



**MEMORANDUM**

**TO:** Board of Commissioners  
**FROM:** Linda Hendy, Accountant  
**DATE:** June 28, 2022  
**SUBJECT:** **Quarterly Budget Transfers – Third Quarter FY2021-22**

**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 in the amount of \$45,000.

**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 budget for the 2021/22 fiscal year on both a consolidated and fund level. Based on this review, staff is recommending the budgetary transfers described below:

- 1. Generators - Capital Project in the amount of \$28,000; funding source Nuclear Power Plant (NPP) Grant Funds.**

At the March 22, 2022, Harbor Commission meeting, the Harbor Commission approved allocating additional funding for Capital Project: Generators, in the amount of \$28,000 with grant funding.

The current 2021-22 FY Capital Projects budget includes \$70,000 for the engineering, purchase, and installation of two backup generators which are funded with a \$70,000 grant from the Nuclear Power Preparedness (NPP) Program. The project was approved for an additional \$28,000 in grant funding from the NPP Program, increasing the total grant revenue to \$98,000.

This budget adjustment does not increase the Harbor District-funded portion but is necessary because of the additional grant funds received.

**2. Boom Truck - Capital Project in the amount of \$10,000; funding source Operating Reserves.**

At the March 22, 2022, Harbor Commission meeting, the Harbor Commission approved additional funding for purchasing and financing of the Boom Truck.

The current 2021-2022 FY Capital Projects budget includes \$36,000 for the initial purchase of a new boom truck, funded from the District's Operating Revenues. The District has successfully completed financing as of June 1, 2022, for the purchase of the boom truck as a 5-year lease-to-own. The base price of \$197,300 translates to approximately \$224,000 after taxes, fees, and interest. Allocating an additional \$10,000 of operating reserves increases the total Capital Project line-item budget to \$46,000 covering the initial financing expenses.

Loan payments concurrent with the boom truck's use on the Avila Pier project are eligible for reimbursement.

**3. Contract Security - Salaries/Wages/Benefits Operating Expense; in the amount of \$35,000, funding source Operating Reserves.**

At the December 14, 2021, Harbor Commission meeting, the Harbor Commission approved a new security agreement with Condor Security Services of America, Inc.

Current 2021-2022 budget allotment for contract security services is \$119,000. The Board approved contract exceeded our annual amount and required a budget adjustment of \$35,000 to cover increased cost for current fiscal year.

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

PORT SAN LUIS HARBOR DISTRICT  
BUDGET ADJUSTMENT REQUEST FORM  
JULY 1, 2021 TO APRIL 30, 2022  
FOR BUDGET YEAR ENDING JUNE 30, 2022

ATTACHMENT 1

Enterprise Fund			
Budget Categories	Current Budget		New Proposed Budget
	Revenue/(Expenditure)	Proposed Change	
Service Revenue	\$ 552,700		\$ 552,700
Mooring Revenue	165,900		165,900
Leases & Licenses	1,457,600		1,457,600
Diesel Sales	24,700		24,700
Non-Operating Revenue	28,000		28,000
Operating Grants	-		-
Major Maintenance Grants	100,000		100,000
Capital Grants	1,832,606	19,600	1,852,206
Salaries/Wages/Benefits	(1,074,472)		(1,074,472)
Supplies	(32,400)		(32,400)
Operations & Maintenance	(96,463)		(96,463)
Utilities	(180,252)		(180,252)
General & Administrative	(405,683)		(405,683)
Budget Contingency	(60,250)		(60,250)
Major Maintenance	(420,575)		(420,575)
Capital Projects	(2,146,308)	(26,600)	(2,172,908)
Reserve Use - Major Maintenance	242,725		242,725
Reserve Use - Capital Project	104,850	-	104,850
Transfer into Specified Reserves	-		-
<b>Total Operating Reserve (Use)/ Funding</b>	<b>\$ 92,678</b>	<b>\$ (7,000)</b>	<b>\$ 85,678</b>
General Fund			
Budget Categories	Current Balance		New Proposed Balance
	Revenue/(Expenditure)	Proposed Change	
Non-Operating Revenue (Expense)	\$ 3,932,750		3,932,750
Operating Grants	40,000		40,000
Capital Grants	1,602,250	8,400	1,610,650
Salaries/Wages/Benefits	(2,834,328)	(35,000)	(2,869,328)
Supplies	(94,300)		(94,300)
Operations & Maintenance	(183,287)		(183,287)
Utilities	(327,548)		(327,548)
General & Administrative	(584,467)		(584,467)
Budget Contingency	(60,250)		(60,250)
Major Maintenance	(229,925)		(229,925)
Capital Projects	(2,147,410)	(11,400)	(2,158,810)
Reserve Use - Major Maintenance	30,775		30,775
Reserve Use - Capital Project	322,150		322,150
Transfer into Specified Reserves	-		-
<b>Total Operating Reserve (Use)/ Funding</b>	<b>\$ (533,590)</b>	<b>\$ (38,000)</b>	<b>\$ (571,590)</b>

<u>Change in Operating Reserves</u>	<u>(440,912)</u>	<u>(485,912)</u>
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**Proposed Changes:**

1. Boom Truck	(10,000)	
2. Generators (Grant Funded)	(28,000)	
NPP Grant Funded	28,000	
3. Contract Security	(35,000)	

<b>Net Change from Preliminary to Final Budget</b>	<b>(45,000)</b>	
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PORT SAN LUIS HARBOR DISTRICT  
 BUDGET ADJUSTMENT REQUEST FORM  
 JULY 1, 2021 TO APRIL 30, 2022  
 FOR BUDGET YEAR ENDING JUNE 30, 2022

ATTACHMENT 2

Major Maintenance General Fund			
Budget Categories	Current Budget Revenue/(Expenditure)	Proposed Change	New Proposed Balance
Grant Special Project Funding	\$ 40,000		\$ 40,000
Abandoned Vessel	(40,000)		(40,000)
District Building-Maintenance & Improvments	(18,900)		(18,900)
Dredge Pump Maintenance	(2,775)		(2,775)
Heavy Equipment Maintenance	(7,500)		(7,500)
Parking Lot Maintenance	(24,500)		(24,500)
Pier Lumber & Materials	(87,500)		(87,500)
Revetment & Jetty	(35,000)		(35,000)
Trailer Boat Hoist	(3,750)		(3,750)
Water Tank	(10,000)		(10,000)
			-
			-
<b>Total Major Maintenance Expenditures</b>	(189,925)	\$ -	\$ (189,925)
Capital Projects General Fund			
Budget Categories	Current Balance Revenue/(Expenditure)	Proposed Change	New Proposed Balance
Grant Special Project Funding	\$ 1,602,250	\$8,400	\$ 1,610,650
Air Compressor	(18,000)		(18,000)
Avila Pier Rehabilitation	(1,550,000)		(1,550,000)
Avila Pier & Harford Pier Water/Fireline Repair	(60,000)		(60,000)
Avila Pier Landing Rehabilitation	(50,000)		(50,000)
Boom Truck	(10,800)	(3,000)	(13,800)
Crane Cab Refurbishment	(3,000)		(3,000)
Digital Radio Upgrade	(15,000)		(15,000)
District Landline Phone Replacement	(7,000)		(7,000)
Generators	(21,000)	(8,400)	(29,400)
Harbor Terrace Gear Storage	(24,500)		(24,500)
Harbor Terrace Project Monitoring	(22,260)		(22,260)
Harford Pier Redevelopment	(240,000)		(240,000)
Harford Pier Site Plan	(15,850)		(15,850)
Harford Pier Survey	(24,000)		(24,000)
Manhole Maintenance	(10,000)		(10,000)
Master Plan - PSLHD	(5,000)		(5,000)
Mooring Crew Skiff	(7,500)		(7,500)
Network Server (District IT Function)	(17,000)		(17,000)
Security Cameras	(15,000)		(15,000)
Sewer Treatment Plant	(18,750)		(18,750)
Utility Task Vehicle	(12,750)		(12,750)
<b>Total Capital Project Expenditures</b>	\$ (545,160)	\$ (3,000)	\$ (548,160)

- (1) Funded by Budget Contingency
- (2) Funded by Specified Reserves
- (3) Funded by Operating Reserves
- (4) Funded by Grants

PORT SAN LUIS HARBOR DISTRICT  
 BUDGET ADJUSTMENT REQUEST FORM  
 JULY 1, 2021 TO APRIL 30, 2022  
 FOR BUDGET YEAR ENDING JUNE 30, 2022

Major Maintenance Enterprise Fund				
Budget Categories	Current Balance		New Proposed	
	Revenue/(Expenditure)	Proposed Change	Balance	
Grant Special Project Funding	\$ 100,000		\$	100,000
District Buildings Maintenance & Improvements	(8,100)			(8,100)
Dredging Pump Maintenance	(15,725)			(15,725)
Heavy Equipment Maintenance	(17,500)			(17,500)
Mooring Capital Cost (LCM)	(300,000)			(300,000)
Parking Lot Maintenance	(10,500)			(10,500)
Pier Lumber & Materials	(37,500)			(37,500)
Trailer Boat Hoist	(21,250)			(21,250)
Water Tank	(10,000)			(10,000)
				-
Total Major Maintenance Expenditures	\$ (320,575)	\$ -	\$	(320,575)
Capital Projects Enterprise Fund				
Budget Categories	Current Balance		New Proposed	
	Revenue/(Expenditure)	Proposed Change	Balance	
Grant Special Project Funding	\$ 1,832,606	\$ 19,600	\$	1,852,206
Air Compressor	(42,000)			(42,000)
Boom Truck	(25,200)	(7,000)		(32,200)
Crane Cab Refurbishment	(7,000)			(7,000)
Generators	(49,000)	(19,600)		(68,600)
Harbor Terrace Project Monitoring	(9,540)			(9,540)
Harbor Terrace Gear Storage	(10,500)			(10,500)
Harbord Pier Redevelopment	(60,000)			(60,000)
Harford Pier Site Plan	(3,962)			(3,962)
Harford Pier Survey	(6,000)			(6,000)
Mobile Hoist Pier Extension	(1,300,000)			(1,300,000)
Outboard Motor Storage	(7,500)			(7,500)
Sewer Treatment Plant	(56,250)			(56,250)
Trailer Boat Gas Pump	(45,000)			(45,000)
Trailer Boat Dock	(486,106)			(486,106)
Utility Task Vehicle	(38,250)			(38,250)
				-
				-
				-
Total Capital Project Expenditures	\$ (313,702)	\$ (7,000)	\$	(320,702)

- (1) Funded by Budget Contingency
- (2) Funded by Specified Reserves
- (3) Funded by Operating Reserves
- (4) Funded by Grants

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