



MEMORANDUM

TO: Board of Commissioners
FROM: Kristen Stout, Business Manager
Linda Hendy, Accountant
DATE: November 17, 2020
SUBJECT: **2020-21 Budget Transfers**

Recommendation

- Motion: Approve proposed budgetary transfers.

District Major Objective/Goal

Not applicable

Policy Implications

District policy requires an action to formally approve transfers and revisions to appropriations.

Fiscal Implications / Budget Status

Increase use of Operating Reserves

Alternatives Considered

The following actions were considered but are not recommended at this time:

- None

Discussion

The Harbor Commission level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is maintained at the fund, and budget category level, with more stringent control over major maintenance and capital assets, which are maintained at the line-item level.

Staff has reviewed the current budget for the 2020/21 fiscal year on both a consolidated and fund level. Based on this review, staff is recommending the budgetary transfers described below.

Operating Reserves to Capital Projects \$90,000 Generators

At the October 27, 2020 Harbor Commission meeting, the Harbor Commission approved the purchase and installation of two Generators in the amount of \$90,000. Funding for this New Capital Project is \$85,500 grant funding provided by Nuclear Power Preparedness, California Office of Emergency Services, and the remaining balance of \$4,500 from the Districts Operating Reserves.

The California Office of Emergency Services allocates funding to assist agencies that participate in Nuclear Power Preparedness program. The Harbor District has previously used this funding for the purchase of the changeable message sign, a portion of Harbor Patrol's Boat 1, radios, and other necessary items for emergencies. The grant will cover 100% of the Main Office generator and 90% of the funding for the Lift Station #2 generator. Funding will cover the engineering, purchase, and installation of the generators.

Operating Reserves to Capital Project: \$160,000 Harbor Terrace Gear Storage

At the October 14, 2020 Special Meeting of the Harbor Commission, the Harbor Commission approved allocating additional funding for Capital Project: Harbor Terrace Gear Storage in the amount of \$160,000. Gear storage is an important facility for the commercial fishing industry of Port San Luis and is an asset to the Harbor District. With increased funding, the District is including asphalt paving, which will be durable enough for forklift use and easier to reseal as needed. Other improvements include establishing utilities such as water, electricity, electric gate and keypad, and conduit for future additional electricity and security, if needed. The improvements will offer better usability, security, and will decrease future maintenance costs and disruptions.

In conclusion, Staff is recommending the budget transfers within both the Enterprise Fund and the General Fund listed on Attachments 1 and 2 to address the above listed items.

Attachment(s):

1. Proposed Budgetary Transfer Summary
2. Proposed Major Maintenance and Capital Project Budgetary Transfer Detail