies and initiatives
- 1.6 Demonstrate fair and consistent decision-making processes

2 Goal: A thriving and modern maritime seaport

Strategies:

- 2.1 Advocate for a national system of ports
- 2.2 Upgrade infrastructure, equipment and facilities for a modernized, efficient, and safe working port

STRATEGIC PLAN

- 2.3 Practice environmentally smart and efficient goods movement
- 2.4 Increase export and import potential through the identification of key target markets to maintain, grow, and capture new business
- 2.5 Become an integral link in the maritime supply chain
- 2.6 Foster the economic growth and retention of shipbuilding and repair
- 2.7 Develop maritime-related industry niche businesses and services

3 Goal: A vibrant waterfront destination where residents and visitors converge

Strategies:

- 3.1 Market and improve the District's cruise industry offerings
- 3.2 Market District Tidelands as a tourism destination
- 3.3 Promote tourism and business offerings for residents, visitors, and the local community with measurable initiatives
- 3.4 Activate the waterfront with development of new and dynamic attractions, events, and public access
- 3.5 Increase and promote events and venues for safe waterside activities and recreational
- 3.6 Integrate tourist development and programming with travel and tourism organizations and destinations
- 3.7 Analyze and implement best business practices to manage special event venues and parks
- 3.8 Use District public art to enhance the waterfront experience
- 3.9 Embrace and market the Bay's natural ecotourism offering
- 3.10 Increase awareness of public access opportunities around the District

4 Goal: A Port with a healthy and sustainable bay and its environment

Strategies:

- 4.1 Continue and promote Green Port programs, including water and energy conservation, recycling programs and clean air projects
- 4.2 Pursue grants, government funding, and partnering with tenants and businesses to implement and maintain sustainable, green practices
- 4.3 Ensure compliance with environmental regulations for District tenants and District-sponsored activities
- 4.4 Plan and adapt for sea level rise and climate change
- 4.5 Preserve and promote habitat restoration, indigenous wildlife, and prevention of invasive species
- 4.6 Create public programs that educate and enlighten on the District environment, including environmental education for students and stakeholders
- 4.7 Collaborate with tenants, partners, and adjacent communities to foster a healthy environment

5 Goal: A Port with a comprehensive vision for Port land and water uses integrated to regional plans

Strategies:

- 5.1 Define the planning vision to create consistent planning goals and strategies for all District communities
- 5.2 Update the District Master Plan including reviewing and integrating adjacent uses and regional land use transportation, and infrastructure plans

STRATEGIC PLAN

- 5.3 Incorporate sea level rise, climate change, and other environmental concerns into long-term planning
- 5.4 Advocate for regional transportation policy and, infrastructure for effective goods and passenger movement
- 5.5 Improve affordable public access through District master planning

6 Goal: A Port that is a safe place to visit, work, and play

Strategies:

- 6.1 Maximize regional resources through public safety agency(ies) partnerships
- 6.2 Leverage technical interoperability, knowledge, and grant funding
- 6.3 Dedicate resources to prevent, detect, prepare, respond, and recover from natural or man-made disasters
- 6.4 Execute on a well-coordinated infrastructure maintenance program
- 6.5 Establish and maintain a culture of safety for employees and visitors
- 6.6 Enhance visible police presence on land and water to provide a safe and secure environment
- 6.7 Utilize technologies to improve District safety and security operations

7 Goal: A Port with an innovative and motivated workforce

Strategies:

- 7.1 Invest in professional development and training
- 7.2 Implement innovative and cost-effective practices and technology for effective delivery services
- 7.3 Foster a workforce culture of wellness, safety, and innovation
- 7.4 Improve internal communications through systematic processes and teamwork
- 7.5 Build a competitive compensation and benefit structure for retention and recruitment
- 7.6 Enhance knowledge management practices to support long-term sustainability of the Port

8 Goal: A financially sustainable Port that drives regional job creation and regional economic vitality

Strategies:

- 8.1 Generate and diversify revenue sources
- 8.2 Facilitate the strategic and innovative development and redevelopment of Port properties
- 8.3 Pursue new investment capital for project funding
- 8.4 Develop and maintain infrastructure for expansion of Port and business activities
- 8.5 Develop the Port into an attractive place for business and the community
- 8.6 Maximize external funding for Port projects and programs
- 8.7 Ensure cost containment
- 8.8 Partner with outside governmental agencies and the private sector
- 8.9 Implement decision-making that anticipates long-term global opportunities and threats
- 8.10 Identify practices that create regional jobs

READER'S GUIDE

Organization
Organization Chart
Overview of Financial Policies and Guidelines
Budget Timetable

THIS PAGE INTENTIONALLY LEFT BLANK

ORGANIZATION

To realize the District's mission, the Board of Port Commissioners (Board) establishes policy. Three positions reporting directly to the Board carry out policy directives and advise the Board, including an Executive Director/President/Chief Executive Officer (CEO), Port Attorney, and Port Auditor. A Personnel Advisory Board also reports directly to the Board.

DIVISIONS

The President/CEO oversees three Divisions (Operations, Administration, and Financial Services) and 11 Departments.

OPERATIONS: This Division handles planning, real estate asset management and development, environmental and land use management, building and maintaining partnerships with external stakeholders and other government agencies, the operations of maritime, coordinating and facilitating development implementation of the District's strategic plan and evaluation framework, marketing, and corporate communication.

Departments in the Operations Division include:

- Marketing & Communications
- Maritime
- Real Estate
- Environmental & Land Use Management

ADMINISTRATION: This Division manages, directs, and integrates the functions, programs, and activities of District-wide Human Resources, Office of the District Clerk, Equal Opportunity Management, General Services & Procurement, and Engineering - Construction. The Executive Vice President, Administration is the District's lead negotiator for labor negotiations and provides strategic leadership and the delivery of centralized corporate, administrative, engineering, and maintenance support services.

Responsibility for the District's Harbor Police Department, initiatives and programs that provide safety, protection, and law enforcement to the Port of San Diego and the San Diego International Airport also report through this Division. The Harbor Police Department provides police and fire protection to San Diego Bay, as well as police services to San Diego International Airport. Under the direction of the Vice President, Public Safety; Homeland Security, Facility Security, and Law Enforcement combine to protect and serve those who work, play, and visit the Port of San Diego.

Departments in the Administration Division include:

- Engineering - Construction
- General Services & Procurement
- Office of the District Clerk
- Human Resources
- Harbor Police Department

FINANCIAL SERVICES: This Division oversees the District's business and financial services functions, including financial planning, budgeting, finance, and treasury services. The Chief Financial Officer/Treasurer (CFO/Treasurer) provides professional assistance and support to the President/CEO and the Board on the District's financial planning, accounting, investing, and business systems issues. This Division is also responsible for the Business Information & Technology Services

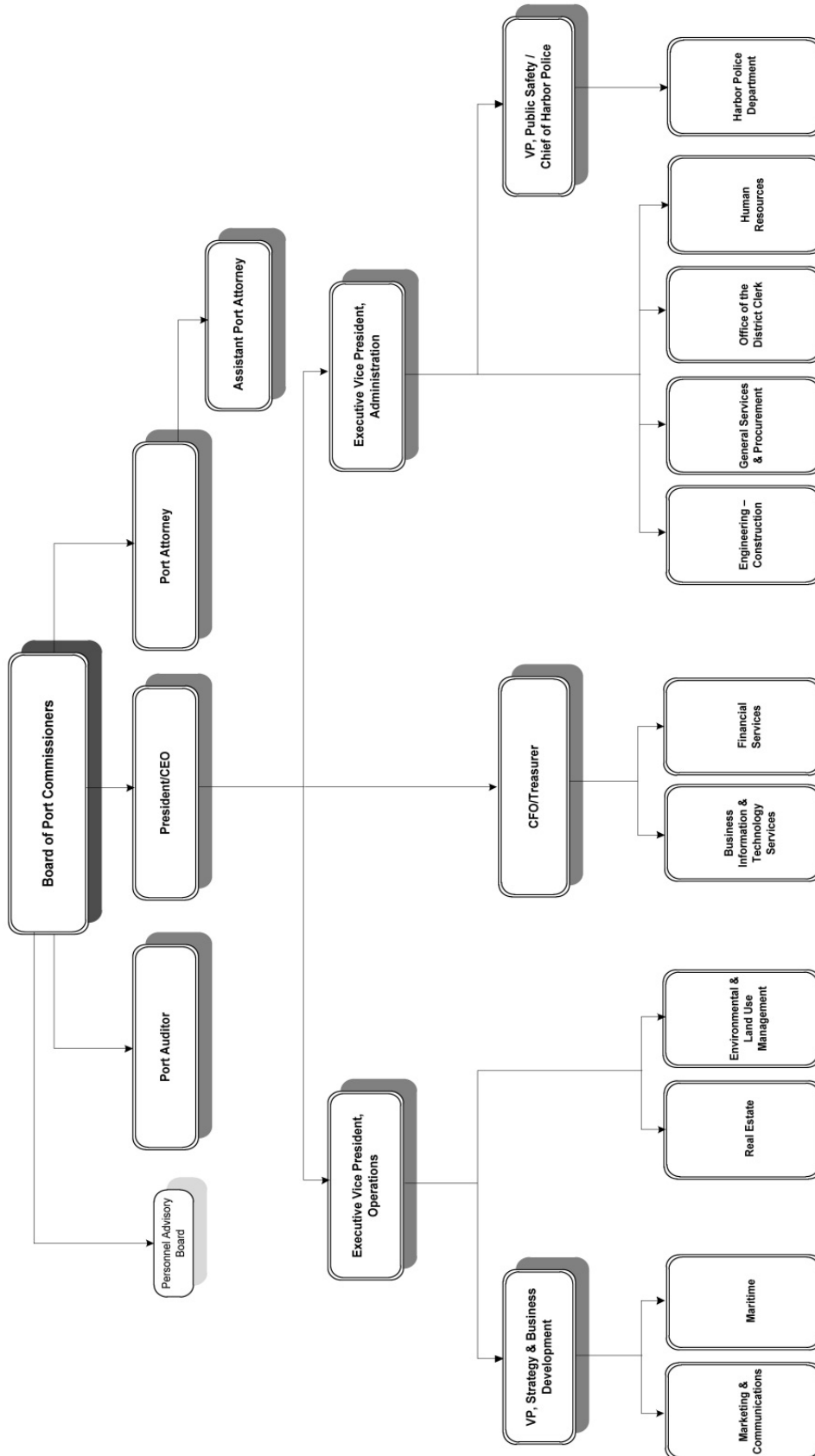
ORGANIZATION

department which manages the implementation and maintenance of District technologies in ways that create value for the organization. This Department drives operational effectiveness and process improvement by fully integrating technology-related decisions with the District's strategies and operating plans.

Departments in the Financial Services Division include:

- Business Information & Technology Services
- Financial Services

ORGANIZATION CHART



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 is 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.

Balanced Budget

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. A balanced budget is an integral part of maintaining the District's financial position. Strategies employed to attain this balance include cost reductions, personnel and service efficiencies, developing and diversifying maritime and real estate revenues, and increasing fees to match project expenses.

Financial and Long-Range Policies

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:

- The projected income stream will allow the District to continue to operate without the use of taxes or direct assessments.
- Revenues exceed expenses before depreciation and amortization and before capital expenditures.
- 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. 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 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:

OVERVIEW OF FINANCIAL POLICIES AND GUIDELINES

- o Safety of principal
 - o Liquidity
 - o Return on investment
- The budget will be prepared in a manner that facilitates its understanding by citizens as well as District officials. Presenting a clear, readable budget will effectively communicate overall District goals and plans, and contribute to the public's knowledge and appreciation of the District's positive impact on the region.
- The Capital Improvement Program (CIP) is a five-year plan and is submitted annually to the Board as a separate document. The Board adopted BPC Policy No. 120, Capital Improvement Program, to establish a policy for the orderly development or improvement of the capital assets of the District. It is coordinated with the District's Strategic Plan. 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. The FY 14/15 annual budget component for the CIP is reviewed and approved by the Board and is coordinated with the preparation of the operating budget.

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 4 major categories as follows:

- 100100-399999 Balance Sheet
- 500100-599999 Revenue
- 600100-610130 Personnel
- 610140-680999 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 but the individual departments are given the control and accountability.

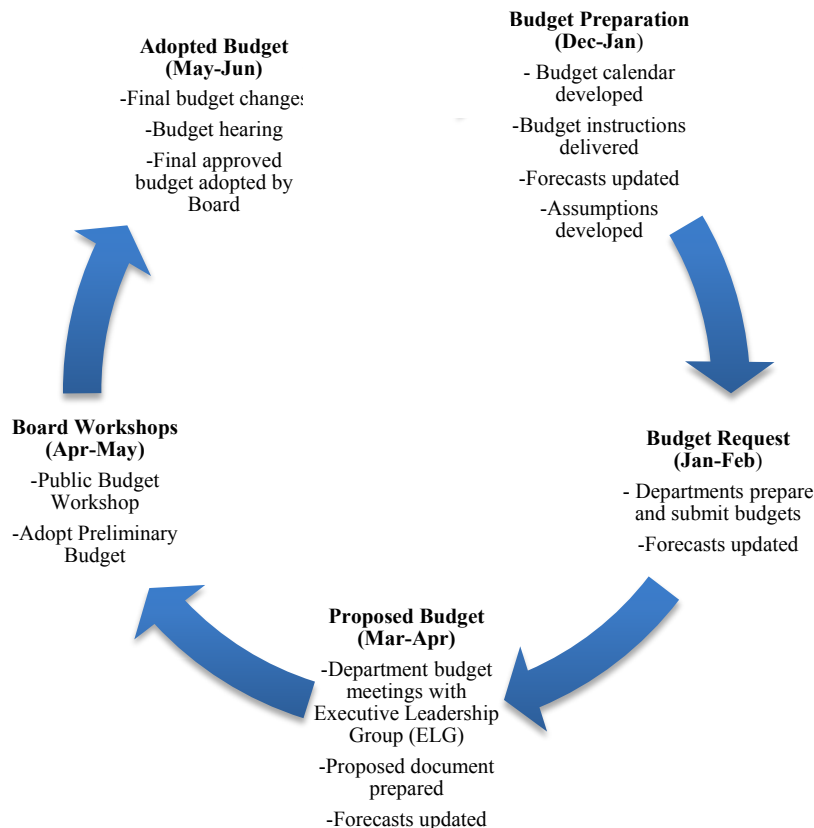
The Financial Analyst Team works with all department Directors and the Executive Leadership Group to ensure that budget proposals support the District's Strategic Plan and that appropriate funding is available.

Normally, Board workshops to discuss the preliminary budget are held in late April and early May. The workshops are 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 normally occurs in the May Board meeting. Under the provisions of the District Act the preliminary budget must be adopted by June 15 each year. Preliminary budget adoption 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, 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 function, which tracks expenses against the budget, is activated.



BUDGET TIMETABLE

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

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 shall govern transfers between appropriated budget items.

THIS PAGE INTENTIONALLY LEFT BLANK

HIGHLIGHTS

Staffing Overview
Revenue
Expense
Debt Management
Equipment Outlay
Public Art Fund
Environmental Fund Program
Marine Terminal Impact Fund
Capital Improvement Program
Major Maintenance Program
Technology Strategic Plan
Technology Management Program
Marketing Sponsorships & Grants

THIS PAGE INTENTIONALLY LEFT BLANK

STAFFING OVERVIEW

PERMANENT POSITIONS

DEPARTMENT	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET
Business Information & Technology Services	29	29	0
Engineering - Construction	40	35	(5)
Environmental & Land Use Management	27	29	2
Financial Services	23	23	0
General Services & Procurement	111	111	0
Government & Civic Relations	6	5	(1)
Harbor Police Department	154	153	(1)
Human Resources	17	18	1
Maritime	32	30	(2)
Marketing & Communications	17	16	(1)
Office of the District Clerk	24	22	(2)
Port Attorney	12	13	1
Port Auditor	5	6	1
Real Estate	34	33	(1)
TOTAL STAFFING	531	523	(8)

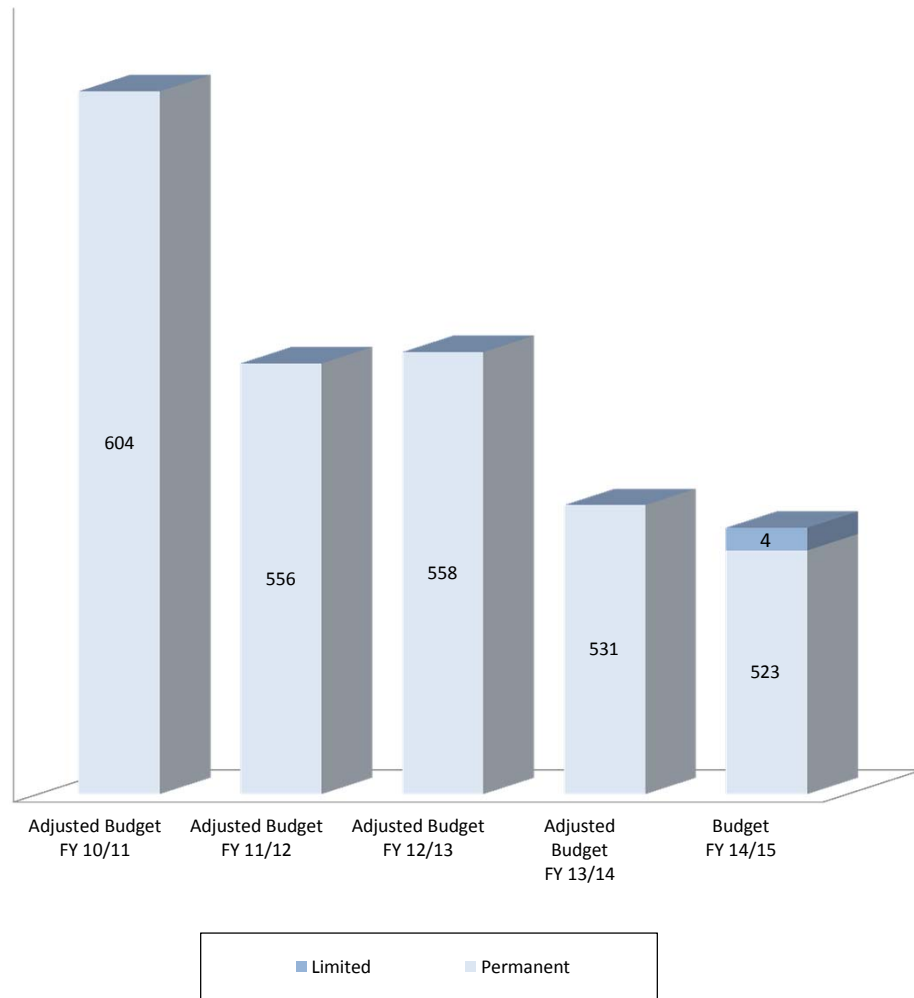
LIMITED POSITIONS

DEPARTMENT	JOB TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET
Environmental & Land Use Management	Senior Redevelopment Planner	0	1	1
Marketing & Communications	Web Content Specialist	0	1	1
Marketing & Communications	Manager, Marketing and Communications	0	1	1
Real Estate	Principal, Special Projects	0	1	1
TOTALS		0	4	4

STUDENT POSITIONS

DEPARTMENT	JOB TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET
Business Information & Technology Services	Intern	5	5	0
Engineering - Construction	Intern	1	1	0
Environmental & Land Use Management	Intern	2	2	0
Financial Services	Intern	1	1	0
Human Resources	Intern	1	1	0
Marketing & Communications	Intern	1	1	0
TOTALS		11	11	0

CHANGE IN STAFFING



REVENUE HIGHLIGHTS

Trends in Revenue

Total operating and non-operating revenue for the District is budgeted at \$144.6M. Revenue for the two major operating centers, Real Estate and Maritime, will increase as further discussed below. Non-operating revenue from the NEVP Capital Project contribution from the Civic San Diego reported under Miscellaneous will decrease by \$5.0M due to the NEVP project winding down.

Trends affecting revenue are described below by operating center.

Revenue by Operating Center

Revenues were projected by benchmarking major tenants and using industry analysis to predict trends in revenue. Assumptions concerning prospective revenue from new and renegotiated leases were included. Revenue for leases scheduled to terminate are reduced by the probability that they will not be renewed. For leases with an option to expand facilities; revenue is reduced or increased by the probability that the expansion will impact ongoing operations.

Since concession revenues vary with economic conditions, the revenue team performed a detailed analysis using recent data from multiple sources, other published hotel industry forecasts, cruise ship activity projections, and convention bookings for 2013 and 2014. 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 14/15 forecast. Key tenants were interviewed regarding their forecasts.

Maritime

Maritime is projected to increase approximately \$744k, or 2.1%, from FY 13/14 budgeted revenue.

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

- **Storage Space Rental** is budgeted at \$2.4M, an increase of \$1.3M or 112.3% from last year's budget. This is primarily due to further increase in storage revenues from PASHA's operations at the National City Marine Terminal (NCMT). FY 14/15 automobile storage revenue is budgeted at \$2.0M. It also includes \$140k in new revenue projected for some expansion of PASHA's operating areas.
- **Parking** is budgeted at \$340k, an increase of \$316k, from the prior fiscal year. This includes

\$300k projected from the new public parking operation at the B Street Pier which commenced in January 2014. Other parking revenue includes parking permit fees from the Cruise Ship Terminal and Tuna Harbor at G Street.

- **Cruise Ship Passenger Security Charges** is budgeted at \$1.1M, an increase of \$152k or 16.3% from last year's budget. Cruise ship security costs are charged to cruise lines with 15% mark up to reimburse District's expense in providing guard services for cruise passengers, luggage, cruise stores, and truck screening. The budgeted vessel calls will increase from 75 to 80.
- **Dockage** is budgeted at \$1.6M, a decrease of \$212k or 11.9% from last year's budget. The decrease is primarily caused by a decrease in spot cargo vessels at TAMT.
- **Fixed Rent** is budgeted at \$13.6M, a decrease of \$748k, or 5.2% from the prior fiscal year. The majority of the decrease is associated with reduced space occupied by lumber tenants in National City.
- **Wharfage** is budgeted at \$13.7 million and is comparable with last year's budget. Of the \$13.7M wharfage budget, \$7.4M is guaranteed by agreements. Automobile throughput is projected to increase in NCMT with additional automobile units budgeted for some expanded areas. Pasha is re-evaluating its San Diego-Hawaii transport line which currently handles automobiles and general cargos. FY 14/15 wharfage for this Hawaiian service is budgeted conservatively to include automobiles only. The wharfage increase from automobiles is partially offset by less spot cargos.

Real Estate

Real Estate anticipates an increase of approximately \$898k, or 1.0%, compared with the FY 13/14 budget.

Differences from the FY13/14 revenue budget are projected in the following areas:

- **Concession Revenue** is budgeted at \$56.4M, an increase of \$1.9M, or 3.4%. This increase is primarily due to higher revenue projections for existing restaurants and other concession tenants. Overall, hotel revenues are expected to remain flat due to construction commencing on Marriott Hall in December 2014.

- **Parking Meters** is budgeted at \$1.0M, an increase of \$207k, or 25.1%. This increase is mainly due to the additional meters on North Harbor Drive.
- **Other Rental Revenue** is budgeted at \$188k. This is an option payment for the development of Lane Field South.
- **Miscellaneous Other Operating Revenue** is budgeted at \$148k, a decrease of \$243k, or 62.2%. The District commissions business and feasibility studies from third party consultants, which sometimes are fully reimbursable from the tenants and are covered by reimbursable agreements. The decrease is due to reduced third party consultant fees that will be passed on to tenants.
- **Parking** is budgeted at \$7.3M, a decrease of \$336k or 4.4 % from the prior year. This decrease is attributable to Lane Field parking spaces being reduced from 590 spaces to 212 spaces.
- **Fixed Rent** is budgeted at \$21.8M, a decrease of \$777k, or 3.4%. This decrease is primarily due to the South Bay Power Plant lease that ended in December 2013.

Harbor Police

The Harbor Police Department, in addition to serving the District, is the primary law enforcement agency at the San Diego County Regional Airport Authority (SDCRAA). The cost reimbursement for the direct police costs provided to the SDCRAA is \$13.5M while the General and Administrative cost (G&A) reimbursement reported under the Miscellaneous section below is \$2.0M, bringing the total reimbursement to \$15.5M. These cost reimbursements are reported under Public Services Provided account. The total level of service will remain the same as last year.

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

- **Citations** which include citations for parking and traffic violations are projected at \$550k, an increase of \$280k, or 103.7 %. This increase is due to the changes in the parking enforcement program which is projected to increase based on recent trends.

- **Operating Grant revenue** is expected to decrease by \$318k.

Miscellaneous

- **North Embarcadero Visionary Plan (NEVP) Capital Project Contribution**, which represents Civic San Diego's (formerly Centre City Development Corporation) share of construction cost for the NEVP Phase I project, is budgeted at \$1.8M, a decrease of \$5.0M, or 74.1%. The NEVP project is winding down and is expected to be completed in the first half of FY 14/15.
- **Grants – Capital Projects Reimbursement** is decreasing by \$876k due to decreasing federal grants award.
- **Reimbursed Cost/Cost Recovery** is budgeted at \$742k, a decrease of \$740k, or 49.9%. The current trend indicates a lower realization of cost recovery from the budget, therefore FY 14/15 is budgeted at the current projected amount.
- **Reimbursed Legal Fees** are no longer budgeted in FY 14/15 unless the reimbursement is 100% assured by insurance companies.
- **Partnership/Cost Sharing Reimbursement** is budgeted at \$778k and consists of reimbursement from SDG&E Energy Efficiency Partnership for \$315k, Water Quality Implementation Plan for \$390k, and \$73k from Regional Harbor Monitoring Program.
- **Operating Grant revenue** is expected to decrease by \$124k.
- **Public Services Provided** which represents reimbursements for G&A costs associated with the SDCRAA agreement for Harbor Police services, is budgeted at \$2.0M.

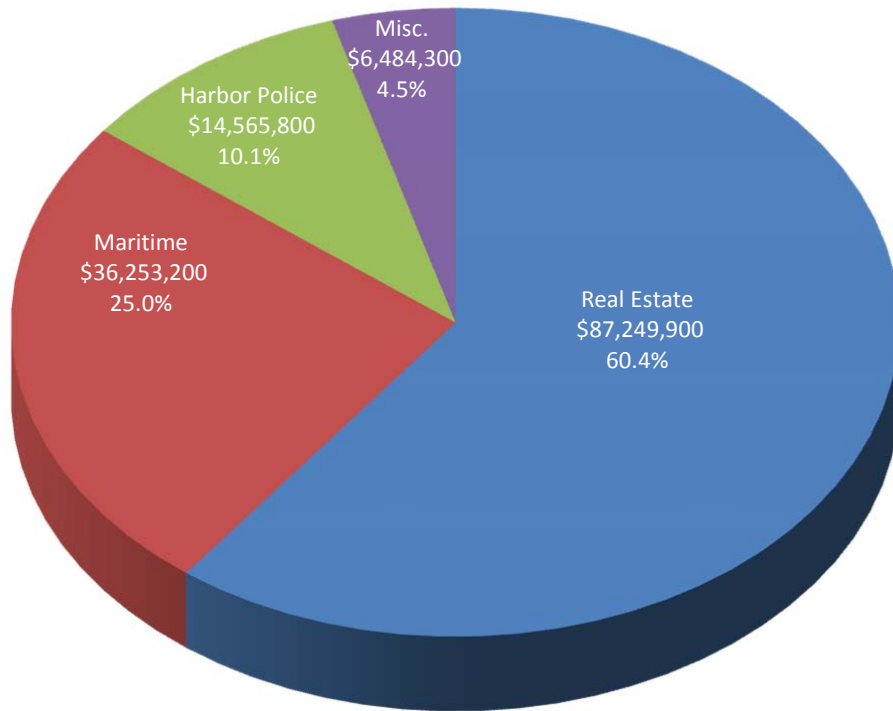
REVENUE BY OPERATING CENTER AND ACCOUNT

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
<u>MARITIME</u>					
Fixed Rent	\$ 14,127,254	\$ 14,379,000	\$ 13,631,400	\$ (747,600)	-5.2%
Concession Revenue	1,566,442	1,709,000	1,666,100	(42,900)	-2.5%
Storage Space Rental	1,772,280	1,135,000	2,409,400	1,274,400	112.3%
Other Rental Revenue	291,819	541,300	533,000	(8,300)	-1.5%
Rents	\$ 17,757,795	\$ 17,764,300	\$ 18,239,900	\$ 475,600	2.7%
Bunkering	\$ 49,266	\$ 45,800	\$ 47,300	\$ 1,500	3.3%
Cruise Ship Passenger Fees	1,289,115	1,163,800	1,135,300	(28,500)	-2.4%
Cruise Ship Passenger Security Charges	989,210	933,800	1,085,700	151,900	16.3%
Dockage	1,937,666	1,781,300	1,569,300	(212,000)	-11.9%
Environmental Surcharge	8,170	7,700	7,300	(400)	-5.2%
Parking	18,563	24,000	340,000	316,000	1316.7%
Wharfage	11,269,732	13,683,900	13,701,000	17,100	0.1%
Miscellaneous Other Operating Revenue	11,263	3,600	13,000	9,400	261.1%
Fees & Service Charges	\$ 15,572,985	\$ 17,643,900	\$ 17,898,900	\$ 255,000	1.4%
Utilities Furnished	\$ 111,314	\$ 74,700	\$ 88,400	\$ 13,700	18.3%
Services	\$ 111,314	\$ 74,700	\$ 88,400	\$ 13,700	18.3%
Grant Revenue	\$ 27,097	\$ 26,000	\$ 26,000	\$ -	0.0%
Grants	\$ 27,097	\$ 26,000	\$ 26,000	\$ -	0.0%
Service Charges	\$ 4,083	\$ -	\$ -	\$ -	-
Interest - Miscellaneous	10,556	-	-	-	-
Non-Operating Revenue	\$ 14,639	\$ -	\$ -	\$ -	-
TOTAL MARITIME	\$ 33,483,830	\$ 35,508,900	\$ 36,253,200	\$ 744,300	2.1%
<u>REAL ESTATE</u>					
Fixed Rent	\$ 22,931,523	\$ 22,619,100	\$ 21,842,200	\$ (776,900)	-3.4%
Concession Revenue	51,369,662	54,549,400	56,402,700	1,853,300	3.4%
ACH Parking Facility Funding	215,002	215,000	218,800	3,800	1.8%
Other Rental Revenue	37,108	-	187,500	187,500	-
RE Revenue from Rent Reduction	4,000	-	-	-	-
Rents	\$ 74,557,295	\$ 77,383,500	\$ 78,651,200	\$ 1,267,700	1.6%
Parking	\$ 6,717,598	\$ 7,656,200	\$ 7,319,800	\$ (336,400)	-4.4%
Parking Meters	904,462	826,600	1,034,000	207,400	25.1%
Park Usage Fees	144,658	95,500	97,400	1,900	2.0%
Miscellaneous Other Operating Revenue	33,973	390,300	147,500	(242,800)	-62.2%
Fees & Service Charges	\$ 7,800,691	\$ 8,968,600	\$ 8,598,700	\$ (369,900)	-4.1%
Grant Revenue	\$ 246,500	\$ -	\$ -	\$ -	-
Grants	\$ 246,500	\$ -	\$ -	\$ -	-
Damages Recovered	\$ 4,377	\$ -	\$ -	\$ -	-
Non-Operating Revenue	\$ 4,377	\$ -	\$ -	\$ -	-
TOTAL REAL ESTATE	\$ 82,608,863	\$ 86,352,100	\$ 87,249,900	\$ 897,800	1.0%

REVENUE BY OPERATING CENTER AND ACCOUNT

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
<u>HARBOR POLICE</u>					
Fixed Rent	\$ 10,530	\$ 14,000	\$ 7,000	\$ (7,000)	-50.0%
Rents	\$ 10,530	\$ 14,000	\$ 7,000	\$ (7,000)	-50.0%
Citations	\$ 395,263	\$ 270,000	\$ 550,000	\$ 280,000	103.7%
Piers & Floats	88,842	100,000	90,000	(10,000)	-10.0%
Miscellaneous Other Operating Revenue	50,424	50,000	50,000	-	0.0%
Fees & Service Charges	\$ 534,529	\$ 420,000	\$ 690,000	\$ 270,000	64.3%
Public Services Provided	\$ 13,921,666	\$ 13,449,400	\$ 13,450,300	\$ 900	0.0%
Services	\$ 13,921,666	\$ 13,449,400	\$ 13,450,300	\$ 900	0.0%
Grant Revenue	\$ 845,865	\$ 736,500	\$ 418,500	\$ (318,000)	-43.2%
Grants	\$ 845,865	\$ 736,500	\$ 418,500	\$ (318,000)	-43.2%
Misc Other Non-Operating Revenue	\$ 127	\$ -	\$ -	\$ -	-
Asset Forfeiture Proceeds-Harbor Police	100,665	-	-	-	-
Non-Operating Revenue	\$ 100,792	\$ -	\$ -	\$ -	-
TOTAL HARBOR POLICE	\$ 15,413,382	\$ 14,619,900	\$ 14,565,800	\$ (54,100)	-0.4%
<u>MISCELLANEOUS</u>					
Permit & License Fees	\$ 1,500	\$ -	\$ -	\$ -	-
Miscellaneous Other Operating Revenue	8,541	-	-	-	-
Miscellaneous Other Operating Revenue	\$ 10,041	\$ -	\$ -	\$ -	-
Public Services Provided	\$ 1,949,024	\$ 2,054,900	\$ 2,036,300	\$ (18,600)	-0.9%
Reimbursed Cost/Cost Recovery	-	1,481,400	741,500	(739,900)	-49.9%
Services	\$ 1,949,024	\$ 3,536,300	\$ 2,777,800	\$ (758,500)	-21.4%
Grant Revenue	\$ 909,321	\$ 319,000	\$ 195,500	\$ (123,500)	-38.7%
Grants - Expense Reimbursement	2,117	-	-	-	-
Grants Revenue -Sub-Grantee	1,008,129	-	-	-	-
Partnership/Cost Sharing Reimbursement	-	971,900	778,300	(193,600)	-19.9%
Grants	\$ 1,919,567	\$ 1,290,900	\$ 973,800	\$ (317,100)	-24.6%
Damages Recovered	\$ 14,351	\$ -	\$ -	\$ -	-
Grants - Capital Project Reimbursement	4,996,663	1,337,400	461,300	(876,100)	-65.5%
Donated Revenue	1,271,780	65,000	-	(65,000)	-100.0%
Insurance Proceeds	22,446	-	-	-	-
Reimbursed Legal Fees	539,624	365,000	-	(365,000)	-100.0%
Legal Settlements	6,250	-	-	-	-
Misc Other Non-Operating Revenue	189,195	100,000	50,000	(50,000)	-50.0%
Restitution	237	-	-	-	-
Sale of Surplus Items - Proceeds	64,691	60,000	60,000	-	0.0%
NEVP Capital Project Contribution	5,174,580	6,800,000	1,761,400	(5,038,600)	-74.1%
Non-Operating Revenue	\$ 12,279,817	\$ 8,727,400	\$ 2,332,700	\$ (6,394,700)	-73.3%
Gain/Loss On Sale of Investments	\$ 46,469	\$ -	\$ -	\$ -	-
Interest - Investments	677,385	380,000	400,000	20,000	5.3%
Interest - Unamortized Bond Premium	(156,680)	-	-	-	-
Unrealized Gain/Loss On Inv. (GASB 31)	(206,298)	-	-	-	-
Interest - Miscellaneous	95,952	-	-	-	-
Investment Revenue	\$ 456,828	\$ 380,000	\$ 400,000	\$ 20,000	5.3%
Discounts Earned	\$ 5,024	\$ -	\$ -	\$ -	-
Other Revenue	\$ 5,024	\$ -	\$ -	\$ -	-
TOTAL MISCELLANEOUS	\$ 16,620,301	\$ 13,934,600	\$ 6,484,300	\$ (7,450,300)	-53.5%
TOTAL REVENUE	\$ 148,126,376	\$ 150,415,500	\$ 144,553,200	\$ (5,862,300)	-3.9%

REVENUE BY OPERATING CENTER

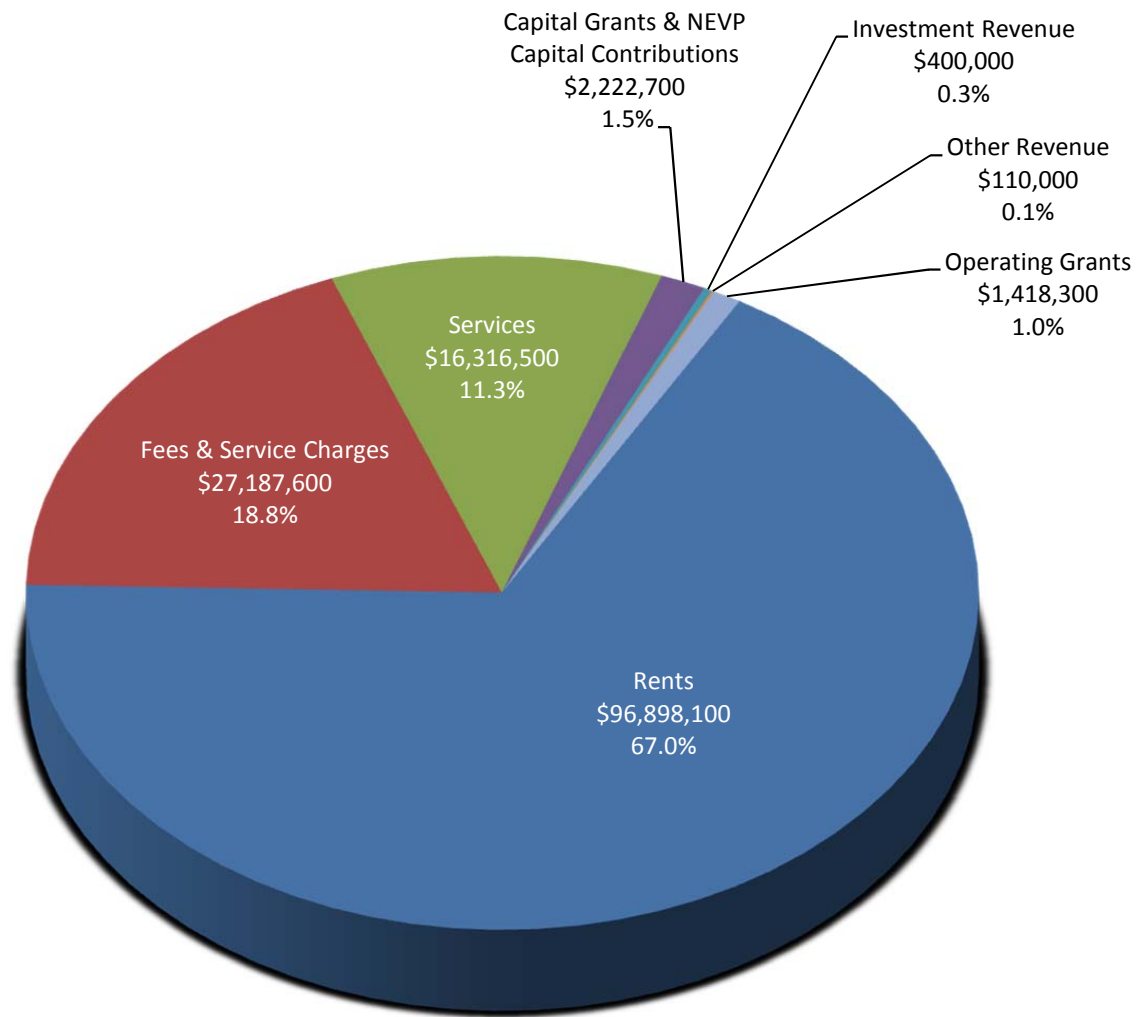


TOTAL REVENUE
\$144,553,200

REVENUE BY ACCOUNT

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Fixed Rent	\$ 37,069,307	\$ 37,012,100	\$ 35,480,600	\$ (1,531,500)	-4.1%
Concession Revenue	52,936,104	56,258,400	58,068,800	1,810,400	3.2%
Storage Space Rental	1,772,280	1,135,000	2,409,400	1,274,400	112.3%
ACH Parking Facility Funding	215,002	215,000	218,800	3,800	1.8%
Other Rental Revenue	328,927	541,300	720,500	179,200	33.1%
RE Revenue from Rent Reduction	3,999	-	-	-	-
Rents	\$ 92,325,619	\$ 95,161,800	\$ 96,898,100	\$ 1,736,300	1.8%
Bunkering	\$ 49,266	\$ 45,800	\$ 47,300	\$ 1,500	3.3%
Citations	395,263	270,000	550,000	280,000	103.7%
Cruise Ship Passenger Fees	1,289,115	1,163,800	1,135,300	(28,500)	-2.4%
Cruise Ship Passenger Security Charges	989,210	933,800	1,085,700	151,900	16.3%
Dockage	1,937,666	1,781,300	1,569,300	(212,000)	-11.9%
Environmental Surcharge	8,170	7,700	7,300	(400)	-5.2%
Permit & License Fees	1,500	-	-	-	-
Parking	6,736,161	7,680,200	7,659,800	(20,400)	-0.3%
Parking Meters	904,462	826,600	1,034,000	207,400	25.1%
Park Usage Fees	144,658	95,500	97,400	1,900	2.0%
Piers & Floats	88,842	100,000	90,000	(10,000)	-10.0%
Wharfage	11,269,732	13,683,900	13,701,000	17,100	0.1%
Miscellaneous Other Operating Revenue	104,201	443,900	210,500	(233,400)	-52.6%
Fees & Service Charges	\$ 23,918,246	\$ 27,032,500	\$ 27,187,600	\$ 155,100	0.6%
Public Services Provided	\$ 15,870,690	\$ 15,504,300	\$ 15,486,600	\$ (17,700)	-0.1%
Utilities Furnished	111,314	74,700	88,400	13,700	18.3%
Reimbursed Cost/Cost Recovery	-	1,481,400	741,500	(739,900)	-49.9%
Services	\$ 15,982,004	\$ 17,060,400	\$ 16,316,500	\$ (743,900)	-4.4%
Grant Revenue	\$ 2,028,783	\$ 1,081,500	\$ 640,000	\$ (441,500)	-40.8%
Grants - Expense Reimbursement	2,117	-	-	-	-
Grants Revenue -Sub-Grantee	1,008,129	-	-	-	-
Partnership/Cost Sharing Reimbursement	-	971,900	778,300	(193,600)	-19.9%
Grants	\$ 3,039,029	\$ 2,053,400	\$ 1,418,300	\$ (635,100)	-30.9%
Damages Recovered	\$ 18,728	\$ -	\$ -	\$ -	-
Grants - Capital Project Reimbursement	4,996,663	1,337,400	461,300	(876,100)	-65.5%
Donated Revenue	1,271,780	65,000	-	(65,000)	-100.0%
Insurance Proceeds	22,446	-	-	-	-
Reimbursed Legal Fees	539,624	365,000	-	(365,000)	-100.0%
Legal Settlements	6,250	-	-	-	-
Misc Other Non-Operating Revenue	189,322	100,000	50,000	(50,000)	-50.0%
Service Charges	4,083	-	-	-	-
Restitution	237	-	-	-	-
Sale of Surplus Items - Proceeds	64,691	60,000	60,000	-	0.0%
Asset Forfeiture Proceeds-Harbor Police	100,665	-	-	-	-
NEVP Capital Project Contribution	5,174,580	6,800,000	1,761,400	(5,038,600)	-74.1%
Gain/Loss On Sale of Investments	46,469	-	-	-	-
Interest - Investments	677,385	380,000	400,000	20,000	5.3%
Interest - Unamortized Bond Premium	(156,680)	-	-	-	-
Unrealized Gain/Loss On Inv. (GASB 31)	(206,298)	-	-	-	-
Interest - Miscellaneous	106,508	-	-	-	-
Discounts Earned	5,024	-	-	-	-
Non-Operating Revenue	\$ 12,861,477	\$ 9,107,400	\$ 2,732,700	\$ (6,374,700)	-70.0%
TOTAL REVENUE	\$ 148,126,375	\$ 150,415,500	\$ 144,553,200	\$ (5,862,300)	-3.9%

REVENUE BY ACCOUNT



TOTAL REVENUE
\$144,553,200

EXPENSE HIGHLIGHTS

Trends in Expense

Direct Expense is budgeted at \$136.8M and is approximately \$2.9M, or 2.1%, lower than the FY 13/14 adjusted budget.

Personnel Expense

Overall, Personnel Expense will increase by \$2k from the previous year's adjusted budget. This is primarily due to increased overtime for law enforcement operations and increased temporary personnel to support the records retention policy effort for the Engineering – Construction department. These increases are partially offset by a reduction in Salaries & Wages and Burden expense resulting from the elimination of four full-time positions. Total staff for FY 14/15 is projected to be 523 permanent positions and 4 limited positions. Budgeted expenses consist of Salaries & Wages, Overtime, Temporary Personnel, and Burden.

- **Salaries & Wages** (not including Overtime or Temporary Personnel) will decrease \$213k, or 0.5%, primarily due to the elimination of four full-time positions.
- **Overtime** will increase by \$202k, or 14.9%, primarily due to an increase in law enforcement operations for the Harbor Police Department.
- **Temporary Personnel** will increase by \$90k primarily due to support of additional short-term tasks.
- **Burden** will decrease by \$76k compared to the prior fiscal year.

Non-Personnel Expense

Overall, Non-Personnel Expense (NPE) will increase by \$3.8M, or 7.6%. Large budget-to-budget variances are projected in the following NPE accounts:

Marketing/Outreach is a newly created expense category that includes the Marketing Sponsorship program, corporate/community outreach efforts, and other marketing services. Previously, these items were budgeted in Services – Professional & Other, Advertising, and Promotional Services. The consolidation to Marketing/Outreach will increase flexibility and allow better management of marketing and outreach efforts. Marketing/Outreach is budgeted at \$1.2M for FY 14/15.

Services – Professional & Other will increase by \$981k, or 9.3%. Port Attorney will increase \$595k due to new projects, environmental remediation, and anticipated trial litigation. Maritime will increase by \$475k mainly due to the implementation of the Maritime Oil Terminal Engineering and Maintenance Standards (MOTEMS)

project and increases in security screening costs at the cruise and cargo terminals. Engineering – Construction will increase \$337k due to the Major Maintenance Asset Management and CIP Workshop efforts. Real Estate will increase by \$180k due to costs associated with the Chula Vista Bayfront Master Plan (CVBMP) effort and increases in benchmarking studies. The increase was partially offset by decreases in the following departments: Marketing & Communications decreased by \$655k mainly due to budgeting marketing sponsorships, events, and printing services to the newly created Marketing/Outreach expense category in FY 14/15. Environmental & Land Use Management decreased by \$282k mainly due to a reduction in consulting services for the Regional Harbor Monitoring Program.

Services – Operator Retention will increase by \$595k, or 20.8%, due to increased forecasted vehicle throughput at National City Marine Terminal (NCMT), which results in increased revenue tariff sharing with PASHA.

Retiree Health Benefits (Paid) will increase by \$573k, or 21.5%, mainly due to the rising cost of healthcare.

Facilities Maintenance – Outside Services will increase by \$536k, or 21.0%, primarily due to new maintenance needs at North Embarcadero and landscaping projects along Harbor Drive.

Equipment Maintenance – Outside Services will increase by \$342k, or 42.8%, mainly due to new annual maintenance on network storage and communication infrastructure.

Equipment & Systems will increase by \$341k, or 61.6%, primarily due to an increase in security efforts and meeting compliance standards on communication equipment.

Public Art Program will increase by \$317k mainly due to budgeting Public Art efforts in the Facility Maintenance – Outside Services expense category in the prior fiscal year. In addition, the continued implementation of the Curatorial Strategy and planning phase for the Bridge Lighting project is planned in FY 14/15, both of which were deferred last fiscal year.

Utilities – Gas & Electric will increase by \$277k, or 16.5%, due to anticipated increases in gas and electric expenses.

Other Miscellaneous Operating Expense will increase by \$250k, or 161.0%, mainly due to the addition of an operating expense contingency.

Services – Legal will decrease by \$329k, or 9.3%, primarily due to a decrease in outsourced legal services for business related projects. With the addition of one Deputy

General Counsel IV, a larger number of legal projects will be accomplished internally.

Advertising will decrease by \$556k, or 94.2%, as a result of budgeting advertising efforts for marketing services, maritime and cruise, and corporate outreach and media services in the newly created Marketing/Outreach expense category in FY 14/15.

Major Maintenance will decrease \$848k, or 36.6%, mainly due to a shift of projects in FY 14/15 from expense to maintenance projects that are capital in nature.

Capitalized Labor

Capitalized labor is internal labor costs (personnel and overhead) that are directly incurred in the development or 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 14/15 is included in the CIP budget.

Non-Operating Expense

Overall, Non-Operating Expense will decrease \$4.5M, or 52.2%. Non-Operating Expenses are from expense sources that are related to financing, investing, and other activities that do not constitute the principal ongoing activities of the District's operations. Large budget-to-budget variances are projected in the following Non-Operating Expense accounts:

Convention Center Financial Assistance will decrease by \$4.5M, or 100.0%, due to the completion of the Memorandum of Understanding (MOU) agreement that was initiated in 1994 with the City of San Diego for the San Diego Convention Center Expansion Project.

Interest Expense - Series A 2013 Bonds: The \$26.5M Series B 2004 Bonds were refunded on November 20, 2013, which resulted in the issuance of \$25.5M of Series A 2013 Bonds. The expected interest expense for the Series A 2013 Bonds is \$1.1M for FY 14/15. The Series B 2004 Bonds were considered legally defeased as per GASB 7 criteria.

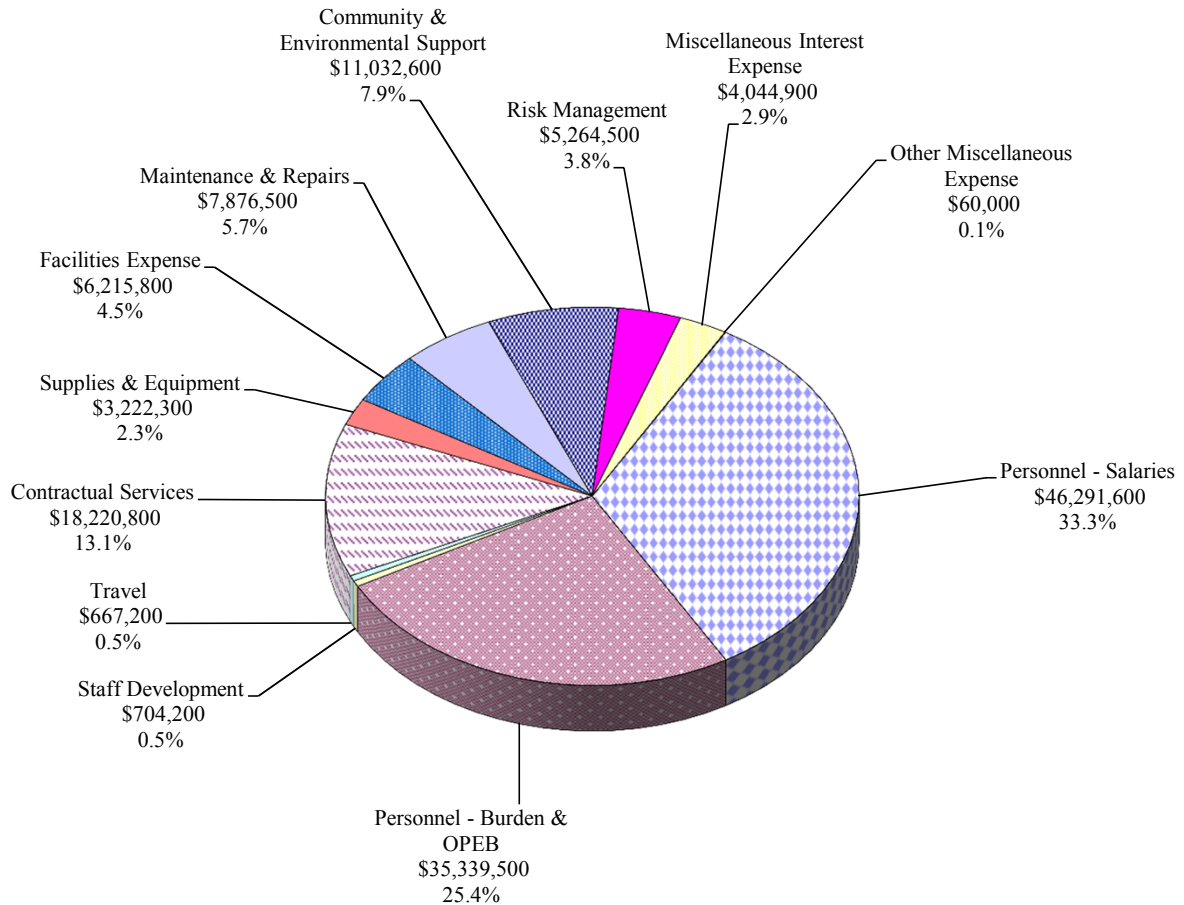
EXPENSE BY ACCOUNT

LINE ITEM	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries & Wages	\$ 44,163,534	\$ 44,853,300	\$ 44,640,400	\$ (212,900)	-0.5%
Overtime	1,850,268	1,358,800	1,561,200	202,400	14.9%
Temporary Personnel	270,607	-	90,000	90,000	-
Salaries & Wages Expense	\$ 46,284,409	\$ 46,212,100	\$ 46,291,600	\$ 79,500	0.2%
Burden Expense	\$ 28,786,357	\$ 30,197,400	\$ 30,119,900	\$ (77,500)	-0.3%
OPEB Annual Required Contribution (GASB)	4,467,016	5,219,600	5,219,600	-	0.0%
Subtotal Personnel Expense	\$ 79,537,782	\$ 81,629,100	\$ 81,631,100	\$ 2,000	0.0%
Awards - Service	\$ 33,274	\$ -	\$ 2,500	\$ 2,500	-
Books & Periodicals	60,824	34,000	45,800	11,800	34.7%
Employee Recognition	23,768	27,800	27,100	(700)	-2.5%
Memberships & Dues	290,394	172,800	285,700	112,900	65.3%
Health and Wellness	4,324	-	6,000	6,000	-
Recruiting	33,513	-	-	-	-
Seminars & Training	293,954	211,900	277,100	65,200	30.8%
Tuition Reimbursement Program	44,395	59,600	60,000	400	0.7%
Staff Development	\$ 784,446	\$ 506,100	\$ 704,200	\$ 198,100	39.1%
Mileage Reimbursement	\$ 293,328	\$ 196,400	\$ 198,500	\$ 2,100	1.1%
Travel	353,426	498,100	468,700	(29,400)	-5.9%
Travel	\$ 646,754	\$ 694,500	\$ 667,200	\$ (27,300)	-3.9%
Services - Professional & Other	\$ 8,701,648	\$ 10,582,900	\$ 11,563,800	\$ 980,900	9.3%
Services - Legal - Port Attorney	3,048,298	1,746,000	3,201,600	1,455,600	83.4%
Services - Legal - Business Division	-	1,785,000	-	(1,785,000)	-100.0%
Services - Operator Retention	2,722,399	2,860,200	3,455,400	595,200	20.8%
Contractual Services	\$ 14,472,346	\$ 16,974,100	\$ 18,220,800	\$ 1,246,700	7.3%
Breakage & Obsolescence	\$ 1,706	\$ -	\$ -	\$ -	-
Equipment & Systems	747,205	553,400	894,100	340,700	61.6%
Technology Strategic Plan - Projects	504,156	372,000	383,200	11,200	3.0%
Equipment Rental/Leasing	213,020	431,700	276,300	(155,400)	-36.0%
Office & Operating Supplies	297,578	267,600	292,400	24,800	9.3%
Postage & Shipping	30,074	47,100	44,300	(2,800)	-5.9%
Safety Equipment & Supplies	149,080	200,900	258,000	57,100	28.4%
Small Tools	32,548	37,200	37,200	-	0.0%
Fuel & Lubricants	785,054	740,500	777,000	36,500	4.9%
Parking Meter Supplies	7,355	13,000	12,900	(100)	-0.8%
Blueprints	1,581	2,000	500	(1,500)	-75.0%
Uniforms	245,228	218,700	246,400	27,700	12.7%
Supplies & Equipment	\$ 3,014,584	\$ 2,884,100	\$ 3,222,300	\$ 338,200	11.7%
Space Rental	\$ 286,008	\$ 345,000	\$ 338,100	\$ (6,900)	-2.0%
Telephone & Communications	766,378	800,900	815,100	14,200	1.8%
Utilities-Gas & Electric	1,443,035	1,681,500	1,958,800	277,300	16.5%
Utilities-Water	1,091,436	1,170,600	1,170,600	-	0.0%
Facility Management Services	1,854,182	2,030,900	1,933,200	(97,700)	-4.8%
Facilities Expense	\$ 5,441,040	\$ 6,028,900	\$ 6,215,800	\$ 186,900	3.1%
Facilities Maintenance-Supplies	\$ 559,073	\$ 492,800	\$ 481,300	\$ (11,500)	-2.3%
Facilities Maintenance-Outside Services	2,334,302	2,557,000	3,093,400	536,400	21.0%
Major Maintenance Expense	1,053,936	2,317,500	1,470,000	(847,500)	-36.6%
Equipment Maintenance-Supplies	245,969	198,300	244,200	45,900	23.1%
Equipment Maintenance-Outside Services	682,085	799,400	1,141,700	342,300	42.8%
As - Needed Maintenance	442,545	394,400	622,700	228,300	57.9%
Software Maintenance	645,872	985,300	823,200	(162,100)	-16.5%
Maintenance & Repairs	\$ 5,963,783	\$ 7,744,700	\$ 7,876,500	\$ 131,800	1.7%

EXPENSE BY ACCOUNT

LINE ITEM	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Advertising	\$ 769,226	\$ 590,000	\$ 34,100	\$ (555,900)	-94.2%
Marketing/Outreach	-	-	1,195,000	1,195,000	-
Promotional Services	336,438	191,000	246,900	55,900	29.3%
Promotional Materials	128,994	21,000	29,800	8,800	41.9%
Svcs - Fire, Police, Rescue, Emergency	7,141,882	7,234,900	7,391,500	156,600	2.2%
Eligible Environmental Fund Expenditures	2,401,272	556,000	620,000	64,000	11.5%
Grant Funded Expenditures	-	518,350	271,100	(247,250)	-47.7%
Remediation	1,000,000	75,000	75,000	-	0.0%
Refuse & Hazardous Waste Disposal	161,001	103,000	103,000	-	0.0%
Joint Programs/Studies Assistance	(14,718)	758,600	749,200	(9,400)	-1.2%
Public Art Program	74,000	-	317,000	317,000	-
Community & Environmental Support	\$ 11,998,095	\$ 10,047,850	\$ 11,032,600	\$ 984,750	9.8%
Bad Debt Expense	\$ 1,619	\$ -	\$ -	\$ -	-
Insurance	1,172,993	1,345,600	1,275,000	(70,600)	-5.2%
Insurance Claims	1,000	10,000	10,000	-	0.0%
Permits/Certificates/License	12,416	46,000	73,600	27,600	60.0%
Legal Settlements	93,973	-	-	-	-
Retiree Health Benefits (Paid)	2,596,851	2,667,400	3,240,800	573,400	21.5%
GASB 45 Retiree Health Benefits (Accrued)	407,449	-	-	-	-
Preservation of Benefits Plan (POB)	273,000	330,000	260,000	(70,000)	-21.2%
Other Miscellaneous Operating Expenses	418,516	155,200	405,100	249,900	161.0%
Other Miscellaneous -Sub-Grantee's Expen	1,008,129	-	-	-	-
Risk Management	\$ 5,985,946	\$ 4,554,200	\$ 5,264,500	\$ 710,300	15.6%
Subtotal Non-Personnel Expense	\$ 48,306,993	\$ 49,434,450	\$ 53,203,900	\$ 3,769,450	7.6%
Capitalized Labor	\$ (3,383,947)	\$ -	\$ (2,152,000)	\$ (2,152,000)	-
Subtotal Operating Expense	\$ 124,460,828	\$ 131,063,550	\$ 132,683,000	\$ 1,619,450	1.2%
Convention Center Financial Assistance	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
Financial Assistance	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
Interest-SDCRAA, Carnival, Key Gov't & Other	\$ 2,383,070	\$ 2,270,900	\$ 2,488,000	\$ 217,100	9.6%
Interest Expense - Series A 2004 Bonds	554,952	492,700	426,100	(66,600)	-13.5%
Interest Expense - Series B 2004 Bonds	1,268,427	1,265,900	-	(1,265,900)	-100.0%
Interest Expense - Series A 2013 Bonds	-	-	1,130,800	1,130,800	-
Miscellaneous Interest Expense	\$ 4,206,450	\$ 4,029,500	\$ 4,044,900	\$ 15,400	0.4%
Seized Asset/Forfeitures-Harbor Police	\$ 78,471	\$ -	\$ -	\$ -	-
Other Misc Non-Operating Expense	(50)	-	-	-	-
Contingency	3,078	60,000	60,000	-	0.0%
Other Miscellaneous Expense	\$ 81,499	\$ 60,000	\$ 60,000	\$ -	0.0%
Subtotal Non-Operating Expense	\$ 8,787,949	\$ 8,589,500	\$ 4,104,900	\$ (4,484,600)	-52.2%
TOTAL DIRECT EXPENSE	\$ 133,248,777	\$ 139,653,050	\$ 136,787,900	\$ (2,865,150)	-2.1%

EXPENSE BY ACCOUNT

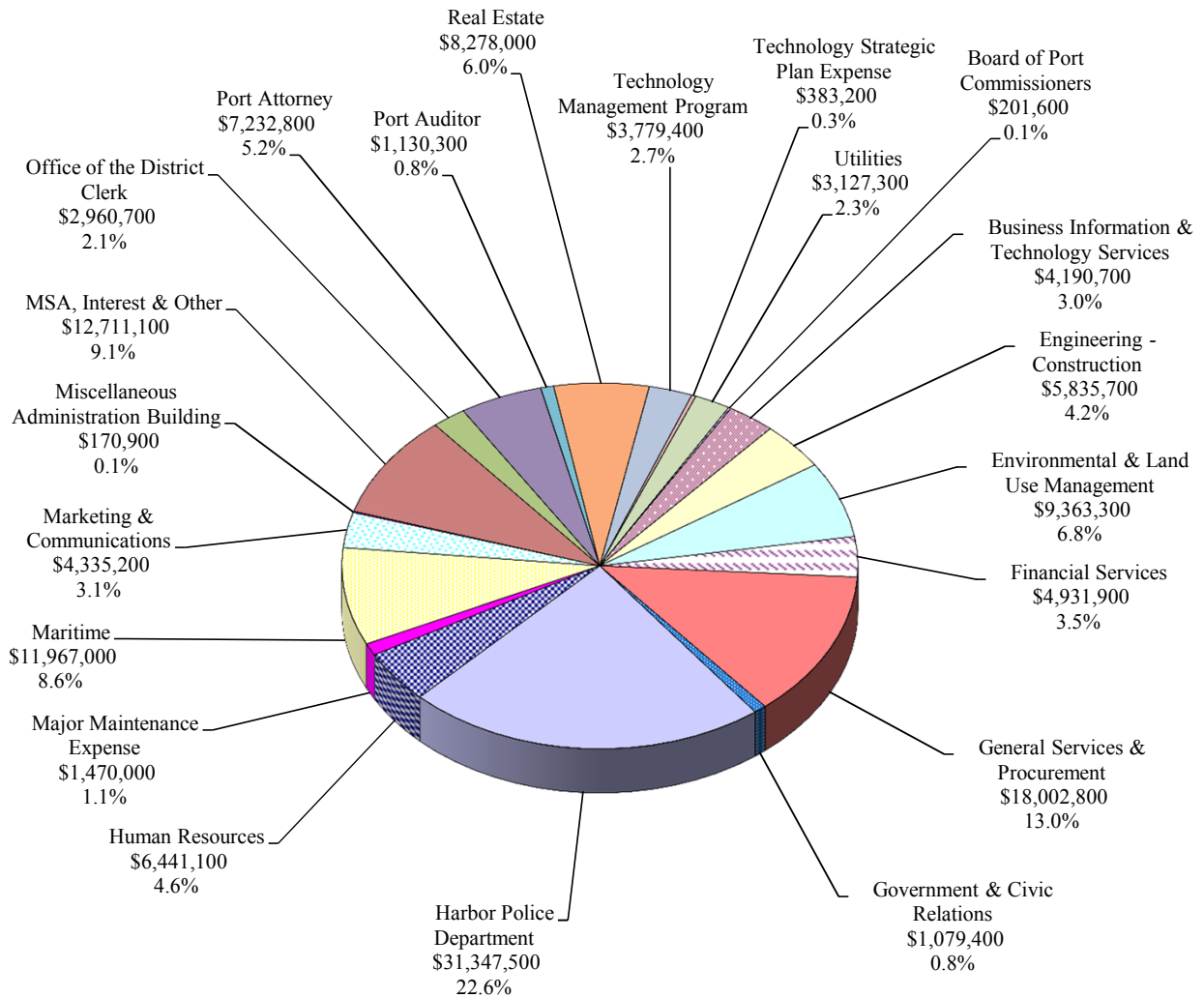


Gross Expense	\$ 138,939,900
<u>Less: Capitalized Labor</u>	<u>\$ (2,152,000)</u>
= Total Direct Expense	\$136,787,900

EXPENSE BY DEPARTMENT/COST CENTER

DEPARTMENT/COST CENTER	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Board of Port Commissioners	\$ 164,396	\$ 195,700	\$ 201,600	\$ 5,900	3.0%
Business Information & Technology Services	4,092,834	4,554,700	4,190,700	(364,000)	-8.0%
Engineering - Construction	5,760,927	5,913,600	5,835,700	(77,900)	-1.3%
Environmental & Land Use Management	6,230,854	8,931,600	9,363,300	431,700	4.8%
Financial Assistance	4,500,000	4,500,000	-	(4,500,000)	-100.0%
Financial Services	3,090,165	5,006,900	4,931,900	(75,000)	-1.5%
General Services & Procurement	16,941,681	17,267,300	18,002,800	735,500	4.3%
Government & Civic Relations	2,294,719	1,197,650	1,079,400	(118,250)	-9.9%
Harbor Police Department	30,325,162	30,983,600	31,347,500	363,900	1.2%
Human Resources	8,003,871	5,813,700	6,441,100	627,400	10.8%
Major Maintenance Expense	1,053,936	2,317,500	1,470,000	(847,500)	-36.6%
Maritime	10,681,541	11,080,300	11,967,000	886,700	8.0%
Marketing & Communications	5,942,302	4,051,800	4,335,200	283,400	7.0%
Miscellaneous Administration Building	166,247	173,300	170,900	(2,400)	-1.4%
MSA, Interest & Other	13,198,333	12,271,700	12,711,100	439,400	3.6%
Office of the District Clerk	2,873,855	3,173,200	2,960,700	(212,500)	-6.7%
Port Attorney	6,629,012	6,429,900	7,232,800	802,900	12.5%
Port Auditor	614,505	996,800	1,130,300	133,500	13.4%
Public Art	592,563	-	-	-	-
Real Estate	7,563,221	8,224,800	8,278,000	53,200	0.6%
Technology Management Program	2,874,911	3,347,000	3,779,400	432,400	12.9%
Technology Strategic Plan Expense	504,156	372,000	383,200	11,200	3.0%
Utilities	2,533,535	2,850,000	3,127,300	277,300	9.7%
Subtotal Direct Expense	\$ 136,632,724	\$ 139,653,050	\$ 138,939,900	\$ (713,150)	-0.5%
Capitalized Labor	\$ (3,383,947)	\$ -	\$ (2,152,000)	\$ (2,152,000)	-
TOTAL DIRECT EXPENSE	\$ 133,248,777	\$ 139,653,050	\$ 136,787,900	\$ (2,865,150)	-2.1%

EXPENSE BY DEPARTMENT/COST CENTER



Gross Expense	\$ 138,939,900
<u>Less: Capitalized Labor</u>	<u>\$ (2,152,000)</u>
= Total Direct Expense	\$136,787,900

DEBT MANAGEMENT HIGHLIGHTS

Highlights of Capital Borrowing Plans

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. The refunding proceeds were placed in an irrevocable escrow to provide for the payment of the remaining principal and interest due until the callable date of September 1, 2014. The Series B 2004 Bonds were legally defeased as of November 20, 2013 per GASB 7 criteria. This advance refunding will generate approximately \$2.5M in cash flow savings over the life of the bonds.

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.

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 each. The first amendment provides for Civic San Diego to advance or loan the District its share of capital contribution up to approximately \$8.6M. The District commenced repaying Civic San Diego \$850,000 annually on July 1, 2013 at an interest rate of 4.77% per annum.

Debt Service Payments FY 14/15. Payments are estimated at \$7.7M (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 PAYMENT REQUIREMENTS

	Principal	Interest	Budget FY 14/15
SDCRAA Promissory Note	\$ 1,528,500	\$ 2,156,000	\$ 3,684,500
2004 Revenue Bonds (Series A)	1,650,000	426,100	2,076,100
2013 Revenue Bonds (Series A)	-	1,130,800	1,130,800
Civic San Diego	518,000	332,000	850,000
TOTAL	\$ 3,696,500	\$ 4,044,900	\$ 7,741,400

EQUIPMENT OUTLAY

Equipment outlay is budgeted at \$2.0M for FY 14/15. Equipment outlay includes items costing over \$5,000 and are expected to have a useful life of more than one year.

DEPARTMENT	DESCRIPTION	QTY	BUDGET FY 14/15
General Services & Procurement	EQUIPMENT TRAILER	1	\$ 30,000
General Services & Procurement	FLAT BED UTILITY TRAILER	6	48,000
General Services & Procurement	FORKLIFT	1	50,000
General Services & Procurement	FULL-SIZE EXTRA CAB PICK UP TRUCK	1	28,000
General Services & Procurement	ONE-TON CREW CAB UTILITY BODY TRUCK	2	76,000
General Services & Procurement	ONE-TON UTILITY BODY TRUCK WITH CRANE	1	40,000
General Services & Procurement	PORTABLE WATER VALVE OPERATOR	1	7,000
General Services & Procurement	PROGRAMMABLE LOGIC CONTROL SYSTEM*	1	350,000
			\$ 629,000
Gov't/Community Relations	PORT SECURITY GRANT - MATCHING FUND		\$ 150,000
Harbor Police	AIS TRANSPONDERS FOR SAFEBOATS*	3	\$ 20,100
Harbor Police	FIRE/TACTICAL TRAINING SIMULATOR*	1	380,000
Harbor Police	ONBOARD AIR SYS - FIRESTORM VESSEL*	2	25,000
Harbor Police	STONEGARDEN VEHICLE*	1	70,000
Harbor Police	BUILDOUT FOR K-9 VEHICLE**	1	27,000
Harbor Police	K-9 SUV**	1	33,600
Harbor Police	INFLATABLE RESCUE BOAT***	1	25,000
Harbor Police	PA SYSTEM WIRELESS ACCESS***	1	5,000
Harbor Police	THERMAL IMAGING BINOCULARS***	2	20,000
Harbor Police	12 PASSENGER TRANSPORT VAN	1	31,000
Harbor Police	911 TEXTING SYSTEM	1	10,000
Harbor Police	CANINE KENNEL	1	6,500
Harbor Police	DELIVERY TRUCK	1	41,000
Harbor Police	HYBRID MID-SIZED SEDAN	4	120,000
Harbor Police	PATROL VEHICLE, SUV	5	170,000
Harbor Police	PATROL VEHICLE, SUV BUILD-OUT	5	157,000
Harbor Police	TRAILER MOUNTED SPEED DETECTION SYSTEM	1	8,600
			\$ 1,149,800
Maritime	MID-SIZED PICK-UP TRUCK-SUPER CAB	2	\$ 59,000
Technology Management Program	CISCO ADV SVCS INTERNET ROUTER	1	\$ 35,000
TOTAL EQUIPMENT OUTLAY			\$ 2,022,800

* Partially grant funded.

** Items carried over from prior year.

*** Per the Municipal Services agreement with the City of Imperial Beach, the District provides equipment for Lifeguard Services.

PUBLIC ART FUND HIGHLIGHTS

The District's vision for public art is to build and maintain a critically acclaimed collection of public artworks that embodies the essence of the District's maritime, environmental, and civic character. To realize this vision, the Public Art Program provides leadership, advocacy, and stewardship of the collection to enhance the visual excitement, aesthetic appeal, and cultural richness of the tidelands.

For FY 14/15, the Public Art Program will focus on stewardship of the District-owned Tidelands Collection, which includes the on-going annual conservation and maintenance efforts and inventory and records. In addition, staff will

continue to professionally oversee and manage public art projects funded under the District's two unique percent-for-art programs: CIP percent for art pursuant to BPC Policy No. 609 – Public Art and tenant percent for art, pursuant to BPC Policy No. 608 – Tenant Percent for Art.

A 13-member Public Art Committee serves in an advisory capacity, making recommendations to staff and the Board on matters relating to the development and stewardship of public art on tidelands.

SUMMARY OF PUBLIC ART FUND

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Beginning Balance	\$ 2,611,883	\$ 2,403,800	\$ 839,200
<u>Income Sources</u>			
Public Art Set-Aside (1)	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Pre-funded Set-Aside (2)	(1,000,000)	-	-
Public Art Set-Aside Reduction (3)	-	(600,000)	(850,000)
Interest Income (4)	12,937	3,700	4,000
Total Income:	\$ 212,937	\$ 603,700	\$ 354,000
<u>Expenditures</u>			
Public Art	\$ 374,034	\$ 599,100	\$ 317,000
Transfer Costs (5)	45,816	65,900	30,700
Transfer to Operating Budget (6)	-	1,500,000	-
Depreciation (7)	1,205	3,300	2,300
Total Expenditures:	\$ 421,054	\$ 2,168,300	\$ 350,000
Ending Balance	\$ 2,403,765	\$ 839,200	\$ 843,200

Notes:

- (1) In May 2008, BPC Policy No. 609 was amended to establish an annual appropriation of \$1.2M for the Public Art Fund.
- (2) In FY 12/13, the BPC waived BPC Policy No. 609 and authorized a reduction in the FY 12/13 annual deposit for the Public Art Fund from \$1.2M to \$200K.
- (3) In FY 13/14, the BPC waived BPC Policy No. 609 and authorized a reduction in the FY 13/14 annual deposit for the Public Art Fund from \$1.2M to \$600K.
- (4) Monies placed in the Fund shall be accounted for separately from other District funds.
- (5) Primarily includes support services from General Services and Engineering-Construction and also insurance allocations.
- (6) In May 2013, the BPC authorized the transfer of \$1.5M from the Public Art Fund to fund the FY 13/14 budget.
- (7) Depreciation is for the Bob Hope Tribute audio and control system equipment.

ENVIRONMENTAL FUND PROGRAM HIGHLIGHTS

The mission of the District's Environmental Policy (BPC Policy No. 730) is to provide 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 and the Environmental Fund. A key component of the Committee and Fund is to support a variety of projects that are beneficial to the bay and meet the District's goal of being an environmental steward. Projects of the Environmental Fund specifically address habitat restoration, environmental education, research and monitoring, air quality and conservation, water and sediment quality, and endangered species.

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.

Since the inception of the Environmental Fund in June 2006, 66 projects have been funded of which 58 have been completed at a cost of \$4.2M.

	BUDGET FY 14/15
Chula Vista School District Education Program	\$ 13,000
Chula Vista Wildlife Reserve	10,000
Eelgrass Surveys	50,000
Electric Vehicles	21,000
Emory Cove	5,000
Fish Survey - Baywide	25,000
Living Coast Discovery Center	20,000
Mitigation Banking	75,000
New Environmental Projects	224,000
School Storm Water Education	72,000
Shoreline Erosion Study	30,000
Wildlife Advisory Committee	75,000
TOTAL ENVIRONMENTAL FUND PROGRAM	\$ 620,000

SUMMARY OF ENVIRONMENTAL FUND

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Beginning Balance	\$ 4,442,269	\$ 2,286,400	\$ 1,833,900
<u>Income Sources</u>			
Port Revenues for Environmental Fund (1)	\$ 118,429,300	\$ 124,210,900	\$ 124,684,100
Set-Aside Percentage	0.005	0.005	0.005
Total Set-Aside	\$ 592,100	\$ 621,100	\$ 623,400
Interest Income (2)	20,534	6,400	8,500
Total Income:	\$ 612,634	\$ 627,500	\$ 631,900
<u>Expenditures</u>			
Non-Capital Project Costs (3)	\$ 2,401,272	\$ 556,000	\$ 620,000
Deferred MM Projects (4)	-	524,000	-
Capital Project Costs (5)	367,242	-	-
Total Expenditures:	\$ 2,768,514	\$ 1,080,000	\$ 620,000
Ending Balance	\$ 2,286,389	\$ 1,833,900	\$ 1,845,800

Notes:

- (1)** 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.
- (2)** Monies placed in the Fund shall be accounted for separately from other District funds and any earnings thereon shall accrue to the Program.
- (3)** Refer to section 4 page 21 for Environmental & Land Use Planning's Expense Budget Breakdown account "660135 Eligible Environmental Fund Expenditures" for details.
- (4)** In FY 13/14, the BPC deferred Major Maintenance projects which included two projects totaling \$524K funded from the Environmental Fund.
- (5)** Includes Capital Improvement Projects (CIP) and Major Maintenance capital projects included in the CIP and MM budgets, respectively.

MARINE TERMINAL IMPACT FUND HIGHLIGHTS

In July 2010, the Board established a Marine Terminal Impact Fund (MTIF). The purpose of the MTIF is to invest in projects that will help offset the negative impacts of the District's marine terminals on neighboring communities

The Board established an initial set-aside of \$500,000 with additional funds to be set aside annually starting in FY 10/11. 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 and the National City Marine Terminal. The actual amount of the funding will be posted after the end of the each fiscal year when the gross revenues from each terminal are known.

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Beginning Balance	\$ 777,798	\$ 777,800	\$ 767,800
<u>Income Sources</u>			
TAMT & NCMT Revenues	\$ -	\$ 18,000,000	\$ 18,000,000
Set-Aside Percentage	0.005	0.005	0.005
Total Set-Aside	\$ -	\$ 90,000	\$ 90,000
Expenditures		100,000	100,000
Ending Balance	\$ 777,798	\$ 767,800	\$ 757,800

CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS

Capital Improvement Projects for FY 14/15 are shown below. Refer to the District's Capital Improvement Program (CIP) book (available from the Office of the District Clerk), for a complete list and description of each project.

The total approved CIP project budgets span multiple fiscal years. The amounts shown represent the estimated expenditures for FY 14/15.

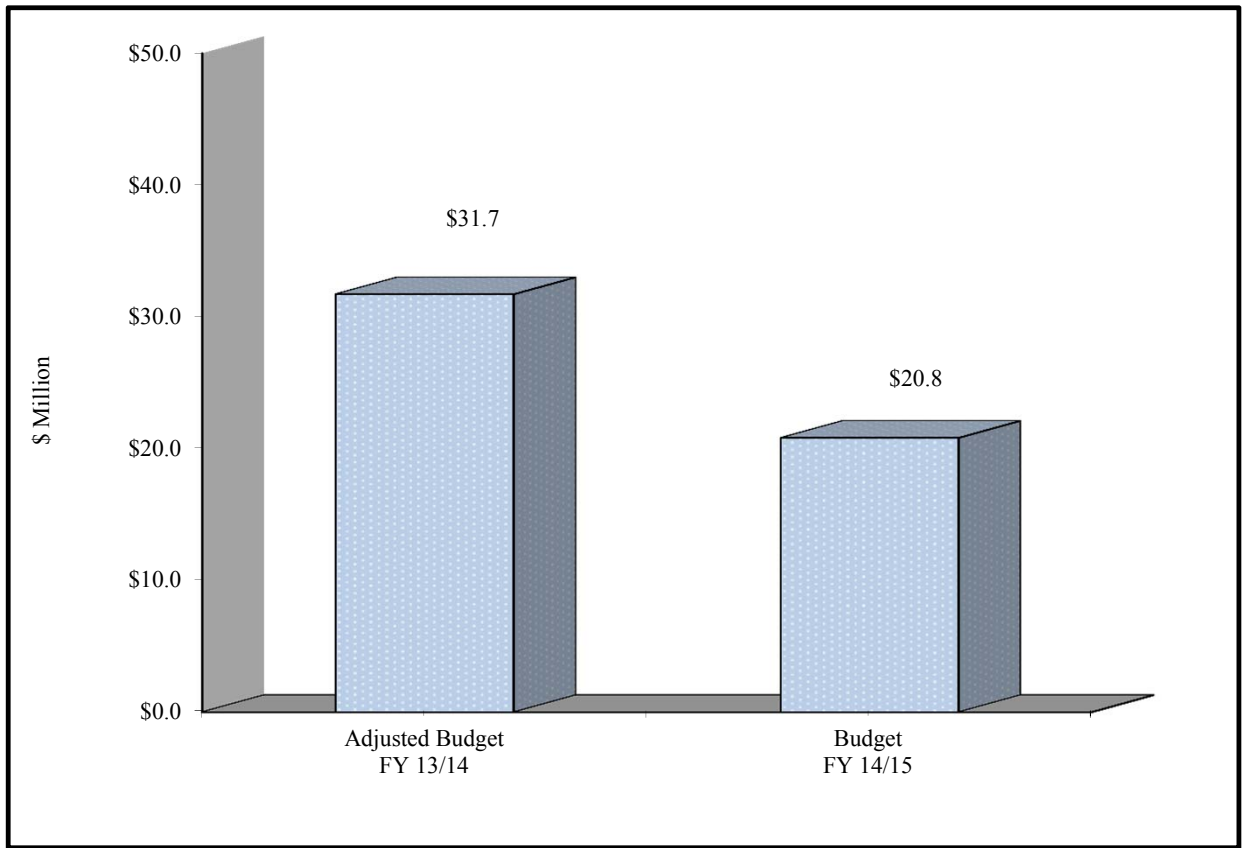
Project No.	Project Description	Budget FY 14/15
P0212-1	Chula Vista Bayfront - H Street Extension	\$ 3,691,600
P0235-2	NEVP Phase I - Construction (District Share)	2,386,400
P0235-3	NEVP Phase I - Construction (Civic San Diego's Contribution) *	2,386,400
P0454-1	America's Cup Harbor Improvements - Phase I, North Harbor Drive Realignment	2,055,000
P0470-1	National City Adventure Center	1,880,000
P0040-5	Chula Vista Bayfront - South Campus Demolition, Phase 4A	1,730,000
P0460-1	Chula Vista Bayfront - Pre-Design	1,080,000
P0467-1	TAMT Phase II Demolition - Transit Shed #1, Bay A, B & C Design	771,400
P0309-4	Chula Vista Bayfront - South Campus Offsite Drainage	589,500
CP-0004-01	Boat Launch & Self Cleaning Station	470,000
P0469-1	N.C. Marina District Vision Plan Prelim Planning	400,000
P0413-1	Broadway Pier Surface Enhancements	364,300
CP-0002-01	Directional Sign/Way Finding	200,000
P0466-1	Pond 20 Short Term Aesthetic Improvements	120,000
P0468-1	Imperial Beach Remaining Street End Improvements	100,000
CP-0006-01	Tidelands Avenue & Civic Center Dr. Resurfacing **	100,000
CP-0001-01	Date Avenue Street End Improvements	75,000
CP-0003-01	South Seacoast Restroom Feasibility Study	75,000
P0420-1	DHS Grant Round 11 (Broadway Pier Security Fence)	56,400
CP-0005-01	Cesar Chavez Park Activation Study	50,000
P0333-1	Shelter Island Boat Ramp Rehabilitation	27,100
P0351-1	B Street Pier Mooring Dolphin	15,000
N/A	Capital Labor	2,152,000
TOTAL CAPITAL IMPROVEMENT PROGRAM ***		\$ 20,775,100

Notes: * NEVP Phase I has been budgeted for both the District's 50% share and Civic San Diego's 50% contribution.

** Project funded from the Marine Terminal Impact Fund (MTIF).

*** The FY 2014-2018 CIP total remaining budget balance is \$52,572,700 as of December 31, 2013.

CAPITAL IMPROVEMENT PROGRAM



MAJOR MAINTENANCE PROGRAM HIGHLIGHTS

As presented at the Capital Improvement Program/Major Maintenance Workshop held February 4, 2014, cost ranges are based on the project's life cycle phase. Ranges listed below are as follows: carry over projects (-10% +20%) and new proposed projects (-15% to +30%).

The following list of Major Maintenance projects for FY 14/15 will be implemented in accordance with BPC Policy No. 130.

PROJECT NO.	PROJECT NAME	FY14/15 COST RANGE	FY14/15 PROPOSED PHASE	BUDGET FY14/15
MC-0001-01	Point Loma Pavement Repair	\$522,000 - \$696,000	Construction	\$ 580,000
P0462-1	32nd Street and Water Street Pavement Repair	\$450,000 - \$600,000	Construction	500,000
P0314-1	NCMT Fire Alarm System Replacement	\$405,000 - \$540,000	Construction	450,000
P0471-1	TAMT Berths 10-3, 10-4, 10-7 and 10-8 Fuel and Water Vaults Modifications	\$298,000 - \$455,000	Design & Partial Construction	350,000
P0400-2	NCMT Berth 24-10 Structural and Mooring Repair	\$135,000 - \$180,000	Design Review	150,000
MC-0003-01	Pacific Highway Pedestrian Bridge Walking Surface Repairs	\$111,000 - \$169,000	Design & Construction	130,000
P0311-2	Administration Building Elevator Repairs	\$94,000 - \$143,000	Design	110,000
P0461-1	Coronado Tidelands Park Playground Equipment Improvements (District Share Only)	\$99,000 - \$132,000	Port Share	110,000
MC-0004-01	City of San Diego - Harbor Drive Americans with Disabilities Act (ADA) Improvements (District Share Only)	\$85,000 - \$130,000	Port Share	100,000
MC-0005-01	B Street Pier South Side Bull Rail Replacement	\$85,000 - \$130,000	Design & Partial Construction	100,000
MC-0006-01	TAMT High Mast Lighting Installation	\$85,000 - \$130,000	Design	100,000
MC-0007-01	TAMT San Diego Refrigerated Services (SDRS) Fence Installation	\$85,000 - \$130,000	Design & Construction	100,000
MC-0008-01	B Street Pier West End Fender Pile and Whaler Replacement	\$85,000 - \$130,000	Design	100,000
MC-0009-01	NCMT Guard Shack Roof Replacement	\$68,000 - \$104,000	Design & Partial Construction	80,000
MC-0010-01	TAMT Truck Scale Replacement	\$68,000 - \$104,000	Design	80,000
MC-0014-01	SDUPD Parks and Facilities LED Lighting Retrofits Phase I (SDGE Grant Reimbursement: External Design \$50,000)	\$51,000 - \$78,000	Design	60,000
MC-0011-01	Administration Building 4th and 5th Floors Electrical Panels Upgrade	\$43,000 - \$65,000	Design	50,000
MC-0012-01	TAMT Corrosion Protection System Anodes Replacement	\$43,000 - \$65,000	Design	50,000
MC-0013-01	HP Administration Building Window Replacement and Shelter Island Harbor Control Building Doors and Windows Replacement	\$34,000 - \$52,000	Design	40,000
P0425-2	Coral Tree Replacement - Pre-design	\$26,000 - \$39,000	Pre-design	30,000
N/A	Major Maintenance-Capital (MM-CAP) Contingency		N/A	300,000
TOTAL MM-CAP				\$3,570,000

MAJOR MAINTENANCE PROGRAM HIGHLIGHTS

PROJECT NO.	PROJECT NAME	FY14/15 COST RANGE	FY14/15 PROPOSED PHASE	BUDGET FY14/15
P0417-1	Tidelands, Various Locations, ADA Accessibility Improvements Phase III	\$810,000 - \$1,080,000	Construction	\$ 900,000
P0393-1	Tidelands, Various Locations, Energy Efficiency Retrofits	\$315,000 - \$420,000	Construction	350,000
P0316-1	TAMT Water Line Valves Replacement	\$45,000 - \$58,000	Construction	50,000
ME-0001-01	TAMT Dole Facility Pavement Maintenance	\$34,000 - \$52,000	Design	40,000
P0440-1	Shelter Island Fishing Pier Ramp and Float Repair Phase I	\$26,000 - \$39,000	Pre-design	30,000
N/A	Major Maintenance-Expense (MM-EXP) Contingency		N/A	100,000
TOTAL MM-EXP				\$1,470,000
TOTAL MAJOR MAINTENANCE PROGRAM				\$5,040,000

Notes: Due to an accounting re-classification, the TAMT Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) project and associated budget of \$160k was transferred to Maritime's NPE budget.
The Shelter Island Harbor Control Building Generator Replacement project of \$500k was deferred.

TECHNOLOGY STRATEGIC PLAN

FY 14/15 marks the third year of the five-year Technology Strategic Plan (TSP). Below are the projects that have been completed to date and the proposed projects for FY 14/15.

1st Year Completed Projects:

- BITS Project Management Office
- Desktops upgraded to Windows 7
- GroupWise email replaced with Microsoft Exchange in the cloud
- Information Technology Governance
- Online Travel and Expense Reimbursement

2nd Year Completed Projects:

- Automated Board Agenda Application - Phase I
- Board Room Equipment Replacement
- E-Government Website/Portal
- Enterprise Content Management System (ECMS) - Document Management
- Maritime Operations Information System (MOIS) Replacement

Project Name	Budget FY 14/15
TSP Capital Projects	
Audit Management Software	\$ 21,000
Automated Board Agenda Application - Phase II	10,000
Budget Management & Planning	75,000
Customer Relationship Management (CRM) - Requirements	25,000
Disaster Recovery (DR) Mirrored Site	320,000
ECMS - Records Management, Imaging, Automated Workflow, and Email	150,000
E-Gov Internet Enhancement	25,000
Enhanced Planned Maintenance	250,800
Enterprise Project Task Management	60,000
IT Security Program Services	100,000
Lease Negotiation and Real Estate - Requirements	140,000
Park Permits and Event Management	30,000
Public Record Request	48,000
Reporting and Data Warehouse	75,000
SAP Accounts Payable Electronic Approval	80,000
Total TSP Capital Projects	\$ 1,409,800
TSP Non-Capital Projects	
Desktop Refresh	\$ 123,200
Project Implementation Resources	260,000
Total TSP Non-Capital Projects	\$ 383,200
TOTAL	\$ 1,793,000

TECHNOLOGY MANAGEMENT PROGRAM

The Technology Management Program (TMP) is a strategic, operationally responsive, and fiscally responsible approach to manage District technologies. It allows the District to standardize systems and leverage cost savings 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.

	Budget FY 14/15
Non-Personnel Expense	
Services - Professional & Other	\$ 1,390,800
Equipment & Systems	598,400
Telephone & Communications	511,600
Equipment Maintenance-Outside Services	531,500
Software Maintenance	747,100
Total Non-Personnel Expense	\$ 3,779,400
Equipment Outlay	
Cisco Advanced Services Internet Router	\$ 35,000
Total Equipment Outlay	\$ 35,000
TMP Capital Projects	
Cisco Voice over Internet Protocol V10 Upgrade	\$ 250,000
Total TMP Capital Projects	\$ 250,000
TOTAL	\$ 4,064,400

SPONSORSHIPS & GRANTS

Sponsorships from the Tidelands Activation Program

The District's Tidelands Activation Program (TAP) is designed to increase activation and recreation along the waterfront through community events; and support signature events that generate significant, documented levels of economic benefit and/or promotional value to the District. The Program includes direct funding and/or the waiving of all or portions of District facility fees and costs of District provided services.

Event sponsorships through the TAP are approved on an annual basis by the Board of Port Commissioners. For FY 14/15 the Marketing & Communications department has budgeted a total of \$550k for event sponsorships, which includes \$145k each for the Big Bay Balloon Parade and Big Bay Boom fireworks show.

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. Grants that are expected to be received in FY 14/15 include the following:

Grants for Harbor Police Operations. The District will 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 Fire/Tactical Training Simulator, Emergency Communications Center Equipment, and Interoperable Radio/P25 Compliance.

Miscellaneous Grants. The District will receive grant funds from the Regional Water Quality Control Board for removal of copper-based hull paint and US Fish & Wildlife Service for predator control.

Grants for Maritime. The District will receive grant funds from the Department of Fish and Game for Harbor Safety Committee Secretariat program.

Anticipated Grants

Grant	Budget FY 14/15
Capital Grants – Harbor Police	\$ 461,300
Operating Grants – Harbor Police	418,500
Operating Grants – Environmental	195,500
Operating Grants – Maritime	26,000
TOTAL	\$1,101,300

Partnership/Cost Sharing Reimbursement for Environmental Projects. The District will receive reimbursements from: San Diego Bay Watershed Program for studying bacteria and Chollas Total Maximum Daily Load; 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 San Diego Region.

Partnership/Cost Sharing Reimbursement	Budget FY 14/15
San Diego Bay Watershed Program	\$390,300
SDG&E	315,000
Regional Harbor Monitoring Program	73,000
TOTAL	\$778,300

DEPARTMENTS/COST CENTERS

In this section, departments and cost centers are organized alphabetically. Departments include mission, vision, objectives, and current services followed by a detailed list of positions, summary of departmental expense, equipment outlay, and expense budget breakdown. The cost centers include a summary of departmental expense and expense budget breakdown.

(ALPHABETICALLY)

Board of Port Commissioners

Business Information & Technology Services – Dept.

Engineering – Construction – Dept.

Environmental & Land Use Management – Dept.

Financial Assistance

Financial Services – Dept.

General Services & Procurement – Dept.

Government & Civic Relations

Harbor Police – Dept.

Human Resources – Dept.

Maritime – Dept.

Marketing & Communications – Dept.

Miscellaneous Administration Building

MSA, Interest and Other

Office of the District Clerk – Dept.

Port Attorney – Dept.

Port Auditor – Dept.

Real Estate – Dept.

Technology Management Program

Utilities

THIS PAGE INTENTIONALLY LEFT BLANK

Board of Port Commissioners

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ -	\$ -	\$ -	\$ -	-
Non-Personnel Expense	164,396	195,700	201,600	5,900	3.0%
Total Direct Expense	\$ 164,396	\$ 195,700	\$ 201,600	\$ 5,900	3.0%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 164,396	\$ 195,700	\$ 201,600	\$ 5,900	3.0%

Board of Port Commissioners

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
610120 Memberships & Dues MEMBERSHIPS & DUES	\$	200		\$ -		
Total:	\$ -	\$ 200	\$ 200	\$ -	\$ (200)	-100.0%
610140 Seminars & Training SEMINARS & TRAINING	\$	3,000		\$ 9,000		
Total:	\$ 5,219	\$ 3,000	\$ 3,000	\$ 9,000	\$ 6,000	200.0%
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT	\$	72,000		\$ 60,000		
Total:	\$ 56,755	\$ 72,000	\$ 72,000	\$ 60,000	\$ (12,000)	-16.7%
615110 Travel TRAVEL	\$	50,000		\$ 51,400		
Total:	\$ 39,276	\$ 50,000	\$ 50,000	\$ 51,400	\$ 1,400	2.8%
620100 Services - Professional & Other SERVICES - PROFESSIONAL & OTHE	\$	33,300		\$ 40,000		
Total:	\$ 18,563	\$ 33,300	\$ 33,300	\$ 40,000	\$ 6,700	20.1%
630130 Office & Operating Supplies OFFICE & OPERATING SUPPLIES	\$	800		\$ 1,000		
Total:	\$ 1,734	\$ 800	\$ 800	\$ 1,000	\$ 200	25.0%
630140 Postage & Shipping POSTAGE & SHIPPING	\$	1,000		\$ 500		
Total:	\$ 303	\$ 1,000	\$ 1,000	\$ 500	\$ (500)	-50.0%
640110 Telephone & Communications TELEPHONE & COMMUNICATIONS	\$	8,400		\$ 7,700		
Total:	\$ 6,835	\$ 8,400	\$ 8,400	\$ 7,700	\$ (700)	-8.3%
660110 Promotional Services PROMOTIONAL SERVICES	\$	27,000		\$ 30,000		
Total:	\$ 31,676	\$ 27,000	\$ 27,000	\$ 30,000	\$ 3,000	11.1%
660120 Promotional Materials PROMOTIONAL MATERIALS	\$	-		\$ 2,000		
Total:	\$ 4,035	\$ -	\$ -	\$ 2,000	\$ 2,000	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 164,396	\$ 195,700	\$ 195,700	\$ 201,600	\$ 5,900	3.0%
GRAND TOTAL:	\$ 164,396	\$ 195,700	\$ 195,700	\$ 201,600	\$ 5,900	3.0%

BUSINESS INFORMATION & TECHNOLOGY SERVICES

Mission Statement

The mission of the Business Information & Technology Services department is to partner with stakeholders to improve business processes by planning and implementing the best information technology solutions available via reliable infrastructure, effective communication, change management, and technically competent staff in current and emerging technologies.

Vision Statement

Strategic partners with our customers; providing innovative and sustainable solutions.

Objectives

- Create and sustain positive relationships with District staff and external stakeholders
- Deliver customer-focused services in an effective, timely, and courteous manner
- Serve as internal consultants to adapt business systems to meet changing service needs
- Function as a strategic arm by leveraging technologies to support District strategic goals and business objectives
- Manage District project priorities to match business goals with appropriate technology solutions and provide increased resource utilization across the organization by matching skills to project needs
- Support departments in enhancing operations through technology
- Provide a reliable and secure information technology environment for all users
- Identify and provide guidance on technology risk management and business system continuity
- Budget, plan, and maintain sustainable and effective technology solutions and services

Current Services

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

- Design, implement, and manage enterprise technology solutions and services throughout the District
- Connect strategy and operational requirements with sound business processes and the use of enterprise information systems
- Maximize and leverage the use of business systems in order to optimize the organization's performance
- Project management of technology projects
- Work with the General Services & Procurement department to provide full service procurement and contract management of technology equipment, systems, and services
- Provide cost effective technology equipment, systems, and solutions
- Management of grant-funded technology solutions
- Implementation of a performance-driven, reliable, secure, and stable computing infrastructure to effectively run all business and security systems to include data, voice, video, security, and wireless services
- Partner with departments to capture business requirements and process maps to drive process improvements and utilize to implement technologies that enhance productivity

The Business Information & Technology Services department currently has 29 permanent positions.

Business Information & Technology Services

Convert: 1 Staff Assistant II to Management Analyst

Reclass: 1 Staff Assistant I (Classified) to Executive Assistant I (Unclassified)

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Business Intelligence Supervisor	1	1
Business Systems Analyst	2	2
Business Systems Supervisor	2	2
Business Systems Technician	1	1
Director, Business Information & Technology Services	1	1
Executive Assistant I (Unclassified)	0	1
GIS Analyst	1	1
Information Systems Supervisor	1	1
Information Technology Security Analyst	1	1
Lead Support Services	1	1
Management Analyst	0	1
Manager, Business Information & Technology Services	1	1
Network Systems Analyst	2	2
Program Manager	1	1
Quality Assurance Technician	1	1
Senior Applications Developer	1	1
Senior Business Intelligence Analyst	1	1
Senior Business Systems Analyst	2	2
Senior Management Analyst	1	1
Staff Assistant I (Classified)	1	0
Staff Assistant II	1	0
Systems Support Analyst I	1	1
Systems Support Analyst II	3	3
Technology Security Supervisor	1	1
Technology Services Supervisor	1	1
TOTAL	29	29

STUDENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Intern	5	5
TOTAL	5	5

Business Information & Technology Services

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 3,990,709	\$ 4,510,900	\$ 4,145,600	\$ (365,300)	-8.1%
Non-Personnel Expense	102,125	43,800	45,100	1,300	3.0%
Total Direct Expense	\$ 4,092,834	\$ 4,554,700	\$ 4,190,700	\$ (364,000)	-8.0%
Less: Capitalized Expense	-	-	(14,800)	(14,800)	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 4,092,834	\$ 4,554,700	\$ 4,175,900	\$ (378,800)	-8.3%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 2,331,836	\$ 2,627,100	\$ 2,454,000	\$ (173,100)	-6.6%
Overtime	708	-	-	-	-
Burden	1,362,465	1,580,200	1,406,000	(174,200)	-11.0%
OPEB Annual Expense	241,392	303,600	285,600	(18,000)	-5.9%
Temporary Personnel	54,308	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 3,990,709	\$ 4,510,900	\$ 4,145,600	\$ (365,300)	-8.1%

Business Information & Technology Services
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
Total:	\$ 708	\$ -	\$ -	\$ -	\$ -	N/A
600120 Temporary Personnel						
Total:	\$ 54,308	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 55,016	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals						
Total:	\$ 3,573	\$ -	\$ -	\$ -	\$ -	N/A
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 900		\$ 900		
Total:	\$ 400	\$ 900	\$ 900	\$ 900	\$ -	0.0%
610120 Memberships & Dues MEMBERSHIPS & DUES		\$ 6,000		\$ 10,000		
Total:	\$ 11,164	\$ 6,000	\$ 6,000	\$ 10,000	\$ 4,000	66.7%
610140 Seminars & Training SEMINARS & TRAINING		\$ 25,300		\$ 18,200		
Total:	\$ 51,822	\$ 25,300	\$ 25,300	\$ 18,200	\$ (7,100)	-28.1%
615100 Mileage Reimbursement MILEAGE AND PARKING		\$ 3,900		\$ 3,900		
Total:	\$ 7,817	\$ 3,900	\$ 3,900	\$ 3,900	\$ -	0.0%
615110 Travel TRAVEL		\$ -		\$ 4,400		
Total:	\$ 1,383	\$ -	\$ -	\$ 4,400	\$ 4,400	N/A
630110 Equipment & Systems						
Total:	\$ 13,310	\$ -	\$ -	\$ -	\$ -	N/A
630130 Office & Operating Supplies OFFICE & OPERATING SUPPLIES		\$ 7,400		\$ 7,400		
Total:	\$ 11,600	\$ 7,400	\$ 7,400	\$ 7,400	\$ -	0.0%
630140 Postage & Shipping POSTAGE & SHIPPING		\$ 300		\$ 300		
Total:	\$ 414	\$ 300	\$ 300	\$ 300	\$ -	0.0%
650120 Equipment Maintenance-Supplies						
Total:	\$ 643	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 102,125	\$ 43,800	\$ 43,800	\$ 45,100	\$ 1,300	3.0%
GRAND TOTAL:	\$ 157,140	\$ 43,800	\$ 43,800	\$ 45,100	\$ 1,300	3.0%

ENGINEERING - CONSTRUCTION

Mission Statement

To serve a diverse and dynamic community, we plan, design, implement, and monitor engineering solutions through excellence.

Vision Statement

Building and supporting the World's Finest Port.

Objectives

- Effectively manage project scope, schedule, and budget for all Capital Improvement Program (CIP) and Major Maintenance (MM) projects
- Create and sustain positive relationships with stakeholders and the community at large
- Control costs
- Maintain the District's infrastructure to prolong asset lifespan, reduce lifecycle costs, maintain public safety, and keep facilities operational
- Deliver customer-focused services in an effective, timely, and courteous manner
- Support other departments with Engineering related matters
- Develop Geographic Information System (GIS) reporting for CIP and MM projects and mapping of utilities
- Design and administer consulting agreements and public works contracts
- Conduct engineering studies and investigations
- Continuously evaluate and improve business systems and processes
- Retain the intellectual assets and corporate knowledge of the District
- Encourage an organizational culture of development, learning, and growth

- Manage and deliver Public Works projects (cradle to grave)
- Develop Public Works plans and specifications
- Administer and inspect construction contracts
- Conduct engineering studies and investigations
- Provide cost estimating and scheduling for projects
- Provide mapping services of sites and utilities
- Provide engineering support for development projects
- CIP and MM program and project reporting
- Maintain record drawings and project documentation
- Support Americans with Disabilities Act (ADA) improvement program

The Engineering - Construction department currently has 35 permanent positions.

Current Services

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

- Provide program oversight and monitoring for the CIP and MM programs
- Administering the Infrastructure Management Program (IMP)
- Conduct infrastructure asset inventories, condition assessments, and project development

Engineering - Construction

Transfer: 1 Associate Engineer to Harbor Police Department

1 Senior Engineer to Environmental & Land Use Management

1 Construction Inspector to Environmental & Land Use Management

1 Executive Assistant II (Classified) to Office of the District Clerk

1 Staff Assistant II to Maritime

Reclass: 1 Senior Administrative Asst (Classified) to Executive Assistant I (Classified)

1 Assistant Director, Eng-Construction to Manager, Engineering-Construction

1 Civil Designer to Assistant Engineer

1 Maintenance Planner/Inspector to Assistant Engineer

1 Administrative Assistant II (Classified) to Staff Assistant II

1 Construction Inspector Supervisor to GIS Analyst

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	1	0
Assistant Director, Engineering-Construction	1	0
Assistant Engineer	0	2
Associate Engineer	6	5
Capital Project Manager I	2	2
Capital Project Manager II	3	3
Chief Engineer/Engineering-Construction	1	1
Civil Designer	4	3
Construction Inspector	2	1
Construction Inspector Supervisor	1	0
Executive Assistant I (Classified)	0	1
Executive Assistant II (Classified)	1	0
GIS Analyst	0	1
Maintenance Planner/Inspector	1	0
Manager, Engineering-Construction	4	5
Project Estimator	1	1
Project Scheduler	1	1
Senior Administrative Asst (Classified)	2	1
Senior Construction Inspector	2	2
Senior Engineer	2	1
Senior Management Analyst	3	3
Staff Assistant II	1	1
Survey Technician II	1	1
TOTAL	40	35

STUDENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Intern	1	1
TOTAL	1	1

Engineering - Construction

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 5,554,121	\$ 5,672,100	\$ 5,267,100	\$ (405,000)	-7.1%
Non-Personnel Expense	206,806	241,500	568,600	327,100	135.4%
Total Direct Expense	\$ 5,760,927	\$ 5,913,600	\$ 5,835,700	\$ (77,900)	-1.3%
Less: Capitalized Expense	(2,954,306)	-	(1,878,900)	(1,878,900)	-
Major Maintenance	1,053,936	2,317,500	1,470,000	(847,500)	-36.6%
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 3,860,558	\$ 8,231,100	\$ 5,426,800	\$ (2,804,300)	-34.1%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 3,276,323	\$ 3,317,800	\$ 3,077,600	\$ (240,200)	-7.2%
Overtime	34,412	27,000	52,000	25,000	92.6%
Burden	1,823,232	1,930,200	1,722,800	(207,400)	-10.7%
OPEB Annual Expense	329,666	397,100	344,700	(52,400)	-13.2%
Temporary Personnel	90,488	-	70,000	70,000	-
TOTAL PERSONNEL EXPENSE	\$ 5,554,121	\$ 5,672,100	\$ 5,267,100	\$ (405,000)	-7.1%

Engineering - Construction

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
MISCELLANEOUS		\$ 27,000		\$ 52,000		
Total:	\$ 34,412	\$ 27,000	\$ 27,000	\$ 52,000	\$ 25,000	92.6%
600120 Temporary Personnel						
RECORDS RETENTION		\$ -		\$ 70,000		
Total:	\$ 90,488	\$ -	\$ -	\$ 70,000	\$ 70,000	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 124,900	\$ 27,000	\$ 27,000	\$ 122,000	\$ 95,000	351.9%
610110 Books & Periodicals						
BOOKS & PERIODICALS		\$ 800		\$ 1,000		
Total:	\$ 2,856	\$ 800	\$ 800	\$ 1,000	\$ 200	25.0%
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 1,200		\$ 1,100		
Total:	\$ 1,035	\$ 1,200	\$ 1,200	\$ 1,100	\$ (100)	-8.3%
610120 Memberships & Dues						
MEMBERSHIPS & DUES		\$ 6,800		\$ 9,400		
Total:	\$ 9,264	\$ 6,800	\$ 6,800	\$ 9,400	\$ 2,600	38.2%
610140 Seminars & Training						
COMPUTER TRAINING		\$ 400		\$ 400		
MARITIME TRAINING		2,000		-		
PROF DEVELOPMENT/REGULATORY		1,700		1,700		
PROFESSIONAL DEVELOPMENT		3,000		5,500		
PROJECT MANAGEMENT		1,000		1,000		
SCHEDULING TRAINING		500		-		
Total:	\$ 12,038	\$ 8,600	\$ 8,600	\$ 8,600	\$ -	0.0%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 30,200		\$ 23,000		
Total:	\$ 31,019	\$ 30,200	\$ 30,200	\$ 23,000	\$ (7,200)	-23.8%
615110 Travel						
Total:	\$ 2,253	\$ -	\$ -	\$ -	\$ -	N/A
620100 Services - Professional & Other						
BEST MANAGEMENT PRACTICES		\$ 3,000		\$ 3,000		
CIP WORKSHOP - PROJECT ASSESSMENTS		-		90,000		
CIP WORKSHOP CONSULTANTS		10,000		25,000		
FACILITY STUDIES (TAMT)		30,000		-		
INFRASTRUCTURE MGMT/ACAD CONSULT		10,000		-		
INTERDEPARTMENT PLANNING SUP		55,000		22,900		
MAJOR MAINT ASSET MANAGEMENT		-		320,000		
MAJOR MAINT WORKSHOP FACILITATION		-		25,000		
SURVEYING (NAD 83 FORMATING)		25,000		-		
SURVEYING (NON-PROJECT AND RE)		30,000		14,000		
Total:	\$ 104,492	\$ 163,000	\$ 163,000	\$ 499,900	\$ 336,900	206.7%
630110 Equipment & Systems						
Total:	\$ (61)	\$ -	\$ -	\$ -	\$ -	N/A

Engineering - Construction

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES		\$ 24,000		\$ 22,000		
TWIC CARDS		600		100		
Total:	\$ 29,373	\$ 24,600	\$ 24,600	\$ 22,100	\$ (2,500)	-10.2%
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 1,000		\$ 500		
Total:	\$ 433	\$ 1,000	\$ 1,000	\$ 500	\$ (500)	-50.0%
630150 Safety Equipment & Supplies						
SAFETY EQUIPMENT & SUPPLIES		\$ 1,600		\$ 1,600		
Total:	\$ 1,772	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	0.0%
630190 Blueprints						
BLUEPRINTS		\$ 2,000		\$ 500		
Total:	\$ 1,534	\$ 2,000	\$ 2,000	\$ 500	\$ (1,500)	-75.0%
650100 Facilities Maintenance-Supplies						
Total:	\$ 300	\$ -	\$ -	\$ -	\$ -	N/A
650130 Equipment Maintenance-Outside Services						
Total:	\$ 9,236	\$ -	\$ -	\$ -	\$ -	N/A
660110 Promotional Services						
ASSOCIATION GENERAL CONTRACTORS		\$ 200		\$ 200		
Total:	\$ 661	\$ 200	\$ 200	\$ 200	\$ -	0.0%
670130 Permits/Certificates/License						
PERMITS CERTIFICATES LICENSE		\$ 1,500		\$ 700		
Total:	\$ 601	\$ 1,500	\$ 1,500	\$ 700	\$ (800)	-53.3%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 206,806	\$ 241,500	\$ 241,500	\$ 568,600	\$ 327,100	135.4%
GRAND TOTAL:	\$ 331,706	\$ 268,500	\$ 268,500	\$ 690,600	\$ 422,100	157.2%

THIS PAGE INTENTIONALLY LEFT BLANK

ENVIRONMENTAL & LAND USE MANAGEMENT

Mission Statement

Environmental & Land Use Management (ELUM) is a high performing department that creates and supports a well-planned waterfront through integrated planning, sustainable development and operations, protection of natural resources, and creative placemaking with public artworks that celebrate tidelands and waterfront life.

Vision Statement

To advance a holistically planned world-class waterfront that is welcoming, sustainable, prosperous, and improves the quality of life for present and future generations.

Objectives

ELUM

- Integrate new development and redevelopment opportunities for District and tenant projects into a holistic Master Plan
- Provide for the environmental protection and improvement of San Diego Bay and District Tidelands
- Create and sustain positive relationships with stakeholders and the community at large on environmental and planning matters
- Foster environmentally responsible behavior among District staff, tenants, and the public to minimize environmental impacts
- Meet all mandated regulatory requirements

Public Art

- Embrace professional best practices and continuously improve the management of public art projects and programs; ensure state, local, and federal laws are followed
- Provide professional stewardship of the *Tidelands Collection* through current conservation, maintenance, and collections management programs
- Enhance the visual excitement of tidelands by exhibiting critically acclaimed artworks that embody the essence of the District's maritime, environmental, and civic character
- Create a unique sense of place by enabling residents and visitors the ability to interact with art in the public realm

Current Services

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

ELUM

- California Environmental Quality Act, National Environmental Policy Act, and California Coastal Act compliance
- Coastal development permit processing
- Integrated land use planning
- Climate mitigation and adaptation planning
- Endangered species and natural resources management
- Hazardous waste management
- Stormwater management and regulatory compliance
- Community outreach and stakeholder collaboration
- Administer Green Port Program
- Environmental Advisory Committee support
- Manage the Environmental Fund and its reserves
- Provide environmental education
- Wildlife Advisory Group/Bayfront Cultural Design Committee support

Public Art

- Manage the Public Art Fund and its reserves
- Administer the Public Art Master Plan
- Facilitate the multi-year Curatorial Strategy that outlines the temporary public art projects that will be commissioned in each creative direction
- Administer BPC Policy No. 608 – Tenant Percent for Art
- Administer BPC Policy No. 609 – Public Art
- Manage the *Tidelands Collection* as a regional cultural asset
- Develop collateral materials, programs, and initiatives to inform and engage audiences about public art
- Oversee the work of the Public Art Committee

The ELUM department currently has 29 permanent positions.

Environmental & Land Use Management

Transfer: 1 Senior Engineer from Engineering-Construction
 1 Construction Inspector from Engineering-Construction
 1 Senior Asset Manager from Maritime

Reclass: 1 Senior Engineer to Program Manager
 1 Senior Asset Manager to Program Manager
 1 Administrative Assistant II to Staff Assistant II
 1 Construction Inspector to Compliance Inspector
 1 Senior Environmental Specialist to Senior Redevelopment Planner
 1 Manager, Land Use Planning to Department Manager, ELUM
 1 Manager, Environmental Programs to Department Manager, ELUM
 1 Assistant Director, Environmental Svcs to Department Manager, ELUM
 1 Curator, Public Art to Department Manager, ELUM
 1 Manager, Environmental Policy to Program Manager
 1 Manager, Land Use Planning to Program Manager

Retitle: 1 Manager, Public Art to Project Manager, Public Art

Eliminate: 1 Program Manager

Addition: 1 Senior Redevelopment Planner - Limited

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	3	2
Assistant Director, Environmental Svcs	1	0
Assistant Environmental Specialist	2	2
Assistant Redevelopment Planner	1	1
Associate Environmental Specialist	3	3
Associate Redevelopment Planner	2	2
Compliance Inspector	0	1
Curator, Public Art	1	0
Department Manager, ELUM	0	4
Director, Environmental & Land Use Management	1	1
Executive Assistant I (Classified)	1	1
GIS Analyst	1	1
Manager, Environmental Policy	1	0
Manager, Environmental Programs	1	0
Manager, Land Use Planning	2	0
Manager, Public Art	1	0
Program Manager	1	4
Project Manager, Public Art	0	1
Senior Environmental Specialist	3	2
Senior Redevelopment Planner	1	2
Staff Assistant II	1	2
TOTAL	27	29

Environmental & Land Use Management

LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Senior Redevelopment Planner	0	1
TOTAL	0	1

STUDENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Intern	2	2
TOTAL	2	2

Environmental & Land Use Management

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 2,774,554	\$ 3,519,100	\$ 4,076,700	\$ 557,600	15.8%
Non-Personnel Expense	3,456,300	5,412,500	5,286,600	(125,900)	-2.3%
Total Direct Expense	\$ 6,230,854	\$ 8,931,600	\$ 9,363,300	\$ 431,700	4.8%
Less: Capitalized Expense	(79,569)	-	(50,600)	(50,600)	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 6,151,285	\$ 8,931,600	\$ 9,312,700	\$ 381,100	4.3%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 1,628,560	\$ 2,052,800	\$ 2,401,400	\$ 348,600	17.0%
Overtime	2,034	3,000	3,000	-	0.0%
Burden	956,354	1,198,900	1,367,000	168,100	14.0%
OPEB Annual Expense	184,891	264,400	305,300	40,900	15.5%
Temporary Personnel	2,714	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 2,774,554	\$ 3,519,100	\$ 4,076,700	\$ 557,600	15.8%

Environmental & Land Use Management

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
MISCELLANEOUS	\$	3,000		\$ 3,000		
Total:	\$ 2,034	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
600120 Temporary Personnel						
Total:	\$ 2,714	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 4,748	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
610110 Books & Periodicals						
PROFESSIONAL PUBLICATIONS	\$	-		\$ 400		
Total:	\$ 274	\$ -	\$ -	\$ 400	\$ 400	N/A
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$	1,700		\$ 900		
Total:	\$ 849	\$ 1,700	\$ 1,700	\$ 900	\$ (800)	-47.1%
610120 Memberships & Dues						
CA COASTAL COALITION	\$	2,500		\$ -		
CLEAN TECH		8,100		10,000		
COASTKEEPER		1,000		-		
MEMBERSHIP & DUES		-		4,600		
SD CLEAN FUELS COALITION		300		100		
Total:	\$ 3,578	\$ 11,900	\$ 11,900	\$ 14,700	\$ 2,800	23.5%
610140 Seminars & Training						
SEMINARS & TRAINING	\$	1,900		\$ 8,000		
Total:	\$ 4,154	\$ 1,900	\$ 1,900	\$ 8,000	\$ 6,100	321.1%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$	5,000		\$ 6,400		
Total:	\$ 4,124	\$ 5,000	\$ 5,000	\$ 6,400	\$ 1,400	28.0%
615110 Travel						
TRAVEL	\$	2,000		\$ 10,000		
Total:	\$ 5,904	\$ 2,000	\$ 2,000	\$ 10,000	\$ 8,000	400.0%
620100 Services - Professional & Other						
ANALYTICAL LAB/BIOASSAY	\$	65,000		\$ -		
ARMY CORPS WATER RESOURCE ACT		-		40,000		
B STREET MOORING DOLPHIN CEQA		20,000		15,200		
BAYFRONT CULTURAL DESIGN COMMTE		25,000		-		
CIRCULAR SHUTTLE PRORATA STUDY		-		15,000		
COASTAL STAFF MOU		160,000		-		
CV BAYFRONT ENVIRON INVESTIGATION		-		137,000		
CV BAYFRONT SETTLEMENT AGMT STUDIES		-		200,000		
DESIGN & BUILD OFFICE RECONFIGURE		-		50,000		
ENDANGERED SPECIES MANAGEMENT		33,000		33,500		
ENVIRONMENTAL CONSULTANT-DISCOVERY		300,000		-		
ENVIRONMENTAL INVESTIGATIONS		75,000		45,000		
GREEN PORT CLEAN AIR		128,000		39,000		
GREEN PORT CLIMATE PLAN		20,000		140,000		
GREEN PORT SUSTAIN PROGRAM		63,800		11,000		
INDUSTRIAL HYGIENE		39,000		-		
INTEGRATED PLANNING		500,000		800,000		

Environmental & Land Use Management

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME		ACTUAL RESULTS	ORIGINAL BUDGET	ADJUSTED BUDGET	BUDGET	CHANGE FROM ADJUSTED	
EXPENSE DETAILS		FY 12/13	FY 13/14	FY 13/14	FY 14/15	dollars	pct
	MARITIME BUSINESS PLAN - CEQA		75,000		-		
	MISC CEQA REQUIREMENTS		50,000		75,000		
	MITIGATION BANKING		5,000		-		
	MS4 PERMIT - WATERSHED IMPLEMENT		-		417,000		
	MS4 PERMIT IMPLEMENTATION		73,500		-		
	MS4 PERMIT WQ1P REIMBURSABLE		200,000		-		
	MUNICIPAL & CONSTRUCTION		119,400		-		
	N EMBARCADERO PMPA EIR		137,000		80,000		
	NCMT MIT & MONITORING - CIP		5,000		-		
	ON-CALL COASTAL CONSULTANT		30,000		45,000		
	ON-CALL PLANNING CONSULTANT		-		280,000		
	PARKING STUDY		-		25,000		
	PREDATOR CONTROL		36,500		-		
	REGIONAL HARBOR MONITORING		1,000,000		150,000		
	SITE INV & MARINE BIOLOGY		66,500		-		
	STORMDRAINING CLEANING		18,000		-		
	STORMWATER MONITORING		-		35,000		
	STORMWATER PROGRAM IMPLEMENTATION		-		404,400		
	WILDLIFE ADVISORY GROUP/NRMP		75,000		-		
Total:		\$ 968,693	\$ 3,319,700	\$ 3,319,700	\$ 3,037,100	\$ (282,600)	-8.5%
630110	Equipment & Systems						
	OFFICE RECONFIGURATION	\$ -	-		\$ 50,000		
Total:		\$ 4,156	\$ -	\$ -	\$ 50,000	\$ 50,000	N/A
630130	Office & Operating Supplies						
	OFFICE & OPERATING SUPPLIES	\$ 7,000	7,000		\$ 14,500		
	TWIC CARDS	700	700		700		
Total:		\$ 10,777	\$ 7,700	\$ 7,700	\$ 15,200	\$ 7,500	97.4%
630140	Postage & Shipping						
	POSTAGE & SHIPPING	\$ 3,000	3,000		\$ 4,000		
Total:		\$ 2,601	\$ 3,000	\$ 3,000	\$ 4,000	\$ 1,000	33.3%
630150	Safety Equipment & Supplies						
	SAFETY EQUIPMENT & SUPPLIES	\$ 500	500		\$ 700		
Total:		\$ 236	\$ 500	\$ 500	\$ 700	\$ 200	40.0%
650110	Facilities Maintenance-Outside Services						
	PUBLIC ART PROJECT/CONSERVATION	\$ 200,000	200,000		\$ -		
Total:		\$ -	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)	-100.0%
650120	Equipment Maintenance-Supplies						
Total:		\$ 2,494	\$ -	\$ -	\$ -	\$ -	N/A
650130	Equipment Maintenance-Outside Services						
	EQUIPMENT MAINTENANCE	\$ -	-		\$ 5,500		
Total:		\$ 3,892	\$ -	\$ -	\$ 5,500	\$ 5,500	N/A
660100	Advertising						
	ADVERTISING	\$ 3,000	3,000		\$ 3,000		
Total:		\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
660110	Promotional Services						
	CLEANUP DAY EVENTS	\$ 11,000	11,000		\$ 11,000		
Total:		\$ (112)	\$ 11,000	\$ 11,000	\$ 11,000	\$ -	0.0%

Environmental & Land Use Management

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
660120 Promotional Materials						
STORMWATER	\$	1,000		\$ -		
Total:	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)	-100.0%
660135 Eligible Environmental Fund Expenditures						
CV SCHOOL DIST EDUCATION PROG	\$	1,000		\$ 13,000		
CV WILDLIFE RESERVE		-		10,000		
EELGRASS SURVEYS		-		50,000		
ELECTRIC VEHICLES		10,000		21,000		
EMORY COVE		5,000		5,000		
FISH SURVEY-BAYWIDE		-		25,000		
LIVING COAST DISCOVERY CENTER		-		20,000		
MITIGATION BANKING		-		75,000		
NEW ENVIRONMENTAL PROJECTS		500,000		224,000		
SCHOOL STORM WATER EDUCATION		-		72,000		
SDSU - SD BAY TERRAIN MODEL		5,000		-		
SHORELINE EROSION STUDY		25,000		30,000		
SIO GEOTECH & FAULT STUDY		10,000		-		
WILDLIFE ADVISORY COMMITTEE		-		75,000		
Total:	\$ 2,299,844	\$ 556,000	\$ 556,000	\$ 620,000	\$ 64,000	11.5%
660136 Grant Funded Expenditures						
319H REIMB	\$	144,000		\$ 162,000		
A-8 ANCHORAGE		150,000		-		
CHALLENGE USFWS GRANT		25,000		-		
FISH & WILDLIFE SERVICE/SANDAG GRNT		-		33,500		
Total:	\$ -	\$ 319,000	\$ 319,000	\$ 195,500	\$ (123,500)	-38.7%
660140 Remediation						
REMEDIATION	\$	75,000		\$ 75,000		
Total:	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	0.0%
660150 Refuse & Hazardous Waste Disposal						
REFUSE & HAZARDOUS WASTE DISPOSAL	\$	103,000		\$ 103,000		
Total:	\$ 159,554	\$ 103,000	\$ 103,000	\$ 103,000	\$ -	0.0%
660170 Joint Programs/Studies Assistance						
CHOLLAS & BACT TMDL	\$	15,000		\$ -		
CITY/COUNTY WATER PROGRAMS		26,200		-		
CLEAN-UP ORDERS - IMPLEMENTATION		-		57,000		
COPERMITTEE COST SHARE		-		40,000		
COPPER HULL REDUCTION		18,500		-		
COPPER RED/STORMWATER OUTREACH		50,000		-		
COPPER REDUCTION PROGRAM		-		123,000		
INTEGRATED PEST MANAGEMENT		9,000		10,000		
REGULATORY FEES		-		135,200		
REGULATORY ORDERS		150,000		-		
SANDAG - IMPERIAL BEACH SAND		3,500		3,500		
SCHOOL STORM WATER TRAINING		69,000		-		
SDG&E EEP - GREEN PORT (REIMBURSABLE)		248,900		265,000		
SHELTER ISLAND TMDL		60,000		90,000		
STORMDRAIN INSP/MAPPING		80,000		-		
TMDL IMPLEMENTATION		-		25,500		
WATERSHED & REGIONAL PROGRAMS		28,500		-		
Total:	\$ (14,718)	\$ 758,600	\$ 758,600	\$ 749,200	\$ (9,400)	-1.2%

Environmental & Land Use Management

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
660190 Public Art Program						
BRIDGE LIGHTING - PLANNING		\$ -		\$ 50,000		
CURATORIAL STRATEGY				125,000		
PUBLIC ART OPERATIONS/CONSERVATION				142,000		
Total:	\$ -	\$ -	\$ -	\$ 317,000	\$ 317,000	N/A
670130 Permits/Certificates/License						
PERMITS & LICENCES		\$ 32,500		\$ 60,000		
Total:	\$ -	\$ 32,500	\$ 32,500	\$ 60,000	\$ 27,500	84.6%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 3,456,300	\$ 5,412,500	\$ 5,412,500	\$ 5,286,600	\$ (125,900)	-2.3%
GRAND TOTAL:	\$ 3,461,048	\$ 5,415,500	\$ 5,415,500	\$ 5,289,600	\$ (125,900)	-2.3%

Financial Assistance

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ -	\$ -	\$ -	\$ -	-
Non-Personnel Expense	4,500,000	4,500,000	-	(4,500,000)	-100.0%
Total Direct Expense	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%

Financial Assistance

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
660180 Convention Center Financial Assistance CONV CENTER FIN ASSISTANCE		\$ 4,500,000		\$ -		
Total:	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%
GRAND TOTAL:	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ -	\$ (4,500,000)	-100.0%

FINANCIAL SERVICES

Mission Statement

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, 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.

Vision Statement

To provide and facilitate optimal financial management, treasury, and risk management and safety services for the District.

Objectives

- Issue timely invoicing of monies due to the District and timely payment of District obligations
- Prudently invest the District's funds
- Provide funds for the District's operations and capital requirements
- Build and maintain collaborative stakeholder relationships
- Deliver timely and accurate financial results
- Improve and document key processes and cross-train staff to reduce single points of failure
- Safeguard District assets, including the employees
- Reinforce a safe, open, and secure work environment for District employees
- Remain current on industry trends and accounting standards
- Recruit and retain a highly skilled and diverse workforce
- Reinforce District's safety program for all employees

Current Services

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

- General accounting that properly records financial transactions in compliance with applicable Government Accounting Standards Board (GASB) statements, and generally accepted accounting principles (GAAP)
- Timely and accurate processing of payments to vendors in compliance with IRS, State regulations, and District policies

- Timely and accurate invoicing and recording of District revenues
- Issuance of annual audited financial statements, including Management Discussion and Analysis (MD&A) and note disclosures
- Financial planning, reporting, and analysis for cash flow forecasting, Series 2004 Revenue Bonds continuing disclosure requirement, and other ad-hoc reports
- Administration of the District's annual budget
- Monthly financial reports
- Grants accounting, including billing, cost collection, and financial reporting in compliance with federal and non-federal grant requirements, including the single audit
- Manage District's fixed-income investment portfolio, banking relationships, and debt administration functions
- Perform daily cash management functions, including cash receipts and wire transfers
- Direct the investment of bond proceeds and administer debt activities
- Provides support for audits performed by the District's independent external auditor as well as audits performed by other agencies
- Management of the workers' compensation program
- Purchase and maintenance of the 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
- Establishment of safety policies/procedures
- Tracking Occupational Safety and Health Administration regulations and determining their impact on the District
- Safety training
- Investigations of accidents and injuries

The Financial Services department currently has 23 permanent positions.

Financial Services

Replace: 1 Executive Assistant I (Classified) with Executive Assistant I (Unclassified)

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Accountant	1	1
Accounting Supervisor	1	1
CFO/Treasurer	1	1
Deputy Treasurer	1	1
Director, Financial Services	1	1
Executive Assistant I (Classified)	1	0
Executive Assistant I (Unclassified)	0	1
Financial Analyst	3	3
Financial Technician	4	4
Lead Accounting Technician	1	1
Manager, Financial Planning & Analysis	1	1
Manager, Financial Services	1	1
Risk and Safety Manager	1	1
Risk Management Analyst	1	1
Safety Specialist II	2	2
Senior Accountant	1	1
Senior Financial Analyst	1	1
Senior Management Analyst	1	1
TOTAL	23	23

STUDENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Intern	1	1
TOTAL	1	1

Financial Services

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 2,817,364	\$ 3,329,600	\$ 3,244,800	\$ (84,800)	-2.5%
Non-Personnel Expense	272,801	1,677,300	1,687,100	9,800	0.6%
Total Direct Expense	\$ 3,090,165	\$ 5,006,900	\$ 4,931,900	\$ (75,000)	-1.5%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 3,090,165	\$ 5,006,900	\$ 4,931,900	\$ (75,000)	-1.5%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 1,660,221	\$ 1,842,300	\$ 1,841,800	\$ (500)	0.0%
Overtime	1,133	-	-	-	-
Burden	979,362	1,262,100	1,176,500	(85,600)	-6.8%
OPEB Annual Expense	176,648	225,200	226,500	1,300	0.6%
Temporary Personnel	-	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 2,817,364	\$ 3,329,600	\$ 3,244,800	\$ (84,800)	-2.5%

Financial Services

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
Total:	\$ 1,133	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 1,133	\$ -	\$ -	\$ -	\$ -	N/A
610100 Awards - Service						
RISK - SAFETY AWARDS	\$ -	\$ -	\$ -	\$ 2,500		
Total:	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	N/A
610110 Books & Periodicals						
PROFESSIONAL PUBLICATIONS	\$ 500			\$ 1,000		
RISK - PUBLICATIONS	1,000			1,200		
Total:	\$ 1,645	\$ 1,500	\$ 1,500	\$ 2,200	\$ 700	46.7%
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$ 1,400			\$ 1,200		
Total:	\$ 625	\$ 1,400	\$ 1,400	\$ 1,200	\$ (200)	-14.3%
610120 Memberships & Dues						
AMER INST OF CPA'S	\$ -			\$ 800		
ASSN FOR FINANCIAL PROF'LS	-			400		
CA MUNI TREASURERS ASSN	-			200		
CA SOC OF CPA'S	-			800		
CA SOC OF MUNI FINANCE OFFICER	-			400		
GOVT FINANCE OFFICERS ASSN	-			600		
MEMBERSHIPS & DUES	4,300			900		
RISK - RELATED	-			1,000		
SAN DIEGO CREDIT ASSOCIATION	-			400		
Total:	\$ 3,198	\$ 4,300	\$ 4,300	\$ 5,500	\$ 1,200	27.9%
610140 Seminars & Training						
ANNUAL GOVT GAAP UPDATE	\$ 800			\$ 1,000		
AP/1099/SALES TAX TRAINING	300			600		
ASSN FOR FINANCIAL PROF'LS	1,000			1,400		
CA MUNI TREASURER'S ASSN	500			400		
CA SOC OF CPA'S	-			500		
CA SOC OF MUNI FINANCE OFFICER	-			2,500		
GOVT FINANCE OFFICERS ASSN	-			3,000		
REGULATORY TRAINING	2,500			3,300		
RISK - RELATED	900			1,500		
Total:	\$ 6,481	\$ 6,000	\$ 6,000	\$ 14,200	\$ 8,200	136.7%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$ 1,000			\$ 6,000		
RISK - RELATED	300			300		
Total:	\$ 12,546	\$ 1,300	\$ 1,300	\$ 6,300	\$ 5,000	384.6%
615110 Travel						
ASSN FOR FINANCIAL PROF'LS	\$ -			\$ 1,500		
CA SOC OF MUNI FINANCE OFFICER	-			1,800		
GOVT FINANCE OFFICERS ASSN	-			3,000		
TRAVEL	-			6,500		
Total:	\$ -	\$ -	\$ -	\$ 12,800	\$ 12,800	N/A

Financial Services

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
620100 Services - Professional & Other						
ACTUARIAL VALUATION SERVICES		\$ 5,000		\$ 34,000		
ARBITRAGE FEES - BONDS		-		7,000		
BLOOMBERG FINANCE LP		30,100		28,400		
COST RECOVERY ANALYSIS		11,600		20,000		
FINANCIAL ADVISOR		66,000		86,000		
GOVT FINANCE & RESEARCH GROUP		4,000		3,900		
INTERACTIVE DATA(PORTFOLIO PR)		1,200		1,600		
RATING AGENCY SURVEILLANCES		6,000		15,000		
REVENUE BONDS TRUSTEE		1,200		1,200		
RISK - ACCIDENT INVESTIGATIONS		5,000		5,000		
RISK - AED PROGRAM		600		600		
RISK - HEARING CONSERVATION		5,500		2,500		
RISK - INSURANCE CERT TRACKING		12,000		12,000		
RISK - MARINE SURVEYS		1,900		1,900		
RISK - PHYSICALS		35,500		17,500		
UNION BANK OF CA TRUST ACCT		1,200		9,600		
US BANK (ESCROW AGNT DEP FEE)		10,800		1,300		
Total:	\$ 184,612	\$ 197,600	\$ 197,600	\$ 247,500	\$ 49,900	25.3%
630110 Equipment & Systems						
RISK - RELATED		\$ 15,000		\$ 10,000		
Total:	\$ -	\$ 15,000	\$ 15,000	\$ 10,000	\$ (5,000)	-33.3%
630130 Office & Operating Supplies						
OFFICE SUPPLIES		\$ 12,200		\$ 16,200		
Total:	\$ 9,625	\$ 12,200	\$ 12,200	\$ 16,200	\$ 4,000	32.8%
630140 Postage & Shipping						
POSTAGE & SHIPPING		\$ 5,200		\$ 5,700		
Total:	\$ 4,341	\$ 5,200	\$ 5,200	\$ 5,700	\$ 500	9.6%
630150 Safety Equipment & Supplies						
RISK - RELATED		\$ 7,000		\$ 3,000		
Total:	\$ 78	\$ 7,000	\$ 7,000	\$ 3,000	\$ (4,000)	-57.1%
650120 Equipment Maintenance-Supplies						
RISK - RELATED		\$ 1,200		\$ 1,200		
Total:	\$ -	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	0.0%
650130 Equipment Maintenance-Outside Services						
EQUIPMENT MAINTENANCE-OUTSIDE		\$ 1,200		\$ -		
RISK - RELATED		2,000		3,500		
Total:	\$ 1,802	\$ 3,200	\$ 3,200	\$ 3,500	\$ 300	9.4%

Financial Services

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
650140 Software Maintenance SYMPRO INC MAINT		\$ 6,700		\$ -		
Total:	\$ 6,960	\$ 6,700	\$ 6,700	\$ -	\$ (6,700)	-100.0%
660110 Promotional Services PROMOTIONAL SERVICES RISK - RELATED		\$ - 600		\$ 1,000 1,000		
Total:	\$ 348	\$ 600	\$ 600	\$ 2,000	\$ 1,400	233.3%
670110 Insurance RISK - BROKER FEES RISK - INSURANCE PREMIUMS		\$ 41,000 1,304,600		\$ 41,000 1,234,000		
Total:	\$ -	\$ 1,345,600	\$ 1,345,600	\$ 1,275,000	\$ (70,600)	-5.2%
670120 Insurance Claims RISK - RELATED		\$ 10,000		\$ 10,000		
Total:	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
670130 Permits/Certificates/License PERMITS/CERTIFICATES/LICENSE RISK - RELATED		\$ 300 3,000		\$ 900 3,000		
Total:	\$ -	\$ 3,300	\$ 3,300	\$ 3,900	\$ 600	18.2%
670190 Other Miscellaneous Operating Expenses BANK FEES CREDIT CARD FEES		\$ 40,000 15,200		\$ 47,600 16,800		
Total:	\$ 40,541	\$ 55,200	\$ 55,200	\$ 64,400	\$ 9,200	16.7%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 272,801	\$ 1,677,300	\$ 1,677,300	\$ 1,687,100	\$ 9,800	0.6%
GRAND TOTAL:	\$ 273,934	\$ 1,677,300	\$ 1,677,300	\$ 1,687,100	\$ 9,800	0.6%

GENERAL SERVICES & PROCUREMENT

GENERAL SERVICES

Mission Statement

To prolong the service life of District equipment and infrastructure through a systematic approach to planned maintenance, to perform corrective maintenance and repairs to equipment and infrastructure as necessary, and to provide support services that enhance the public's experience in using District facilities.

Vision Statement

General Services is a diverse and talented work group who add value to the business of the District today and into the future.

Objectives

- Create and sustain positive relationships with stakeholders and the San Diego community
- Develop and maintain District infrastructure to support business and economic goals
- Reduce and prevent safety mishaps/accidents
- Improve customer-focused services to our customers, stakeholders, and the public
- Continuously evaluate and improve business systems and processes
- Educate our customers about department services
- Reflect and support a constructive culture
- Control costs through systematic approaches to maintenance and repairs

Current Services

To achieve General Services' Mission and Vision statements, staff is committed to providing the following services:

- Preventive maintenance (motive equipment, HVAC/electrical/sewer/rail-road, landscaping, custodial, etc.)
- Corrective maintenance (repair infrastructure and equipment based on work request and priority)
- New construction (limited to \$45,000 and below by law)
- Support services (pest control, special events support, trash and debris removal, furniture/equipment moves, etc.)
- Maintenance services agreement management
- Utilities management support
- Project management support

- Focus on preventive maintenance to achieve long term goal of reduction in corrective maintenance actions
- Additional event management support through marketing/business development programs
- Inspection and maintenance of District's assets
- Centralized fleet asset management program
- Support services for cruise ship and maritime terminal operations

General Services currently has 93 permanent positions, and provides support from three locations: District's General Services Maintenance Facility located at National City, Shelter Island – Vessel Maintenance Shop, and the Administration Building.

PROCUREMENT SERVICES

Mission Statement

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.

Vision Statement

Procurement Services is a valued, integrated, one-stop shop staffed by a talented, innovative, dedicated, and ethical team.

Objectives

- Add value to the District
- Create and sustain positive relationships with the stakeholders and the community at large
- Deliver customer-focused services in an effective, timely, and courteous manner
- Optimize proactive vendor relationship
- Maximize opportunities for Small Business Enterprise (SBE)
- Continuously evaluate and improve business system and process
- Retain the intellectual assets and corporate knowledge of the District
- Recruit and retain a highly skilled, diverse work force
- Encourage an organizational culture of learning and growth
- Maximize the use of District funds
- Control costs

Current Services

To achieve Procurement Services' Mission and Vision statements, staff is committed to providing the following services:

- Perform competitive solicitations for and procurement of supplies, materials, equipment, and services
- Develop and administer professional and consulting services agreements, major maintenance contracts, and public works contracts
- Administer the District's procurement card program
- Maintain an effective database of vendors, suppliers, contractors, and service providers who are interested in doing business with the District
- Perform centralized receipt, inspection, acceptance, and distribution of material and equipment
- Process damaged goods and lost in shipment claims with freight carriers
- Prepare shipping documents and bills of lading to account for shipped materials
- Collect, store, redistribute, and sell or dispose of excess and surplus material and equipment, and manage all associated inventory records and reports
- Perform distribution of interoffice and U.S. Mail to and from outlying facilities in support of the District's mailroom operations
- Manage District vehicle and vessel fleet title and registration documents
- Conduct business outreach events for current and potential vendors and contractors
- Conduct and/or sponsor technical assistance, and vendor development workshops
- Review and provide Equal Opportunity Program language for solicitations and BPC agenda sheets
- Verify good faith efforts of apparent low bidders
- Assist potential Small Business Enterprise (SBE) vendors in registering with the District's General Services & Procurement department for bidding opportunities

Procurement Services currently has 18 permanent positions, and provides support from the District's General Services Maintenance Facility located at National City

General Services & Procurement

Replace: 1 Management Analyst with Manager, Maintenance Systems
 1 Building Maintenance Coordinator with Lead Carpenter
 1 Department Business Manager with Department Administrative Manager

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	6	6
Assistant Procurement Analyst	1	1
Building Maintenance Coordinator	1	0
Carpenter	1	1
Contracts Administrator	2	2
Contracts Supervisor	1	1
Department Administrative Manager	0	1
Department Business Manager	3	2
Director, General Services & Procurement	1	1
Distribution & Storage Technician I	2	2
Distribution & Storage Technician II	1	1
Electrician	4	4
Equipment Operator	4	4
Executive Assistant I (Classified)	1	1
Financial Technician	1	1
Fleet Maintenance Technician	3	3
Gardener	10	10
Lead Carpenter	0	1
Lead Custodian	1	1
Lead Distribution & Storage Technician	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
Lighting Technician	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	15	15
Maintenance Worker II	13	13
Management Analyst	1	0
Manager, Distribution & Storage	1	1
Manager, Maintenance Systems	0	1
Manager, Procurement Services	1	1
Marine Mechanic	2	2
Painter	2	2

General Services & Procurement

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Parking Meter Repair/Collector	2	2
Plumber	2	2
Purchasing Analyst	1	1
Purchasing Supervisor	1	1
Senior Equal Opportunity Analyst	1	1
Senior Purchasing Analyst	1	1
TOTAL	111	111

General Services & Procurement

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 12,788,224	\$ 13,464,900	\$ 13,318,600	\$ (146,300)	-1.1%
Non-Personnel Expense	4,153,457	3,802,400	4,684,200	881,800	23.2%
Total Direct Expense	\$ 16,941,681	\$ 17,267,300	\$ 18,002,800	\$ 735,500	4.3%
Less: Capitalized Expense	(317,481)	-	(201,900)	(201,900)	-
Equipment Outlay	807,865	439,200	629,000	189,800	43.2%
TOTAL DEPARTMENTAL EXPENSE	\$ 17,432,065	\$ 17,706,500	\$ 18,429,900	\$ 723,400	4.1%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 7,040,415	\$ 7,234,400	\$ 7,233,800	\$ (600)	0.0%
Overtime	106,741	127,000	127,000	-	0.0%
Burden	4,687,696	5,016,600	4,864,600	(152,000)	-3.0%
OPEB Annual Expense	933,797	1,086,900	1,093,200	6,300	0.6%
Temporary Personnel	19,576	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 12,788,224	\$ 13,464,900	\$ 13,318,600	\$ (146,300)	-1.1%

General Services & Procurement

EQUIPMENT OUTLAY

DESCRIPTION	QTY	UNIT COST	BUDGET FY 14/15
EQUIPMENT TRAILER	1	\$ 30,000	\$ 30,000
FLAT BED UTILITY TRAILER	6	8,000	48,000
FORKLIFT	1	50,000	50,000
FULL-SIZE EXTRA CAB PICK UP TRUCK	1	28,000	28,000
ONE-TON CREW CAB UTILITY BODY TRUCK	2	38,000	76,000
ONE-TON UTILITY BODY TRUCK W/ CRANE	1	40,000	40,000
PORTABLE WATER VALVE OPERATOR	1	7,000	7,000
PROGRAMMABLE LOGIC CONTROL SYSTEM*	1	350,000	350,000
TOTAL	14		\$ 629,000

* Item carried over from prior year.

General Services & Procurement
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
MISCELLANEOUS	\$ 106,741	\$ 127,000	\$ 127,000	\$ 127,000	\$ -	0.0%
Total:	\$ 106,741	\$ 127,000	\$ 127,000	\$ 127,000	\$ -	0.0%
600120 Temporary Personnel						
Total:	\$ 19,576	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 126,317	\$ 127,000	\$ 127,000	\$ 127,000	\$ -	0.0%
610100 Awards - Service						
Total:	\$ 123	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals						
TRADE RELATED	\$ 544	\$ -	\$ -	\$ 2,700	\$ 2,700	N/A
Total:	\$ 544	\$ -	\$ -	\$ 2,700	\$ 2,700	N/A
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$ 1,713	\$ 3,500	\$ 3,500	\$ 3,300	\$ (200)	-5.7%
Total:	\$ 1,713	\$ 3,500	\$ 3,500	\$ 3,300	\$ (200)	-5.7%
610120 Memberships & Dues						
CAPPO MEMBERSHIP	\$ -	\$ -	\$ -	\$ 1,200	\$ 1,200	
MEMBERSHIPS & DUES		2,700		3,100	3,100	
MSDS ONLINE		-		400	400	
NAT CONTRACT MGT ASSN (NCMA)		-		1,000	1,000	
Total:	\$ 3,162	\$ 2,700	\$ 2,700	\$ 5,700	\$ 3,000	111.1%
610140 Seminars & Training						
MOBILE HARBOR CRANE TRAINING	\$ -	\$ 25,000		\$ -	\$ -	
SKILLS TRAINING		10,300		13,000	13,000	
Total:	\$ 12,181	\$ 35,300	\$ 35,300	\$ 13,000	\$ (22,300)	-63.2%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$ -	\$ 4,700		\$ 3,500	\$ 3,500	
TRANSIT PASSES		500		1,700	1,700	
Total:	\$ 8,221	\$ 5,200	\$ 5,200	\$ 5,200	\$ -	0.0%
615110 Travel						
MOBILE HARBOR CRANE TRAINING	\$ -	\$ 15,000		\$ -	\$ -	
Total:	\$ 11,037	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)	-100.0%
620100 Services - Professional & Other						
Total:	\$ 537	\$ -	\$ -	\$ -	\$ -	N/A
630100 Breakage & Obsolescence						
Total:	\$ 1,706	\$ -	\$ -	\$ -	\$ -	N/A
630110 Equipment & Systems						
Total:	\$ 1,792	\$ -	\$ -	\$ -	\$ -	N/A
630120 Equipment Rental/Leasing						
CNG & HYBRID VEHICLE LEASE	\$ -	\$ 77,600		\$ -	\$ -	
CNG VEHICLE LEASE		-		26,000	26,000	
CRANE RENTAL		15,000		10,000	10,000	
EQUIPMENT RENTAL/LEASING		1,000		1,000	1,000	
HEAVY EQUIPMENT		50,000		60,000	60,000	
LIGHT TOWER RENTALS		9,600		-	-	
PORTABLE TOILET RENTAL		40,000		30,000	30,000	
Total:	\$ 129,820	\$ 193,200	\$ 193,200	\$ 127,000	\$ (66,200)	-34.3%
630130 Office & Operating Supplies						
OPERATING SUPPLIES	\$ -	\$ 16,000		\$ 16,000	\$ 16,000	
SUPPLIES		16,700		16,700	16,700	
TWIC-TRANSPORTATION WORKER ID		3,800		600	600	
Total:	\$ 49,429	\$ 36,500	\$ 36,500	\$ 33,300	\$ (3,200)	-8.8%
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$ -	\$ 7,800		\$ 7,200	\$ 7,200	
Total:	\$ 2,404	\$ 7,800	\$ 7,800	\$ 7,200	\$ (600)	-7.7%

General Services & Procurement
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630150 Safety Equipment & Supplies						
FIRE EXTINGUISHERS		\$ 3,900		\$ 5,000		
SAFETY INCENTIVE		8,800		8,800		
SAFETY SHOES		13,200		13,200		
SAFETY SUPPLIES & EQUIPMENT		14,800		14,800		
Total:	\$ 42,313	\$ 40,700	\$ 40,700	\$ 41,800	\$ 1,100	2.7%
630160 Small Tools						
SMALL TOOLS FOR MAINT OPERS		\$ 37,200		\$ 37,200		
Total:	\$ 32,548	\$ 37,200	\$ 37,200	\$ 37,200	\$ -	0.0%
630170 Fuel & Lubricants						
CNG/PROPANE		\$ 3,000		\$ 3,000		
GAS/DIESEL		730,000		766,500		
MOTOR OIL		7,500		7,500		
Total:	\$ 740,884	\$ 740,500	\$ 740,500	\$ 777,000	\$ 36,500	4.9%
630180 Parking Meter Supplies						
BATTERIES		\$ 1,600		\$ 2,000		
METER REPAIR PARTS		10,500		10,000		
STICKERS		900		900		
Total:	\$ 7,355	\$ 13,000	\$ 13,000	\$ 12,900	\$ (100)	-0.8%
630200 Uniforms						
LOSS/DAMAGE ALLOWANCE		\$ -		\$ 300		
UNIFORM JACKET		2,100		2,100		
UNIFORM SERVICE		37,000		34,800		
Total:	\$ 39,782	\$ 39,100	\$ 39,100	\$ 37,200	\$ (1,900)	-4.9%
650100 Facilities Maintenance-Supplies						
ALL CREWS		\$ 450,000		\$ 450,000		
RUOCCO PARK FIXTURE CONTINGENCY		14,300		14,300		
WAY FINDING SIGNAGE		-		12,000		
Total:	\$ 558,355	\$ 464,300	\$ 464,300	\$ 476,300	\$ 12,000	2.6%
650110 Facilities Maintenance-Outside Services						
ANIMAL AND PEST CONTROL		\$ 31,800		\$ 31,800		
CARPET AND CHAIR CLEANING		-		8,600		
CESAR CHAVEZ PARK SOCCER FIELD MAIN		140,000		-		
CUSTODIAL SERVICES		390,000		382,500		
DUMPSTER SERVICE		80,000		90,000		
ELEVATOR MAINT		100,000		100,000		
FIRE ALARMS MONITORING		35,000		35,500		
GRAFFITI REMOVAL		65,000		66,200		
H STREET MAINTENANCE		-		25,000		
HARBOR DRIVE LANDSCAPE		-		180,000		
HVAC OTHER LOCATIONS		153,800		139,700		
LANE FIELD PARK/PLAZA MAINTENANCE		-		100,000		
NEVP MAINTENANCE CONTRACT		-		500,000		
POINT LOMA MEDIAN MAINTENANCE		-		125,000		
RECYCLING SERVICES		24,200		25,000		
RUOCCO PARK MAINTENANCE		270,000		179,000		
STREET LIGHTING		22,000		20,000		
WINDOW CLEANING		25,000		25,000		
Total:	\$ 1,420,508	\$ 1,336,800	\$ 1,336,800	\$ 2,033,300	\$ 696,500	52.1%
650120 Equipment Maintenance-Supplies						
AUTOMOTIVE EQ/BOATS		\$ 155,000		\$ 155,000		
FAST BOAT MAINTENANCE		-		24,900		
FORD PARTS		15,300		15,300		
HPD FIRESTORM MONITORS		-		17,000		
TIRES		23,000		20,000		
Total:	\$ 240,523	\$ 193,300	\$ 193,300	\$ 232,200	\$ 38,900	20.1%

General Services & Procurement
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
650130 Equipment Maintenance-Outside Services						
BOAT HULL MAINTENANCE		\$ 20,000		\$ 20,000		
BOAT REPAIR		15,000		15,000		
EMISSION ANALYZER MAINT		3,600		3,600		
EQUIPMENT CERTIFICATION AND INSPECT		20,000		3,500		
EQUIPMENT MAINTENANCE-OUTSIDE		2,000		2,000		
FIRE EXTINGUISHER HYDROTEST		4,800		5,000		
HPD AUTO BODY REPAIRS		-		18,000		
METER PAINTING		5,000		5,000		
MOBILE HARBOR CRANE PAINTING		30,000		-		
MOWER REEL MAINTENANANCE		30,000		30,000		
OTHER EQUIPMENT SERVICE/MAINT		60,000		60,000		
PARTS CLEANER		4,800		2,000		
VEHICLE PAINTING		30,000		30,000		
VESSEL FIRE SUPPRESSION SYS		-		1,600		
Total:	\$ 390,191	\$ 225,200	\$ 225,200	\$ 195,700	\$ (29,500)	-13.1%
650131 As - Needed Maintenance						
ABANDONED & DERELICT VESSEL		\$ 50,000		\$ 180,000		
ADMIN ROOF EPOXY INJECTIONS		5,000		5,000		
BRUSH AND WEED REMOVAL		15,000		15,000		
CST SPRUNG STRUCTURE/WINDOW CL		31,200		31,600		
DOORS (ROLL UP) MAINTENANCE		18,500		18,500		
DOORS AND GATES, ELECTRIC		3,700		3,700		
DUMPSTER SERVICE TRANSFER		45,600		45,600		
FENCE AND GATE MAINTENANCE		10,000		10,000		
HARBOR POLICE CARPET REPLACEMENT		-		15,000		
HOLIDAY LITTER PICKUP		-		5,000		
LITTER AND BRUSH PICKUP		10,000		-		
MISC SMALL OUTSIDE SERVICES		53,000		57,700		
PAINTING MAINTENANCE		10,000		20,000		
PAVEMENT MAINT		-		40,000		
PLANT MAINTENANCE		-		3,000		
ROOF MAINTENANCE		10,000		10,000		
STREET SWEEPING MAINT		-		25,000		
TREE TRIMMING		125,000		125,000		
UNDERGROUND SERVICE ALERT		1,400		1,600		
UTILITY LEAK DETECTION		-		5,000		
VESSEL SURVEYING		6,000		6,000		
Total:	\$ 442,545	\$ 394,400	\$ 394,400	\$ 622,700	\$ 228,300	57.9%
660100 Advertising						
ADVERTISING		\$ 7,000		\$ 6,100		
Total:	\$ 7,046	\$ 7,000	\$ 7,000	\$ 6,100	\$ (900)	-12.9%
660110 Promotional Services						
CALTRANS PROCUREMENT VENDOR		\$ 200		\$ 500		
PROMOTIONAL SERVICES		1,200		1,200		
SD COUNTY WATER AUTH PATHS		500		500		
SD SUPPLIER DEV COUNCIL-ANNUAL		200		500		
SD SUPPLIER DEV COUNCIL-MONTHLY		200		500		
SMALL BUSINESS SYMPOSIUM		700		700		
Total:	\$ 1,168	\$ 3,000	\$ 3,000	\$ 3,900	\$ 900	30.0%
660120 Promotional Materials						
PROMOTIONAL MATERIALS		-		1,800		
Total:	\$ -	\$ -	\$ -	\$ 1,800	\$ 1,800	N/A
660150 Refuse & Hazardous Waste Disposal						
Total:	\$ 1,447	\$ -	\$ -	\$ -	\$ -	N/A
670130 Permits/Certificates/License						
PERMIT/CERT/LICENSE		\$ 8,700		\$ 8,700		
Total:	\$ 6,124	\$ 8,700	\$ 8,700	\$ 8,700	\$ -	0.0%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 4,153,457	\$ 3,802,400	\$ 3,802,400	\$ 4,684,200	\$ 881,800	23.2%
GRAND TOTAL:	\$ 4,279,774	\$ 3,929,400	\$ 3,929,400	\$ 4,811,200	\$ 881,800	22.4%

THIS PAGE INTENTIONALLY LEFT BLANK

Government & Civic Relations

Reclass: 1 Grants Technician to Management Analyst

1 Legislative Policy Administrator to Program Manager

1 Manager, Government Relations to Chief Policy Advisor

Eliminate: 1 Executive Assistant I (Classified)

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Chief Policy Advisor	0	1
Executive Assistant I (Classified)	1	0
Grants Technician	1	0
Legislative Policy Administrator	2	1
Management Analyst	0	1
Manager, Government Relations	1	0
Program Manager	0	1
Senior Manager, Public Policy	1	1
TOTAL	6	5

Government & Civic Relations

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 1,667,220	\$ 811,600	\$ 707,800	\$ (103,800)	-12.8%
Non-Personnel Expense	627,499	386,050	371,600	(14,450)	-3.7%
Total Direct Expense	\$ 2,294,719	\$ 1,197,650	\$ 1,079,400	\$ (118,250)	-9.9%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	150,000	150,000	-
TOTAL DEPARTMENTAL EXPENSE	\$ 2,294,719	\$ 1,197,650	\$ 1,229,400	\$ 31,750	2.7%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 1,092,556	\$ 500,800	\$ 451,900	\$ (48,900)	-9.8%
Overtime	602	-	-	-	-
Burden	477,925	252,000	206,700	(45,300)	-18.0%
OPEB Annual Expense	88,274	58,800	49,200	(9,600)	-16.3%
Temporary Personnel	7,863	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 1,667,220	\$ 811,600	\$ 707,800	\$ (103,800)	-12.8%

Government & Civic Relations

EQUIPMENT OUTLAY

DESCRIPTION	QTY	UNIT COST	BUDGET FY 14/15
PORT SECURITY GRANT - MATCHING FUND	1	\$ 150,000	\$ 150,000
TOTAL	1		\$ 150,000

Government & Civic Relations
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
Total:	\$ 602	\$ -	\$ -	\$ -	\$ -	N/A
600120 Temporary Personnel						
Total:	\$ 7,863	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 8,465	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals GOV/PROFESSIONAL PUBLICATIONS		\$ -		\$ 1,000		
Total:	\$ 4,497	\$ -	\$ -	\$ 1,000	\$ 1,000	N/A
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 200		\$ 200		
Total:	\$ 482	\$ 200	\$ 200	\$ 200	\$ -	0.0%
610120 Memberships & Dues MEMBERSHIP & DUES		\$ 58,700		\$ 123,500		
Total:	\$ 107,857	\$ 58,700	\$ 58,700	\$ 123,500	\$ 64,800	110.4%
610140 Seminars & Training PORT-RELATED CONFERENCES		\$ 8,000		\$ 8,000		
Total:	\$ 4,949	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	0.0%
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 3,600		\$ 3,600		
Total:	\$ 8,849	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	0.0%
615110 Travel MEXICO OTHER TRIPS SACRAMENTO TRAINING SEMINARS WASHINGTON DC		\$ 5,500 14,500 20,000 5,000 30,000		\$ 5,500 9,500 15,000 5,000 15,000		
Total:	\$ 24,232	\$ 75,000	\$ 75,000	\$ 50,000	\$ (25,000)	-33.3%
620100 Services - Professional & Other E-CIVIS (GRANT RESEARCH ENGINE) LEGISLATIVE SERVICES - SACRAMENTO SANDAG GOODS MOVEMENT POLICY		\$ 9,000 75,000 60,000		\$ - 105,000 60,000		
Total:	\$ 420,759	\$ 144,000	\$ 144,000	\$ 165,000	\$ 21,000	14.6%
630130 Office & Operating Supplies OFFICE SUPPLIES TWIC CARDS		\$ 7,000 200		\$ 7,000 200		
Total:	\$ 5,612	\$ 7,200	\$ 7,200	\$ 7,200	\$ -	0.0%
630140 Postage & Shipping OUTREACH POSTAGE POSTAGE		\$ 3,500 600		\$ 3,500 600		
Total:	\$ 468	\$ 4,100	\$ 4,100	\$ 4,100	\$ -	0.0%
640100 Space Rental						
Total:	\$ (100)	\$ -	\$ -	\$ -	\$ -	N/A
650130 Equipment Maintenance-Outside Services MAINTENANCE		\$ 1,500		\$ 500		
Total:	\$ 122	\$ 1,500	\$ 1,500	\$ 500	\$ (1,000)	-66.7%
660100 Advertising						
Total:	\$ 114	\$ -	\$ -	\$ -	\$ -	N/A

Government & Civic Relations
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
660110 Promotional Services						
COMMUNITY AND STAKEHOLDER OUTREACH		\$ 2,500		\$ 5,500		
EVENT AND SEMINAR SPONSORSHIPS		2,500		3,000		
Total:	\$ 45,938	\$ 5,000	\$ 5,000	\$ 8,500	\$ 3,500	70.0%
660120 Promotional Materials						
Total:	\$ 3,721	\$ -	\$ -	\$ -	\$ -	N/A
660136 Grant Funded Expenditures						
PORT SECURITY GRANT - MATCHING FUND		\$ 150,000		\$ -		
Total:	\$ -	\$ 150,000	\$ 78,750	\$ -	\$ (78,750)	-100.0%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 627,499	\$ 457,300	\$ 386,050	\$ 371,600	\$ (14,450)	-3.7%
GRAND TOTAL:	\$ 635,964	\$ 457,300	\$ 386,050	\$ 371,600	\$ (14,450)	-3.7%

THIS PAGE INTENTIONALLY LEFT BLANK

HARBOR POLICE DEPARTMENT

Mission Statement

To provide the highest standard of public safety and homeland security through a dedicated team of highly trained professionals.

Vision Statement

The Harbor Police Department is a dynamic public service organization and national leader in public safety and homeland security.

Objectives

- Public Safety arm of the District is charged with the responsibility of implementing and coordinating public safety and homeland security measures on Port Tidelands, San Diego Bay, and the SDCRAA
- Provide all aspects of community oriented policing, vehicle and vessel patrol, marine firefighting, airport security, and homeland security operations
- Foster a culture of service through collaboration, integrity, and professionalism
- Achieve a high performance department by maximizing the potential of all personnel
- Provide highly effective and efficient public safety and homeland security services as a regional asset
- Promote a multi-disciplined public safety and homeland security function as a regional resource
- Strengthen the Harbor Police Department's financial performance
- To assess, pursue, and implement functional technology for the current and future needs of the Department
- Develop and maintain an appropriate level of resources and infrastructure

- Police Records Management
- Explosive Detection Canine Unit
- Narcotics Detection Canine Unit
- Retired Senior Volunteer Program (RSVP)
- Dive Team/Water Rescue
- Rifle Team
- Bike Team
- Honor Guard Team
- Emergency Medical Services
- Permitting
- Mutual Aid
- Contract for Services
- Fast Response Vessel Operations
- Enhanced Regional Communications System Interoperability (RCS)
- Partner with the United States Coast Guard, United States Navy, Customs Border Protection, and the California National Guard in a multi-agency command center known as Joint Harbor Operations Center (JHOC), the first of its kind in the nation
- Participation in the Federal and State Port Security Grant Programs
- Participation in three task forces: the FBI Joint Terrorism Task Force (JTTF), the Homeland Security Investigations San Diego Air and Marine Task Force (MTF) and the Drug Enforcement Administration Narcotic Task Force (NTF)

The Harbor Police Department currently has 153 permanent positions.

Current Services

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

- Port/Seaport Law Enforcement/Security
- Tidelands Law Enforcement/Patrol
- Marine Firefighting and Patrol
- Airport Law Enforcement Services
- 911 Capable Public Safety Dispatching
- Investigations

Harbor Police Department

Transfer: 1 Associate Engineer from Engineering-Construction

1 Office Assistant (Classified) from Real Estate

Reclass: 1 Associate Engineer to Homeland Security Intelligence Coordinator

1 Staff Assistant I (Classified) to Staff Assistant II

Eliminate: 2 Harbor Police Officers

1 Homeland Security Program Manager

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	1	1
Assistant Chief of Harbor Police	1	1
Assistant to Vice President	1	1
Community Service Officer	3	3
Community Service Officer Supervisor	1	1
Facility Security Coordinator	1	1
Harbor Police Captain	1	1
Harbor Police Corporal	15	15
Harbor Police Lieutenant	5	5
Harbor Police Officer	85	83
Harbor Police Sergeant	17	17
Homeland Security Intelligence Coordinator	0	0
Homeland Security Program Manager	1	0
Human Resources Technician (Unclassified)	1	1
Lead Public Safety Dispatcher	4	4
Office Assistant (Classified)	0	1
Police Records Assistant	3	3
Police Records Supervisor	1	1
Public Safety Dispatch Supervisor	2	2
Public Safety Dispatcher	8	8
Senior Police Records Assistant	1	1
Staff Assistant I (Classified)	1	0
Staff Assistant II	0	1
Vice President, Public Safety/Chief of HP	1	1
TOTAL	154	153

Harbor Police Department

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 28,643,834	\$ 29,574,800	\$ 29,647,400	\$ 72,600	0.2%
Non-Personnel Expense	1,681,328	1,408,800	1,700,100	291,300	20.7%
Total Direct Expense	\$ 30,325,162	\$ 30,983,600	\$ 31,347,500	\$ 363,900	1.2%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	327,356	833,600	1,149,800	316,200	37.9%
TOTAL DEPARTMENTAL EXPENSE	\$ 30,652,518	\$ 31,817,200	\$ 32,497,300	\$ 680,100	2.1%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 14,880,537	\$ 15,494,700	\$ 14,967,700	\$ (527,000)	-3.4%
Overtime	1,658,495	1,141,500	1,330,900	189,400	16.6%
Burden	10,840,707	11,430,500	11,842,000	411,500	3.6%
OPEB Annual Expense	1,261,927	1,508,100	1,506,800	(1,300)	-0.1%
Temporary Personnel	2,167	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 28,643,834	\$ 29,574,800	\$ 29,647,400	\$ 72,600	0.2%

Harbor Police Department

EQUIPMENT OUTLAY

DESCRIPTION	QTY	UNIT COST	BUDGET FY 14/15
AIS TRANSPONDERS FOR SAFEBOATS*	3	\$ 6,700	\$ 20,100
FIRE/TACTICAL TRAINING SIMULATOR*	1	380,000	380,000
ONBOARD AIR SYS - FIRESTORM VESSEL*	2	12,500	25,000
STONEGARDEN VEHICLE*	1	70,000	70,000
BUILDOUT FOR K-9 VEHICLE**	1	27,000	27,000
K-9 SUV**	1	33,600	33,600
INFLATABLE RESCUE BOAT***	1	25,000	25,000
PA SYSTEM WIRELESS ACCESS***	1	5,000	5,000
THERMAL IMAGING BINOCULARS***	2	10,000	20,000
12 PASSENGER TRANSPORT VAN	1	31,000	31,000
911 TEXTING SYSTEM	1	10,000	10,000
CANINE KENNEL	1	6,500	6,500
DELIVERY TRUCK	1	41,000	41,000
HYBRID MID-SIZED SEDAN	4	30,000	120,000
PATROL VEHICLE, SUV	5	34,000	170,000
PATROL VEHICLE, SUV BUILD-OUT	5	31,400	157,000
TRAILER MOUNTED SPEED DETECTION SYSTEM	1	8,600	8,600
TOTAL	32		\$ 1,149,800

* Partially Grant Funded.

** Items carried over from FY 13/14 budget.

*** Per the Municipal Services Agreement with the City of Imperial Beach, the District provides equipment for Lifeguard Services.

Harbor Police Department

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
ADMINISTRATIVE SUPPORT		\$ 2,000		\$ 5,000		
DISPATCH		24,100		33,000		
DIVE TEAM		70,000		125,000		
LAW ENFORCEMENT OPERATIONS		120,000		200,000		
RECRUITING		-		7,500		
REIMBURSED EVENTS		183,400		73,400		
SPECIAL EVENTS		91,000		92,000		
SWORN MANDATORY STAFFING		158,000		300,000		
TRAINING DISPATCH		8,000		10,000		
TRAINING SWORN		485,000		485,000		
Total:	\$ 1,658,495	\$ 1,141,500	\$ 1,141,500	\$ 1,330,900	\$ 189,400	16.6%
600120 Temporary Personnel						
Total:	\$ 2,167	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 1,660,662	\$ 1,141,500	\$ 1,141,500	\$ 1,330,900	\$ 189,400	16.6%
610100 Awards - Service						
Total:	\$ 800	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals						
LEGAL MANUALS		\$ 1,200		\$ 1,400		
PROFESSIONAL DEVELOPMENT BOOKS		-		700		
STATE & FEDERAL CODE		4,000		4,000		
Total:	\$ 4,747	\$ 5,200	\$ 5,200	\$ 6,100	\$ 900	17.3%
610115 Employee Recognition						
EMPLOYEE RECOGNITION		\$ 6,100		\$ 6,100		
Total:	\$ 5,622	\$ 6,100	\$ 6,100	\$ 6,100	\$ -	0.0%
610120 Memberships & Dues						
MEMBERSHIPS & DUES		\$ 2,800		\$ 3,000		
Total:	\$ 3,125	\$ 2,800	\$ 2,800	\$ 3,000	\$ 200	7.1%
610140 Seminars & Training						
AIRPORT SPECIFIC TRAINING		\$ 4,300		\$ -		
CLERICAL SUPPORT TRAINING		900		1,500		
CSO TRAINING		200		2,000		
DEFENSIVE TACTICS COURSE		200		2,000		
DISPATCH TRAINING COURSES		3,600		2,500		
DIVE TRAINING		1,100		-		
FIREARMS ARMORER & INSTRUCTOR		400		1,000		
FTO		200		-		
HOMELAND SECURITY TRAINING		2,000		2,500		
LEXIPOL DAILY TRAINING BULLETINS		-		9,000		
MANDATED TRAINING (POST)		2,100		1,000		
MARINE		1,300		-		
MGMT/SUPRVR/LEADERSHIP TRNG		900		1,500		
RANGE USE FEES		300		5,000		
ROT - POST		2,000		-		
SEMINARS AND TRAINING		400		1,000		
TACTICAL TRAINING		6,200		5,000		
Total:	\$ 70,182	\$ 26,100	\$ 26,100	\$ 34,000	\$ 7,900	30.3%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT		\$ 18,000		\$ 18,000		
Total:	\$ 61,378	\$ 18,000	\$ 18,000	\$ 18,000	\$ -	0.0%

Harbor Police Department

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
615110 Travel						
AIRPORT SPECIFIC TRAVEL		\$ 8,000		\$ 5,000		
CHIEFS' & SHERIFF'S ASSOC. RET		500		1,000		
COMMAND STAFF TRAVEL		-		1,000		
DISPATCH TRAINING COURSES		1,000		2,000		
HOMELAND SECURITY TRAINING		-		1,500		
MARITIME LAW ENFORCEMENT TRNG CTR		45,800		28,100		
MGMT/SUPVR/LEADERSHIP TRNG		-		2,500		
RECRUITING/BACKGROUNDS		-		2,000		
TRAINING RELATED TRAVEL		7,500		5,000		
Total:	\$ 94,167	\$ 62,800	\$ 62,800	\$ 48,100	\$ (14,700)	-23.4%
620100 Services - Professional & Other						
ALPHA PROJECT - HOMELESS OUTREACH		\$ -		\$ 110,000		
COMPUTER SVCS-SUN, ARJIS, ETC		52,400		47,700		
DIVE PHYSICALS		-		11,300		
FINGERPRINT CHECKS-EMPLOYMENT		-		2,000		
HEARING CONSERVATION		-		3,100		
HLS STRATEGIC PLAN UPDATE		30,000		-		
MEDICAL EXAMS (SART)		3,000		3,000		
NEVP SECURITY		-		75,000		
PROFESSIONAL SERVICES		16,900		16,900		
RESPIRATOR PHYSICALS		-		7,200		
SHERIFF'S DEPT. PROPERTY RETEN		3,000		3,000		
TB SCREENING		-		5,700		
VESSEL TOWING SERVICES		25,000		25,000		
VETERINARIAN SERVICES		5,000		5,000		
Total:	\$ 193,588	\$ 135,300	\$ 185,300	\$ 314,900	\$ 129,600	69.9%
620110 Services - Legal - Port Attorney						
Total:	\$ 168,691	\$ -	\$ -	\$ -	\$ -	N/A
630110 Equipment & Systems						
AEDS		\$ 2,000		\$ 2,000		
COMPUTER HARDWARE		44,400		30,100		
DEFENSIVE TACTICS TRNG EQPT		500		500		
DISPATCH EQUIPMENT		4,800		3,300		
DIVE TEAM EQUIPMENT		27,200		27,200		
EMERGENCY VEH TRNG EQPT		1,100		-		
ENCRYPTED AND NON-ENCRYPTED RADIOS		-		17,000		
EQPT FOR IMP BEACH (NON CAPITAL)		-		54,000		
FURNITURE		-		5,000		
HOMELAND SECURITY EOC EQPT		500		500		
K9 KENNEL & SUPPLIES		6,000		-		
K9 SUPPLIES (NON-FOOD)		2,000		-		
OFFICE EQUIPMENT		1,500		1,500		
POLICE EQUIPMENT		15,000		18,100		
POWER SOURCES (BATTERIES, UPS)		2,000		2,000		
RSVP PROGRAM		800		800		
TRAFFIC TEAM EQUIPMENT		200		-		
VESSELS/FIRE		17,000		22,000		
WEAPONS TRAINING UNIT EQPT		1,000		2,500		
Total:	\$ 153,712	\$ 126,000	\$ 126,000	\$ 186,500	\$ 60,500	48.0%
630120 Equipment Rental/Leasing						
JULY 4TH EQUIPMENT		\$ 2,200		\$ 2,200		
TRAILERS		36,700		36,700		
Total:	\$ 28,696	\$ 38,900	\$ 38,900	\$ 38,900	\$ -	0.0%
630130 Office & Operating Supplies						
OFFICE SUPPLIES		\$ 21,000		\$ 13,000		
OPERATING SUPPLIES		23,000		31,000		
PRINTING		7,200		17,500		
Total:	\$ 47,033	\$ 51,200	\$ 51,200	\$ 61,500	\$ 10,300	20.1%

Harbor Police Department

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630140 Postage & Shipping POSTAGE & SHIPPING		\$ 7,000		\$ 7,000		
Total:	\$ 5,651	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	0.0%
630150 Safety Equipment & Supplies						
AMMUNITION - .223		\$ 80,000		\$ 80,000		
AMMUNITION - .40		-		30,000		
AMMUNITION - .45 AND 9MM		8,200		10,000		
AMMUNITION - 12 GA. BUCKSHOT		-		5,000		
CSO SAFETY EQUIPMENT		3,200		-		
FIRE TURNOUT GEAR		10,800		18,300		
FIRST AID SUPPLIES		1,500		1,900		
FORCE TACTICS UNIT EQUIPMENT		500		500		
HOMELAND SECURITY EQUIPMENT		300		-		
PROTECTIVE VESTS		20,100		15,000		
RAIN GEAR		2,000		-		
SAFETY SHOES (PER MOU)		200		200		
TASER EQUIPMENT & REPLACEMENT		3,000		33,000		
WEAPONS/PARTS		13,000		8,700		
Total:	\$ 99,778	\$ 142,800	\$ 142,800	\$ 202,600	\$ 59,800	41.9%
630170 Fuel & Lubricants						
Total:	\$ 44,170	\$ -	\$ -	\$ -	\$ -	N/A
630200 Uniforms						
BADGES, PINS, PATCHES		\$ 2,000		\$ 5,900		
REPLACE DAMAGED UNIFORM ITEMS		1,700		1,000		
UNIFORM FOR RSVPS		1,700		1,500		
UNIFORM SHIRTS - NON-SWORN		-		1,100		
UNIFORMS - COMMUNITY SERV OFFICERS		4,100		5,800		
UNIFORMS - DISPATCH (PER MOU)		5,500		5,600		
UNIFORMS - SWORN (PER MOU)		163,800		187,500		
UNIFORMS FOR HONOR GUARD		800		800		
Total:	\$ 200,115	\$ 179,600	\$ 179,600	\$ 209,200	\$ 29,600	16.5%
640110 Telephone & Communications						
3CS DATA LINES		\$ -		\$ 7,500		
CDPD LINES (WIRELESS CONNECT)		30,000		30,000		
CELLULAR SERVICE		15,300		15,300		
DIRECTV MONTHLY SERVICE		2,000		2,000		
MOBILE LOCK SERVICES		1,000		1,000		
RCS RADIO FEES		75,000		75,000		
SATELLITE PHONES		8,000		8,000		
TELEPHONE EQUIPMENT		5,000		5,000		
TELEPHONE SERVICE		147,600		152,000		
Total:	\$ 292,286	\$ 283,900	\$ 283,900	\$ 295,800	\$ 11,900	4.2%
650100 Facilities Maintenance-Supplies						
REPLACE DISPATCH WINDOWS		\$ 8,400		\$ -		
Total:	\$ -	\$ 8,400	\$ 8,400	\$ -	\$ (8,400)	-100.0%
650120 Equipment Maintenance-Supplies						
TONER		\$ -		\$ 8,000		
Total:	\$ 1,238	\$ -	\$ -	\$ 8,000	\$ 8,000	N/A
650130 Equipment Maintenance-Outside Services						
DISPATCH RECORDER MAINTENANCE		\$ 3,700		\$ -		
DIVE TEAM EQUIPMENT		10,000		10,000		
FIRE EQUIPMENT		18,500		19,900		
GEN EQPT MAINTENANCE		3,000		3,000		
MAINT CAR/VESSEL AUDIO/VIDEO SYSTEM		-		15,000		
MAINTENANCE CONTRACTS & EQUIP		21,500		56,000		
TRAFFIC SIGNS MAINT & REPAIRS		5,000		2,500		
Total:	\$ 35,986	\$ 61,700	\$ 61,700	\$ 106,400	\$ 44,700	72.4%

Harbor Police Department

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
650140 Software Maintenance						
DISPATCH PACKET CLUSTER LICENS		\$ 15,000		\$ 15,000		
LOGISYS CONTRACT		57,500		59,300		
NETRMS ANNUAL FEES		1,800		1,800		
Total:	\$ 79,046	\$ 74,300	\$ 74,300	\$ 76,100	\$ 1,800	2.4%
660100 Advertising						
Total:	\$ 14	\$ -	\$ -	\$ -	\$ -	N/A
660110 Promotional Services						
PROMO SERVICES, GENERAL		\$ 600		\$ 600		
RECRUITING ACTIVITIES		200		200		
RSVP APPRECIATION		500		500		
Total:	\$ 1,368	\$ 1,300	\$ 1,300	\$ 1,300	\$ -	0.0%
660120 Promotional Materials						
PROMOTIONAL & RECRUITING SUPPL		\$ -		\$ 1,000		
Total:	\$ 9,764	\$ -	\$ -	\$ 1,000	\$ 1,000	N/A
660130 Svcs - Fire, Police, Rescue, Emergency						
CITY POLICE SVS/TRAFFIC CONTROL		\$ 6,800		\$ -		
Total:	\$ -	\$ 6,800	\$ 6,800	\$ -	\$ (6,800)	-100.0%
660136 Grant Funded Expenditures						
CONTINUITY OF OPERATIONS PLAN		\$ 30,000		\$ -		
EQUIPMENT - SHSGP		15,700		15,700		
FUEL-OPERATION STONEGARDEN		50,000		25,000		
PORT SECURITY GRANT - 12		24,900		-		
PORT SECURITY GRANT - 13		-		31,900		
SDCLEF GRANT		-		2,500		
TSA - SUPPLIES		-		500		
Total:	\$ -	\$ 120,600	\$ 120,600	\$ 75,600	\$ (45,000)	-37.3%
670100 Bad Debt Expense						
Total:	\$ 1,339	\$ -	\$ -	\$ -	\$ -	N/A
670130 Permits/Certificates/License						
Total:	\$ 360	\$ -	\$ -	\$ -	\$ -	N/A
680100 Seized Asset/Forfeitures-Harbor Police						
Total:	\$ 78,471	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 1,681,328	\$ 1,358,800	\$ 1,408,800	\$ 1,700,100	\$ 291,300	20.7%
GRAND TOTAL:	\$ 3,341,990	\$ 2,500,300	\$ 2,550,300	\$ 3,031,000	\$ 480,700	18.8%

HUMAN RESOURCES

Mission Statement

The Human Resources department serves as a strategic partner alongside District management and staff in supporting the roles of the organization. The Department takes a leadership position to establish the optimal work environment for obtaining sustained high productivity, continuous improvement, organizational renewal, and exceptional customer service.

Human Resources acts as a catalyst, enabling all employees to contribute at optimum levels towards the success of the District.

We succeed by earning the satisfaction of our customers, the respect and trust of those who govern us, support us, do business with us, and the pride of our employees.

Vision Statement

To be recognized as world class leaders in applying human resources best practices and innovations to make the District an employer of choice.

Objectives

- Create and sustain positive relationships with stakeholders and the community at large
- Support other District departments in running their business
- Maintain the District's financial stability
- Participate visibly and collaboratively with communities in the region
- Deliver customer-focused services in an effective, timely, and courteous manner
- Recruit, retain, and develop a highly skilled, diverse workforce
- Reinforce a safe, open, and secure work environment for District employees
- Encourage an organizational culture of learning and growth
- Retain intellectual assets and corporate knowledge of the District
- Assist in safeguarding District's assets, including the employees
- Continuously evaluate and improve business systems and processes
- Track and implement new trends in the industry
- Focus on operational excellence
- Support management to implement improvements

Current Services

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

HR Operations

- Recruiting
- New hire orientation
- Intern program
- Desk audits
- Investigations
- Personnel file management
- Manage the progressive discipline process
- Performance management
- Employee appreciation programs
- Salary Ordinance maintenance
- District classification system maintenance
- Exit interview process

Labor Relations

- Coordinate/facilitate labor and management collaboration opportunities
- Maintain and enforce personnel rules and regulations
- Maintain memorandum of understanding with unions
- Conduct labor negotiations

Benefits Management

- Overall administration for all employee benefits
- Wellness program
- Deferred compensation
- Tuition reimbursement
- Retiree interface
- Open enrollment
- COBRA administration
- Fit-for-Duty management
- Americans with Disabilities Act compliance
- Leave administration
- Retirement

Payroll

- Timely and accurate processing of employee payroll in compliance with IRS, state regulations, and District policies

Training

- Regulatory training
- Human resources training as outlined in the District's five-year training plan
- Diagnostics
- Process improvement

- Change management
- Teambuilding
- Group facilitation
- Career development
- Coaching
- Succession planning

Equal Opportunity Employment and Non-Discrimination

- Diversity awareness
- District's Americans with Disability Act Coordinator
- Community outreach

The Human Resources department currently has 18 permanent positions.

Human Resources

Transfer: 1 Assistant to Vice President from Office of the District Clerk

Reclassify: 1 Assistant to Vice President to Executive Assistant I (Unclassified)

1 Executive Assistant I (Unclassified) to Staff Assistant II (Unclassified)

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Asst I (Unclassified)	1	1
Benefits Analyst	1	1
Benefits Manager	1	1
Director, Human Resources	1	1
Executive Assistant I (Unclassified)	1	1
Executive Vice President	1	1
Human Resources Analyst	2	2
Human Resources Assistant (Unclassified)	1	1
Human Resources Technician (Unclassified)	3	3
Manager, Equal Opportunity	1	1
Manager, Human Resources	1	1
Payroll Specialist	1	1
Senior Human Resources Analyst	1	1
Senior Training&Org. Dev. Specialist	1	1
Staff Assistant II (Unclassified)	0	1
TOTAL	17	18

STUDENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Intern	1	1
TOTAL	1	1

Human Resources

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 2,973,852	\$ 2,582,100	\$ 2,543,400	\$ (38,700)	-1.5%
Non-Personnel Expense	5,030,019	3,231,600	3,897,700	666,100	20.6%
Total Direct Expense	\$ 8,003,871	\$ 5,813,700	\$ 6,441,100	\$ 627,400	10.8%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	22,462	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 8,026,333	\$ 5,813,700	\$ 6,441,100	\$ 627,400	10.8%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 1,687,590	\$ 1,386,600	\$ 1,393,200	\$ 6,600	0.5%
Overtime	1,154	3,000	3,000	-	0.0%
Burden	1,124,946	1,026,000	969,900	(56,100)	-5.5%
OPEB Annual Expense	160,162	166,500	177,300	10,800	6.5%
Temporary Personnel	-	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 2,973,852	\$ 2,582,100	\$ 2,543,400	\$ (38,700)	-1.5%

Human Resources

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
OVERTIME	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000		
Total:	\$ 1,154	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
SUBTOTAL: OVERTIME & TEMPS	\$ 1,154	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
610100 Awards - Service						
Total:	\$ 32,206	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals						
HR - PUBLICATIONS	\$ 800	\$ 800	\$ 800	\$ 2,200		
Total:	\$ 2,321	\$ 800	\$ 800	\$ 2,200	\$ 1,400	175.0%
610115 Employee Recognition						
DIST EMPLOYEE RECOGNITION	\$ 6,600	\$ 500	\$ 7,100	\$ 5,000		
HR - EMPLOYEE RECOGNITION				\$ 2,400		
Total:	\$ 7,416	\$ 7,100	\$ 7,100	\$ 7,400	\$ 300	4.2%
610120 Memberships & Dues						
HR/EOM RELATED	\$ 3,300	\$ -	\$ 3,300	\$ 3,000		
OD&L				\$ 600		
Total:	\$ 3,023	\$ 3,300	\$ 3,300	\$ 3,600	\$ 300	9.1%
610125 Health and Wellness						
FLU SHOTS	\$ -	\$ -	\$ -	\$ 4,500		
HEALTH & WELLNESS PROGRAMS				\$ 1,500		
Total:	\$ 4,324	\$ -	\$ -	\$ 6,000	\$ 6,000	N/A
610130 Recruiting						
Total:	\$ 33,513	\$ -	\$ -	\$ -	\$ -	N/A
610140 Seminars & Training						
COMMISSIONER TRAINING	\$ -	\$ -	\$ -	\$ 50,000		
HR - DISTRICT TRAINING		\$ 6,900	\$ 29,400	\$ 10,000		
OD&L - PORT LEARNING CENTER		\$ 21,600	\$ 29,400	\$ 15,000		
OD&L RELATED		\$ 900	\$ -	\$ 1,000		
Total:	\$ 16,252	\$ 29,400	\$ 29,400	\$ 76,000	\$ 46,600	158.5%
610150 Tuition Reimbursement Program						
TUITION	\$ 59,600	\$ 59,600	\$ 59,600	\$ 60,000		
Total:	\$ 44,395	\$ 59,600	\$ 59,600	\$ 60,000	\$ 400	0.7%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400		
Total:	\$ 13,042	\$ 2,400	\$ 2,400	\$ 2,400	\$ -	0.0%
615110 Travel						
TRAVEL	\$ -	\$ -	\$ -	\$ 28,600		
Total:	\$ 7,465	\$ -	\$ -	\$ 28,600	\$ 28,600	N/A

Human Resources

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
620100 Services - Professional & Other						
401(A) & 457 PASSIVE TRUSTEE	\$	1,000		\$	1,000	
ASSESSMENT SERVICES		-			1,000	
CONSULTANTS - DISTRICT		17,000			20,000	
EXECUTIVE MEDICALS		20,000			22,500	
FLEX PLAN		14,400			14,400	
OD&L CONSULTANTS		-			70,000	
PAB HEARINGS		3,000			3,000	
PHYSICALS/TESTS		1,200			1,200	
POLYGRAPHS - HP		-			600	
PRE.EMPLOY. MEDS: GS (GRP II)		-			2,000	
PRE.EMPLOY. MEDS: HP (GRP I)		2,600			2,600	
PSYCHOLOGICAL EXAMS: HP		1,500			1,500	
RETURN TO WORK MEDICALS		2,700			1,500	
Total:	\$	248,430	\$	63,400	\$	141,300
					\$	77,900
						122.9%
620110 Services - Legal - Port Attorney						
Total:	\$	77,522	\$	-	\$	-
					\$	-
						N/A
630110 Equipment & Systems						
FURNITURE	\$	5,500		\$	5,500	
MISC. - EQUIPMENT		3,000			1,500	
Total:	\$	14,366	\$	8,500	\$	7,000
					\$	(1,500)
						-17.6%
630130 Office & Operating Supplies						
GENERAL OFFICE SUPPLIES	\$	12,000		\$	13,000	
OD&L OFFICE SUPPLIES		3,800			2,000	
Total:	\$	17,504	\$	15,800	\$	15,000
					\$	(800)
						-5.1%
630140 Postage & Shipping						
POSTAGE	\$	4,900		\$	5,000	
Total:	\$	4,927	\$	4,900	\$	5,000
					\$	100
						2.0%
630150 Safety Equipment & Supplies						
SAFETY- ERGONOMICS EQUIP	\$	1,000		\$	1,000	
Total:	\$	2,813	\$	1,000	\$	1,000
					\$	-
						0.0%
640100 Space Rental						
RENTAL/TESTING	\$	-		\$	3,100	
Total:	\$	-	\$	-	\$	3,100
					\$	3,100
						N/A
650120 Equipment Maintenance-Supplies						
EQUIPMENT SUPPLIES	\$	1,800		\$	1,800	
OD&L - EQUIPMENT SUPPLIES		2,000			1,000	
Total:	\$	153	\$	3,800	\$	2,800
					\$	(1,000)
						-26.3%
650130 Equipment Maintenance-Outside Services						
HR COPIER/PRINTERS/FAX	\$	4,000		\$	2,000	
OD&L COPIER/PRINTER/FAX		2,000			1,000	
Total:	\$	398	\$	6,000	\$	3,000
					\$	(3,000)
						-50.0%
650140 Software Maintenance						
Total:	\$	1,875	\$	-	\$	-
					\$	-
						N/A

Human Resources

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
660100 Advertising						
ADVERTISEMENTS/MEDIA	\$	10,000		\$ 10,000		
Total:	\$ 20,685	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
660110 Promotional Services						
EMPLOYEE EVENT(S)	\$	7,500		\$ 7,500		
EOM RELATED		6,700		7,000		
MEALS (EXTERNAL PARTICIPANTS)		1,000		1,500		
MISCELLANEOUS - DISTRICT		1,000		1,000		
RETIREMENT GIFTS/SENDOFF		1,000		2,000		
UNITED WAY		1,000		2,000		
Total:	\$ 21,066	\$ 18,200	\$ 18,200	\$ 21,000	\$ 2,800	15.4%
660120 Promotional Materials						
PROMOTIONAL MATERIALS	\$	-		\$ 1,500		
Total:	\$ 1,762	\$ -	\$ -	\$ 1,500	\$ 1,500	N/A
670110 Insurance						
Total:	\$ 1,172,993	\$ -	\$ -	\$ -	\$ -	N/A
670120 Insurance Claims						
Total:	\$ 1,000	\$ -	\$ -	\$ -	\$ -	N/A
670130 Permits/Certificates/License						
Total:	\$ 3,270	\$ -	\$ -	\$ -	\$ -	N/A
670150 Retiree Health Benefits (Paid)						
RETIREE HEALTH BENEFITS	\$	2,667,400		\$ 3,240,800		
Total:	\$ 2,596,851	\$ 2,667,400	\$ 2,667,400	\$ 3,240,800	\$ 573,400	21.5%
670151 GASB 45 Retiree Health Benefits (Accrued)						
Total:	\$ 407,449	\$ -	\$ -	\$ -	\$ -	N/A
670155 Preservation of Benefits Plan (POB)						
PRESERVATION OF BENEFITS PLAN	\$	330,000		\$ 260,000		
Total:	\$ 273,000	\$ 330,000	\$ 330,000	\$ 260,000	\$ (70,000)	-21.2%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 5,030,019	\$ 3,231,600	\$ 3,231,600	\$ 3,897,700	\$ 666,100	20.6%
GRAND TOTAL:	\$ 5,031,173	\$ 3,234,600	\$ 3,234,600	\$ 3,900,700	\$ 666,100	20.6%

THIS PAGE INTENTIONALLY LEFT BLANK

MARITIME

Mission Statement

To facilitate and maximize maritime commerce through the enhancement of the maritime cargo and cruise ship terminals, and provide a safe and secure work and recreation area for the betterment of the San Diego region.

To spearhead commercial business development, marketing and sales to increase capacity and volume for the District's maritime cruise business.

To generate maritime cargo business, optimize utilization of the District's public goods movement infrastructure, maximize Maritime's positive economic impact to the San Diego region, and represent the interests of the District through presence and advocacy in industry, civic and community forums, in support of the District's goal to a thriving and modern maritime seaport.

Strategies:

- Upgrade infrastructure, equipment and facilities for a modernized, efficient, and safe working port
- Increase export and import potential through the identification of key target markets to maintain, grow, and capture new business
- Advocate for a national system of ports
- Practice environmentally smart and efficient goods movement
- Foster the economic growth and retention of shipbuilding and repair
- Develop maritime-related industry niche businesses and services

Vision Statement

To provide a stable environment in which economic growth of the working waterfront can occur to promote safe, secure, and vibrant marine terminals that enhance the San Diego region.

Objectives

Maritime Department

- Maintain the District's financial stability
- Have a positive economic impact on the region
- Enhance the regional movement of goods
- Preserve and enhance industrial uses and activities
- Encourage an organizational culture of learning and growth

Maritime Operations

- Develop partnerships with customers and District tenants
- Deliver customer-focused services in an effective, timely, and courteous manner
- Create and sustain positive relationships with stakeholders and the community at large
- Participate visibly and collaboratively with communities in the region
- Proactively promote innovative programs to address specific environmental issues
- Facilitate, develop, and maintain District infrastructure to support businesses and economic activities
- Increase the capacity and volume of cruise ship business
- Reinforce a regional coordinated security and public safety program for all District operations, assets, and information exchange
- Continuously evaluate and improve business systems and processes
- Retain the intellectual assets and corporate knowledge of the District
- Recruit and retain a highly skilled, diverse workforce

Maritime Trade

- Pursue new business opportunities in the cargo, container, and automobile shipping markets
- Retain and expand critical customer accounts
- Develop and maintain regional cargo transportation infrastructure to support businesses and economic activities
- Raise public and industry awareness of the benefits of maritime trade
- Diversify the District's revenue base
- Develop recommendations in cooperation with customers on terminal infrastructure improvements suggested by the Maritime Business Plan Update to enhance throughput and increase cargo volumes

Current Services

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

Maritime Operations

- Maritime Cargo Terminal Management
- Cruise Ship Passenger Terminal Management
- Commercial and Recreational Infrastructure Management of Public Piers, Wharves, and Docks

- Commercial Fishing Vessel Slip and Commercial Pier Management
- Community Outreach on Maritime Issues
- Maritime Transportation Security Administration Compliance
- Military Strategic Seaport Facilities
- Seaport Security Surveillance and Intrusion Detection System Program Management

Maritime Trade

- Building and maintaining relationship with decision-makers and industry experts
- Develop and maintain contacts with cargo and transportation interests
- Constant market presence
- Market research and analysis
- Knowledge of numerous and diverse industries and markets
- Jointly market facilities and services with District tenants

The Maritime Department currently has 30 permanent positions.

Maritime

Transfer: 1 Senior Asset Manager to ELUM

1 Staff Assistant II from Engineering-Construction

1 Senior Asset Manager from Real Estate

Reclass 1 Management Analyst to Senior Trade Account Representative

Eliminate: 1 Wharfinger

1 Assistant Asset Manager

1 Administrative Assistant II (Classified)

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	2	1
Area Real Estate Manager	1	1
Asset Manager	2	2
Assistant Asset Manager	1	0
Director, Maritime Operations	1	1
Executive Assistant I (Classified)	1	1
Management Analyst	2	1
Manager, Maritime Trade Development	1	1
Marine Terminal Superintendent	1	1
Marine Terminal Supervisor	3	3
Principal, Trade Development	1	1
Program Manager	1	1
Senior Asset Manager	1	1
Senior Trade Account Representative	1	2
Staff Assistant II	1	2
Wharfinger	12	11
TOTAL	32	30

Maritime

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 5,028,177	\$ 4,820,000	\$ 4,616,800	\$ (203,200)	-4.2%
Non-Personnel Expense	5,653,364	6,260,300	7,350,200	1,089,900	17.4%
Total Direct Expense	\$ 10,681,541	\$ 11,080,300	\$ 11,967,000	\$ 886,700	8.0%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	58,617	143,000	59,000	(84,000)	-58.7%
TOTAL DEPARTMENTAL EXPENSE	\$ 10,740,158	\$ 11,223,300	\$ 12,026,000	\$ 802,700	7.2%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 2,910,321	\$ 2,739,700	\$ 2,676,300	\$ (63,400)	-2.3%
Overtime	25,491	28,800	28,800	-	0.0%
Burden	1,783,577	1,738,100	1,615,700	(122,400)	-7.0%
OPEB Annual Expense	296,694	313,400	296,000	(17,400)	-5.6%
Temporary Personnel	12,094	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 5,028,177	\$ 4,820,000	\$ 4,616,800	\$ (203,200)	-4.2%

Maritime

EQUIPMENT OUTLAY

DESCRIPTION	QTY	UNIT COST	BUDGET FY 14/15
MID-SIZED PICK-UP TRUCK-SUPER CAB	2	\$ 29,500	\$ 59,000
TOTAL	2		\$ 59,000

Maritime
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
MO - WHARFINGERS, MARINE TERM	\$	28,800		\$ 28,800		
Total:	\$ 25,491	\$ 28,800	\$ 28,800	\$ 28,800	\$ -	0.0%
600120 Temporary Personnel						
Total:	\$ 12,094	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 37,585	\$ 28,800	\$ 28,800	\$ 28,800	\$ -	0.0%
610100 Awards - Service						
Total:	\$ 113	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals						
MARITIME/INDUSTRY PERIODICALS	\$	-		\$ 400		
Total:	\$ 2,707	\$ -	\$ -	\$ 400	\$ 400	N/A
610115 Employee Recognition						
OPS & TRADE	\$	1,000		\$ 900		
Total:	\$ -	\$ 1,000	\$ 1,000	\$ 900	\$ (100)	-10.0%
610120 Memberships & Dues						
MEMBERSHIP & DUES	\$	22,800		\$ 35,800		
Total:	\$ 32,575	\$ 22,800	\$ 22,800	\$ 35,800	\$ 13,000	57.0%
610140 Seminars & Training						
AMERICAN ASSN OF PORT AUTHORIT	\$	6,300		\$ 6,300		
INTL CULTURAL COMMUNICATION		2,100		2,100		
MARITIME TRAINING PROGRAM		2,100		-		
SALES TRAINING		3,400		3,400		
SECURITY TRAINING		2,100		-		
Total:	\$ 36,014	\$ 16,000	\$ 16,000	\$ 11,800	\$ (4,200)	-26.3%
615100 Mileage Reimbursement						
MILEAGE	\$	3,600		\$ 3,600		
Total:	\$ 11,988	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	0.0%
615110 Travel						
AAPA	\$	8,400		\$ 5,300		
CLIA LEADERSHIP FORUM CONF		2,500		2,500		
CRUISE 3SIXTY CONFERENCE		2,500		3,500		
CRUISE SHIPPING MIAMI CONF		5,000		5,600		
DOMESTIC SALES TRIPS / CONF.		40,000		44,000		
FL CARRIBEAN CRUISE ASSN CONF		-		4,500		
INTL SALES TRIPS - ASIA		22,500		22,500		
INTL SALES TRIPS - BRAZIL		10,900		-		
INTL SALES TRIPS - OTHER		27,600		27,600		
NORTHWEST & CANADA CRUISE CONF		2,500		2,500		
TRADE MISSIONS - ASIA		33,600		-		
TRADE MISSIONS - DOMESTIC		4,800		2,800		
TRADE MISSIONS - EUROPE		24,700		24,700		
TRADE MISSIONS - SOUTH AMERICA		18,000		18,000		
Total:	\$ 98,283	\$ 203,000	\$ 203,000	\$ 163,500	\$ (39,500)	-19.5%

Maritime
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
620100 Services - Professional & Other						
APPRAISAL SVCS		\$ 75,000		\$ -		
CCTV WATCHSTANDER		186,000		260,000		
CONSULTING SERVICES		-		225,000		
EXPORT INITIATIVE		40,000		40,000		
FACILITY ASSESSMENTS		50,000		-		
FACILITY SEC PLAN AUDITS		18,500		18,500		
INDUSTRIAL INFO SUBSCRIPTIONS		10,000		10,000		
INT'L SALES TRIP/TRADE MISSION		25,000		15,000		
MARITIME BUSINESS PLAN UPDATE		75,000		-		
MARITIME STUDIES		242,000		200,000		
MOTEMS - 2015 AUDIT		-		87,000		
MOTEMS - DOCUMENTATION OF OIL TRANS		-		83,000		
MOTEMS - UNDERWATER INSPECTION		-		90,000		
NATIONAL CITY LAND USE STUDY		45,000		-		
PROFESSIONAL SERVICES		-		8,000		
SECURITY SVCS - CARGO TERMINAL		410,900		423,200		
SECURITY SVCS - CRUISE/EVENTS		847,000		1,010,000		
TAMT SECURITY PLAN UPDATE		-		30,000		
WORLD TRADE CTR RESEARCH		75,000		75,000		
Total:	\$ 2,023,846	\$ 2,099,400	\$ 2,099,400	\$ 2,574,700	\$ 475,300	22.6%
620110 Services - Legal - Port Attorney						
Total:	\$ 134,487	\$ -	\$ -	\$ -	\$ -	N/A
620130 Services - Operator Retention						
PASHA		\$ 2,860,200		\$ 3,455,400		
Total:	\$ 2,722,399	\$ 2,860,200	\$ 2,860,200	\$ 3,455,400	\$ 595,200	20.8%
630110 Equipment & Systems						
CARGO/CRUISE TERMINAL EQUIPMT		\$ 36,000		\$ 36,000		
Total:	\$ 44,786	\$ 36,000	\$ 36,000	\$ 36,000	\$ -	0.0%
630120 Equipment Rental/Leasing						
CRUISE EQUIPMT/TENT RENTAL		\$ 48,400		\$ 15,000		
LIGHTS RENTAL - TAMT T/S 1 DEMO		9,600		-		
MO - WATER DISP/COOLERS		1,000		1,000		
NOAA OFFICE TRAILER / MISC. EQUIPMT		65,000		25,000		
SECURITY/STAFF OFFICE TRAILERS		18,000		7,000		
TEMPORARY FENCE RENTAL (CSF)		2,100		2,100		
TENANT OFFICE TRAILER (METRO)		2,400		2,400		
Total:	\$ 19,332	\$ 146,500	\$ 146,500	\$ 52,500	\$ (94,000)	-64.2%
630130 Office & Operating Supplies						
MO - SUPPLIES FOR 3 TERMINALS		\$ 14,400		\$ 15,000		
MP - BUSINESS CARDS		1,200		1,200		
TWIC CARDS NEW/REPLACE		1,200		500		
Total:	\$ 26,110	\$ 16,800	\$ 16,800	\$ 16,700	\$ (100)	-0.6%

Maritime
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630140 Postage & Shipping FEDEX (INT'L) POSTAGE		\$ 1,000		\$ 1,000		
		2,500		1,500		
Total:	\$ 2,039	\$ 3,500	\$ 3,500	\$ 2,500	\$ (1,000)	-28.6%
630150 Safety Equipment & Supplies TERMINAL SAFETY EQUIPMENT WHARFINGER SAFETY SUPPLIES		\$ 2,100		\$ 2,100		
		5,000		5,000		
Total:	\$ 2,008	\$ 7,100	\$ 7,100	\$ 7,100	\$ -	0.0%
630200 Uniforms						
Total:	\$ 5,331	\$ -	\$ -	\$ -	\$ -	N/A
640100 Space Rental CALIF SLC RENT, MOORING AREAS CRUISE PERSONNEL PARKING HS - CORONADO HOA LEASE HS ONE AMERICA PLAZA LEASE		\$ 11,000		\$ 15,000		
		75,000		75,000		
		7,200		14,400		
		51,300		40,000		
Total:	\$ 79,132	\$ 144,500	\$ 144,500	\$ 144,400	\$ (100)	-0.1%
640130 Utilities-Water TERMINALS WATER METER/HYDRANT		\$ 2,100		\$ 2,100		
Total:	\$ 937	\$ 2,100	\$ 2,100	\$ 2,100	\$ -	0.0%
640150 Facility Management Services B ST PIER PUBLIC PARKING LOT NATIONAL DISTRIBUTION CENTER		\$ -		\$ 46,500		
		292,100		344,000		
Total:	\$ 309,778	\$ 292,100	\$ 292,100	\$ 390,500	\$ 98,400	33.7%
650100 Facilities Maintenance-Supplies CARGO/CRUISE TERMINALS RED COLOR PAVE FOR CST FLOORIN		\$ 5,000		\$ 5,000		
		15,100		-		
Total:	\$ 418	\$ 20,100	\$ 20,100	\$ 5,000	\$ (15,100)	-75.1%
650110 Facilities Maintenance-Outside Services GRAVEL - TAMT FRONT DIRT LOT JANITORIAL - B ST & BDWY TERMINALS K-RAIL		\$ 3,300		\$ 3,300		
		100,000		119,300		
		2,800		2,800		
Total:	\$ 9,189	\$ 106,100	\$ 106,100	\$ 125,400	\$ 19,300	18.2%
650130 Equipment Maintenance-Outside Services OFFICE EQUIPMENT SHOREPOWER SYSTEMS - CST & TAMT TRAFFIC MESSAGE SIGNS		\$ 10,600		\$ 10,600		
		230,000		268,000		
		-		4,000		
Total:	\$ 4,329	\$ 240,600	\$ 240,600	\$ 282,600	\$ 42,000	17.5%
650140 Software Maintenance						
Total:	\$ 62	\$ -	\$ -	\$ -	\$ -	N/A

Maritime
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
660110 Promotional Services						
BREKBUK CONF - US & INTL		\$ 3,400		\$ 3,400		
CRUISE SEASON KICK OFF MTG		500		500		
CRUISE SHIPPING MIAMI CONF		6,600		-		
CRUISE TRADE SHOWS		500		6,500		
DOMESTIC PROMOTIONS		10,000		10,000		
INDUSTRY / TRADE CONF - U.S. & INTL		6,100		6,100		
INDUSTRY EVENT SPONSORSHIPS		5,300		5,300		
INTERNATIONAL SALES CALLS		1,000		1,000		
MARITIME ALLIANCE SPONSORSHIP		5,000		5,000		
OPERATION CUSTOMER MTGS		500		500		
Total:	\$ 58,693	\$ 38,900	\$ 38,900	\$ 38,300	\$ (600)	-1.5%
660120 Promotional Materials						
Total:	\$ 13,233	\$ -	\$ -	\$ -	\$ -	N/A
660130 Svcs - Fire, Police, Rescue, Emergency						
CRUISE TERMINALS - CITY POLICE		\$ -		\$ 700		
Total:	\$ 13,773	\$ -	\$ -	\$ 700	\$ 700	N/A
670100 Bad Debt Expense						
Total:	\$ 280	\$ -	\$ -	\$ -	\$ -	N/A
670130 Permits/Certificates/License						
PERMITS/CERTIFICATES/LICENSE		\$ -		\$ 300		
Total:	\$ 1,522	\$ -	\$ -	\$ 300	\$ 300	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 5,653,364	\$ 6,260,300	\$ 6,260,300	\$ 7,350,200	\$ 1,089,900	17.4%
GRAND TOTAL:	\$ 5,690,949	\$ 6,289,100	\$ 6,289,100	\$ 7,379,000	\$ 1,089,900	17.3%

THIS PAGE INTENTIONALLY LEFT BLANK

MARKETING & COMMUNICATIONS

Mission Statement

We provide integrated marketing and communications services and business development activities designed to meet the needs of the District's strategic goals, particularly "a Port that the public understands, trusts, and values" and "a vibrant waterfront destination where residents and visitors converge."

We are creative people working harmoniously in an atmosphere of openness, encouragement, innovation, professional growth, and high standards of service for a District that is regarded by our stakeholders, other agencies, and the public as an exemplary, transparent organization.

Vision Statement

We advance the District's strategic goals and build productive, trusted relationships with visitors and residents of the region, our five member cities, stakeholders, District employees, and others by providing exceptional service and accurate information in a timely and transparent manner.

Objectives

- Create and sustain positive relationships with stakeholders and the community at large by educating and informing the public and others in a timely way on District and related issues
- Develop marketing efforts to support the District's maritime, tourism, and real estate-related businesses
- Raise awareness of the District, its business lines, activities, and regional value
- Maintain professional media relations
- Provide effective community outreach
- Attract San Diegans and visitors through opportunities for public recreation, enjoyment of and access to the Tidelands
- Attract new visitors to the San Diego Bay tidelands through activation efforts and community sponsorships
- Activate the Tidelands through special events and cultural enrichment activities
- Support activities that generate promotional and economic benefit through marketing sponsorships and signature events

- Drive cruise, cargo, and tourism marketing and sales
- Foster opportunities for new business development

Current Services

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

- Brand management and corporate identity
- Marketing and communications services to a wide range of stakeholders, locally, regionally, nationally, and internationally
- Tourism marketing
- Cruise marketing
- Cargo marketing
- Marketing for new business development and public private financing partnerships
- Media relations
- Community outreach on individual District projects
- Speakers bureau management
- Speech and presentation development
- Educational collateral materials
- Website development/management and social media distribution
- Employee/internal communications and graphic needs
- Public tours and delegation visits
- Special event management and marketing District wide services and events
- Rental and management of the Port Pavilion event center
- Tidelands Activation Program
- Activation activities
- Park permitting

The Marketing & Communications department currently has 16 permanent positions.

Marketing & Communications

Transfer: 1 Staff Assistant II to Real Estate

1 Document Management Assistant from Office of the District Clerk

Reclass: 1 Document Management Assistant to Administrative Assistant II (Classified)

1 Community Relations Liaison Associate to Marketing/Public Relations Representative

Convert: 1 Web Content Specialist to Limited Web Content Specialist

Addition: 1 Manager, Marketing & Communications - Limited

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	1	2
Community Relations Liaison Associate	1	0
Director, Marketing & Communications	1	1
Executive Assistant I (Classified)	1	1
Graphic Designer	1	1
Manager, Business Development & Recreation Services	1	1
Marketing/Public Relations Representative	2	3
Park Permit Coordinator	1	1
Photojournalist	1	1
Principal Marketing/Public Relations Rep	2	2
Senior Management Analyst	1	1
Senior Web Developer	1	1
Staff Assistant II	1	0
Vice President, Strategy & Business Dev	1	1
Web Content Specialist	1	0
TOTAL	17	16

LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Web Content Specialist	0	1
Manager, Marketing and Communications	0	1
TOTAL	0	2

STUDENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Intern	1	1
TOTAL	1	1

Marketing & Communications

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 3,275,609	\$ 2,330,200	\$ 2,562,200	\$ 232,000	10.0%
Non-Personnel Expense	2,666,693	1,721,600	1,773,000	51,400	3.0%
Total Direct Expense	\$ 5,942,302	\$ 4,051,800	\$ 4,335,200	\$ 283,400	7.0%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 5,942,302	\$ 4,051,800	\$ 4,335,200	\$ 283,400	7.0%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 1,932,352	\$ 1,329,100	\$ 1,437,600	\$ 108,500	8.2%
Overtime	7,045	13,000	1,000	(12,000)	-92.3%
Burden	1,060,047	827,000	926,300	99,300	12.0%
OPEB Annual Expense	208,420	161,100	177,300	16,200	10.1%
Temporary Personnel	67,745	-	20,000	20,000	-
TOTAL PERSONNEL EXPENSE	\$ 3,275,609	\$ 2,330,200	\$ 2,562,200	\$ 232,000	10.0%

Marketing & Communications

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime MISCELLANEOUS		\$ 13,000		\$ 1,000		
Total:	\$ 7,045	\$ 13,000	\$ 13,000	\$ 1,000	\$ (12,000)	-92.3%
600120 Temporary Personnel MISCELLANEOUS		\$ -		\$ 20,000		
Total:	\$ 67,745	\$ -	\$ -	\$ 20,000	\$ 20,000	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 74,790	\$ 13,000	\$ 13,000	\$ 21,000	\$ 8,000	61.5%
610100 Awards - Service						
Total:	\$ 32	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals PROF & MEDIA PUBLICATIONS		\$ -		\$ 1,000		
Total:	\$ 2,665	\$ -	\$ -	\$ 1,000	\$ 1,000	N/A
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 1,200		\$ 1,000		
Total:	\$ 950	\$ 1,200	\$ 1,200	\$ 1,000	\$ (200)	-16.7%
610120 Memberships & Dues MEMBERSHIP & DUES		\$ 36,600		\$ 51,000		
Total:	\$ 96,638	\$ 36,600	\$ 36,600	\$ 51,000	\$ 14,400	39.3%
610140 Seminars & Training SEMINARS & TRAINING		\$ 4,300		\$ 4,300		
Total:	\$ 44,080	\$ 4,300	\$ 4,300	\$ 4,300	\$ -	0.0%
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 8,400		\$ 8,400		
Total:	\$ 16,908	\$ 8,400	\$ 8,400	\$ 8,400	\$ -	0.0%
615110 Travel TECHNICAL/TRNG/PROFESSIONAL		\$ -		\$ 5,000		
Total:	\$ 30,362	\$ -	\$ -	\$ 5,000	\$ 5,000	N/A
620100 Services - Professional & Other BROCHURE DISTRIBUTION		\$ 13,000		\$ 14,000		
ECONOMIC IMPACT REPORT		-		34,000		
EVENTS		80,000		-		
MARKETING SPONSORSHIP		500,000		-		
PHOTOS, PRINTS, & DISPLAYS		6,000		6,000		
PRINTING SERVICES		40,000		-		
SERVICE CONTRACTS		135,000		150,000		
STRATEGIC PLANNING		100,000		100,000		
TABLES/BOOTH SPONSORSHIPS		80,000		-		
VIDEO SERVICES		5,000		-		
Total:	\$ 1,420,444	\$ 959,000	\$ 959,000	\$ 304,000	\$ (655,000)	-68.3%
630110 Equipment & Systems						
Total:	\$ 6,146	\$ -	\$ -	\$ -	\$ -	N/A
630120 Equipment Rental/Leasing SPECIAL EVENT RENTALS		\$ 50,000		\$ 50,000		
Total:	\$ 35,132	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0.0%
630130 Office & Operating Supplies OFFICE & GRAPHIC ART SUPPLIES		\$ 14,400		\$ 14,400		
Total:	\$ 19,294	\$ 14,400	\$ 14,400	\$ 14,400	\$ -	0.0%

Marketing & Communications

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630140 Postage & Shipping						
POSTAGE		\$ 2,700		\$ 900		
Total:	\$ 1,535	\$ 2,700	\$ 2,700	\$ 900	\$ (1,800)	-66.7%
650130 Equipment Maintenance-Outside Services						
Total:	\$ 1,878	\$ -	\$ -	\$ -	\$ -	N/A
660100 Advertising						
CORPORATE /COMMUNITY OUTREACH		\$ 20,000		\$ -		
CORPORATE ADVERTISING MEDIA		125,000		-		
CRUISE		85,000		-		
MARITIME		75,000		-		
MARKETING SERVICES		250,000		-		
Total:	\$ 726,367	\$ 555,000	\$ 555,000	\$ -	\$ (555,000)	-100.0%
660105 Marketing/Outreach						
BIG BAY BALLOON		\$ -		\$ 145,000		
BIG BAY BOOM		-		145,000		
CORPORATE/COMMUNITY OUTREACH		-		235,000		
CRUISE		-		110,000		
EVENTS		-		50,000		
MARITIME		-		60,000		
MARKETING SERVICES		-		190,000		
TIDELANDS ACTIVATION PROGRAM		-		260,000		
Total:	\$ -	\$ -	\$ -	\$ 1,195,000	\$ 1,195,000	N/A
660110 Promotional Services						
MARKETING PROMOTIONS		\$ 30,000		\$ -		
TABLES/BOOTH SPONSORSHIPS		-		100,000		
TRADE SHOWS AND CONFERENCES		40,000		15,000		
Total:	\$ 169,728	\$ 70,000	\$ 70,000	\$ 115,000	\$ 45,000	64.3%
660120 Promotional Materials						
PROMOTIONAL ITEMS/MATERIALS		\$ 20,000		\$ 20,000		
SPECIAL EVENT EQUIPMENT		-		3,000		
Total:	\$ 94,351	\$ 20,000	\$ 20,000	\$ 23,000	\$ 3,000	15.0%
670130 Permits/Certificates/License						
Total:	\$ 182	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 2,666,693	\$ 1,721,600	\$ 1,721,600	\$ 1,773,000	\$ 51,400	3.0%
GRAND TOTAL:	\$ 2,741,483	\$ 1,734,600	\$ 1,734,600	\$ 1,794,000	\$ 59,400	3.4%

THIS PAGE INTENTIONALLY LEFT BLANK

Miscellaneous Administration Building

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ -	\$ -	\$ -	\$ -	-
Non-Personnel Expense	166,247	173,300	170,900	(2,400)	-1.4%
Total Direct Expense	\$ 166,247	\$ 173,300	\$ 170,900	\$ (2,400)	-1.4%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 166,247	\$ 173,300	\$ 170,900	\$ (2,400)	-1.4%

Miscellaneous Administration Building
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
640100 Space Rental						
CALTRANS-(ADMIN BLDG PARKING)		\$ 21,400		\$ 21,400		
SDCRAA LEASE (EE PARKING)		151,900		149,500		
Total:	\$ 166,247	\$ 173,300	\$ 173,300	\$ 170,900	\$ (2,400)	-1.4%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 166,247	\$ 173,300	\$ 173,300	\$ 170,900	\$ (2,400)	-1.4%
GRAND TOTAL:	\$ 166,247	\$ 173,300	\$ 173,300	\$ 170,900	\$ (2,400)	-1.4%

MSA, Interest & Other

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ -	\$ -	\$ -	\$ -	-
Non-Personnel Expense	13,198,333	12,271,700	12,711,100	439,400	3.6%
Total Direct Expense	\$ 13,198,333	\$ 12,271,700	\$ 12,711,100	\$ 439,400	3.6%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 13,198,333	\$ 12,271,700	\$ 12,711,100	\$ 439,400	3.6%

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

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
650110 Facilities Maintenance-Outside Services						
IMPERIAL BEACH MAINTENANCE	\$	807,500		\$ 934,700		
Total:	\$ 877,247	\$ 807,500	\$ 914,100	\$ 934,700	\$ 20,600	2.3%
660130 Svcs - Fire, Police, Rescue, Emergency						
MUNICIPAL SERVICE AGREEMENTS	\$	7,334,700		\$ 7,390,800		
Total:	\$ 7,128,109	\$ 7,334,700	\$ 7,228,100	\$ 7,390,800	\$ 162,700	2.3%
670140 Legal Settlements						
Total:	\$ 473	\$ -	\$ -	\$ -	\$ -	N/A
670190 Other Miscellaneous Operating Expenses						
CONTINGENCY	\$	-		\$ 240,700		
MARINE TERMINAL IMPACT FUND		100,000		100,000		
Total:	\$ (22,025)	\$ 100,000	\$ 100,000	\$ 340,700	\$ 240,700	240.7%
670191 Other Miscellaneous -Sub-Grantee's Expen						
Total:	\$ 1,008,129	\$ -	\$ -	\$ -	\$ -	N/A
680120 Interest-SDCRAA, Carnival, Key Gov't & O						
CIVIC SAN DIEGO	\$	-		\$ 332,000		
KEY GOV'T INTEREST		33,300		-		
SDCRAA NOTE INTEREST		2,237,600		2,156,000		
Total:	\$ 2,383,070	\$ 2,270,900	\$ 2,270,900	\$ 2,488,000	\$ 217,100	9.6%
680190 Other Misc Non-Operating Expense						
Total:	\$ (50)	\$ -	\$ -	\$ -	\$ -	N/A
680621 Interest Expense - Series A 2004 Bonds						
INTEREST	\$	546,100		\$ 464,300		
PREMIUM AMORTIZATION		(53,400)		(38,200)		
Total:	\$ 554,952	\$ 492,700	\$ 492,700	\$ 426,100	\$ (66,600)	-13.5%
680622 Interest Expense - Series B 2004 Bonds						
INTEREST	\$	1,325,200		\$ -		
PREMIUM AMORTIZATION		(59,300)		-		
Total:	\$ 1,268,427	\$ 1,265,900	\$ 1,265,900	\$ -	\$ (1,265,900)	-100.0%
680623 Interest Expense - Series A 2013 Bonds						
INTEREST	\$	-		\$ 1,357,800		
PREMIUM AMORTIZATION		-		(227,000)		
Total:	\$ -	\$ -	\$ -	\$ 1,130,800	\$ 1,130,800	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 13,198,333	\$ 12,271,700	\$ 12,271,700	\$ 12,711,100	\$ 439,400	3.6%
GRAND TOTAL:	\$ 13,198,333	\$ 12,271,700	\$ 12,271,700	\$ 12,711,100	\$ 439,400	3.6%

OFFICE OF THE DISTRICT CLERK

Mission Statement

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.

Vision Statement

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.

Objectives

- Create and sustain positive relationships with stakeholders and the community at large
- Deliver customer-focused services in an effective, timely, and courteous manner
- Participate visibly and collaboratively with communities in the region
- Retain the intellectual assets and corporate knowledge of the District
- Secure and protect all security sensitive information
- Continuously evaluate and improve business systems and processes
- Educate other departments on the role of the District Clerk and departmental processes
- Recruit and retain a highly skilled, diverse workforce
- Encourage an organizational culture of learning and growth
- Control costs
- Represent the District while being the first point of contact for customers and stakeholders
- Promote a customer service culture throughout the organization that transfers to our external and internal stakeholders
- Enhance communication throughout District departments and the Customer Service Center

Current Services

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

Office of the District Clerk

- Maintains the Port District Code and ensures compliance with the governances of the California Public Records Act, Brown Act, Political Reform Act, and Ethics Policy

- Maintains Board of Port Commissioners (BPC) policies, certifies official records, performs other official duties as specified under the California Government Code, and is the official repository of District archives and records
- Develops, prepares, distributes, and maintains minutes of BPC meetings
- Prepares, distributes, posts, and publishes BPC and Committee meeting agendas
- Manage electronic access to BPC agenda, information items, agenda related memos (ARMS), and minutes
- Ensures proper administration of the District website by updating and distributing public documents
- Provides logistical support for BPC meetings
- Responds to all public records requests
- Administration of the Conflict of Interest Program
- Creates and implements Records and Information Management Systems (RIMS)
- Administration of District-wide Records Retention Program
- Manages Electronic Document Management System (EDMS)
- Maintains/updates BPC Policies, Port District Code, and Administrative Procedures
- Provides central duplication services
- Provides District-wide mail delivery and handling
- Effectively operates the District front desk by handling customer inquiries via phone and e-mail, as well as face-to-face interactions
- Oversees daily operations of the Administration building's first floor, including directing visitors to meeting locations, issuing District vehicle keys to employees, regulating reserved and visitor parking, and posting all conference room schedules
- Assists internal and external customers by providing answers to general District questions and providing guidance to locations within our various facilities

Commissioner and Executive Services

(Included in the Department for budgetary purposes)

- Provides administrative support to the Board of Port Commissioners
- Tracks Board requests for information and direction to staff
- Manages Executive sponsored programs
- Conducts research and provides analysis on special projects for Executives

- Manages corporate travel services

The Office of the District Clerk currently has 11 permanent positions.

The Executive Offices and the Commissioner and Executive Services currently have 11 permanent positions which include the Executive Director/President/CEO.

Office of the District Clerk

Transfer: 1 Executive Assistant II (Classified) from Engineering-Construction

1 Assistant to Vice President to Human Resources

1 Document Management Assistant to Marketing & Communications

Reclassify: 1 Customer Relations Assistant to 1 Administrative Assistant II (Classified)

1 Executive Assistant II (Classified) to Commissioner Services Assistant

1 Commissioner Services Assistant to Assistant to Vice President

Eliminate: 1 Travel Services Coordinator

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	1	2
Assistant to President/CEO	1	1
Assistant to Vice President	4	4
Commissioner Services Assistant	2	2
Customer Relations Assistant	2	1
Deputy District Clerk/Docket Coordinator	1	1
Deputy District Clerk/Records Manager	1	1
District Clerk	1	1
Document Management Assistant	3	2
Document Management Associate	2	2
Executive Assistant I (Classified)	1	1
Executive Director-Board Appointee	1	1
Management Analyst	1	1
Manager, Commissioner & Executive Svcs	1	1
Staff Assistant II (Unclassified)	1	1
Travel Services Coordinator	1	0
TOTAL	24	22

Office of the District Clerk

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 2,674,347	\$ 2,932,300	\$ 2,712,700	\$ (219,600)	-7.5%
Non-Personnel Expense	199,508	240,900	248,000	7,100	2.9%
Total Direct Expense	\$ 2,873,855	\$ 3,173,200	\$ 2,960,700	\$ (212,500)	-6.7%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 2,873,855	\$ 3,173,200	\$ 2,960,700	\$ (212,500)	-6.7%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 1,515,518	\$ 1,590,100	\$ 1,501,300	\$ (88,800)	-5.6%
Overtime	12,063	15,000	15,000	-	0.0%
Burden	978,360	1,092,200	979,800	(112,400)	-10.3%
OPEB Annual Expense	168,405	235,000	216,600	(18,400)	-7.8%
Temporary Personnel	-	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 2,674,347	\$ 2,932,300	\$ 2,712,700	\$ (219,600)	-7.5%

Office of the District Clerk
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
MISCELLANEOUS		\$ 15,000		\$ 15,000		
Total:	\$ 12,063	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.0%
SUBTOTAL: OVERTIME & TEMPS	\$ 12,063	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.0%
610110 Books & Periodicals						
CEO		\$ 500		\$ 500		
Total:	\$ 995	\$ 500	\$ 500	\$ 500	\$ -	0.0%
610115 Employee Recognition						
CEO		\$ 1,000		\$ 1,000		
COMMISSIONER SERVICES		200		200		
EXECUTIVE OFFICES		200		200		
OFFICE OF THE DISTRICT CLERK		400		300		
Total:	\$ 2,138	\$ 1,800	\$ 1,800	\$ 1,700	\$ (100)	-5.6%
610120 Memberships & Dues						
CEO		\$ -		\$ 3,900		
COMMISSIONER SERVICES		-		400		
EXECUTIVE OFFICES		-		800		
OFFICE OF THE DISTRICT CLERK		4,800		-		
Total:	\$ 6,160	\$ 4,800	\$ 4,800	\$ 5,100	\$ 300	6.3%
610140 Seminars & Training						
ARMA (MONTHLY MEETINGS)		\$ 100		\$ 500		
CEO		4,700		4,700		
COMMISSIONER SERVICES		-		1,500		
IAAP (MONTHLY MEETINGS)		400		-		
OFFICE OF THE DISTRICT CLERK		1,400		3,700		
Total:	\$ 15,578	\$ 6,600	\$ 6,600	\$ 10,400	\$ 3,800	57.6%
615100 Mileage Reimbursement						
CEO		\$ 12,000		\$ 12,000		
MILEAGE REIMBURSEMENT		3,000		2,000		
Total:	\$ 20,170	\$ 15,000	\$ 15,000	\$ 14,000	\$ (1,000)	-6.7%
615110 Travel						
CEO		\$ 50,000		\$ 50,000		
COMMISSIONER SERVICES		-		800		
OFFICE OF THE DISTRICT CLERK		-		1,800		
Total:	\$ 24,170	\$ 50,000	\$ 50,000	\$ 52,600	\$ 2,600	5.2%
620100 Services - Professional & Other						
MICROFILMING		\$ 600		\$ 600		
OFF-SITE STORAGE		500		500		
OFFICE OF THE DISTRICT CLERK		-		2,500		
ON-CALL RECORDS RETENTION SERVICES		500		500		
SHREDDING		8,500		8,500		
TRANSCRIPTION SERVICES		4,000		2,000		
Total:	\$ 11,263	\$ 14,100	\$ 14,100	\$ 14,600	\$ 500	3.5%
630110 Equipment & Systems						
EQUIPMENT & SYSTEMS		\$ 1,000		\$ -		
FILE CABINETS		2,400		-		
Total:	\$ 6,053	\$ 3,400	\$ 3,400	\$ -	\$ (3,400)	-100.0%
630120 Equipment Rental/Leasing						
OFFICE OF THE DISTRICT CLERK		\$ 3,000		\$ 7,800		
Total:	\$ 40	\$ 3,000	\$ 3,000	\$ 7,800	\$ 4,800	160.0%

Office of the District Clerk
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630130 Office & Operating Supplies OFFICE OF THE DISTRICT CLERK		\$ 56,000		\$ 55,800		
Total:	\$ 46,328	\$ 56,000	\$ 56,000	\$ 55,800	\$ (200)	-0.4%
630140 Postage & Shipping OFFICE OF THE DISTRICT CLERK		\$ 2,800		\$ 2,300		
Total:	\$ 2,204	\$ 2,800	\$ 2,800	\$ 2,300	\$ (500)	-17.9%
630150 Safety Equipment & Supplies						
Total:	\$ 82	\$ -	\$ -	\$ -	\$ -	N/A
650120 Equipment Maintenance-Supplies						
Total:	\$ 777	\$ -	\$ -	\$ -	\$ -	N/A
650130 Equipment Maintenance-Outside Services OFFICE OF THE DISTRICT CLERK		\$ 3,000		\$ 3,000		
Total:	\$ 44,352	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
660100 Advertising OFFICE OF THE DISTRICT CLERK		\$ 15,000		\$ 15,000		
Total:	\$ 14,629	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.0%
660110 Promotional Services CEO EXECUTIVE OFFICES OFFICE OF THE DISTRICT CLERK		\$ 4,200 200 500		\$ 4,000 200 500		
Total:	\$ 1,434	\$ 4,900	\$ 4,900	\$ 4,700	\$ (200)	-4.1%
660120 Promotional Materials OFFICE OF THE DISTRICT CLERK		-		500		
Total:	\$ -	\$ -	\$ -	\$ 500	\$ 500	N/A
670130 Permits/Certificates/License						
Total:	\$ 57	\$ -	\$ -	\$ -	\$ -	N/A
680999 Contingency CEO		\$ 60,000		\$ 60,000		
Total:	\$ 3,078	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	0.0%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 199,508	\$ 240,900	\$ 240,900	\$ 248,000	\$ 7,100	2.9%
GRAND TOTAL:	\$ 211,571	\$ 255,900	\$ 255,900	\$ 263,000	\$ 7,100	2.8%

PORT ATTORNEY

Mission Statement

To represent and provide legal expertise, analysis, support, and advice to the Board of Port Commissioners (Board), the San Diego Unified Port District (District) Executive Team, and staff pertaining to all legal matters involving the District.

Vision Statement

To zealously advocate on behalf of the District and provide exceptional legal representation in a proactive and preventative manner.

Objectives

- Provide quality, efficient, and effective legal services to the District
- Implement legally defensible revenue generation streams
- Reduce outside counsel costs through the use of in-house counsel

Current Services

To achieve our Mission and Vision statements, the Office of the Port Attorney is committed to providing the following services:

- Advise the District on matters of legal compliance, including compliance with the Brown Act, Public Records Act, Public Contract Code, San Diego Unified Port District Act, Fair Employment and Housing Act, Americans with Disabilities Act, Board's Policies, San Diego Unified Port District Code, California Environmental Quality Act, California Coastal Act, and numerous other regulations and laws
- Assist in the negotiation and drafting of leases, permits, agreements, contracts, policies, and other transactional documents consistent with the Board's and District's direction, goals, and the law
- Represent the District in all areas of litigation and against claims with the goal of achieving a successful outcome for the District
- Manage outside counsel to achieve cost effective and favorable outcomes for the Board and District
- Prepare Board resolutions and ordinances memorializing Board action
- Review Board agenda sheets for legal compliance

- In conjunction with District staff, conduct legislative monitoring, draft proposed legislation, assist with lobbying efforts, and interface with bill sponsors as requested and appropriate
- Collaborate with member cities through their respective city attorneys on matters of mutual interest
- Research legal concerns and inquires in order to facilitate the accomplishment of Board and District goals and projects
- Implement proactive legal strategies to minimize legal exposure of the Board and District
- Assist District staff to appropriately analyze and apply legal principles
- Provide continuing legal education opportunities through presentations and seminars to Board and District staff
- Strategize avenues to enhance public entity attorney-client relations
- Review and analyze changes and additions to existing law and regulations affecting the Board and District

The Office of the Port Attorney currently has 13 permanent positions.

Port Attorney

Add: 1 Deputy General Counsel III

Retitle: 1 Assistant Port Attorney to Assistant General Counsel

1 Deputy Port Attorney I/II/III (III) to Deputy General Counsel III

Reclass: 4 Deputy Port Attorney I/II/III (III) to Deputy General Counsel IV

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Assistant General Counsel	0	1
Assistant Port Attorney	1	0
Deputy General Counsel III	0	2
Deputy General Counsel IV	0	4
Deputy Port Attorney I/II/III (III)	5	0
Legal Secretary	3	3
Manager, Port Attorney Office Admin	1	1
Paralegal	1	1
Port Attorney - Board Appointee	1	1
TOTAL	12	13

Port Attorney

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 1,565,424	\$ 2,293,500	\$ 2,802,300	\$ 508,800	22.2%
Non-Personnel Expense	5,063,588	4,136,400	4,430,500	294,100	7.1%
Total Direct Expense	\$ 6,629,012	\$ 6,429,900	\$ 7,232,800	\$ 802,900	12.5%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 6,629,012	\$ 6,429,900	\$ 7,232,800	\$ 802,900	12.5%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 959,017	\$ 1,407,400	\$ 1,767,000	\$ 359,600	25.6%
Overtime	53	500	500	-	0.0%
Burden	512,671	768,100	906,800	138,700	18.1%
OPEB Annual Expense	80,031	117,500	128,000	10,500	8.9%
Temporary Personnel	13,651	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 1,565,424	\$ 2,293,500	\$ 2,802,300	\$ 508,800	22.2%

Port Attorney
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
MISCELLANEOUS	\$	500		\$ 500		
Total:	\$ 53	\$ 500	\$ 500	\$ 500	\$ -	0.0%
600120 Temporary Personnel						
Total:	\$ 13,651	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 13,704	\$ 500	\$ 500	\$ 500	\$ -	0.0%
610110 Books & Periodicals						
BOOKS & PERIODICALS	\$	25,200		\$ 27,200		
Total:	\$ 33,508	\$ 25,200	\$ 25,200	\$ 27,200	\$ 2,000	7.9%
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$	500		\$ 500		
Total:	\$ 270	\$ 500	\$ 500	\$ 500	\$ -	0.0%
610120 Memberships & Dues						
MEMBERSHIPS & DUES	\$	7,500		\$ 10,000		
Total:	\$ 3,825	\$ 7,500	\$ 7,500	\$ 10,000	\$ 2,500	33.3%
610140 Seminars & Training						
SEMINARS & TRAINING	\$	15,500		\$ 20,000		
Total:	\$ 4,332	\$ 15,500	\$ 15,500	\$ 20,000	\$ 4,500	29.0%
615100 Mileage Reimbursement						
MILEAGE REIMBURSEMENT	\$	14,100		\$ 25,000		
Total:	\$ 19,839	\$ 14,100	\$ 14,100	\$ 25,000	\$ 10,900	77.3%
615110 Travel						
TRAVEL	\$	17,300		\$ 22,000		
Total:	\$ 2,711	\$ 17,300	\$ 17,300	\$ 22,000	\$ 4,700	27.2%
620100 Services - Professional & Other						
SERVICES - PROFESSIONAL & OTHE	\$	500,000		\$ 1,095,000		
Total:	\$ 716,527	\$ 500,000	\$ 500,000	\$ 1,095,000	\$ 595,000	119.0%
620110 Services - Legal - Port Attorney						
SERVICES - LEGAL	\$	1,746,000		\$ 3,201,600		
Total:	\$ 2,665,638	\$ 1,746,000	\$ 1,746,000	\$ 3,201,600	\$ 1,455,600	83.4%
620115 Services - Legal - Business Division						
SERVICES - LEGAL - BUSINESS DIV	\$	1,785,000		\$ -		
Total:	\$ -	\$ 1,785,000	\$ 1,785,000	\$ -	\$ (1,785,000)	-100.0%
630110 Equipment & Systems						
Total:	\$ 11,905	\$ -	\$ -	\$ -	\$ -	N/A
630120 Equipment Rental/Leasing						
EQUIPMENT RENTAL/LEASING	\$	100		\$ 100		
Total:	\$ -	\$ 100	\$ 100	\$ 100	\$ -	0.0%
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES	\$	6,000		\$ 10,000		
Total:	\$ 9,451	\$ 6,000	\$ 6,000	\$ 10,000	\$ 4,000	66.7%

Port Attorney
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$	1,100		\$ 1,000		
Total:	\$ 517	\$ 1,100	\$ 1,100	\$ 1,000	\$ (100)	-9.1%
630150 Safety Equipment & Supplies						
SAFETY EQUIPMENT & SUPPLIES	\$	200		\$ 200		
Total:	\$ -	\$ 200	\$ 200	\$ 200	\$ -	0.0%
650130 Equipment Maintenance-Outside Services						
EQUIPMENT MAINTENANCE-OUTSIDE	\$	8,000		\$ 8,000		
Total:	\$ 816	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	0.0%
660110 Promotional Services						
PROMOTIONAL SERVICES	\$	9,900		\$ 9,900		
Total:	\$ 672	\$ 9,900	\$ 9,900	\$ 9,900	\$ -	0.0%
660120 Promotional Materials						
Total:	\$ 76	\$ -	\$ -	\$ -	\$ -	N/A
660135 Eligible Environmental Fund Expenditures						
Total:	\$ 100,000	\$ -	\$ -	\$ -	\$ -	N/A
660140 Remediation						
Total:	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	N/A
670140 Legal Settlements						
Total:	\$ 93,500	\$ -	\$ -	\$ -	\$ -	N/A
670190 Other Miscellaneous Operating Expenses						
Total:	\$ 400,000	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 5,063,588	\$ 4,136,400	\$ 4,136,400	\$ 4,430,500	\$ 294,100	7.1%
GRAND TOTAL:	\$ 5,077,292	\$ 4,136,900	\$ 4,136,900	\$ 4,431,000	\$ 294,100	7.1%

THIS PAGE INTENTIONALLY LEFT BLANK

PORT AUDITOR

Mission Statement

To provide independent, objective assurance, and advisory services that seek to improve the accountability, efficiency, and effectiveness of the District's operations and programs.

Vision Statement

To be a regional model dedicated to providing professional auditing services to advance the public's understanding and trust in the District.

- Leasehold improvement reviews
- Business consulting services (e.g., business risks and controls)
- Coordinate and support the external auditor engagement
- Provide support to the Audit Advisory Committee of the BPC
- Administration of the Fraud Prevention/Ethics Hotline

The Office of the Port Auditor currently has 6 permanent positions.

Objectives

- Provides professional auditing services to assist the District in improving the effectiveness of internal control, governance processes, and risk management
- Reports to the Board of Port Commissioners (BPC), conducts audits in accordance with current professional standards, and safeguards District assets against fraud, waste, and abuse
- Ensure the District's compliance with applicable laws, policies, procedures, and mandates
- Assist in maintaining the District's financial stability
- Deliver customer focused services in an effective, timely, and courteous manner
- Build and maintain collaborative stakeholder relationships
- Support the District's Strategic Goals
- Continuously evaluate and improve business systems and processes
- Remain current on professional auditing and accounting standards
- Recruit and retain a highly skilled, diverse workforce

Current Services

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

- Operational reviews
- Financial reviews
- Information systems review and quality assurance
- Program reviews (e.g., Capital Improvement Program)
- Contract reviews
- Tenant audits

Port Auditor

Add: 1 Auditor

Reclass: 1 Senior Auditor to Manager, Audit Services

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Assistant to Port Auditor	1	1
Auditor	1	2
Manager, Audit Services	0	1
Port Auditor-Board Appointee	1	1
Senior Auditor	2	1
TOTAL	5	6

Port Auditor

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 470,215	\$ 708,900	\$ 833,900	\$ 125,000	17.6%
Non-Personnel Expense	144,290	287,900	296,400	8,500	3.0%
Total Direct Expense	\$ 614,505	\$ 996,800	\$ 1,130,300	\$ 133,500	13.4%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 614,505	\$ 996,800	\$ 1,130,300	\$ 133,500	13.4%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 250,094	\$ 434,600	\$ 462,400	\$ 27,800	6.4%
Overtime	-	-	-	-	-
Burden	188,349	225,300	292,700	67,400	29.9%
OPEB Annual Expense	31,772	49,000	78,800	29,800	60.8%
Temporary Personnel	-	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 470,215	\$ 708,900	\$ 833,900	\$ 125,000	17.6%

Port Auditor
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals PROFESSIONAL PUBLICATION		\$ -		\$ 400		
Total:	\$ 73	\$ -	\$ -	\$ 400	\$ 400	N/A
610115 Employee Recognition EMPLOYEE RECOGNITION		\$ 200		\$ 300		
Total:	\$ -	\$ 200	\$ 200	\$ 300	\$ 100	50.0%
610120 Memberships & Dues MEMBERSHIP & DUES		\$ 500		\$ 2,200		
Total:	\$ 1,135	\$ 500	\$ 500	\$ 2,200	\$ 1,700	340.0%
610140 Seminars & Training SEMINARS		\$ 2,100		\$ 11,600		
Total:	\$ 4,490	\$ 2,100	\$ 2,100	\$ 11,600	\$ 9,500	452.4%
615100 Mileage Reimbursement MILEAGE REIMBURSEMENT		\$ 12,200		\$ 13,700		
Total:	\$ 5,838	\$ 12,200	\$ 12,200	\$ 13,700	\$ 1,500	12.3%
615110 Travel TRAVEL		\$ 3,000		\$ 5,300		
Total:	\$ 957	\$ 3,000	\$ 3,000	\$ 5,300	\$ 2,300	76.7%
620100 Services - Professional & Other EXTERNAL AUDITOR FRAUD/ETHICS HOTLINE INFO TECH AUDIT OUTSOURCED AUDITS		\$ 100,900 2,500 165,000 -		\$ 102,700 2,500 - 150,000		
Total:	\$ 130,333	\$ 268,400	\$ 268,400	\$ 255,200	\$ (13,200)	-4.9%
630110 Equipment & Systems EQUIPMENT & SYSTEMS		\$ -		\$ 2,700		
Total:	\$ -	\$ -	\$ -	\$ 2,700	\$ 2,700	N/A
630130 Office & Operating Supplies OFFICE SUPPLIES		\$ 1,000		\$ 4,600		
Total:	\$ 1,198	\$ 1,000	\$ 1,000	\$ 4,600	\$ 3,600	360.0%
630140 Postage & Shipping POSTAGE & SHIPPING		\$ 200		\$ 300		
Total:	\$ 56	\$ 200	\$ 200	\$ 300	\$ 100	50.0%
660110 Promotional Services PROMOTIONAL SERVICES		\$ 300		\$ 100		
Total:	\$ 210	\$ 300	\$ 300	\$ 100	\$ (200)	-66.7%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 144,290	\$ 287,900	\$ 287,900	\$ 296,400	\$ 8,500	3.0%
GRAND TOTAL:	\$ 144,290	\$ 287,900	\$ 287,900	\$ 296,400	\$ 8,500	3.0%

REAL ESTATE

Mission Statement

To develop and manage the Tideland Trust properties to their highest and best use for the maximum public benefit.

Vision Statement

Creating America's finest waterfront.

Objectives

- Maintain the District's financial stability
- Attract San Diegans and visitors through opportunities for public recreation and enjoyment of access to the Tidelands
- Create and sustain positive relationships with stakeholders and the community at large
- Facilitate new development and redevelopment
- Effectively administer leases and permits
- Support other departments
- Recruit and retain a highly skilled, diverse workforce
- Encourage an organizational culture of learning and growth
- Continuously evaluate and improve business systems and processes
- Ensure the sustainability of major industrial waterfront tenants
- Identify new sources of revenue
- Promote vision for underutilized Tidelands

Current Services

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

- Asset management
- Feasibility studies
- Marketing of available properties
- Project management
- Property acquisitions
- Lease administration
- Lease negotiations, rent reviews, and arbitration
- Administration and enforcement of tenancy documents and other types of agreements
- Rent negotiation/arbitration
- Tenant relations
- Leasehold inspection
- Special event coordination
- Review of tenant redevelopment proposals
- Tenant plan/project review

- Request for Qualifications (RFQ) and Request for Proposals (RFP) – solicitations for new development
- Monitor new development projects
- Appraisals and review of outside appraisals
- Consultant management
- Market research/financial analysis
- Real estate consultation
- Produce lease plats
- Maintain detailed records of tenant project improvements
- Review development plans and architectural drawings
- Americans with Disabilities Act (ADA) code compliance
- Stormwater code compliance
- Policy management

The Real Estate department currently has 33 permanent positions.

Real Estate

Transfer: 1 Staff Assistant II (Classified) from Marketing & Communications

1 Office Assistant (Classified) to Harbor Police Department

1 Senior Asset Manager to Maritime

Convert: 1 Staff Assistant II (Classified) to Office Manager

Reclass: 1 Architect to Senior Asset Manager

Add: 1 Principal, Special Projects - Limited

PERMANENT POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Administrative Assistant II (Classified)	5	5
Architect	3	2
Area Real Estate Manager	5	5
Asset Manager	5	5
Assistant Asset Manager	1	1
Director, Real Estate	1	1
Executive Assistant II (Classified)	1	1
Executive Vice President	1	1
Mapping Technician II	1	1
Office Assistant (Classified)	1	0
Office Manager	0	1
Senior Asset Manager	7	7
Senior Management Analyst	1	1
Senior Project Architect	2	2
TOTAL	34	33

LIMITED POSITIONS

POSITION TITLE	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15
Principal, Special Projects	0	1
TOTAL	0	1

Real Estate

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ 4,882,630	\$ 5,079,100	\$ 5,151,800	\$ 72,700	1.4%
Non-Personnel Expense	2,680,591	3,145,700	3,126,200	(19,500)	-0.6%
Total Direct Expense	\$ 7,563,221	\$ 8,224,800	\$ 8,278,000	\$ 53,200	0.6%
Less: Capitalized Expense	(9,127)	-	(5,800)	(5,800)	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 7,554,094	\$ 8,224,800	\$ 8,272,200	\$ 47,400	0.6%

PERSONNEL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Salaries and Wages	\$ 2,756,081	\$ 2,895,900	\$ 2,974,400	\$ 78,500	2.7%
Overtime	337	-	-	-	-
Burden	1,853,047	1,850,200	1,843,100	(7,100)	-0.4%
OPEB Annual Expense	273,165	333,000	334,300	1,300	0.4%
Temporary Personnel	-	-	-	-	-
TOTAL PERSONNEL EXPENSE	\$ 4,882,630	\$ 5,079,100	\$ 5,151,800	\$ 72,700	1.4%

Real Estate
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
600110 Overtime						
Total:	\$ 337	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: OVERTIME & TEMPS	\$ 337	\$ -	\$ -	\$ -	\$ -	N/A
610110 Books & Periodicals						
BOOKS & PERIODICALS	\$ -	\$ -		\$ 700		
Total:	\$ 390	\$ -	\$ -	\$ 700	\$ 700	N/A
610115 Employee Recognition						
EMPLOYEE RECOGNITION	\$ -	\$ 1,000		\$ 1,600		
Total:	\$ 2,193	\$ 1,000	\$ 1,000	\$ 1,600	\$ 600	60.0%
610120 Memberships & Dues						
AMERICAN INSTITUTE OF ARCHITECTS	\$ -	\$ -		\$ 800		
ASSOCIATIONS		-		400		
CERT COM'L INVEST MEMBER INSTITUTE		-		1,200		
HOTEL MOTEL ASSOCIATION		-		500		
INT'L RIGHT OF WAY ASSOCIATION		-		200		
MEMBERSHIPS & DUES		3,900		-		
NAT'L ASSOC OF IND AND OFFICE PROP		-		1,000		
PROPELLER CLUB		-		500		
SD MILITARY ADVISORY COUNCIL		-		300		
URBAN LAND INSTITUTE		-		1,300		
Total:	\$ 5,540	\$ 3,900	\$ 3,900	\$ 6,200	\$ 2,300	59.0%
610140 Seminars & Training						
COURSES & SEMINARS	\$ -	\$ 5,400		\$ 30,000		
DEVELOPMENT MARKETING		18,400		-		
Total:	\$ 7,668	\$ 23,800	\$ 23,800	\$ 30,000	\$ 6,200	26.1%
615100 Mileage Reimbursement						
MILEAGE & PARKING	\$ -	\$ 1,500		\$ 5,000		
Total:	\$ 14,325	\$ 1,500	\$ 1,500	\$ 5,000	\$ 3,500	233.3%
615110 Travel						
TRAVEL	\$ -	\$ 20,000		\$ 15,000		
Total:	\$ 9,719	\$ 20,000	\$ 20,000	\$ 15,000	\$ (5,000)	-25.0%
620100 Services - Professional & Other						
AS NEEDED PEER DESIGN REVIEW	\$ -	\$ 50,000		\$ -		
BENCH MARKING STUDY		100,000		250,000		
BOND COUNSEL		20,000		-		
COMPS DATA SERVICE		3,700		3,700		
CONV CTR GARAGE MAINT		40,400		40,400		
CVBMP CONSULTING		-		580,000		
CVBMP DEVELOPMENT CONSULTANTS		-		120,000		
CVBMP VACANT PROPERTY ENHANCEMENT		-		30,000		
DEVELOPMENT CONSULTANTS		540,000		-		
DIGITIZING DOCUMENTS CONSULTANTS		-		10,000		
ENTERPRISE ZONE ADMINISTRATION		50,000		-		
FINANCIAL ANALYSIS CONSULTANTS		25,000		-		
FIRST AMERICAN DATA SVC		1,800		1,800		
HARBOR ISL ECONOMIC ANALYSIS		-		50,000		

Real Estate
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
HOTEL CONSULTANT SERVICES		15,000		-		
HOTEL FINANCIAL CONSULTANT		50,000		55,000		
HOTEL INDUSTRY CONSULTING SVCS		-		65,000		
HOTEL NEGOTIATING CONSULTANT		75,000		-		
INFRASTRUCTURE FINANCING STUDIES		-		75,000		
KORPACZ DATA REPORTS		400		400		
MAINT ASSESS DISTRICT CONSLTANT		75,000		-		
MARSHALL VALUATION SERVICE		1,500		1,500		
ON CALL APPRAISER		25,000		40,000		
ON CALL ARCHITECT		25,000		25,000		
PKF HOTEL INDUSTRY REPORTS		1,000		1,000		
POND 20 FEASIBILITY STUDY		50,000		50,000		
SEAPORT VILLAGE FEASIBILITY STUDY		100,000		-		
SURVEY CONSULTANT		50,000		30,000		
TITLE AND ESCROW LAND EXCHANGE		5,000		5,000		
VISITOR SERVING USE STUDY		-		50,000		
Total:	\$ 1,030,850	\$ 1,303,800	\$ 1,303,800	\$ 1,483,800	\$ 180,000	13.8%
620110 Services - Legal - Port Attorney						
Total:	\$ 1,960	\$ -	\$ -	\$ -	\$ -	N/A
630110 Equipment & Systems						
MISC EQUIP & FURNITURE	\$	3,500		\$ 3,500		
Total:	\$ (156)	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0.0%
630130 Office & Operating Supplies						
OFFICE & OPERATING SUPPLIES	\$	10,000		\$ 12,000		
Total:	\$ 9,404	\$ 10,000	\$ 10,000	\$ 12,000	\$ 2,000	20.0%
630140 Postage & Shipping						
POSTAGE & SHIPPING	\$	2,500		\$ 3,000		
Total:	\$ 1,755	\$ 2,500	\$ 2,500	\$ 3,000	\$ 500	20.0%
640100 Space Rental						
I.B. PARKING LOT AMORTIZATION	\$	7,700		\$ -		
MILLS ST & CATALINA BLVD		7,500		-		
OTHER SPACE RENTAL		-		7,700		
SLC LEASE, E HARBOR ISLND AREA		12,000		12,000		
Total:	\$ 40,729	\$ 27,200	\$ 27,200	\$ 19,700	\$ (7,500)	-27.6%
640150 Facility Management Services						
ABM PARKING IMPROVEMENTS	\$	36,400		\$ 12,100		
C.C. HOTEL PARKING STRUCTURE		442,800		288,100		
CONVENTION CENTER PARKING		1,076,900		1,001,800		
LANE FIELD PARKING		32,400		41,800		
NAVY PIER LOT		150,300		198,900		
Total:	\$ 1,544,405	\$ 1,738,800	\$ 1,738,800	\$ 1,542,700	\$ (196,100)	-11.3%
650120 Equipment Maintenance-Supplies						
Total:	\$ 142	\$ -	\$ -	\$ -	\$ -	N/A
650130 Equipment Maintenance-Outside Services						
OFFICE EQUIP. MAINTENANCE	\$	9,000		\$ -		
PARKING PAY & DISP EQUIP MAINT		-		2,000		
Total:	\$ 8,279	\$ 9,000	\$ 9,000	\$ 2,000	\$ (7,000)	-77.8%

Real Estate
EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
660100 Advertising						
Total:	\$ 262	\$ -	\$ -	\$ -	\$ -	N/A
660110 Promotional Services						
TENANT & PUBLIC OUTREACH	\$ 700	\$ 700	\$ 700	\$ 1,000		
Total:	\$ 1,398	\$ 700	\$ 700	\$ 1,000	\$ 300	42.9%
660135 Eligible Environmental Fund Expenditures						
Total:	\$ 1,428	\$ -	\$ -	\$ -	\$ -	N/A
670130 Permits/Certificates/License						
Total:	\$ 300	\$ -	\$ -	\$ -	\$ -	N/A
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 2,680,591	\$ 3,145,700	\$ 3,145,700	\$ 3,126,200	\$ (19,500)	-0.6%
GRAND TOTAL:	\$ 2,680,928	\$ 3,145,700	\$ 3,145,700	\$ 3,126,200	\$ (19,500)	-0.6%

Technology Management Program

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ -	\$ -	\$ -	\$ -	-
Non-Personnel Expense	2,874,911	3,347,000	3,779,400	432,400	12.9%
Total Direct Expense	\$ 2,874,911	\$ 3,347,000	\$ 3,779,400	\$ 432,400	12.9%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	222,160	48,000	35,000	(13,000)	-27.1%
TOTAL DEPARTMENTAL EXPENSE	\$ 3,097,071	\$ 3,395,000	\$ 3,814,400	\$ 419,400	12.4%

Technology Management Program

EQUIPMENT OUTLAY

DESCRIPTION	QTY	UNIT COST	BUDGET FY 14/15
CISCO ADV SVCS INTERNET ROUTER	1	\$ 35,000	\$ 35,000
TOTAL	1		\$ 35,000

Technology Management Program

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
620100 Services - Professional & Other						
ACCESS CONTROL		\$ 15,000		\$ 15,000		
BOARD ROOM MAINTENANCE		4,100		6,000		
BUSINESS WAREHOUSE-LOAD MONIT		7,800		7,800		
CCTV MAINTENANCE		616,000		630,000		
CONFERENCE EQPT MAINTENANCE		15,000		15,000		
EMAIL ARCHIVING		26,000		-		
ENTERPRISE DESKTOP MGT & ENG		8,000		8,000		
ENTERPRISE SERVER ENG SVCS		12,000		12,000		
FIBER OPTIC MAINTENANCE		50,000		50,000		
IDENTITY MANAGEMENT NETWRK SVC		40,000		-		
IT TECH SERVICES - LEVEL 3		110,000		200,000		
IT TECHNICAL SERVICES		200,000		200,000		
MICROSOFT TECH SERVICES-LEVEL 3		75,000		120,000		
OFFSITE TAPE STORAGE SVCS		4,000		-		
SAP ADMINISTRATION		93,000		93,000		
SDMIS MAINTENANCE SERVICES		25,000		25,000		
TRAVEL ON DEMAND		11,000		9,000		
UBIX & ORACLE SUPPORT		20,000		-		
Total:	\$ 1,180,301	\$ 1,331,900	\$ 1,331,900	\$ 1,390,800	\$ 58,900	4.4%
630110 Equipment & Systems						
800 MHZ RADIOS		\$ 1,000		\$ 10,000		
BACK-UP TAPES		6,000		6,000		
CABLES, DISKS		2,500		35,000		
CELL PHONES		7,000		25,000		
CHILLER/BOILER REMOTE MONITORING SY		-		5,000		
CISCO INFRASTRUCTURE-MODIFICATIONS		20,000		20,000		
CLOUD DATA MANAGEMENT		40,000		-		
CLOUD HOSTING SERVICES		50,000		-		
CLOUD SOFTWARE AS A SERVICE		-		261,500		
DISK/MEMORY/SERVERS UPGRADE		20,000		-		
E-PROCUREMENT		30,000		-		
HR REGULATORY TRAINING		12,000		-		
INTERNAL APPLICATIONS		-		57,300		
IT SECURITY PROGRAM SUBSCRIPTIONS		-		65,000		
PERMITTING SOFTWARE		9,000		-		
PSGP FY13 INTROPERABLE RADIO		-		24,500		
SECURITY EQPT UPGRADE/REPAIRS		50,000		60,000		
SMARTSHEET		1,300		-		
SOFTWARE/SUBSCRIPTIONS		14,000		22,600		
SSL CERTIFICATES		5,000		-		
STORMWATER DATABASE MANAGEMENT		35,000		-		
UPS-BATTERIES		7,000		-		
VESSEL COPPER REDUCTION MAINT		12,000		-		
VESSEL SPEED REDUCTION MAINT		10,000		-		
VESSEL TRACKING (SUBSCRIPTION)		300		-		
WEB PROJECTS		10,500		-		
WINDOW SERVER OS		6,500		6,500		
WORKFORCE MANAGEMENT SERVICE		11,900		-		
Total:	\$ 491,197	\$ 361,000	\$ 361,000	\$ 598,400	\$ 237,400	65.8%

Technology Management Program

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
640110 Telephone & Communications						
3 C'S ANNUAL LINE FEES	\$ -			\$ 3,000		
CELLULAR - VOICE/DATA SERVICES		-		60,600		
HS - RCS SYSTEM FEES		20,000		20,000		
INTERNET CONNECTIVITY		-		65,000		
LOCAL/LONG DIST & TEL CONNECTIVITY		-		262,000		
SATELLITE TELEVISION SERVICES		-		3,000		
TELEPHONE & COMMUNICATIONS		480,600		-		
WAN CONNECTIVITY		-		90,000		
WIFI/ DATA		8,000		8,000		
Total:	\$ 467,257	\$ 508,600	\$ 508,600	\$ 511,600	\$ 3,000	0.6%
650130 Equipment Maintenance-Outside Services						
3 C'S-ANNUAL LINE FEES	\$ 3,000			\$ -		
3 C'S-MAINTENANCE		3,000		1,500		
800 MHZ RADIO		70,000		30,000		
ACCESS CONTROL		15,000		15,000		
BACK-UP HARDWARE		20,900		22,000		
CCTV HARDWARE MAINTENANCE		-		20,000		
CISCO INFRASTR SMARTNET MAINT		-		225,000		
COPIER MAINTENANCE -RE		8,700		-		
DATA CTR FIRES SUPPRESSION MAINT		-		5,000		
DELL COMPELLENT-SSAN MAINT		-		100,000		
OFFICE OF THE DISTRICT CLERK		16,500		-		
PLOTTER MAINT-(ENG)		1,600		-		
PRINTER/COPIER/METER MAINT		42,900		85,000		
SECURITY SYSTEM MAINT, GS BLDG		1,600		-		
SOLARIS SERVER MAINTENANCE		30,000		-		
UPS-MAINTENANCE		13,000		13,000		
VIDEO CONFERENCING MAINTENANCE		15,000		15,000		
Total:	\$ 179,227	\$ 241,200	\$ 241,200	\$ 531,500	\$ 290,300	120.4%
650140 Software Maintenance						
ACCESS CONTROL MAINTENANCE	\$ -			\$ 15,000		
ACRONIS BACKUP & RECOVERY		-		2,000		
ACT-SAGE SOFTWARE MAINT		900		-		
ARCHIVING & E-DISCOVERY MAINT		26,000		-		
CCTV CAMERA ANALYTICS		12,000		34,000		
CCTV VIDEO MGMT SYSTEM		30,000		15,000		
CIS DATACENTER MGMT SUITE		-		60,000		
COLLABORATION SOFTWARE MAINT		21,000		21,400		
DOCUMENT MANAGEMENT		160,000		130,000		
EMBARK SOFTWARE-MAINTENANCE		1,000		1,000		
ENGINEERING CAD SYSTEM		9,500		-		
ENT SEASAM BACK-UP MAINT		40,000		32,000		
GIS MAINTENANCE		33,500		33,500		
GUIXT SOFTWARE MAINT		8,400		8,400		
LIFERAY ENTERPRISE PORTAL		50,000		-		
MICROSOFT ENTERPRISE MAINT		81,000		81,000		
MOIS		9,000		-		
NOVELL SOFTWARE MAINT		75,000		90,000		
ORACLE APPLICATIONS		6,000		-		
ORACLE DATABASE MAINTENANCE		51,100		-		

Technology Management Program

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS		ORIGINAL BUDGET		ADJUSTED BUDGET		BUDGET		CHANGE FROM ADJUSTED	
	FY 12/13		FY 13/14		FY 13/14		FY 14/15		dollars	pct
PAVEMENT MANAGEMENT SYSTEM				1,800				-		
RE-CAD SYSTEM				9,000				-		
RISK - RELATED				2,300				-		
SAP ERP MAINTENANCE				159,000				162,500		
SEA-WEB SYSTEM SUBSCRIPTION				3,500				4,000		
SECURITY SOFTWARE MAINT				38,300				29,500		
VIRTUAL MACHINE MAINTENANCE				31,000				25,000		
VM SUPPORT/SUBSCRIPTION				45,000				2,800		
Total:	\$	556,929	\$	904,300	\$	904,300	\$	747,100	\$	(157,200) -17.4%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$	2,874,911	\$	3,347,000	\$	3,347,000	\$	3,779,400	\$	432,400 12.9%
GRAND TOTAL:	\$	2,874,911	\$	3,347,000	\$	3,347,000	\$	3,779,400	\$	432,400 12.9%

THIS PAGE INTENTIONALLY LEFT BLANK

Utilities

SUMMARY OF DEPARTMENTAL EXPENSE

	ACTUAL RESULTS FY 12/13	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	INC/(DEC) FY 14/15-13/14 BUDGET	% CHANGE
Personnel Expense	\$ -	\$ -	\$ -	\$ -	-
Non-Personnel Expense	2,533,535	2,850,000	3,127,300	277,300	9.7%
Total Direct Expense	\$ 2,533,535	\$ 2,850,000	\$ 3,127,300	\$ 277,300	9.7%
Less: Capitalized Expense	-	-	-	-	-
Equipment Outlay	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSE	\$ 2,533,535	\$ 2,850,000	\$ 3,127,300	\$ 277,300	9.7%

Utilities

EXPENSE BUDGET BREAKDOWN

ACCOUNT NUMBER & NAME EXPENSE DETAILS	ACTUAL RESULTS FY 12/13	ORIGINAL BUDGET FY 13/14	ADJUSTED BUDGET FY 13/14	BUDGET FY 14/15	CHANGE FROM ADJUSTED	
					dollars	pct
SUBTOTAL: OVERTIME & TEMPS	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
640120 Utilities-Gas & Electric UTILITIES-GAS & ELECTRIC		\$ 1,681,500		\$ 1,958,800		
Total:	\$ 1,443,035	\$ 1,681,500	\$ 1,681,500	\$ 1,958,800	\$ 277,300	16.5%
640130 Utilities-Water UTILITIES-WATER		\$ 1,168,500		\$ 1,168,500		
Total:	\$ 1,090,500	\$ 1,168,500	\$ 1,168,500	\$ 1,168,500	\$ -	0.0%
SUBTOTAL: NON-PERSONNEL EXPENSE	\$ 2,533,535	\$ 2,850,000	\$ 2,850,000	\$ 3,127,300	\$ 277,300	9.7%
GRAND TOTAL:	\$ 2,533,535	\$ 2,850,000	\$ 2,850,000	\$ 3,127,300	\$ 277,300	9.7%

APPENDIX

Glossary of Terms

**BPC Policy No. 090 – Transfer Between or Within Appropriated Items in
Budget**

BPC Policy No. 115 – Guidelines for Prudent Investment

BPC Policy No. 117 – Operating Reserve

BPC Policy No. 120 – Capital Improvement Program

BPC Policy No. 130 – Major Maintenance Program

BPC Policy No. 609 – Public Art

BPC Policy No. 730 – Port Environmental Advisory Committee

**Resolution 2013-111 – Resolution Adopting Non-Binding Sense Of The Board
Related to Amendment of Fiscal Year 2012/2013 Budget**

Resolution 2013-110 – Resolution Adopting The Fiscal Year 2013/2014

**Preliminary Budget And Setting The Date For A Public Hearing On The
Budget As July 16 , 2013**

THIS PAGE INTENTIONALLY LEFT BLANK

GLOSSARY OF TERMS

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

Actual – Earned revenue or incurred expense during the stated fiscal year.

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

Appropriation – 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 – resources owned or held that have an economic value

Balanced Budget – a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds.

Bond – 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 – a financial plan for a specified period of time (fiscal year) that matches plan expenses and revenues with planned services.

Budgetary Control – 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 be the public upon request, unless exempted by law.

CalTrans – California Department of Transportation

Capital Improvement Program (CIP) – a 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, offshore oil and gas development,

GLOSSARY OF TERMS

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 – a unit within the District to which costs may be charged for accounting purposes.

CST – Cruise Ship Terminal

Department – 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

E.D.M.S. – Electronic Document Management 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 – charges incurred (whether paid immediately or accrued) for operations, maintenance, interest or other charges.

Fiscal Year (FY) – the annual period beginning July 1st and ending June 30th.

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

GDP – Gross Domestic Product

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

GFOA – Government Finance Officers Association

GIS – Geographic Information System

Grant – 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

MM – Major Maintenance

MOIS – Maritime Operations Information System

MOTEMS (Marine Oil Terminal Engineering and Maintenance Standard) – These standards 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, 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) – Non-personnel costs include costs for materials and supplies, equipment, communications, outsourced services, travel, and other expenses.

NTF – Drug Enforcement Administration Narcotic Task Force

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

Other Post-Employment Benefits (OPED) – 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

GLOSSARY OF TERMS

associated and charged to a service or project.

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

THIS PAGE INTENTIONALLY LEFT BLANK



San Diego Unified Port District

Document No.

Filed JUL 24 2013
Office of the District Clerk

60580

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)

Prior Indebtedness (Debt Service – Principal) (Class)

Page 1 of 3

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:
 - Transfer of amounts within each appropriated item requires approval of the Executive Director.
- CIP (appropriated item):
 - Board approval is required for any transfer within CIP.
- Capital or Expense Major Maintenance (appropriated items):
 - Transfer amounts to projects related to emergency, safety and health require approval of the Executive Director with notification to the Board.
 - 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.
 - All other transfers involving unplanned projects within Capital or Expense Major Maintenance require approval in compliance with BPC Policy No. 080 – Unplanned Work Consideration. Board approval is required.

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: 2013-109, dated June 11, 2013

BPC Policy No. 090

Page 3 of 3

THIS PAGE INTENTIONALLY LEFT BLANK



(16)

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 and ranked P1 by Moody's Investor Services and A1 by Standard and Poor's and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long term debt as provided by Moody's or Standard and Poor's. 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 (NRS RO), 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 "A" or better by Standard and Poor's or by Moody's rating services. 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).

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.

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 presumable 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.

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: 2013-115, dated July 16, 2013 (Supersedes BPC Policy No. 115, 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)



(3)

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.

- 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

Page 3 of 3

(1)

Re Adoption of BPC Policy 117,]
Operating Reserve Policy]
_____]

REFERENCE
COPY
55299

RESOLUTION 2009-128

BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That Board of Port Commissioners Policy No. 117, Operating Reserve Policy, a copy of which shall be placed on file in the office of the District Clerk, is hereby adopted.

ADOPTED this 7th day of July, 2009.

sw
7/7/09



(14)

San Diego Unified Port District

Document No. **61719**

Filed **APR 18 2014**
Office of the District Clerk

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 and rank 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:

- 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;
- E) To ensure public safety and Homeland Security; and
- To provide a process for identifying, evaluating and mitigating the detrimental impacts of tidelands operations on adjacent off-tidelands communities, including maritime terminal impacts that qualify for Maritime Terminal Impact Funds ("MTIF").

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.
 - A) Port Staff, Port Commissioners, representatives of Member Cities, Port Tenants, and other public stakeholders may propose CIP projects for Port tidelands;
 - B) Port Staff, Port Commissioners, and representatives of Member Cities may propose off-tidelands projects to address Port operational and marine terminal impacts using the process described below.

3. On-Tidelands Projects:

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 or matching funds, 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. Off-Tidelands Projects:

The Port District recognizes that certain communities may be subject to disproportionate adverse impacts and constraints as a result of the presence of Maritime Terminals, and potentially other Port operations on the tidelands, while at the same time enabling a significant benefit to the District, or region, as a whole.

The Port District, therefore, includes as part of this CIP Policy a provision for the inclusion of off-tidelands projects in the CIP and the establishment of a Maritime Terminal Impact Fund (the "MTIF") as set forth below.

For purposes of this policy, "Off-Tidelands Impacts" are defined as impacts to communities adjacent to, directly associated with, or which are a result of the Port District's maritime terminals and other operations, which are of a unique, adverse or exclusionary nature.

Off-Tideland Impacts are recognized only when a direct relationship between the Port District's on-tidelands operations clearly 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, heavy movement of vehicles or equipment through adjacent commercial or residential areas, or disproportionate degradation or use of public infrastructure such as roads, streets, sidewalks, all of which may occur within and disproportionately impact the communities in proximity to the Port's tidelands operations.

The Port District is currently, and intends to remain, in compliance with all applicable regulatory requirements with respect to maritime terminal operations and adjacent impacts. The Port considers this element of the CIP policy to be

above and beyond compliance, to reflect best practices and sound land use planning principles, and to be in the public interest.

Proponents of proposed CIP projects related to Off-Tidelands Impacts must present the following for inclusion in the CIP process:

- A) A project description including a statement of need for the project;
 - B) A statement of how the project relates to on-tidelands operations;
 - C) Identification of the Off-Tidelands Impacts and a description, supported by independent verification, of the *pro rata* shares of the Off-Tidelands Impacts caused by on-tidelands operations on the off-tidelands infrastructure;
 - D) A financial analysis of the costs of the project, the availability of grant funding or matching funds, how the Member City anticipates funding its proportional share of the costs, as well as any expected ROI – including operational costs, maintenance costs, and life-cycle costs – of the project;
 - E) An analysis of any anticipated non-monetary public benefits of the project;
 - F) A statement of whether the infrastructure impacts are the result of on-tidelands maritime terminal operations that would qualify for MTIF funding;
 - 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.
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 sections 3 and 4 will be prepared. That Port Staff assessment shall attach the proponent's information to the Staff assessment and forward it directly to the BPC as part of the public CIP process.
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 the following criteria (in no particular order):
- 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;
- E) Capacity to provide non-monetary public benefits; and
- F) Maintains off-tidelands infrastructure and mitigates Off-Tidelands Impacts necessary to support tidelands operations, particularly maritime terminal operations.

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 evaluations of existing projects. An example list of project filters is included in Attachment(3). Use of the filters during the annual reviews will be based on a ranking or decision matrix developed to provide a detailed methodology for applying the filters to individual projects. The filters and ranking process to apply them 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 contingency.
- 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. If new funding of \$1,000,000 or more is projected to be available (including the balance in the CIP contingency at the time of funding determination), project application forms will be solicited for consideration at the fall CIP workshop. The available funding determination, based on the prior fiscal year's audited financial results, and the subsequent decision on solicitation of project application forms for the fall CIP workshop, will be made by May 1st of each year.
- 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 Items (3) (On Tidelands Projects) and (4) (Off Tidelands Projects) above.
- H. New projects will be evaluated based upon criteria in Item (7) (page 5) above. Proposed new projects must meet both criteria 7(A) and 7(B) and at least one of the criteria 7(C), 7(D), 7(E) and/or 7(F). 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 prioritized through the staff committee reviews.
- 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. Maritime Terminal Impact Fund (MTIF) projects,
- iv. Opportunities for grants that require matching funds or to position the District to receive grants,
- v. 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, and the calculations for MTIF funding. Only off-tidelands, maritime-terminal-related impact projects will qualify for MTIF funding. 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.

Once a particular MTIF project is identified for funding, those funds will be placed in reserve at the end of each fiscal year without regard to actual revenues and expenses. 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. Maritime Terminal Impact Fund:

On July 6, 2010, the Port District established the MTIF with an initial capital contribution of \$500,000. Additional funding for the MTIF will include one-half of one percent (.5%) of gross maritime terminal revenues earned from the operation of the Tenth Avenue Marine Terminal and the National City Marine Terminal each year. These funds shall be in addition to other CIP funds allocated to capital development or improvement to be put towards maritime-terminal-impact projects.

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:

At the completion of a CIP project, any funds remaining in the approved CIP budget will be reallocated to the CIP contingency account. Contingency funds are available for allocation to existing or new CIP projects at the discretion of the Board. Reallocation of funds from CIP contingency 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.

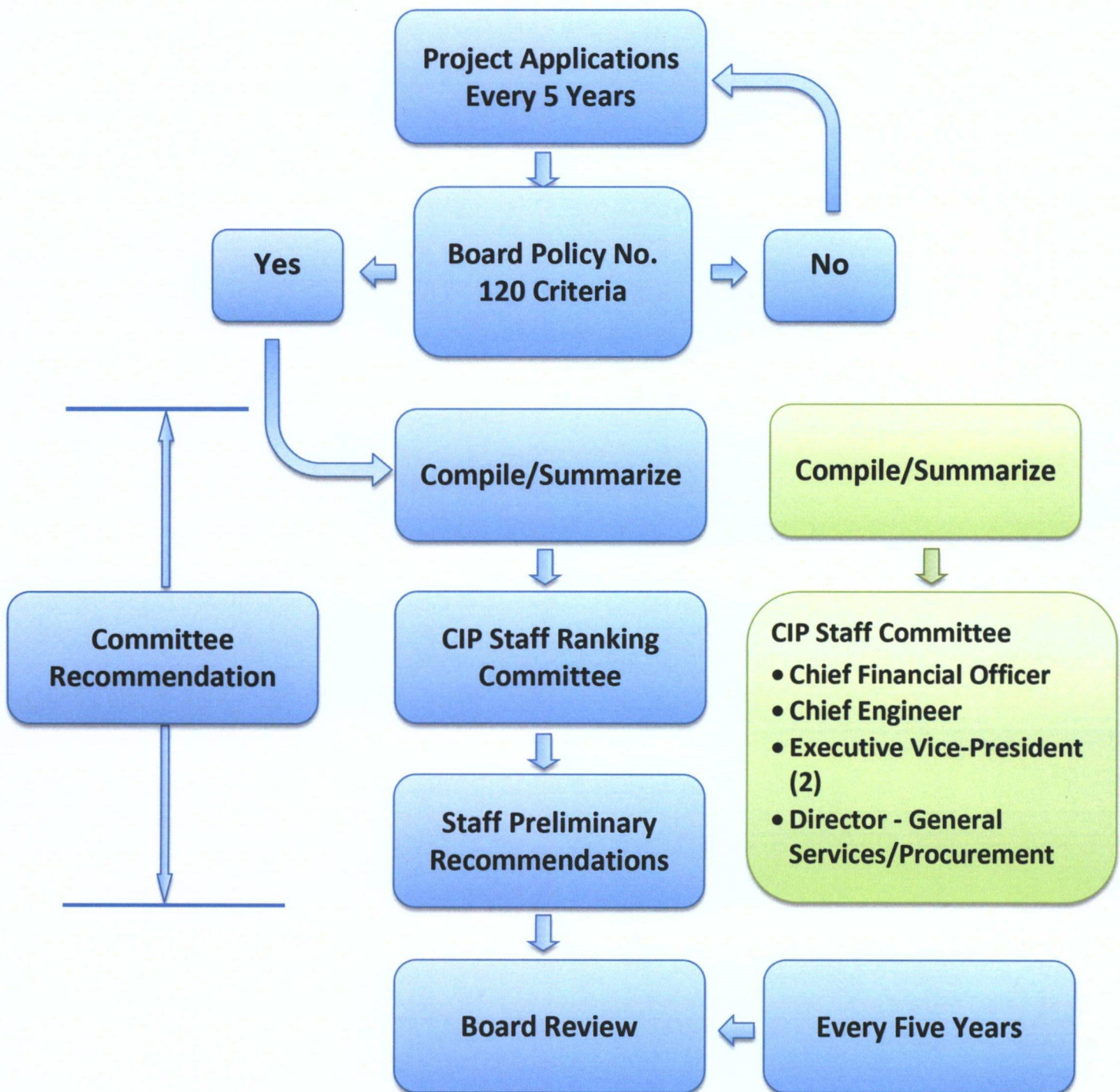
Attachment (1): Flow chart – typical five year CIP process (EXAMPLE)

Attachment (2): Flow chart – typical annual CIP process (EXAMPLE)

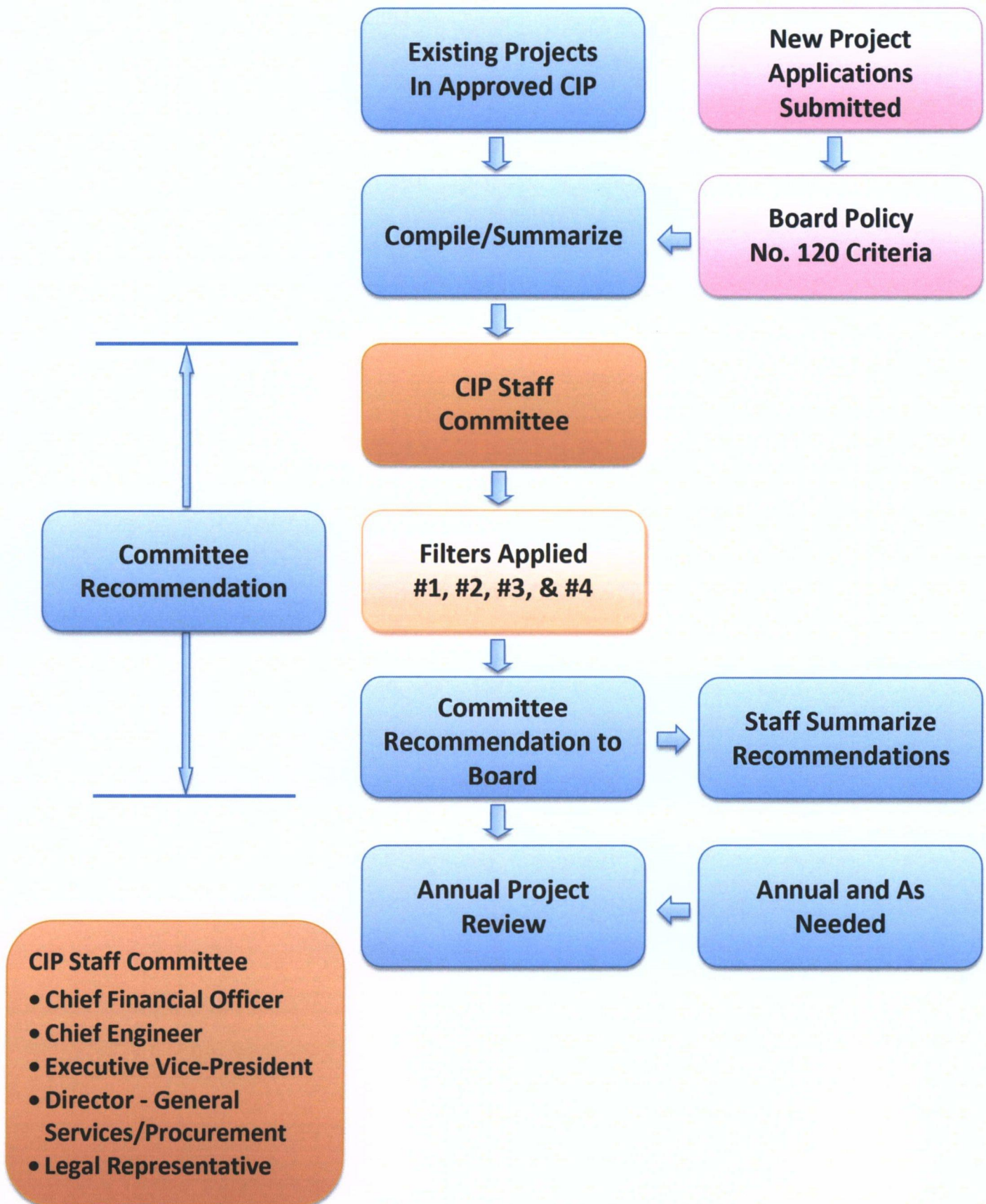
Attachment (3): Project filters for annual reviews (EXAMPLE)

RESOLUTION NUMBER AND DATE: 2014-45, dated March 4, 2014 (Supersedes BPC Policy 120, Resolution 2011-45 dated April 12, 2011; 2008-116, dated July 1, 2008; and Resolution 82-13, dated January 5, 1982)

Attachment (1)
Capital Improvement Program (CIP)
5 Year-Process Used in 2012-Per Board Policy 120 (Example)



Attachment (2)
Capital Improvement Program (CIP)
Annual Review (Example)



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.



BPC Policy No. 130

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, 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 two sources:

- The District's Infrastructure Management Program which critically assesses expected wear and tear; and
- Requests from the District's operating departments.

District staff will perform a preliminary prioritization of all Infrastructure Management Program and operating department projects on an annual basis each January and February, utilizing ranking criteria. The ranked project list will be reviewed for staff capacity and available funding.

Staff recommendations will be formulated, and then submitted with a Major Maintenance Workbook to the Board of Port Commissioners (Board) annually in the first quarter of the calendar year. The workbook will describe each project and its proposed scope, schedule and budget together with the business justification for the

project recommendation, along with site photographs.

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 an annual Major Maintenance Workshop 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, significant delays or cancellations of approved projects;
- Recommendations for action in situations where new or additional information makes a project infeasible or impractical;
- Recommendations for any new Major Maintenance projects, that were not included in the Board approved annual budget, require approval in compliance with PBC Policy No. 080, Unplanned Work Consideration;
- 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:

- Scope, schedule, budget (with variances);
- Status, events 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, via a Board Memo, will be submitted to the Board 45 days after the end of each quarter.

RESOLUTION NUMBER AND DATE: 2013-104, dated June 11, 2013



San Diego Unified Port District

Document No. **60007**

Filed **MAR 21 2013**
Office of the District Clerk

(34)

BPC Policy No. 609

SUBJECT: PUBLIC ART

PURPOSE:

To establish a policy for the inclusion of Artworks in Public Art Office and Capital Improvement Program projects within San Diego Unified Port District's (District) Public Places while providing for Public Art Office and Public Art Committee operations, strategic curatorial planning, project management activities and Collections Management.

The Board of Port Commissioners (Board) is committed to expanding opportunities for the citizens of California and visitors to the region to experience Public Art and other Artworks resulting from the creative expression of Artists in Public Places throughout the District's 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 District envisions building a critically acclaimed art collection that embodies the essence of the District's maritime, environmental and civic character.

To that end, a Public Art Office was created and invested with the mission of supporting the District, its tenants and member communities by providing leadership, advocacy and stewardship for art; acquiring Artworks, organizing exhibitions and supporting Tenant Artworks that enhance the visual excitement, aesthetic appeal and cultural richness of the tidelands; and managing the Tidelands Collection as a regional cultural asset. Furthermore, a Public Art Committee was established to serve in an advisory capacity to the Board and the Public Art Office, upholding the District's vision for art on the tidelands, ensuring that the District's Artwork policies and procedures are followed, and supporting the development and stewardship of the District's Tidelands Collection and other Artwork on District Public Places.

POLICY STATEMENT:

1. Public Art Office

The Public Art Office oversees the District's Public Art, Tenant Percent for Art, and other Artwork related programs, services and activities. The Office supports the District, its tenants and member communities by providing leadership, advocacy and stewardship for Public Art; acquires Artworks, organizes

Page 1 of 34

exhibitions and supports Tenant Artworks that enhance the visual excitement, aesthetic appeal and cultural richness of the Tidelands; and manages the Tidelands Collection as a regional cultural asset.

2. Duties and Functions – Public Art Office

The Public Art Office shall:

- a. Prepare the Annual Office Budget.
- b. Develop collaborative relationships within the District staff and with potential project partners.
- c. Facilitate the development of the multi-year Curatorial Strategy as outlined in section 15a.
- d. Oversee the Acquisition and exhibition of Artworks as outlined in section 15.
- e. Oversee the review and approval of Tenant Artwork projects.
- f. Oversee the review of proposed Donations, loans and temporary exhibits of Artworks.
- g. Develop and ensure that the District's adopted art policies and procedures are followed.
- h. Serve as the steward of the Tidelands Collection, ensure that the Tidelands Collection is documented, maintained and conserved and manage any financial transactions related to Collections Management and public art project activities pertaining to all existing and proposed Artworks in/proposed for the Tidelands Collection, or contracted for, exhibited on, or erected on Public Places.
- i. Develop materials, programs and initiatives to inform and engage the public about the District's Tidelands Collection and other Artworks on District Public Places.
- j. Staff the Public Art Committee.

3. **Public Art Committee**

There is hereby established an advisory Public Art Committee consisting of thirteen members of the public, who shall serve without compensation. No more than two Commissioners shall serve on the Committee. Commissioners shall not offer a motion or vote on any matter coming before the Committee. The Chair of the Board shall approve all recommendations to the Public Art Committee, subject to the following conditions: 1) Seven members shall be recommended by the Public Art Office Curator, in concurrence with the Public Art Committee Chair; 2) Five members, one from each of the five member cities, shall be recommended by their respective city mayors; 3) One member shall be recommended by the San Diego Port Tenant's Association, in concurrence with the Curator. The Curator shall develop a list of candidates to submit to the Chair of the Board for appointment or reappointment to the Public Art Committee in January.

4. **Duties and Functions – Public Art Committee**

The Public Art Committee serves in an advisory capacity upholding the District's vision for art on the tidelands and making recommendations for programs, services and activities related to Public Art, Tenant Artworks or otherwise to the Board and the Public Art Office, when appropriate.

The Public Art Committee shall:

- a. Serve as an advocate for the District's Public Art Office and the District's vision for art on the tidelands.
- b. Assist the Public Art Office in reviewing and recommending adoption of the Public Art master plan as outlined in section 15a.
- c. Assist the Public Art Office in reviewing District art related policies.
- d. Assist the Public Art Office Curator in developing the Curatorial Strategy to implement the Office's Creative Directions and recommend approval of the Curatorial Strategy to the Board as outlined in section 15a.
- e. Assist the Public Art Office Curator in developing Individual Project Plans and recommend approval of Individual Project Plans to the Board as outlined in section 15a.

- f. Assist the Public Art Office in reviewing Artwork commissioned or purchased through the Public Art Fund or as part of Capital Improvement Projects as outlined in section 15b and 15c.
- g. Assist the Public Art Office in reviewing Tenant Artwork projects as required.
- h. For proposed Donations of Artworks, evaluate the Artwork, Artist, and project for aesthetic and site review, and recommend acceptance or rejection of the proposed Donation, as required.
- i. Make recommendations regarding the Deaccession of Artwork from the Tidelands Collection as outlined in section 19.
- j. Make recommendations regarding Incoming Loans and temporary exhibits as outlined in sections 21 and 22.

5. Qualifications of Public Art Committee Members

Members shall be recommended based upon their substantive professional or volunteer experience in the visual arts (professional or volunteer experience for this purpose shall be defined as: individuals recognized by peers as curators, Artists, art critics, art historians, art collections managers, professors of art, art collectors, art fabricators, art preparators; and other persons with considerable visual arts experience as well as architects and landscape architects); an interest in contributing to the development of the District's art activities; and the ability to commit to volunteering time to serve on the Public Art Committee, as well as on Selection Panels on an as needed basis.

Membership of the Public Art Committee shall include individuals from diverse locales throughout the region as well as representation from all five District member cities.

Elected officials, agents, officers, and employees of the District and its member cities shall not be considered for an appointment to the Public Art Committee or accept such a position while a member of the Public Art Committee.

6. Designation of Public Art Committee Chair

The Chair of the Public Art Committee may be a Public Art Committee member, appointed by the Chair of the Board. The Chair of the Board may appoint a Commissioner to serve as Committee Chair. Commissioners shall not offer a motion or vote on any matter before the Committee.

7. Public Art Committee Members Terms

Public Art Committee members may serve up to two consecutive three-year terms. The expiration date of all terms shall be December 31. No member shall serve for more than two, three-year terms.

At the request of the Chair of the Board, a member may serve until a successor is duly recommended and approved.

The Public Art Committee Chair shall serve a one-year term and may be reappointed as Chair by the Chair of the Board.

Should a Public Art Committee vacancy occur prior to the end of a member's scheduled term, the Curator shall recommend candidates to fill the seat or review recommendations in accordance with section 3. The Chair of the Board shall approve any recommendation to fill the vacated seat.

8. Public Art Committee Meetings and Reporting

Meetings of the Public Art Committee shall be noticed and open to the public. Public Art Committee meetings shall be conducted according to applicable California state laws.

Summary reports of each Public Art Committee meeting shall be prepared by Public Art Office staff. The summary reports shall be forwarded to the Board, and Public Art Committee updates may be reported at Board meetings.

9. Resignation and Removal of Public Art Committee Members

Any Public Art Committee member may submit written resignation to the Public Art Office Curator. The Curator shall notify the Public Art Committee Chair and the Chair of the Board of any such resignation.

The Curator may recommend to the Chair of the Board that an individual Public Art Committee member be removed.

10. Public Art Committee Quorum

A quorum shall be a majority of the members of the PAC.

11. Public Art 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

There is hereby established a fund designated as the Public Art Fund into which shall be deposited the Annual Office Budget of \$1.2 million in funds as the Board shall appropriate for the Public Art Office, and from which expenditures may be made for new permanent and temporary Artwork Acquisitions and exhibitions, Artist design fees, fabrication and installation of Artworks, competition costs and for Public Art Office staff costs and administrative costs that are associated with developing and implementing the Public Art Office programs, services and activities, including Collections Management.

The Public Art Fund can accept additional funds dedicated to acquiring Artworks through Capital Improvement Program projects specified in section 14. In addition, District tenant contributions, monetary bequests and Donations, grants and/or grant matching funds may be deposited into the Public Art Fund for general or specific programs, projects, services, activities or otherwise related to Public Art or other Public Art Office activities. 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 in Public Art Office Projects

- a. **Artwork Allocation.** Public Art Office initiated projects, including the Acquisition of Artworks, exhibition of Artworks or otherwise, funded through the Public Art Fund and/or other sources, in whole or in part, shall be consistent with section 15.

b. **Miscellaneous Provisions.**

The Public Art Office shall be the project manager and contract administrator for all Artist and Artworks agreements awarded by the District.

14. **Inclusion of Artworks in Capital Improvement Program (CIP) Projects**

- a. **Percent for Art Allocation.** All requests for appropriations for the construction of any CIP projects set forth in subsection 14b, with the exception of those outlined in subsection 14c, shall include an amount no less than one (1) percent of the total proposed project budget of such CIP project for Artworks. When the Board approves such a CIP project request, the appropriation shall be made and the same shall include an appropriation of funds for Public Art, at the rate of no less than one (1) percent of the total proposed project budget presented to the Board to be deposited into the Public Art Fund or held in the appropriate District fund.
- b. **Application.** The Percent for Art Allocation requirement shall apply to the construction and/or Alteration of the following:
- (1) a building;
 - (2) an aboveground structure;
 - (3) a park or green space;
 - (4) a trail or bikeway;
 - (5) a transportation improvement project;
 - (6) transit facility; or
 - (7) above-grade utility.
- c. **Exemptions.** The following shall be exempt from the Percent for Art Allocation requirements of this section:
- (1) Transportation projects limited to construction of a street, slurry or restriping.
 - (2) Mechanical, plumbing and electrical system upgrades, structural or seismic upgrades, and modifications for disabled access, unless occurring in conjunction with the construction or Alteration of any of the project types in section 14b;
 - (3) Landscape renovation projects, unless occurring in conjunction with the construction or Alteration of any of the project types in section 14b, including, landscape replanting; dredging and sand replenishment;

sewer and water lines; drainage and irrigation systems; wells; erosion control; repaving; new paving; stairway repair or replacement; utilities; modifications for disabled access; signage; lighting; fence replacement or repair; and replacement or repair of existing play structures.

- (4) Demolition projects, when not occurring in conjunction with the construction or Alteration of any of the project types in section 14b.
 - (5) CIP funded improvements for security/public safety and health deficiencies when not occurring in conjunction with the construction or Alteration of any of the project types in section 14b.
- d. **Artwork Related Expenses.** The Public Art Office shall supervise and control the expenditure of all Percent for Art Allocations and may allocate up to twenty percent of said allocations for each project for all necessary and reasonable project and administrative costs incurred in connection therewith and for Collections Management purposes, including maintenance and conservation. Funds set aside pursuant to this section shall be deposited in the Public Art Fund.
- e. **Aggregation of Funds.** When the Public Art Office and Engineering and Construction Department mutually determine that the Percent for Art Allocation is either insufficient to execute a significant Artwork, or other factors, such as lack of public visibility or accessibility make an Artwork at a particular location undesirable, the Public Art Office shall have the authority to aggregate Percent for Art Allocation funds for use at other Public Places. Such funds may be deposited into the Public Art Fund or held in the appropriate District fund.
- f. **Miscellaneous Provisions**
- (1) Public Art projects funded through CIP funds shall be consistent with section 15.
 - (2) The Public Art Office shall be the project manager and contract administrator for all Artist and Artwork agreements awarded by the District.

15. Planning and Acquisition Process for Artworks

To carry out its responsibilities under sections 13 and 14, the Public Art Office shall conduct program and project management activities which include, but are not limited to, the following tasks:

a. The Planning Process

- (1) Prepare, adopt, and evaluate a Public Art master plan to develop the District's programs, services and activities related to Public Art, Tenant Artwork or otherwise. The Public Art master plan shall be submitted to the Public Art Committee for input and recommendation to the Board for approval. The Board's role shall be to ensure that procedure was followed utilizing the criteria for the Board outlined in section 16d.
- (2) Prepare and submit a Curatorial Strategy and periodic updates thereof, as needed, that outline the priorities for the types of projects that it will be developing over a finite period of time to the Public Art Committee for input and recommendation. The Public Art Committee's recommendation to approve the Curatorial Strategy shall be submitted to the Board for approval. The Board's role shall be to ensure that the Curatorial Strategy conforms to relevant budgets and that procedure was followed utilizing the criteria for the Board outlined in section 16d.
- (3) Prepare and submit Individual Project Plans for each Acquisition, exhibition or otherwise that it desires to pursue, to the Public Art Committee for input and recommendation. The Public Art Committee's recommendation to approve the Individual Project Plans shall be submitted to the Board for approval. The Board's role shall be to ensure that Individual Project Plans conform to relevant budgets and that procedure was followed utilizing the criteria for the Board outlined in section 16d.

b. The Commissioning Process

- (1) Identify potential Artists through a variety of selection methods, including but not limited to requests for qualifications that will be considered for new projects which shall result in collecting qualifications.
- (2) Organize Selection Panels and manage selection activities as needed to select and recommend Artists for each new Acquisition, exhibition or

otherwise, whether a Public Art Fund or CIP project or otherwise, utilizing the evaluation criteria outlined in section 16a.

- (3) Submit Selection Panels' recommendations to the Public Art Committee for review and recommendation utilizing the evaluation criteria outlined in section 16a.
- (4) Review and submit the Public Art Committee's recommendation to the Curator, the Executive Director's (President/CEO) authorized designee or the Board, depending on the amount of the Art Budget as follows:
 - (a) The Curator shall have the authority to approve the Artist selection and authorize an agreement with Artist for projects, with an Art Budget of up to \$75,000, ensuring that it has adequately addressed the evaluation criteria outlined in section 16a.
 - (b) The Curator shall recommend approval of the Artist selection and recommend authorizing an agreement with Artist to the Executive Director's (President/CEO) authorized designee for projects, with an Art Budget greater than \$75,000 and up to \$125,000, ensuring that it has adequately addressed the evaluation criteria outlined in section 16a. The Executive Director's (President/CEO) authorized designee shall determine, at their discretion, whether projects with Art Budgets within this subsection should go to the Board for final approval as set forth in subsection 15b(4)(c).
 - (c) The Curator shall prepare a report for the Board, with the Public Art Committee's recommendation for approval of the project, and recommend authorizing an agreement with Artist, with an Art Budget greater than \$125,000. The Board's role shall be to ensure that the selection conforms to the approved budget, and that procedures were followed utilizing the criteria for the Board outlined in section 16d.
- (5) When projects are approved by District staff as outlined in sections 15b(4)(a) and 15b(4)(b), prepare a Board memo and periodic project update memos.
- (6) Review and submit Artist Concept Proposals to the Public Art Committee who shall review and make recommendations to the Curator utilizing the evaluation criteria outlined in section 16b.

- (7) Review and submit final design of Artwork to the Public Art Committee who shall review and make recommendations to the Curator utilizing the evaluation criteria outlined in section 16b.
- (8) When, Artists are requested to develop Artist Concept Proposals as part of the Artist selection process, the Artist Concept Proposals and Artist qualifications shall be reviewed and processed together as set forth in subsections 15b(2)-15b(5) and 15b(7) utilizing the evaluation criteria outlined in section 16a and 16b.
- (9) During progress of the agreement with the Artist, authorization to negotiate and execute any amendments is as follows:
 - (a) The Curator shall have the authority to authorize any amendments to agreements with Artists as long as the aggregate agreement total does not exceed \$75,000.
 - (b) The Curator shall recommend authorizing any amendments to agreements with Artists greater than \$75,000 and up to \$125,000 to the Executive Director's (President/CEO) authorized designee as long as the aggregate agreement total does not exceed \$125,000.
 - (c) The Curator shall recommend authorizing any amendments to agreements with Artists greater than \$125,000 to the Board when the aggregate agreement total exceeds \$125,000.
 - (d) The Curator shall provide the Board with a written summary reporting any Artist agreements and/or amendments executed by the Curator or Executive Director's (President/CEO) authorized for the prior month.

c. The Purchasing Process

- (1) Identify potential Artworks through a variety of selection methods which shall result in collecting qualifications, images, asking prices and other pertinent information about Artworks.
- (2) Organize Selection Panels and manage selection activities as needed to select and recommend Artworks, whether a Public Art Fund or CIP

project or otherwise utilizing the evaluation criteria outlined in section 16c.

- (3) Submit Selection Panels' recommendations to the Public Art Committee for review and recommendation utilizing the evaluation criteria outlined in section 16c.
- (4) Review and submit the Public Art Committee's recommendation to Curator, the Executive Director's (President/CEO) authorized designee or the Board, depending on the amount of the Art Budget that follows:
 - (a) The Curator shall have the authority to approve Artwork selection and authorize purchase of Artwork, with negotiated prices of up to \$75,000 ensuring that it has adequately addressed the evaluation criteria outlined in section 16c.
 - (b) The Curator shall recommend approval of Artwork selection and recommend authorizing purchase of Artwork, to the Executive Director's (President/CEO) authorized designee for purchases with negotiated prices greater than \$75,000 and up to \$125,000 ensuring that it has adequately addressed the evaluation criteria outlined in section 16c. The Executive Director's (President/CEO) authorized designee shall determine, at their discretion, whether projects with Artworks with negotiated purchase prices within this subsection should go to the Board for final approval as set forth in subsection 15c(4)(c).
 - (c) The Curator shall prepare a report for the Board, with the Public Art Committee's recommendation for approval of the project, and recommend authorizing purchase of Artwork with a negotiated purchase price greater than \$125,000. The Board's role shall be to ensure that the selection conforms to the relevant budget, and that procedure was followed utilizing the criteria for the Board outlined in section 16d.
- (5) When projects are approved by District staff as outlined in sections 15c(4)(a) and 15c(4)(b), prepare an initial Board memo and periodic project update memos.
- (6) When Artwork is being considered for direct purchase, the Public Art Office shall prepare and submit a report to Public Art Committee and follow the purchasing process as set forth in subsections 15c(4)-15c(5).

16. Evaluation Criteria

a. Criteria for Evaluating Artist Qualifications

- (1) Meets the definition of Artist as set forth herein.
- (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 public Artworks in collaboration with the District, Public Art Office, the design team (if applicable) and other project partners.
- (5) Demonstrates experience in successfully completing Artworks of similar scope, scale, budget and complexity, or 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) Builds the diversity of the District's Tidelands Collection.
- (9) If applicable, demonstrates a cohesive team.
- (10) If applicable, past performance on agreements.

b. Criteria for Evaluating Artist Concept Proposals

- (1) Clearly responds to the District's vision for art on the tidelands.
- (2) Meets the definition of Artwork as set forth herein.
- (3) Demonstrates excellence in aesthetic quality, workmanship, innovation, and creativity.

- (4) Demonstrates appropriateness in scale, form and is of materials/media suitable for the site.
- (5) Meets the project's goals as outlined in the Individual Project Plan and relates to one or more of the Public Art Office's Creative Directions.
- (6) Demonstrates feasibility in terms of budget, timeline, safety, durability, operation, maintenance, conservation, legal and ethical issues related to possession and use of proposed Artwork, security, and/or storage and siting.
- (7) Builds the diversity of the District's Tideland Collection.

c. Criteria for Evaluating Purchases of Existing Artworks

- (1) Clearly responds to the District's vision for art on the tidelands.
- (2) Meets the definition of Artwork as set forth herein.
- (3) Demonstrates excellence in aesthetic quality, workmanship, innovation and creativity.
- (4) Demonstrates appropriateness in scale, form, and is of materials /media suitable for the site.
- (5) Meets the project's goals as outlined in the Individual Project Plan and relates to one or more of the Public Art Office's Creative Directions.
- (6) Demonstrates feasibility in terms of cost, timeline, safety, durability, operation, condition, maintenance, conservation, legal and ethical issues related to possession and use of Artwork, security, and/or storage and siting.
- (7) Builds the diversity of the District's Tideland Collection.

d. Criteria for Board Evaluation

- (1) The District policy, as set forth herein, and as administered by the Public Art Office and/or the Public Art Committee, have been followed properly.

- (2) Recommendations are consistent with relevant budgets, Curatorial Strategies, Individual Project Plans, and/or redevelopment plans.

17. Management and Control of Artworks

Any Artworks proposed to be contracted for, exhibited on, or erected on Public Places, or become the property of the District by Acquisition or otherwise, or be in the custody of the District by loan or otherwise, shall first have been submitted to Public Art Office staff, and following review and recommendation as required by the Curator, Public Art 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 Public Art Office staff, and following review and recommendation as required in section 19 by the Curator, Public Art Committee and the Board.

Collections Management shall be the responsibility of the Public Art Office staff under the direction of the Curator, with input from the Public Art Committee and Board, as required in this policy. The General Services and Procurement Department shall support the Public Art Office's Collections Management activities by providing Ordinary Artwork Maintenance for Artworks at the direction of Public Art Office staff.

18. Acquisition of Artworks

Title to all Acquisitions accepted by the District shall be vested and held in the name of the District.

19. Deaccession and Disposal of Artworks

The District intends to acquire Artworks for the Tidelands Collection through such thoughtful evaluation that deaccessioning Artworks is seldom necessary.

However, careful deaccessioning of Artworks may be considered in the interest of improving the quality and value of the Tidelands Collection over time. Deaccessioning should be applied only after evaluation of an Artwork to avoid the premature Disposal of an Artwork from the Tidelands Collection.

a. General Provisions

- (1) An Artwork accessioned into the Tidelands Collection, in general, will

not be deaccessioned within five years of its Acquisition and Accession, unless the Artwork has been acquired for the stated purpose of being sold or special circumstances apply.

- (2) The District shall comply with state, federal, or 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.
- (3) The District shall observe any mandatory restrictions applied to Artworks 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.
- (4) Public Art Office staff shall initiate Deaccession evaluations as part of a periodic review of the Tidelands Collection.

b. **Deaccession Evaluation.** The Public Art Office shall:

- (1) Initiate a Deaccession evaluation, which includes recommendations from Public Art Office staff on whether to Deaccession Artworks from the Tidelands Collection.
- (2) Submit a Deaccession evaluation to the Public Art Committee for each Deaccession evaluation for input and recommendation.
- (3) Review and submit the Public Art Committee's recommendation as follows:
 - (a) The Curator shall have the authority to approve the Deaccession of Artworks from the Tidelands Collection with a fair market value up to \$75,000 utilizing the Deaccession criteria outlined in subsection 19c.
 - (b) The Curator 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 utilizing the Deaccession criteria outlined in subsection 19c.

- (c) The Curator shall prepare a report for the Board, with the Public Art Committee's recommendation for approval of the Deaccession of Artworks from the Tidelands Collection, and make a recommendation for approval of the Deaccession of Artworks with a fair market value greater than \$125,000. The Board's role shall be to ensure that the Deaccession evaluation process outlined herein has been followed utilizing the criteria for the Board outlined in section 16d.
- (4) When Deaccession of an Artwork from the Tidelands Collection is approved by District staff as outlined in sections 19b(3)(a) and 19b(3)(b), prepare a memo informing the Board of the Deaccession evaluation outcome.
- (5) When Deaccession of an Artwork is approved, the Curator shall determine the preferred method of Disposal and authorize the Disposal of the Artwork.

c. Deaccession Criteria

Criteria for deaccessioning Artworks from the Tidelands Collection may include, but are not limited to:

- (1) Condition. The Artwork has deteriorated beyond a reasonable means of conservation, has been damaged beyond reasonable repair or is actively deteriorating in a manner that affects the Artwork's site and/or other District property.
- (2) Maintenance. The Artwork needs excessive maintenance or conservation or the Artwork repeatedly fails to operate properly.
- (3) Excellence. The authenticity, level of aesthetic quality and workmanship of the Artwork and/or the relationship of the Artwork to the Artist's body of work is determined to be false, insufficient or insignificant.
- (4) Duplicative. The Artwork is redundant or is a duplicate in a large holding of Artwork of that type, category or by that Artist.
- (5) Legal and Ethical Considerations. The District's possession of the Artwork violates state, federal or international laws, the provenance of

the Artwork is unknown or unconfirmed, and/or the District does not have a clear legal title to the Artwork.

- (6) **Site.** The Artwork 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.
- (7) **Significance.** The Artwork has little or no correlation to the District's vision for art on the tidelands and Creative Directions.
- (8) **Safety.** The security of the Artwork cannot be sustained; the Artwork poses public safety, public health risks, and/or other potential safety risks for the District.
- (9) **Resources.** The Artwork 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.

20. **Outgoing Loans**

The Curator is authorized to loan Artworks from the Tidelands Collection for use in exhibitions, research and education. In general, the District lends Artworks to government entities, agencies, institutions, or organizations and only to private individuals, companies and commercial galleries when to do so is likely to elevate the value and/or significance of the Tidelands Collection.

21. **Incoming Loans**

The District may accept Incoming Loans of Artworks. The District shall consider the following types of proposed Incoming Loans to be placed on Public Places:

- a. **Public Art Office Initiated Incoming Loans.** In cases where Public Art Office staff solicits the loan, Public Art Office staff shall prepare an Individual Project Plan as outlined in section 15a(3) and as applicable, follow the process for purchasing existing Artwork as outlined in section 15c. The term "incoming loan" shall replace the term "purchase."
- b. **Outside Party Initiated Incoming Loans.** In cases where an Incoming Loan of Artwork and/or Commemorative Artwork is proposed by any party other than the Public Art Office, the process shall include the following steps:

- (1) **Preliminary Inquiry.** All potential lenders shall begin the process by contacting the Public Art Office staff about the requirements as set forth herein.
- (2) **Application.** All potential lenders shall submit to Public Art Office staff applications for proposed Incoming Loans of Artworks.
- (3) **Preliminary Review.** The Curator shall conduct preliminary reviews of applications for all proposed Incoming Loans of Artworks satisfactory to the Curator, that they:
 - (a) Include all required elements as set forth in the application.
 - (b) Meet the definition of Artwork as set forth herein.
 - (c) Meet the criteria for review of aesthetic and site outlined in section 21b(9)(c).
 - (d) When applicable, meet the criteria for review of social and merit for Commemorative Artworks outlined in section 21b(9)(a).
- (4) **Technical Review.** For proposed Incoming Loans of Artworks that pass the preliminary review as outlined in subsection 21b(3), Public Art Office staff shall organize an interdepartmental technical review conducted by District staff utilizing the criteria for technical review outlined in section 21b(9)(b).
- (5) **Staff Approval or Rejection.** After technical review, applications for proposed Incoming Loans of Artworks shall be either:
 - (a) Returned to the potential lender for additional development and documentation;
 - (b) Forwarded to the Public Art Committee; or
 - (c) Rejected.
- (6) **Public Art Committee.** The Public Art Committee shall review applications for proposed Incoming Loans of Artworks and accompanying staff reports and make recommendations to either accept or reject proposed Incoming Loans of Artworks utilizing the criteria for aesthetic and site review in section 21b(9)(c).

(7) **Final Approval.**

- (a) For proposed Incoming Loans of Artworks that the Public Art Committee recommends to accept, the Curator shall have the authority to approve the Incoming Loan.
- (b) When Incoming Loans of Artworks are approved, the Curator shall prepare a Board memo to inform the Board of the approval of the loan.

(8) **Acceptance Conditions for Incoming Loans of Artworks from Outside Parties.** The following conditions shall be met for the District to consider accepting proposed Incoming Loans of Artworks from outside parties:

- (a) All expenses for proposed Incoming Loans of Artworks from outside parties shall be the responsibility of the lender, except in extraordinary circumstances. These expenses may include, but are not limited to: design, fabrication, shipping, insuring, site preparation, installation, signage and lighting.
- (b) The Public Art Office shall consider funding a portion of the costs associated with proposed Incoming Loan of Artworks from outside parties only if, in the opinion of the Public Art Office and the Public Art Committee, the Artworks meet all the criteria to be considered as Artworks that the District would acquire on its own.
- (c) Proposed Loans of Commemorative Artworks shall be presented by a Civic Lender.

(9) **Evaluation Criteria for Incoming Loans of Artworks from Outside Parties**

(a) **Criteria for Review of Social and Merit Issues**

- 1) Proposed Incoming Loans of Artworks for commemorating individuals should not be considered until at least ten years after the death of the individual. Proposed Incoming Loans of Artworks 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.

- 2) Proposed Incoming Loans of Artworks 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.
- 3) Proposed Incoming Loans of Artworks 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.
- 4) Proposed Incoming Loans of Artworks 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.
- 5) Proposed Incoming Loans of Artworks that are commemorative in nature must not duplicate the themes or subject matter of an existing Artwork and/or commemorative site in the tidelands or its member cities.
- 6) In no instance should proposed Incoming Loans of Artworks that are commemorative in nature depict subjects that are trademarked or commercially licensed.

(b) Criteria for Technical Review

- 1) Ownership. Has the potential lender documented that the Artwork can be legally loaned to the District?
- 2) Financial Costs. Has the potential lender documented that the financial costs associated with the Artwork have been adequately anticipated and can be met? These costs may include, but are not limited to, shipping, insurance, site preparation, installation, dedication, signage and lighting.
- 3) Safety and Liability. Is Artwork durable? Does it pose any safety or liability concerns?
- 4) Maintenance and Conservation. Has the potential lender provided a professional art conservator's report indicating anticipated maintenance needs?
- 5) Availability of Site. Is the proposed site available for the installation of Artwork? Are necessary electrical, plumbing or other utility requirements defined and available?

Additional criteria for technical review may be developed as necessary by Public Art Office staff.

(c) Criteria for Aesthetic / Site Review

- 1) Clearly responds to the District's vision for art on the tidelands, relates to one or more of the Public Art Office's Creative Directions, and relates to its Curatorial Strategy.
- 2) Meets the definition of Artwork, as set forth herein.
- 3) Demonstrates excellence in aesthetic quality, workmanship, innovation and creativity.
- 4) Demonstrates appropriateness in scale, form, and is of materials/media suitable for the site.

- 5) Demonstrates feasibility in terms of cost, timeline, safety, durability, operation, condition, maintenance, conservation, legal and ethical issues related to possession and use of Artwork, security, and/or storage and siting.
 - 6) Builds the diversity of the District's Tideland Collection.
- (10) **Loan Agreement.** Before Incoming Loans of Artworks are approved and accepted by the District, any agreements including the terms and conditions of the loan, between lender and the District, must be prepared by or approved by the District's Legal Department. Public Art Office staff is authorized to negotiate loan period extensions when it is determined to be advantageous to District.

22. Temporary Exhibits of Artworks from Outside Parties

If a temporary exhibit of Artworks is proposed by a party other than the Public Art Office, the Public Art Office staff may authorize temporary exhibits of Artworks in Public Places. All temporary exhibits of Artworks from outside parties other than the Public Art Office shall follow the process for Incoming Loans set forth in section 21b using the criteria given in section 21b(9) herein. The term "temporary exhibit" shall replace the term "incoming loan" and the term "exhibitor" shall replace the term "lender."

Any temporary exhibit of artwork proposed for exhibition in Public Places for one year or longer will be identified and processed as an Incoming Loan.

23. Donations of Artworks

- a. **Donation Proposal Types.** The District through the Public Art Office shall consider the following types of proposed Donations of Artworks to be placed on Public Places:
 - (1) A Donor's offer to Commission an Artwork.
 - (2) A Donor's offer of an already existing Artwork.
 - (3) A Donor's offer to support projects or initiatives of the Public Art Office through a Monetary Donation.

Donations are solely offers until accepted by the District. Bequests of Artworks are subject to the same review process for Donations of Artwork as outlined herein.

b. **Acceptance Conditions.** The following conditions shall be met for the District to consider accepting proposed Donations of Artworks:

- (1) All expenses for proposed Donations of Artworks shall be the responsibility of the Donors, except in extraordinary circumstances. These expenses may include, but are not limited to: design, fabrication, shipping, insuring, site preparation, installation, signage and lighting.
- (2) The Public Art Office shall consider funding a portion of the costs associated with proposed Donations of Artworks only if, in the opinion of the Public Art Office and the Public Art Committee, the Artworks meet all the criteria to be considered as Artworks that the District would acquire on its own.
- (3) A Donor shall deposit funds equal to or greater than ten percent of the Commission cost or the fair market value of an Artwork into the Public Art Fund for Collections Management, at the time the proposed Donation of Artwork is accepted by the District.
- (4) Proposed Donations of Commemorative Artworks shall be presented by a Civic Donor.

c. **Review Process for Proposed Donations of Artworks.** The process for proposing and reviewing proposed Donations of Artworks to the District shall include the following steps:

- (1) **Preliminary Inquiry.** All potential Donors shall begin the process by contacting the Public Art Office staff about the requirements as set forth herein.
- (2) **Application.** All potential Donors shall submit to Public Art Office staff applications for proposed Donations of Artworks. Applications can be obtained from Public Art Office staff.
- (3) **Preliminary Review.** The Curator shall conduct preliminary reviews of applications for all proposed Donations of Artworks satisfactory to the Curator, that they:

- (a) Include all elements as required in the application.
 - (b) Meet the definition of Artwork as set forth herein or is for an Artist Commission.
 - (c) Meet the criteria for aesthetic and site review outlined in section 23h(3).
 - (d) When applicable, meet the criteria for review of social and merit for Commemorative Artworks outlined in section 23h(1).
- d. **Technical Review.** For proposed Donations of Artworks that pass the preliminary review as outlined in section 23c, Public Art Office staff shall organize an interdepartmental technical review conducted by District staff utilizing the criteria for technical review outlined in section 23h(2).
- e. **Staff Approval or Rejection.** After technical review, applications for proposed Donations of Artworks shall be either:
- (1) Returned to the Donor for additional development and documentation;
 - (2) Forwarded to the Public Art Committee, with a staff report, for review and recommendation as set forth in section 23f; or
 - (3) Rejected.

The Curator, at his or her discretion, may convene an ad hoc panel to review proposed Donations of Artworks and make recommendations to the Public Art Committee.

The Curator, at his or her discretion, may undertake additional community consultation, before forwarding the application to the Public Art Committee.

- f. **Public Art Committee.** The Public Art Committee shall review applications for proposed Donations of Artworks and accompanying staff reports and make recommendations to either accept or reject proposed Donations of Artworks as set forth in section 23g utilizing the criteria for aesthetic and site review in section 23h(3). In the event that the Public Art Committee makes recommendations to reject proposed Donations of Artworks, the Donor shall be notified and given the option of revising the proposed Donation and resubmitting for review as set forth in section 23c.

g. Final Approval.

- (1) For proposed Donations of Artworks with a fair market value of up to \$75,000 that the Public Art Committee recommends to accept, the Curator shall have the authority to accept the Donations.
- (2) For proposed Donations of Artworks with a fair market value of greater than \$75,000 and up to \$125,000 that the Public Art Committee recommends to accept, the Curator shall submit the recommendation to the Executive Director's (President/CEO) authorized designee, whom shall have the authority to either accept the Donations or forward the recommendation to the Board for final approval as set forth in section 23g(4).
- (3) When Donations of Artworks are approved and accepted by District staff as outlined in sections 23g(1) and 23g(2), the Curator shall prepare a Board memo to inform the Board of the acceptance.
- (4) For proposed Donations of Artworks with a fair market value of more than \$125,000 that the Public Art Committee recommends to accept, the Public Art Office staff shall prepare and submit a report, including the Public Art Committee's recommendation and 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 23h(4).

h. Evaluation Criteria for Reviewing Donations of Artworks

(1) Criteria for Review of Social and Merit Issues

- (a) Proposed Donations for commemorating individuals should not be considered until at least ten years after the death of the individual. Proposed Donations of Artworks 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 Public Places 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 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.

(2) Criteria for Technical Review

- (a) Ownership. Has the potential Donor documented that the Artwork can be legally donated to the District?
- (b) Financial Costs. Has the potential Donor documented that the financial costs associated with the Artwork have been adequately anticipated and can be met? These costs may include, but are not limited to, shipping, insurance, site preparation, installation, dedication, signage, lighting and maintenance.

- (c) Safety and Liability. Is Artwork durable? Does it pose any safety or liability concerns?
- (d) Maintenance and Conservation. Has the potential Donor provided a professional art conservator's report indicating anticipated maintenance needs?
- (e) Availability of Site. Is the proposed site available for the installation of Artwork? Are necessary electrical, plumbing or other utility requirements defined and available?

Additional criteria for technical review may be developed as necessary by the Public Art Office staff.

(3) Criteria for Aesthetic / Site Review

- (a) Clearly responds to the District's vision for art on the tidelands, relates to one or more of the Public Art Office's Creative Directions, and relates to its Curatorial Strategy.
- (b) Meets the definition of Artwork, as set forth herein.
- (c) Demonstrates excellence in aesthetic quality, workmanship, innovation and creativity.
- (d) Demonstrates appropriateness in scale and form, and is of materials/media suitable for the site.
- (e) Demonstrates feasibility in terms of cost, timeline, safety, durability, operation, condition, maintenance, conservation, legal and ethical issues related to possession and use of Artwork, security, and/or storage and siting.
- (f) Builds the diversity of the District's Tidelands Collection.

(4) Criteria for Board Review

- (a) The District's policy, as set forth herein, and as administered by the Public Art Office and/or the Public Art Committee, have been followed properly.

- (b) Recommendations are consistent with relevant budgets, Curatorial Strategies, and/or redevelopment plans.

- i. **No Obligation to Accept Proposed Donations**

Within thirty business days following the District's decision to accept or reject the proposed Donation of Artwork, designated Public Art Office staff shall give notice of the District's decision to the Donor. The District has no obligation to accept any Artworks proposed for Donation to the District. The District has the right to determine, in its sole and absolute discretion, what Artwork offered to it will be accepted by the District.

- j. **Records of Donations**

District staff will be responsible for maintaining detailed Donation records. Upon acceptance of a Monetary Donation, District staff will deposit the Monetary Donation according to the terms of the District's acceptance.

- k. **Transfer of Donations of Artworks**

- (1) **Acceptance**

All Donations of Artworks shall become District property upon formal acceptance by the District.

- (2) **Condition of Title**

The District prefers Unrestricted Donations of Artworks. 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.

- l. **Legal Documents**

Before Donations of Artworks 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.

- m. **Appraisals**

The District will not provide or assume responsibility for appraisals for tax-

deduction or other external purposes.

n. **Compliance with Laws**

The District reserves the right to require a Donor to comply with state, federal, or international laws.

24. **Reproductions or Adaptations of Artworks**

Public Art Office staff is authorized to negotiate with the copyright holder for each Artwork in or proposed for inclusion in the Tidelands Collection or exhibited on District Public Places for the purpose of acquiring a license to make, or cause to be made reproductions or adaptations of an Artwork. Reproductions or adaptations of Artworks are made according to the terms and conditions of licensing agreements.

25. **Proceeds from the Sale, Loan, Reproduction or Adaptation of Artworks**

Funds realized from the sale of Artworks from the Tidelands Collection shall be expended on new Acquisitions for the Tidelands Collection. Proceeds from the loan of Artworks from the Tidelands Collection or from the licensing of the making of reproductions or adaptations thereof, less any payments due, shall be deposited into the Public Art Fund.

26. **Administrative Procedures**

The Public Art Office 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:

Accession: The formal process used to accept and record an Artwork as a Tidelands Collection Artwork.

Acquisition: Artworks that are Commissioned or purchased by the District or transferred to the District by Donation, bequest, transfer or exchange.

Alteration: Substantial refurbishments, betterments and/or upgrades to existing assets which may include, but are not limited to, additions to, removal of, and modification of elements such as walls, ceilings, and doors.

Annual Office Budget: The Public Art Office's budget, which is folded into the annual District budget. It outlines broad categories of expenditures, such as personnel, operations, administrative expenses, new projects, committed/continuing projects, marketing, and Collections Management.

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.

Artist Concept Proposal: The Artist's Concept Design before it has been approved by the Curator, the Executive Director's (President/CEO) Authorized Designee, or the Board of Port Commissioners.

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 Public Art Office, Artwork shall be defined in terms of the visual arts, as distinguished from performing arts and literary arts. However, Artworks can include visual representations of performing and literary arts, or can incorporate performative or narrative elements.

Capital Improvement Program: Any acquisition, construction or Alteration project, or portion or phase thereof, by the District.

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.

Civic Lender: A lender that is an incorporated, non-profit organization, organized at least five years before an Application for a proposed Incoming Loan of Commemorative Artwork to the District, or a municipal government or other public agency.

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.

Commemorative Artwork: An Artwork that commemorates an individual, idea or event that has shaped or impacted the tidelands.

Commission: An Artwork, permanent or temporary, that is created by an Artist specifically for Public Places.

Concept Design: The initial design phase of an Artwork project in which an Artist creates a design concept that is detailed enough to communicate the intended content, scale, location, artistic media and relationship of components and materials of proposed Artwork. The documentation of the design concept can include a narrative description of the work, diagrams and/or a maquette.

Creative Direction: A broadly described thematic area, established in the public art master plan, that the Public Art Office will use to explore curatorial possibilities and define individual projects.

Curatorial Strategy: A multi-year work plan that establishes priorities for the types of projects the Public Art Office will be developing over a three to five year period. The strategy describes the types of projects the Public Art Office will work to develop, the kinds of Artists it wishes to recruit, any specific geographic areas it wishes to focus on and any partnerships it would like to establish. It will anticipate upcoming Capital Improvement Program projects, Tenant projects and redevelopment plans, and describe how those can be shaped to support the Public Art Office's Creative Directions.

Deaccession: The formal process used to remove an Artwork from the Tidelands Collection.

Disposal: The permanent exchange, sale, destruction or transfer of an Artwork.

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.

Donor: An individual or entity that proposes a Donation to the District.

Incoming Loan: An Artwork borrowed by the District.

Individual Project Plan: A detailed document outlining all parameters for each Acquisition or exhibition that the Public Art Office intends to pursue.

Monetary Donation: Cash and cash equivalents.

Ordinary Artwork Maintenance: The routine oversight of the operation, maintenance and superficial cleaning of and around Artworks.

Outgoing Loan: The loan of an Artwork from the Tidelands Collection.

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: Artworks acquired using funds appropriated by the District and located in Public Places.

Public Art Committee: A committee appointed by the Chair of the Board that serves as an advisory body to the Public Art Office and to the Board. The Public Art Committee upholds the Public Art Office's vision, ensuring that the District's art policies and procedures are followed, and supporting the development and stewardship of the District's Tidelands Collection and other Artworks on District Public Places.

Public Art Fund: An annual allocation of \$1.2 million from the District's general operating budget that is set aside for the Public Art Office. The amount includes expenses for staffing, operations, new permanent and temporary Public Art Commissions and purchases, project management activities, competition costs, Artist design fees, fabrication and installation of Artworks and Collections Management. The Public Art Fund can accept additional funds dedicated to acquiring Artwork, such as Tenant contributions or Monetary Donations.

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 of 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 and 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.

Selection Panel: An ad-hoc panel that reviews Artist materials and makes recommendations to the Public Art Committee and Public Art Office Curator regarding Acquisitions and exhibitions.

Tenant Artworks: Artworks commissioned or purchased by District tenants.

Tidelands Collection: Artworks which have been Accessioned and are publicly owned, possessed, or controlled by the District and administered by the Public Art Office. Incoming loans of Artworks shall be incorporated into the Tidelands Collection for the duration of the loan but are not considered Acquisitions.

Unrestricted Donation: A Donation to the District without any limitation placed on its use.

RESOLUTION NUMBER AND DATE: 2013-27, February 12, 2013 (Supersedes BPC Policy No. 609, 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)

RESOLUTION 2013-27**RESOLUTION AMENDING BPC POLICIES 018, 730, 609, 255, ENVIRONMENTAL ADVISORY COMMITTEE CHARTER, AUDIT ADVISORY COMMITTEE CHARTER, AND ACCESSIBILITY ADVISORY COMMITTEE BYLAWS TO INCLUDE AMENDED CONFLICT OF INTEREST LANGUAGE AND COMMITTEE MEMBERSHIP STRUCTURE, AND ADOPTING BPC POLICY NO. 018A ESTABLISHING BOARD STAKEHOLDER FORUMS**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, the District's advisory committees are established by the Board of Port Commissioners (BPC) Chair each calendar year pursuant to BPC Policy No. 018; and

WHEREAS, at the November 2011 meeting, the BPC considered recommendations made by former Port Attorney Duane Bennett regarding conflict of interest issues affecting advisory committees; and

WHEREAS, at the March 2012 meeting the BPC considered conflict of interest issues affecting advisory committees and made a determination as to how to avoid actual and perceived conflicts of interest on BPC advisory committees, as well as determinations as to the composition of the Maritime and Real Estate advisory committees; and

WHEREAS, at the July 2012 meeting the BPC adopted District staff recommendations to streamline advisory committees, to eliminate certain committees; and

WHEREAS, at the December 2012 meeting the BPC adopted District staff recommendations related to the establishment of "Board Stakeholder Forums" and conflict of interest language for advisory committees; and

WHEREAS, the BPC directed that BPC Policy No. 018 be amended to add that, Commissioners shall not offer a motion or vote at any Board Advisory Committee Meeting, no more than two Commissioners shall serve on any Board Advisory Committee, a Commissioner may serve as an advisory committee Chair, the Chair of the BPC is authorized to immediately remove any advisory committee member who violates BPC Policy No. 018 provisions governing

conflicts of interest, and to the extent required by law, advisory committees 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; and

WHEREAS, BPC Policy No. 730, "Port Environmental Advisory Committee," "Environmental Advisory Committee Charter," BPC Policy No. 609, "Public Art," BPC Policy No. 255, "Port With No Borders Scholarship Program," the "Audit Advisory Committee Charter," and the "Accessibility Advisory Committee Bylaws" have been amended to reflect the BPC's direction and to eliminate conflicting language between those BPC advisory committee policies, charters, and bylaws, and the amended language contained in BPC Policy No. 018; and

WHEREAS, BPC Policy No. 018A, "Board Stakeholder Forums" (Forum) has been established to provide:

- Venues for the District, Port tenants, and other stakeholder discussions, and sets forth that, Forum issues may be referred by the BPC.
- District staff may convene a Forum on an as-needed basis.
- Forums shall be for discussion only, no voting will occur.
- District staff shall prepare a summary of Forum discussions for review by the BPC after each Forum.
- An annual work plan for each Forum shall be adopted by the BPC and may be modified by the BPC as other issues arise.
- The Chair of the BPC may consider new matters requested by District staff, stakeholders or tenants for inclusion in the work plan.
- Any new matters to be included in the work plan shall be approved by the BPC prior to convening a Forum on the new matter.
- The BPC may refer matters to Forums as it deems appropriate.
- The BPC Chair may appoint a minimum of two members from the BPC as Forum facilitators.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That BPC Policy No. 018, "Board Advisory Committees," BPC Policy No. 730, "Environmental Advisory Committee," "Environmental Advisory Committee Charter," BPC Policy No. 609, "Public Art," BPC Policy No. 255, "Port With No Borders Scholarship Program," the "Audit Advisory Committee Charter," the "Accessibility Advisory Committee Bylaws", as amended, and BPC Policy No. 018A, "Board Stakeholder Forums" copies of which are on file in the Office of the District Clerk are hereby adopted.

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 12th day of February, 2013, by the following vote:

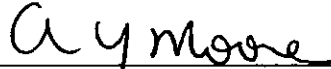
AYES: Malcolm, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: None.

ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)

THIS PAGE INTENTIONALLY LEFT BLANK



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.



BPC Policy No. 730

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



BPC Policy No. 730

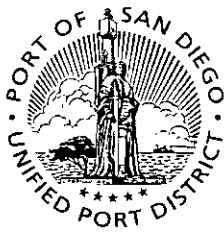
seawalls, which are inefficient as habitat.

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



BPC Policy No. 730

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.

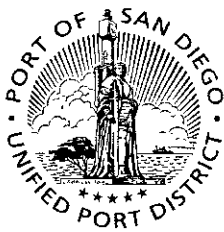
CONFLICTS OF INTEREST:

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.



BPC Policy No. 730

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



BPC Policy No. 730

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.



BPC Policy No. 730

Project Selection: Proposals are evaluated by a committee, which includes representatives from several Port departments, the Port Tenants Association and the Environmental Health Coalition.

In selecting projects, the Tenant Environmental Loan Committee will consider answers to such questions as:

- Will the proposed project further protect the natural resources of the Bay?
- Will the project enhance the survivability of marine or bird life, increase the visibility of endangered species and/or allow the survival of currently absent species?
- Will the project allow the removal of contamination from the Bay?
- Will the project result in an increase in the quality of the water, sediment and/or air quality of the area?

Project Approval: Recommended projects are submitted by the selection committee to the Committee, who will make a recommendation to the Board. The Board has sole discretion to award funds.

Funding: Loans are made available through a lending institution. A fixed interest rate for the life of the loan will be fixed on the day the loan is dispersed. The loan rate will be the interest-earning rate paid by the lending institution to the Port on the collateralized certificate of deposit, securing the loan plus one hundred twenty-five basis points (1.25%). The term is a maximum of five years.

RESOLUTION NUMBER AND DATE: 2013-27, dated February 12, 2013 (Supersedes BPC Policy 730, Resolution 2010-96; dated June 8, 2010; Resolution 2010-34, dated March 2, 2010; Resolution 2007-138, dated July 10, 2007; and Resolution 2006-111, dated June 6, 2006)

San Diego Unified Port District Environmental ADVISORY Committee

CHARTER

BACKGROUND

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.

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 go 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 Port 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."

COMMITTEE PURPOSE

Advise the Board on programs, policies and projects that would ensure the protection and improvement of the environmental condition of the Bay.

COMMITTEE OBJECTIVES

1. Strengthen relationships between and among the Port, Port tenants, the scientific community, environmental organizations, and regulatory and resource agencies.
2. Identify innovative approaches to resolving Bay environmental issues.
3. Identify opportunities for enhancing natural resources and developing strategies for implementation of programs and/or projects.

COMMITTEE STRUCTURE AND OPERATION

The Committee operates according to the guidelines for all Board Advisory Committees as detailed in BPC Policy No. 018 (2008-273, 2 December 2008) and BPC Policy 730 (the Port Environmental Advisory Committee Policy), and as articulated in this Charter prepared specifically for the Committee. The purpose of this, and all other Port advisory committees, is to advise the Board. This Committee is advisory in nature and has no authority to negotiate for, represent, or commit the Port in any respect.

Membership of the Committee: 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 up to two (2) members of the Board and representatives of stakeholder groups including, but not limited to: the Port tenants; environmental advocacy groups; the U.S. Navy; regulatory and resource agencies; member cities; academia; local businesses; and labor. The 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 and interaction with Port staff and Board members.

Meeting Attendance: In order for this committee to work effectively, the full participation of members will be essential. Committee members are asked to commit to attend meetings consistently.

Committee Operation: Committee meetings are noticed and open to the public. Meetings will be constructed to encourage input from Committee members, stakeholders and interaction with Board members and Port staff. Summary reports of each Committee meeting will be prepared by Port staff and forwarded to the Board.

EXPECTATIONS OF THE PORT

To assist in achieving the Committee's Purpose and Objectives, Port staff will:

- Coordinate all Committee meetings.
- Prepare and advertise meeting agendas.
- Prepare and present information specified in each agenda.
- Insure compliance with the Brown Act.
- Prepare meeting summaries and forward to the Board and Committee members.

EXPECTATIONS OF COMMITTEE MEMBERS

To assist in achieving the Committee's Purpose and Objectives, Committee members

will provide input and:

- Commit to the success of the Committee, its Purpose and Objectives, and this Charter.
- Share data and information that will assist each other and the Committee as a whole in meeting its objectives.
- Identify existing and additional resources that would be useful in conducting the Committee's work and assist each other in utilizing or obtaining these resources.
- Identify obstacles in achieving the Committee's Purpose and Objectives and develop a solution for overcoming them.
- Respect each other's individual roles and contributions.
- Attempt to resolve conflicts in a positive and constructive manner.
- Keep an open mind to new ideas.

RESPONSIBILITIES OF THE COMMITTEE

It is intended that the Committee will have four primary responsibilities:

1. Provide input to the Port on new or emerging approaches to Bay environmental issues, including: remediation of contamination; enhancement of habitat for native fish and wildlife; increasing native fish and wildlife populations; controlling and eliminating pollutant discharges, and eliminating air emissions.
2. Provide input to the Port on setting priorities for environmental issues.
3. Provide input on projects to be recommended to the Board for funding through the Port Environmental Fund.
4. Assist in identifying grants and/or matching funds.

DECISION MAKING

On issues that require the Committee to present an opinion or recommendation, consensus, defined as no opposition, will be sought. If consensus is reached, the opinion or recommendation will be forwarded to the Board for their action.

If consensus is not reached on a matter, the Committee Chair may direct Port staff to take the matter to the Board for their input or action. If so, staff will advise the Board on the failure of the Committee to reach consensus and a minority opinion may be presented.

In the course of Committee activities, disagreements may arise regarding whether a course of action should or should not be taken. Committee members agree to work in a collaborative fashion and to facilitate consensus on these issues whenever possible. Further, Committee members agree to attempt to resolve the disagreement expeditiously and constructively to benefit Committee goals.

The Committee has no authority to act on behalf of the Board or Port staff. The Board

is the ultimate authority on all Port matters and its decisions are final.

(3)

RESOLUTION 2013-27**RESOLUTION AMENDING BPC POLICIES 018, 730, 609, 255, ENVIRONMENTAL ADVISORY COMMITTEE CHARTER, AUDIT ADVISORY COMMITTEE CHARTER, AND ACCESSIBILITY ADVISORY COMMITTEE BYLAWS TO INCLUDE AMENDED CONFLICT OF INTEREST LANGUAGE AND COMMITTEE MEMBERSHIP STRUCTURE, AND ADOPTING BPC POLICY NO. 018A ESTABLISHING BOARD STAKEHOLDER FORUMS**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, the District's advisory committees are established by the Board of Port Commissioners (BPC) Chair each calendar year pursuant to BPC Policy No. 018; and

WHEREAS, at the November 2011 meeting, the BPC considered recommendations made by former Port Attorney Duane Bennett regarding conflict of interest issues affecting advisory committees; and

WHEREAS, at the March 2012 meeting the BPC considered conflict of interest issues affecting advisory committees and made a determination as to how to avoid actual and perceived conflicts of interest on BPC advisory committees, as well as determinations as to the composition of the Maritime and Real Estate advisory committees; and

WHEREAS, at the July 2012 meeting the BPC adopted District staff recommendations to streamline advisory committees, to eliminate certain committees; and

WHEREAS, at the December 2012 meeting the BPC adopted District staff recommendations related to the establishment of "Board Stakeholder Forums" and conflict of interest language for advisory committees; and

WHEREAS, the BPC directed that BPC Policy No. 018 be amended to add that, Commissioners shall not offer a motion or vote at any Board Advisory Committee Meeting, no more than two Commissioners shall serve on any Board Advisory Committee, a Commissioner may serve as an advisory committee Chair, the Chair of the BPC is authorized to immediately remove any advisory committee member who violates BPC Policy No. 018 provisions governing

conflicts of interest, and to the extent required by law, advisory committees 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; and

WHEREAS, BPC Policy No. 730, "Port Environmental Advisory Committee," "Environmental Advisory Committee Charter," BPC Policy No. 609, "Public Art," BPC Policy No. 255, "Port With No Borders Scholarship Program," the "Audit Advisory Committee Charter," and the "Accessibility Advisory Committee Bylaws" have been amended to reflect the BPC's direction and to eliminate conflicting language between those BPC advisory committee policies, charters, and bylaws, and the amended language contained in BPC Policy No. 018; and

WHEREAS, BPC Policy No. 018A, "Board Stakeholder Forums" (Forum) has been established to provide:

- Venues for the District, Port tenants, and other stakeholder discussions, and sets forth that, Forum issues may be referred by the BPC.
- District staff may convene a Forum on an as-needed basis.
- Forums shall be for discussion only, no voting will occur.
- District staff shall prepare a summary of Forum discussions for review by the BPC after each Forum.
- An annual work plan for each Forum shall be adopted by the BPC and may be modified by the BPC as other issues arise.
- The Chair of the BPC may consider new matters requested by District staff, stakeholders or tenants for inclusion in the work plan.
- Any new matters to be included in the work plan shall be approved by the BPC prior to convening a Forum on the new matter.
- The BPC may refer matters to Forums as it deems appropriate.
- The BPC Chair may appoint a minimum of two members from the BPC as Forum facilitators.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That BPC Policy No. 018, "Board Advisory Committees," BPC Policy No. 730, "Environmental Advisory Committee," "Environmental Advisory Committee Charter," BPC Policy No. 609, "Public Art," BPC Policy No. 255, "Port With No Borders Scholarship Program," the "Audit Advisory Committee Charter," the "Accessibility Advisory Committee Bylaws", as amended, and BPC Policy No. 018A, "Board Stakeholder Forums" copies of which are on file in the Office of the District Clerk are hereby adopted.

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 12th day of February, 2013, by the following vote:

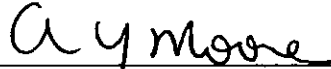
AYES: Malcolm, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: None.

ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)

RESOLUTION 2013-111

RESOLUTION ADOPTING NON-BINDING SENSE OF THE BOARD RELATED TO AMENDMENT OF FISCAL YEAR 2012/2013 BUDGET

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I, (Port Act); and

WHEREAS, on June 11, 2013, the Board of Port Commissioners (Board) approved an ordinance Amending Fiscal Year 2012/2013 Budget (Amendment); and

WHEREAS, on June 11, 2013, the Board voted to express the non-binding sense of the Board related to the amendment of the Fiscal Year 2012/2013 Budget.

NOW THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District that it is the non-binding sense of the Board that:

- (1) the adoption of the Fiscal Year 2012/2013 Final Budget constituted, and the Fiscal Year 2013/2014 Preliminary Budget proposes, a waiver of BPC Policy 730 (Port Environmental Advisory Committee Policy) and that in future years as and if the District generates revenues exceeding expenses enabling the Board to fully fund and maintain the Operating Reserve pursuant to BPC Policy 117, the District shall reclassify \$2.5 million from the revenues exceeding expenses into the Environmental Fund; and
- (2) the adoption of the Fiscal Year 2012/2013 Final Budget constituted a waiver of BPC Policy 609 (Public Art) and that in future years as and if the District generates revenues exceeding expenses enabling the Board to fully fund and maintain the Operating Reserve pursuant to BPC Policy 117, the District shall reclassify \$1.0 million from the revenues exceeding expenses into the Public Art Fund; and
- (3) that insurance payments, reimbursement of attorney fees, legal settlements/verdicts, or disputed invoices by the District for services rendered shall not be a basis for revenue assumptions for future fiscal years, and the District shall base future year budgets on undisputed revenues from services.

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11th day of June, 2013, by the following vote:

AYES: Castellanos, Malcolm, Merrifield, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: None.

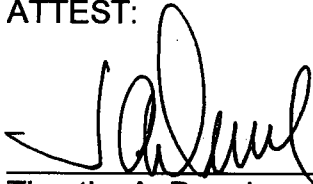
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)

RESOLUTION 2013-110

RESOLUTION ADOPTING THE FISCAL YEAR 2013/2014 PRELIMINARY BUDGET AND SETTING THE DATE FOR A PUBLIC HEARING ON THE BUDGET AS JULY 16, 2013

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I, (Port Act); and

WHEREAS, Section 46 of the Port Act requires that on or before the 15th day of June each year the District shall estimate and determine the amount of money required by the District and shall adopt a preliminary budget; and

WHEREAS, Section 47 of the Port Act, requires the Board of Port Commissioners (Board) is to meet for the purposes of fixing the final budget; and

WHEREAS, Section 47 of the Port Act requires that on or before the 15th day of June of each year, the Board shall publish a notice stating:

- (1) That the preliminary budget has been adopted and is available at a time and at a place within the District specified in the notice for inspection by interested taxpayers; and
- (2) That on a specified date not less than one month after the publication of the notice and at specified time and place, the District's Board will meet for the purpose of fixing the final budget, and that any taxpayer may appear and be heard regarding the increase, decrease or omission of any item in the budget, or for the inclusion of additional items; and

WHEREAS, on June 11, 2013, the Board voted to express the non-binding sense of the Board related to the adoption of the preliminary budget for Fiscal Year 2013-2014.

NOW THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District that the Preliminary Budget of the San Diego Unified Port District for the Fiscal Year 2013-2014, a copy of which is on file in the office of the District Clerk, is hereby adopted and available for inspection by interested taxpayers and any other interested parties at 3165 Pacific Highway, San Diego.

BE IT FURTHER RESOLVED that on July 16, 2013, at the above-mentioned location, shall be the time and place the Board of Port Commissioners shall meet for the purpose of fixing the final budget, and any taxpayer and any other interested party may appear and be heard regarding the increase, decrease or omission of any item in the budget or the inclusion of additional items.

BE IT FURTHER RESOLVED that it is the non-binding sense of the Board that:

- 1) as approved, the Preliminary Budget constitutes a waiver of BPC Policy 609 (Public Art) and that in future years as and if the District generates revenues exceeding expenses enabling the Board to fully fund and maintain the Operating Reserve pursuant to BPC Policy 117, the District shall reclassify \$2.1 million from the revenues exceeding expenses into the Public Art Fund; and
- 2) as approved, the Preliminary Budget constitutes waiver of BPC Policy 730 (Port Environmental Advisory Committee Policy) and that in future years as and if the District generates revenues exceeding expenses enabling the Board to fully fund and maintain the Operating Reserve pursuant to BPC Policy 117, the District shall reclassify \$524,000 from the revenues exceeding expenses into the Environmental Fund; and
- 3) the Audit Committee of the Board is charged with the following tasks and shall provide quarterly progress reports to the Board, and the Board Chair is authorized to designate an Audit Committee member to draw on reasonable staff resources to implement this course of action:
 - a) more vigorously govern and track progress on budgeted revenues and expenses and recommend timely action to prevent an operating deficit from occurring in FY 13-14;
 - b) prior to the April 2014 regular Board meeting, identify new revenue streams and/or expense reductions that achieve a balanced budget for FY 14-15 without use of reserves; and
 - c) prior to the May 2014 regular Board meeting, create a five-year revenue and expense model for Board consideration to ensure Zero Deficit budgets for those future years.

2013-110

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11th day of June, 2013, by the following vote:

AYES: Castellanos, Malcolm, Merrifield, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: None.

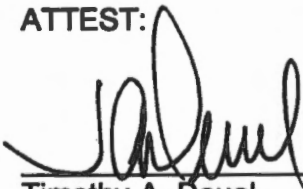
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)

THIS PAGE INTENTIONALLY LEFT BLANK
