

Santa Cruz Port District  
 135 5th Avenue  
 Santa Cruz, CA 95062  
 831.475.6161  
 831.475.9558 Fax  
 www.santacruzharbor.org



PORT COMMISSIONERS:  
 Toby Goddard  
 Dennis Smith  
 Reed Geisreiter  
 Stephen Reed  
 Darren Gertler

TO: Port Commission

FROM: Matt Kerkes, Facilities Maintenance and Engineering Manager

DATE: February 2, 2018

SUBJECT: Approval of Extended Warranty Contracts with Caterpillar (*Twin Lakes* C32 and C18 engines; D6K Dozer)

**Recommendation:** *Approve the extended warranty contracts with Caterpillar.*

**BACKGROUND**

The District's C18 engine powers the generator onboard *Twin Lakes*, while the C32 engine powers the main pump. The District acquired the equipment in 2016, as part of the *Twin Lakes* purchase. The original purchase included a standard warranty, which expired in November 2017.

In April 2017, the District purchased a used D6K Dozer to assist the dredge operation on the beach. Since the equipment was purchased used, no warranty was included with the sale.

**ANALYSIS**

All three pieces of equipment are vital to the day-to-day dredging operation. Purchasing the extended warranties will provide assurance that maintenance and repairs are performed in a timely manner to minimize downtime and reduce expenses associated with any necessary repairs.

The terms and cost for each warranty are described below. In addition to the total warranty cost, an inspection fee of \$1,888 will be charged for both the C32 and C18 engines. The inspection fee includes an oil change for both pieces of equipment. An inspection for the D6K Dozer is not required.

Equipment	Term of Warranty	Cost of Warranty
Twin Lakes' C32 Engine	60 Months or 5,000 hours (Parts & Labor)	\$20,440.00
Twin Lakes' C18 Engine	60 Months or 5,000 hours (Parts & Labor)	\$11,460.00
D6K Dozer	12 Months (Powertrain & Hydraulics – Parts & Labor)	\$2,700.00
	Subtotal:	\$34,600.00
	Inspection Fees:	\$3,776.00
	<b>Total:</b>	<b>\$38,376.00</b>

***C32 and C18 Advantage Engine Only Platinum Coverage***

For the C32 and C18 engines, the warranty clock starts from the date of manufacture, so the 5,000 hour warranty term is reduced by current usage hours. For the C-18, current usage is 1,326 hours,

leaving 3,674 hours (or 5 years) of coverage and for the C32, current usage is 1,026 hours, leaving 3,974 hours (or 5 years) of coverage.

There are a number of exclusions and limitations. The following highlights some of the coverage exclusions and owner responsibilities (refer to Attachment A, Customer Quote, for a complete listing):

- routine maintenance or consumable products such as oil, filters, belts are excluded;
- “Mechanical breakdown” caused by normal wear and tear, corrosion or physical or mechanical erosion, failure to maintain proper level of lubricants and coolants, repairer workmanship, use of improper or contaminated fuel or fluid is excluded.

Coverage requires that the District operate, maintain and perform all recommended maintenance for the covered equipment according to the guidelines and recommendations as specified in the manufacturer’s Operation and Maintenance (O&M) Manual. An authorized dealer must be used for all scheduled oil sampling, and testing must be performed at the service intervals specified in the O&M Manual.

Section XIV of the customer quote (Attachment A) details “platinum” level coverage.

#### ***D6K Dozer Powertrain and Hydraulics Coverage***

The D6K dozer was purchased used, so the 12 month / 1,000 hour coverage is in addition to the current usage hours.

The powertrain and hydraulics parts eligible for coverage, and coverage exclusions, are outlined in the Equipment Protection Plan information sheet appended to the Extended Coverage Quote (Attachment B).

#### **IMPACT TO PORT DISTRICT RESOURCES**

Funding for the three extended warranties is an unanticipated expense in FY18 and will be paid for out of the dredge program.

- ATTACHMENTS –
- A. Extended Coverage Quote for C18 and C32 Engines
  - B. Extended Coverage Quote for D6KLGP Dozer



# Extended Coverage Quote Confirmation

Quote Number : 1516319655192

## Customer Quote

Extended Coverage Quote Provider : Caterpillar

Quote Date : 01/18/2018

Price Expiration Date : 02/17/2018

Quote Status : Draft-NOT ACCEPTED

**Customer Information :**

SANTA CRUZ PORT DISTRICT  
135 5TH AVE  
SANTA CRUZ  
CALIFORNIA  
95062-4701  
UNITED STATES

**Dealer Information :**

PETERSON PWR  
2828 TEAGARDEN ST  
PO BOX 5258  
SAN LEANDRO  
CALIFORNIA  
94577-5700  
UNITED STATES  
510 220 1777  
swmiller@petersonpower.com  
Scott Miller

**Product Information :**

Model : C18  
Serial# : DTP00414  
Type : Published  
Emissions Control Indicator : NONE  
Original Delivery Date : 11/10/2016  
Product Status : No Delayed Coverage Start  
Current Usage : 1,326 Hours

Coverage	P/L	Duration	Usage	Deductible	Amount
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	12 Months	1000 Hours	0.00	2,110.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	24 Months	2000 Hours	0.00	4,250.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	36 Months	3000 Hours	0.00	6,490.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	48 Months	4000 Hours	0.00	8,880.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	60 Months	5000 Hours	0.00	11,460.00

Advantage Inspection	1,888.00
Administration Fee	
Late Fee	
Tax	
<b>Total Customer Amount</b>	<b>1,888.00</b>
Currency	USD

Additional Comments :



# Extended Coverage Quote Confirmation

Quote Number : 1516319655192

## Customer Quote

**Notes:**

1. This quote is a non-binding price indication.
2. Dealers may refer to Equipment Protection Plan Administrative Manual or Engine Extended ESC coverage for covered component details.
3. Late Fees may apply to Engine Extended Coverage Cost(s) at the time of Enrollment.
4. All deductibles displayed in USD.
5. GST Not Included
6. Caterpillar branded machine product quotes do not include Year 1 – Labor Only coverage within the Year 2 & Beyond coverages (except for limited EPP programs, which include both Year 1 – Labor Only and Year 2 & Beyond coverage)

Customer Signature

Date

Dealer Signature

Date

Thank you for your business!

2120 West End Avenue, Nashville, TN 37203  
Toll Free: 1(800) 248-4228

## I. INTRODUCTION

This Extended Service Coverage ("ESC") Certificate, herein referred to as the Contract, is specifically for Cat Marine Engines and is an important part of the Provider's continuing effort to provide "you" with superior value and product support.

## II. TERMS AND CONDITIONS

This Contract defines coverage, less any applicable deductible, for the "cost" of a "mechanical breakdown" under normal use during the "coverage period" due to a defect in material or factory workmanship of "covered components". This Contract is subject to the applicable exclusions listed under Section VIII. **EXCLUSIONS AND LIMITATIONS**. The Registration Certificate, page 1 of this Contract, must be completed in its entirety on the date of registration.

"You" should purchase this Contract on the "covered equipment's" original purchase date from an "authorized dealer". Certain fees, penalties and coverage availability limits may apply for Extended Service Coverage Contracts requested after the original purchase date. "You" must contact an "authorized dealer" for complete details.

For New "ESC", the "coverage period" under this Contract starts at the "delivery date" of the "covered equipment". No claim will be paid until this Contract is registered.

For Advantage "ESC", the "coverage period" under this Contract starts:

1. The date of successful completion of the Advantage Certification Inspection for engines not awaiting resale, or within 12 months from the original date of the Advantage Certification Inspection for "covered equipment" awaiting resale, or
2. If no inspection is required, see Section XVI. **EXTENDED SERVICE COVERAGE CONDITIONS**, coverage is effective on the date the Contract is signed as indicated on the bottom of the Registration Certificate, or
3. The transfer of coverage from an "authorized dealer" to "you".

Under this contract, coverage "upgrade or coverage continuation" for New "ESC" and Advantage "ESC" starts at the date of registration of the upgraded or continuation terms, conditions and coverage level.

## III. DEFINITIONS

"Authorized dealer" means a dealer authorized by the manufacturer to sell, service and repair the "covered equipment".

"Cost(s)" means the usual and customary charges as determined by the manufacturer for parts, labor, and other allowances necessary to repair or replace the parts "covered components" as specified in Section XIV. **COVERED COMPONENTS**. Replacement parts will be genuine manufacturers' parts when performing repairs and may include new, remanufactured or Caterpillar approved repaired components.

"Coverage period" means the period that commences with the start of coverage, as determined in Section II. **TERMS AND CONDITIONS**, and expires when time or hours of use, whichever occurs first, from the first date of coverage of the "covered equipment" exceeds the Extended Service Coverage terms limit as specified on the Registration Certificate.

"Covered component" means the components listed and identified for the appropriate level of coverage in Section XIV. **COVERED COMPONENTS**.

Coverage may also be discontinued if an overhaul to the "covered equipment" becomes necessary as defined by key measures explained in the Operation and Maintenance Manual for this model and application. These key measures include, but are not limited to, valve recession, oil consumption, blow by, S.O.S. recommendations, total fuel consumed or service hours.

"Covered equipment" means the equipment identified by serial number for this Contract as recorded on the Registration Certificate and accepted by "us".

"Delivery date", also known as in-service date, is the beginning date of the Caterpillar standard warranty period to the initial user. Extended Service Coverage will be identified as "ESC" throughout this Contract.

"Repairer(s)" means a business entity "we" have authorized as a repair facility or "authorized dealer".

"Mechanical Breakdown" means the failure of any original or replacement "covered component" to work as it was designed to work in normal service, provided it has received customary maintenance as recommended in the manufacturer's Operation and Maintenance Manual.

"Upgrade or coverage continuation" is a change to one or more of the existing contract terms that result in a higher price for the coverage.

Contract terms subject to change include:

- 1) Coverage Level,
- 2) Coverage Months,
- 3) Coverage Hours, and/or
- 4) Deductible Level

"Warranty" or "warranties" means the manufacturer's standard warranty or a "repairer's" guarantee or warranty.

"We," "us," and "our" mean the provider issuing this Contract and further defined in Section XVII. **PROVIDER**.

"You" and "your" mean the customer shown on the Registration Certificate.

#### IV. OUR RESPONSIBILITIES

"We" will pay the "cost", less any applicable deductible, to repair, replace or rebuild the "covered equipment" for a "mechanical breakdown" of a "covered component". This work will be reimbursed at normal working hour labor rates at a "repairer's" place of business, or the "authorized dealer's" approved location of the "covered equipment".

"We" will provide, at "our" choice, new, remanufactured or repaired components when replacing or repairing any "covered components". Further, "we" will also pay for any Cat component with a Cat part number that is rendered unserviceable by a "covered component" "mechanical breakdown" and reasonable labor to complete the repair.

"We" will restore the "covered equipment" to its operating condition prior to the "mechanical breakdown" by repairing and / or replacing only the required "covered components" and consequentially damaged Cat components necessary to correct the defect.

"We" will pay the reasonable labor to disconnect the "covered equipment" and reconnect the "covered equipment" to its attached equipment, mounting, and support systems, if required. Other parts or components removed in the process of the repair will be reinstalled as is, unless "you" authorize "your" additional expense to repair or replace.

"We" will also pay the reasonable "costs" of any consumables that are made unusable as a result of a "covered component" "mechanical breakdown".

#### V. YOUR RESPONSIBILITIES

"You" shall operate, maintain and perform all recommended maintenance for the "covered equipment" according to the guidelines and recommendations as specified in the manufacturer's Operation and Maintenance Manual and as specified in Section XIV. **COVERED COMPONENTS.**

"You" shall utilize an "authorized dealer" for all scheduled oil sampling (S.O.S.) as specified in the manufacturer's Operation and Maintenance Manual by submitting samples promptly with necessary sample information at the specified service intervals and take the appropriate action as recommended by the S.O.S. results.

"You" shall be responsible for labor and material costs for "covered equipment" removal and reinstallation, except as stated in Section IV. **"OUR" RESPONSIBILITIES.**

"You" shall be responsible for all "costs" not covered by this Contract.

"You" shall document all scheduled maintenance and repairs of the "covered equipment". In the event of a "mechanical breakdown", present documentation of scheduled maintenance and repairs.

"You" shall ensure operators have training on proper operation of the "covered equipment" and follow guidelines of the Operations and Maintenance Manual.

#### VI. COVERAGE TERRITORY

This Contract covers "covered equipment" worldwide except when coverage provided by this Contract would be in violation of any U.S.A. economic or trade sanctions, such as, but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidence of coverage or any claim that would be in violation of U.S.A. economic or trade sanctions, as described above, shall be null and void.

#### VII. CLAIM PROCEDURES

In the event of a "mechanical breakdown" of the "covered equipment", "you" shall:

1. Take all reasonable steps to protect and safeguard the "covered equipment".
2. Report the "mechanical breakdown" promptly to "us" or a "repairer".
3. Promptly make the "covered equipment" available to a "repairer" for examination and repairs. Provide proof of this Extended Service Coverage Certificate by presenting "your" copy of the Registration Certificate.
4. Furnish "us" or a "repairer" with such information as may be reasonably required to assess the "mechanical breakdown".
5. Upon request, provide proof of compliance with the maintenance schedules as recommended in the manufacturer's Operation and Maintenance Manual, such as receipts or copies of work orders or invoices from "repairers" or "authorized dealers" showing the maintenance and services performed. Failure to show proof of proper maintenance may result in denial of coverage.

#### VIII. EXCLUSIONS AND LIMITATIONS

This contract does not cover a "mechanical breakdown" caused by:

- > Wear and tear, normal wear out of components, corrosion, or physical or mechanical erosion;
- > Use of improper or contaminated fuel and/or fluid;
- > Failure to maintain proper level of lubricants and coolants;
- > "Repairer" workmanship;
- > "Covered equipment" modifications unless those modifications were performed at the authorized written request of "us";
- > Abuse, neglect, misuse or lack of customary maintenance, including, but not limited to:
  - I. Any failure to observe and comply with maintenance and servicing practices, specifications, intervals and requirements recommended or directed by the manufacturer;
  - II. Any failure to test oil samples according to an oil sampling program or analysis (including infrared analysis) as recommended or directed by the manufacturer; or
  - III. Any failure to inspect the "covered equipment" at such intervals as the manufacturer or "we" may recommend;

### VIII. EXCLUSIONS AND LIMITATIONS cont'd

- > Failure of a component which is not a "covered component";
- > Application of the "covered equipment" for a use that is not approved by "us";
- > Use or establishment of fuel settings for "covered equipment" which are inconsistent with settings recommended by "us" or the manufacturer.

#### This Contract also does not pay for the "costs" arising from:

- > Acts of God, vermin, collision, fire, theft, vandalism, riot, explosion, lightning, earthquake, wind, storm, hail, water freezing, or flood;
- > Performance-related complaints, including, but not limited to, adjustments to fuel settings or electronic unit injectors;
- > The supply or consumption of lube oils, grease, coolant or air conditioner refrigerant, unless otherwise provided in this Contract or agreed by "us";
- > Work which improves operating performance, including, but not limited to, replacing or repairing "covered components" worn by normal use;
- > Work associated with performing a Product Improvement Program (PIP) or Product Support Program (PSP) but which are not specifically paid for by the PIP or PSP;
- > Any loss of or damage to a "covered component" occurring or arising outside the coverage territory;
- > Engine tune-ups or other routine maintenance items or any normally scheduled preventive maintenance or maintenance services as explained in the Operation and Maintenance Manual, including, but not limited to, valve lash adjustments, with special attention to the scheduled maintenance items including filters, fuel nozzles, fuel injectors, thermostats, seals and gaskets;
- > Storage or miscellaneous shop supply charges;
- > Steel shims and cast iron block inserts;
- > Clamps and other fasteners not specified in Section XIV. COVERED COMPONENTS;
- > Any and all "mechanical breakdowns" of failures that are covered under any "warranty" whether enforceable or not;
- > Parts shipping charges and service charges unless provided by coverage type as described in Section XV. ADDITIONAL COVERAGE;
- > Any and all taxes;
- > "Your" expenses from loss of time, inconvenience, downtime or downtime-related expenses, or other incidental or consequential loss to "you" that results from a "mechanical breakdown".

### IX. TRANSFER OR ASSIGNMENT OF EXTENDED SERVICE COVERAGE

The remaining coverage of the Contract may be transferred or assigned to subsequent owners during the "coverage period" at no extra charge. To complete coverage transfer, the new owner of the "covered equipment" must present a copy of the current Registration Certificate to "us" within thirty (30) days, along with evidence of the transfer of the "covered equipment's" title. If in "our" opinion the new owner will operate the "covered equipment" in accordance with Section V. YOUR RESPONSIBILITIES, "we" will approve the transfer or assignment of the remaining coverage.

### X. TERMINATIONS AND REFUNDS

**Cancellation by "You".** "You" may cancel this Contract by providing written notice to "us" of "your" intent to cancel. Cancellation will be effective on the date "we" receive the cancellation notice.

**Refund and Administration Fee.** If "you" cancel this Contract by returning it to "us" within ten (10) days of the signature date as indicated on the bottom of the Registration Certificate, "your" refund shall be the Coverage Fees less any claims paid and a \$125.00 administration fee. If "you" cancel this Contract by returning it to "us" more than ten (10) days after the signature date, as indicated on the bottom of the Registration Certificate, the pro-rated refund will be based on the lesser of months or hours of unused coverage less any claims paid and a \$125 administration fee. No refund is available if coverage is transferred or assigned to a subsequent owner. A ten percent (10%) penalty shall be added to the refund if not paid within thirty (30) days from the time this Contract was returned to "us".

**Cancellation by "Us".** "We" may cancel this Contract and return to "you" the pro-rated refund based on the lesser of months or hours of unused coverage less any claims paid and a \$125.00 administration fee for the following reasons:

- > The coverage fee for this Contract has not been paid by "you",
- > The manufacturer's "warranty" has been cancelled or voided, or a substantial breach of duties by "you" relating to the "covered equipment" or its use. If there is a material misrepresentation in the Registration Certificate, "we" may void this Contract without written notice and "you" will not be charged the Coverage Fee.

This Contract may be cancelled if the condition of an overhaul, as described in the definition of "coverage period" occurs. In the case of an overhaul occurring, the customer may receive residual contract value as calculated above and applied to the continuation of coverage under the Overhaul Protection Contract (OPC) for Cat Commercial Engines. The new term of coverage under the OPC program may be selected per available terms if OPC eligibility requirements have been met.

### XI. DISCLAIMERS

- > "OUR" RESPONSIBILITIES AND "YOUR" REMEDIES UNDER THIS CONTRACT ARE LIMITED TO THE PROVISIONS AS SPECIFIED HEREIN.
- > "WE" DISCLAIM ANY EXPRESSED OR IMPLIED "WARRANTIES" IN CONNECTION HERewith INCLUDING ANY "WARRANTY" OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- > "WE" ARE NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- > REPLACEMENT PARTS FURNISHED UNDER THE TERMS OF THIS EXTENDED SERVICE COVERAGE CONTRACT ARE COVERED UNDER THE APPLICABLE REPLACEMENT PARTS "WARRANTY".

**XI. DISCLAIMERS cont'd**

- > THIS CONTRACT DOES NOT SUPERCEDE THE EMISSION WARRANTY FOR EMISSION RELATED COMPONENTS.
- > MISREPRESENTATION OF THE COVERED EQUIPMENT'S ELIGIBILITY FOR EXTENDED SERVICE COVERAGE, OR THE ACTUAL ACCUMULATED MILES, KILOMETERS, HOURS, FUEL BURN OR AGE SHALL RESULT IN CANCELLATION OF THIS CONTRACT BY "US".
- > "WE" SHALL BE ENTITLED TO ALL OTHER REMEDIES.

**XII. CUSTOMER ASSISTANCE**

For the U.S.A. and Canada, when a problem arises concerning the operation of "your" "covered equipment" or concerning the service of "your" "covered equipment", the problem will normally be managed by the "authorized dealer" in your area.

"Your" satisfaction is a primary concern of Caterpillar and Cat dealers. If "you" have a problem that has not been handled to "your" complete satisfaction, follow these steps:

1. Discuss "your" problem with a manager from the "authorized dealership".
2. If your problem cannot be resolved at the "authorized dealer" without additional assistance, use this phone number to talk with a Customer Interaction Center Field Service Coordinator: 1-800-447-4986.

The normal hours are from 7:00 a.m. to 4:30 p.m. Monday through Friday, Central Time, U.S.A. Please keep in mind the ultimate goal is to solve "your" problem at the "authorized dealership". Therefore, please follow the steps in sequence when a problem is experienced.

For outside the U.S.A., if a problem arises concerning the operation of "your" "covered equipment" or the service of "your" "covered equipment", please contact "your" nearest Cat dealer or Service Representative.

**XIII. PRIVACY NOTICE**

"We" do not disclose any non-public personal information about "you" or former customers to anyone, except as permitted by law.

"We" may collect non-public personal information necessary for service contract coverage to "you" from the following sources:

- > Information that "we" receive from you on registrations, applications or other forms, such as "your" name, address, assets and income.
- > Information about "your" transactions with "us", "our" subsidiaries, "our" affiliates (received only with "your" express consent); and
- > Information from a customer reporting agency.

"We" restrict access to non public personal information about "you" to those employees who need to know that information to provide "ESC" services to "you".

"We" maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard "your" non-public personal information.

"Our" Privacy Statement is available upon request by contacting "your" local Cat dealer or "ESC" program manager.

**XIV. COVERED COMPONENTS**

Major items that are serialized with unique model nomenclature require a separate contract. Original Equipment Manufacturer's components, such as alternators, made a part of the 'as-shipped' consist of the marine application through the Design to Order (DTO) process are not covered unless Caterpillar has given written approval to include the OEM components in the coverage.

**ENGINE COMPONENT COVERAGE:**

**Platinum Level Coverage Components:** All as-shipped consist from the factory with Cat part numbers excluding: Marine Controls, Cat Marine Displays, and associated controls & display wiring, filters, fluids, vee-belts, hoses, power take-offs, paint, batteries, and clutches.

**Platinum Plus Level Coverage Components:** All as-shipped consist from the factory plus additional Cat Marine Controls, Cat Marine displays (excluding Engine Vision), and associated controls & display wiring and any additional Cat components, having a Cat part number, installed by an "authorized dealership" and accepted by "us" through the Platinum Plus Additional Coverage Component Certification Worksheet LEYH0001-06. Excluded components include: filters, fluids, vee-belts, hoses, power take-offs, paint, batteries, and clutches.

It is the responsibility of the "authorized dealer" to provide the following documents to Caterpillar:

- 1) A copy of the Cat Extended Service Coverage form, and
- 2) The list of Cat components complete with the Cat part numbers.

These documents will become part of the permanent service history of the "covered equipment".

Refer to Section XV for Additional Coverage for Platinum and Platinum Plus level Engine Extended Service Coverage.

**Three60 PRECISION CONTROL COVERAGE:**

**Coverage includes:** All as-shipped consist from the factory including control heads (dual lever, Palm Beach Style & joysticks), powertrain controllers, joystick controllers, thrusters, tunnels, pumps, hydraulic manifolds, hydraulic reservoirs, heat exchangers and any additional Cat components having a Cat part number installed by an "authorized dealership". Excluded components are consumables such as filters and fluids.



## XV. ADDITIONAL COVERAGE

### Travel & Mileage Limitations:

- For marine engines up to and including 4 liters displacement
  - > Up to 2 hours and 100 miles / 162 kilometers travel allowance.
- For marine engines over 4 liters, up to 7.5 liters displacement and registered in Platinum level coverage
  - > Up to 4 hours and 200 miles / 325 kilometers travel allowance
- For marine engines over 7.5 liters displacement and registered in Platinum level coverage
  - > Up to 8 hours and 320 miles / 515 kilometers travel allowance
- For marine engines over 4 liters displacement and registered in Platinum Plus level coverage
  - > Up to 10 hours and 500 miles / 802 kilometers travel allowance

### Overtime Allowance:

For engines registered in Platinum Plus level coverage, up to \$1,500 of overtime labor may be claimed for the incremental cost of performing the repair outside of normal business hours. Incremental labor cost hours must be in consecutive shifts to standard labor hours. This allowance modifies Section IV. **OUR RESPONSIBILITIES**, regarding repairs being done during normal business hours. This allowance is payable when it is not reasonably practical for the covered repair to be completed during normal business hours.

### Emergency Freight:

Up to \$500 in emergency freight shipping charges through "our" recommended method, if the failed "covered components" require emergency shipping to expedite the repair or replacement of a covered component.

## XVI. EXTENDED SERVICE COVERAGE CONDITIONS

In addition to the "coverage period" hours of use limits and existing hours of use eligibility limitations described below, certain other factors may limit the maximum hours of use during the "coverage period." These factors include, but are not limited to; fuel quality, severity of operation and other conditions of application severity.

### New "ESC" Eligibility Requirements:

The "coverage period" for "covered equipment" in marine propulsion or auxiliary generation applications shall not exceed five (5) years from the "delivery date" of the "covered equipment."

"Covered equipment" shall not exceed the following hours of use limits based on engine displacement:

- > 6,000 hours for less than 4 liter displacement,
- > 8,000 hours for displacement equal to or more than 4 liters and less than 7.5 liters,
- > 10,000 hours for displacement equal to or more than 7.5 liters and less than 22 liters,
- > 15,000 hours for displacement equal to or more than 22 liters and less than 34 liters,
- > 25,000 hours for displacement equal to or more than 34 liters.

### Advantage "ESC" Eligibility Age and Usage Requirements:

1) **Age of unit:** The "covered equipment" must be less than 10 years from delivery date when the "coverage period" expires. The "coverage period" of Advantage "ESC" shall not exceed five (5) years.

2) **Amount of use:** The total number of hours from delivery date (Advantage coverage hours + current hours) cannot exceed the total hours for the following engine displacements:

- > 6,000 hours for less than 4 liters displacement,
- > 8,000 hours for displacement equal to or more than 4 liters and less than 7.5 liters,
- > 10,000 hours for displacement equal to or more than 7.5 liters and less than 22 liters,
- > 15,000 hours for displacement equal to or more than 22 liters and less than 34 liters,
- > 25,000 hours for displacement equal to or more than 34 liters.

3) **Advantage Certification Inspection Form:** Complete the Marine Advantage Certification Inspection Form LEEM1678 (required on all marine propulsion or auxiliary engines).

**IMPORTANT NOTICE:** All "Covered Components" must pass inspection or be replaced at the proper intervals as prescribed by the manufacturer's Operation and Maintenance Manual by an "Authorized Dealer" to qualify for continued coverage under this "ESC" contract.

**"Your" failure to follow the manufacturer's Operation and Maintenance Manual will result in denial of claims.**

## XVII. PROVIDER

In the United States and its territories of Guam, America Samoa, the Northern Mariana Islands and U.S. Minor Outlying Islands: The Provider of this service contract is Caterpillar, Inc.

In Canada excluding Alberta: The Provider of this service contract is the Cat dealer.

In Alberta, Canada: The Provider of this service contract is Caterpillar of Canada.

In All Other Countries and the U.S.A. territories of Puerto Rico and the U.S. Virgin Islands: The Provider of this service contract is the Cat dealer.

## XVIII. NOTICE FOR U.S. CONTRACTS ONLY

Obligations of the Provider under this Contract are backed only by the full faith and credit of the Provider (issuer) and are not guaranteed under a service contract reimbursement insurance policy.

## XVIII. ENDORSEMENTS, APPLICABLE TO U.S.A. ISSUED CONTRACTS ONLY

In Georgia: Paragraph X. **TERMINATIONS AND REFUNDS** the subparagraphs Refund and Administration Fee and Cancellation by "Us" are replaced by the following:

- > **Refund and Administration Fee.** If "you" cancel this Contract, the pro-rated refund will be based upon the lesser of months, miles or hours of unused coverage provided.
- > **Cancellation by "Us".** We may only cancel this Contract for fraud, material misrepresentation or non-payment. If "we" cancel this Contract, "we" will give written notice of cancellation at least:
  - a) 10 days before the effective date of cancellation if we cancel for nonpayment of coverage fees or,
  - b) 30 days before the effective date of cancellation if we cancel for any other reason. The pro-rated refund will be based upon the lesser of months, miles or hours of unused coverage provided.

In Hawaii: Paragraph X. **TERMINATIONS AND REFUNDS**, the subparagraph Cancellation by "Us" is replaced by the following:

- > **Cancellation by "Us".** "We" may cancel this Contract and return to "you" the pro-rated refund based on the lesser of months, miles or hours of unused coverage provided less any claims paid and a \$35.00 administration fee without notice for nonpayment or the Coverage Fee, material misrepresentation or substantial breach of "your" duties relating to "covered equipment" and with five (5) days prior notice of cancellation that states the effective date of cancellation for any other reason.

In Hawaii and Wyoming: Paragraph X. **TERMINATIONS AND REFUNDS**, the subparagraph Refund and Administration Fee is replaced by the following:

- > **Refund and Administration Fee.** If no claims have been made under the Contract delivered at the time of sale and "you" cancel this Contract by returning it to "us" within twenty (20) days of purchase, "your" refund shall be the Coverage Fees, or between twenty (20) and thirty (30) days of purchase, "your" refund shall be the Coverage Fees less a \$25.00 administration fee. If "you" cancel this Contract by returning it to "us" after thirty (30) days from purchase, the pro-rated refund will be based on the lesser of months, miles or hours of unused coverage provided less any claims paid and a \$25.00 administration fee. No refund is available if coverage is transferred or assigned to a subsequent owner. A ten percent (10%) penalty shall be added to the refund if not paid within thirty (30) days from the time this Contract was returned to "us".

In Wisconsin: Paragraph X. **TERMINATION AND REFUNDS** the subparagraphs Refund and Administration Fee and Cancellation by "Us" are replaced by the following:

- > **Refund and Administration Fee.** If "you" cancel this Contract by returning it to "us" within fifteen (15) days after "you" receive this Contract, "your" refund shall be the Coverage Fees less a \$35.00 administration fee. If "you" cancel this Contract by returning it to "us" after fifteen (15) days from the date "you" receive the Contract, the pro-rated refund will be based on the lesser of months, miles or hours of unused coverage provided less a \$35.00 administration fee. If "we" cancel this Contract, "we" will provide "you" with written notice and "we" will not deduct any claims paid from "your" refund. A ten percent (10%) penalty shall be added to the refund if not paid within thirty (30) days from the time this Contract was returned to "us". All other terms and conditions apply.
- > **Cancellation by "Us".** "We" may cancel this Contract with written notice to "you" and return to "you" the pro-rated refund based on the lesser of months, miles or hours of unused coverage provided and a \$25.00 administration fee for the following reasons: the coverage fee for this Contract has not been paid by "you", the manufacturer's warranty has been canceled or voided, or a substantial breach of duties by "you" relating to the "covered equipment" or its use. If there is a material misrepresentation with intent to deceive by "you" in the Registration Certificate, "we" may void this Contract with written notice and "you" will not be charged the Coverage Fee.

"THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE."



# Extended Coverage Quote Confirmation

Quote Number : 1516903448295

## Customer Quote

Extended Coverage Quote Provider : Caterpillar  
Quote Date : 01/25/2018  
Price Expiration Date : 02/24/2018

Quote Status : Draft-NOT ACCEPTED

**Customer Information :**

SANTA CRUZ PORT DISTRICT  
ATTN: PORT DIRECTOR  
135 5TH AVE  
SANTA CRUZ  
CALIFORNIA  
95062-4701  
UNITED STATES

**Dealer Information :**

PETERSON PWR  
2828 TEAGARDEN ST  
PO BOX 5258  
SAN LEANDRO  
CALIFORNIA  
94577-5700  
UNITED STATES  
510 220 1777  
swmiller@petersonpower.com  
Scott Miller

**Product Information :**

Model : C32  
Serial# : SDN01141  
Type : Published  
Emissions Control Indicator : NONE  
Original Delivery Date : 11/04/2016  
Product Status : No Delayed Coverage Start  
Current Usage : 1,026 Hours

Coverage	P/L	Duration	Usage	Deductible	Amount
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	12 Months	1000 Hours	0.00	3,760.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	24 Months	2000 Hours	0.00	7,580.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	36 Months	3000 Hours	0.00	11,580.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	48 Months	4000 Hours	0.00	15,840.00
ADV ENGINE ONLY PLATINUM	PARTS AND LABOR	60 Months	5000 Hours	0.00	20,440.00

Advatage Inspection	1,888.00
Administration Fee	
Late Fee	
Tax	
<b>Total Customer Amount</b>	<b>1,888.00</b>
Currency	USD

Additional Comments :



# Extended Coverage Quote Confirmation

Quote Number : 1516903448295

## Customer Quote

**Notes:**

1. This quote is a non-binding price indication.
2. Dealers may refer to Equipment Protection Plan Administrative Manual or Engine Extended ESC coverage for covered component details.
3. Late Fees may apply to Engine Extended Coverage Cost(s) at the time of Enrollment.
4. All deductibles displayed in USD.
5. GST Not Included
6. Caterpillar branded machine product quotes do not include Year 1 – Labor Only coverage within the Year 2 & Beyond coverages (except for limited EPP programs, which include both Year 1 – Labor Only and Year 2 & Beyond coverage)

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Customer Signature

Date

Dealer Signature

Date

Thank you for your business!

2120 West End Avenue, Nashville, TN 37203  
Toll Free: 1(800) 248-4228

## I. INTRODUCTION

This Extended Service Coverage ("ESC") Certificate, herein referred to as the Contract, is specifically for Cat Petroleum Engines, Commercial Transmissions, Petroleum Power Modules or Petroleum generator sets and is an important part of the Provider's continuing effort to provide "you" with superior value and product support. Portions of this Contract which pertain only to an engine, commercial transmission, power module and/or genset will be indicated as pertaining only to an engine, commercial transmission, power module and/or genset.

## II. TERMS AND CONDITIONS

This Contract defines coverage, less any applicable deductible, for the "cost" of a "mechanical breakdown" under normal use during the "coverage period" due to a defect in material or factory workmanship of "covered components". This Contract is subject to the applicable exclusions listed under Section VIII. **EXCLUSIONS AND LIMITATIONS**. The Registration Certificate, page 1 of this Contract, must be completed in its entirety on the date of registration.

"You" should purchase this Contract on the "covered equipment's" original purchase date from an "authorized dealer". Certain fees, penalties and coverage availability limits may apply for Extended Service Coverage Contracts requested after the original purchase date.

"You" must contact an "authorized dealer" for complete details.

For New "ESC", the "coverage period" under this Contract starts at the "delivery date" of the "covered equipment". No claim will be paid until this Contract is registered.

For Advantage "ESC", the "coverage period" under this Contract starts:

1. The date of successful completion of the Advantage Certification Inspection for "covered equipment" not awaiting resale, or within 12-months from the original date of the Advantage Certification Inspection for "covered equipment" awaiting resale, or
2. If no inspection is required, see Section XVI. **EXTENDED SERVICE COVERAGE CONDITIONS**, coverage is effective on the date the Contract is signed as indicated on the bottom of the Registration Certificate, or
3. The transfer of coverage from an "authorized dealer" to "you".

Under this contract, coverage "upgrade or coverage continuation" for New "ESC" and Advantage "ESC" starts at the date of registration of the upgraded or continuation terms, conditions and coverage level.

## III. DEFINITIONS

"Authorized dealer" means a dealer authorized by the manufacturer to sell, service and repair the "covered equipment". "Cost(s)" means the usual and customary charges as determined by the manufacturer for parts, labor, and other allowances necessary to repair or replace the "covered components" as specified in Section XIV. **COVERED COMPONENTS**. Replacement parts will be genuine manufacturers' parts when performing repairs and may include new, remanufactured or Caterpillar approved repaired components.

"Coverage period" means the period that commences with the start of coverage, as determined in Section II. **TERMS AND CONDITIONS**, and expires when time or hours of use, whichever occurs first, from the first date of coverage of the "covered equipment" exceeds the Extended Service Coverage Terms as specified on the Registration Certificate. Coverage may also be discontinued if an overhaul to the "covered equipment" becomes necessary as defined by key measures explained in the Operation and Maintenance Manual for this model and application. These key measures include, but are not limited to, valve recession, oil consumption, blow by, S.O.S. recommendations, total fuel consumed or service hours.

"Covered component" means the components listed and identified for the appropriate level of coverage in Section XIV. **COVERED COMPONENTS**.

"Covered equipment" means the equipment identified by serial number for this Contract as recorded on the Registration Certificate and accepted by "us".

"Delivery date", also known as in-service date, is the beginning date of the Caterpillar original factory warranty period to the initial user. Extended Service Coverage will be identified as "ESC" throughout this Contract.

"Repairer(s)" means a business entity "we" have authorized as a repair facility or "authorized dealer".

"Mechanical Breakdown" means the failure of any original or replacement "covered component" to work as it was designed to work in normal service, provided it has received customary maintenance as recommended in the manufacturer's Operation and Maintenance Manual.

"Upgrade or coverage continuation" is a change to one or more of the existing contract terms that result in a higher price for the coverage. Contract terms subject to change include: 1) Coverage Level, 2) Coverage months 3) Coverage hours and/or 4) Deductible Level.

"Warranty" or "warranties" means the manufacturer's original factory warranty or a "repairer's" guarantee or warranty.

"We," "us," and "our" mean the provider issuing this Contract and further defined in Section XVII. **PROVIDER**.

"You" and "your" mean the customer shown on the Registration Certificate.

#### IV. "OUR" RESPONSIBILITIES

"We" will pay the "cost", less any applicable deductible, to repair, replace or rebuild the "covered equipment" for a "mechanical breakdown" of a "covered component". This work will be reimbursed at normal working hour labor rates at a "repairer's" place of business, or the "authorized dealer's" approved location of the "covered equipment".

"We" will provide, at "our" choice, new, remanufactured or repaired components when replacing or repairing any "covered components". Further, "we" will also pay for any component with a Cat part number that is rendered unserviceable by a "covered component" "mechanical breakdown" and reasonable labor to complete the repair.

"We" will restore the "covered equipment" to its operating condition prior to the "mechanical breakdown" by repairing and / or replacing only the required "covered components" and consequentially damaged Cat components necessary to correct the defect.

"We" will pay the reasonable labor to disconnect the "covered equipment" and reconnect the "covered equipment" to its attached equipment, mounting, and support systems, if required. Other parts or components removed in the process of the repair will be reinstalled as is, unless "you" authorize "your" additional expense to repair or replace.

"We" will also pay the reasonable "costs" of any consumables that are made unusable as a result of a "covered component" "mechanical breakdown".

#### V. "YOUR" RESPONSIBILITIES

"You" shall operate, maintain and perform all recommended maintenance for the "covered equipment" according to the guidelines and recommendations as specified in the manufacturer's Operation and Maintenance Manual and as specified in Section XIV. **COVERED COMPONENTS.**

"You" shall utilize an "authorized dealer" for all scheduled oil sampling (S.O.S.) as specified in the manufacturer's Operation and Maintenance Manual by submitting samples promptly with necessary sample information at the specified service intervals and take the appropriate action as recommended by the S.O.S. results.

"You" shall be responsible for labor and material costs for "covered equipment" removal and reinstallation, except as stated in Section IV. **"OUR" RESPONSIBILITIES.**

"You" shall be responsible for all "costs" not covered by this Contract.

"You" shall document all scheduled maintenance and repairs of the "covered equipment". In the event of a "mechanical breakdown", present documentation of scheduled maintenance and repairs.

"You" shall ensure operators have training on proper operation of the "covered equipment" and follow guidelines of the Operations and Maintenance Manual.

#### VI. COVERAGE TERRITORY

This Contract covers "covered equipment" worldwide except when coverage provided by this Contract would be in violation of any U.S. economic or trade sanctions, such as, but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidence of coverage or any claim that would be in violation of U.S. economic or trade sanctions, as described above, shall be null and void.

#### VII. CLAIM PROCEDURES

In the event of a "mechanical breakdown" of the "covered equipment", "you" shall:

1. Take all reasonable steps to protect and safeguard the "covered equipment".
2. Report the "mechanical breakdown" promptly to "us" or a "repairer".
3. Promptly make the "covered equipment" available to a "repairer" for examination and repairs. Provide proof of this Extended Service Coverage Certificate by presenting "your" copy of the Registration Certificate.
4. Furnish "us" or a "repairer" with such information as may be reasonably required to assess the "mechanical breakdown".
5. Upon request, provide proof of compliance with the maintenance schedules as recommended in the manufacturer's Operation and Maintenance Manual, such as receipts or copies of work orders or invoices from "repairers" or "authorized dealers" showing the maintenance and services performed. Failure to show proof of proper maintenance may result in denial of coverage.

#### VIII. EXCLUSIONS AND LIMITATIONS

This contract does not cover a "mechanical breakdown" caused by:

- > Wear and tear, normal wear out of components, corrosion, or physical or mechanical erosion;
- > Use of improper or contaminated fuel and/or fluid;
- > Failure to maintain proper level of lubricants and coolants;
- > "Repairer" workmanship;
- > "Covered equipment" modifications unless those modifications were performed at the authorized written request of "us";
- > Abuse, neglect, misuse or lack of customary maintenance, including, but not limited to;

## VIII. EXCLUSIONS AND LIMITATIONS cont'd

- I. Any failure to observe and comply with maintenance and servicing practices, specifications, intervals and requirements recommended or directed by the manufacturer;
  - II. Any failure to test oil samples according to an oil sampling program or analysis (including infrared analysis) as recommended or directed by the manufacturer; or
  - III. Any failure to inspect the "covered equipment" at such intervals as the manufacturer or "we" may recommend;
- > Failure of a component which is not a "covered component";
  - > Application of the "covered equipment" for a use that is not approved by "us";
  - > Use or establishment of fuel settings for "covered equipment" which are inconsistent with settings recommended by "us" or the manufacturer.

### This Contract also does not pay for the "costs" arising from:

- > Acts of God, vermin, collision, fire, theft, vandalism, riot, explosion, lightning, earthquake, wind, storm, hail, water freezing, or flood;
- > Performance-related complaints, including, but not limited to, adjustments to fuel settings or electronic unit injectors;
- > The supply or consumption of lube oils, grease, coolant or air conditioner refrigerant, unless otherwise provided in this Contract or agreed by "us";
- > Work which improves operating performance, including, but not limited to, replacing or repairing "covered components" worn by normal use;
- > Work associated with performing a Product Improvement Program (PIP) or Product Support Program (PSP) but which are not specifically paid for by the PIP or PSP;
- > Any loss of or damage to a "covered component" occurring or arising outside the coverage territory;
- > Engine tune-ups or other routine maintenance items or any normally scheduled preventive maintenance or maintenance services as explained in the Operation and Maintenance Manual, including, but not limited to, valve lash adjustments, with special attention to the scheduled maintenance items including filters, fuel nozzles, fuel injectors, thermostats, seals and gaskets;
- > Storage or miscellaneous shop supplies;
- > Steel shims and cast iron block inserts;
- > Clamps and other fasteners not specified in Section XIV. COVERED COMPONENTS;
- > Any and all "mechanical breakdowns" of failures that are covered under any "warranty" whether enforceable or not;
- > Parts shipping charges and service charges unless provided by coverage type as described in Section XV. ADDITIONAL COVERAGE;
- > Any and all taxes;
- > "Your" expenses from loss of time, inconvenience, downtime or downtime-related expenses, or other incidental or consequential loss to "you" that results from a "mechanical breakdown".

## IX. TRANSFER OR ASSIGNMENT OF EXTENDED SERVICE COVERAGE

The remaining coverage of the Contract may be transferred or assigned to subsequent owners during the "coverage period" at no extra charge. To complete coverage transfer, the new owner of the "covered equipment" must present a copy of the current Registration Certificate to "us" within thirty (30) days, along with evidence of the transfer of the "covered equipment's" title. If in "our" opinion the new owner will operate the "covered equipment" in accordance with Section V. YOUR RESPONSIBILITIES, "we" will approve the transfer or assignment of the remaining coverage.

## X. TERMINATIONS AND REFUNDS

Cancellation by "You". "You" may cancel this Contract by providing written notice to "us" of "your" intent to cancel. Cancellation will be effective on the date "we" receive the cancellation notice.

Refund and Administration Fee. If "you" cancel this Contract by returning it to "us" within ten (10) days of the signature date as indicated on the bottom of the Registration Certificate, "your" refund shall be the Coverage Fees less any claims paid and a \$125.00 administration fee.

If "you" cancel this Contract by returning it to "us" more than ten (10) days after the signature date, as indicated on the bottom of the Registration Certificate, the pro-rated refund will be based on the lesser of months or hours of unused coverage less any claims paid and a \$125 administration fee.

No refund is available if coverage is transferred or assigned to a subsequent owner. A ten percent (10%) penalty shall be added to the refund if not paid within thirty (30) days from the time this Contract was returned to "us".

Cancellation by "Us". "We" may cancel this Contract and return to "you" the pro-rated refund based on the lesser of months or hours of unused coverage less any claims paid and a \$125.00 administration fee for the following reasons: the coverage fee for this Contract has not been paid by "you", the manufacturer's "warranty" has been cancelled or voided, or a substantial breach of duties by "you" relating to the "covered equipment" or its use.

If there is a material misrepresentation in the Registration Certificate, "we" may void this Contract without written notice and "you" will not be charged the Coverage Fee.

This Contract may be cancelled if the condition of an overhaul, as described in the definition of "coverage period" occurs. In the case of an overhaul occurring, the customer may receive residual contract value as calculated above and applied to the continuation of coverage under the Overhaul Protection Contract (OPC) for Cat Commercial Engines. The new term of coverage under the OPC program may be selected per available terms if OPC eligibility requirements have been met.

## XI. DISCLAIMERS

- > "OUR" RESPONSIBILITIES AND "YOUR" REMEDIES UNDER THIS CONTRACT ARE LIMITED TO THE PROVISIONS AS SPECIFIED HEREIN.
- > "WE" DISCLAIM ANY EXPRESSED OR IMPLIED "WARRANTIES" IN CONNECTION HERewith INCLUDING ANY "WARRANTY" OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- > "WE" ARE NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- > REPLACEMENT PARTS FURNISHED UNDER THE TERMS OF THIS EXTENDED SERVICE COVERAGE CONTRACT ARE COVERED UNDER THE APPLICABLE REPLACEMENT PARTS "WARRANTY".
- > THIS CONTRACT DOES NOT SUPERCEDE THE EMISSION WARRANTY FOR EMISSION RELATED COMPONENTS.
- > MISREPRESENTATION OF THE COVERED EQUIPMENT'S ELIGIBILITY FOR EXTENDED SERVICE COVERAGE, OR THE ACTUAL ACCUMULATED MILES, KILOMETERS, HOURS, FUEL BURN OR AGE SHALL RESULT IN CANCELLATION OF THIS CONTRACT BY US.
- > "WE" SHALL BE ENTITLED TO ALL OTHER REMEDIES.

## XII. CUSTOMER ASSISTANCE

For the U.S.A. and Canada, when a problem arises concerning the operation of "your" "covered equipment" or concerning the service of "your" "covered equipment", the problem will normally be managed by the Cat or "authorized dealer" in "your" area.

"Your" satisfaction is a primary concern of Caterpillar and Cat dealers. If "you" have a problem that has not been handled to "your" complete satisfaction, follow these steps:

1. Discuss "your" problem with a manager from the "authorized dealership".
2. If "your" problem cannot be resolved at the Cat or "authorized dealer" without additional assistance, use this phone number to talk with a Customer Interaction Center Field Service Coordinator: 1-800-447-4986.

The normal hours are from 7:00 AM to 4:30 PM Monday through Friday, Central Time, USA. Please keep in mind the ultimate goal is to solve "your" problem at the "authorized dealership". Please follow the steps in sequence when a problem is experienced.

For outside the U.S.A., if a problem arises concerning the operation of "your" "covered equipment" or the service of "your" "covered equipment", please contact "your" nearest Cat dealer or Service Representative.

## XIII. PRIVACY NOTICE

"We" do not disclose any non-public personal information about "you" or former customers to anyone, except as permitted by law.

"We" may collect non-public personal information necessary for service contract coverage to "you" from the following sources:

- > Information that "we" receive from you on registrations, applications or other forms, such as "your" name, address, assets and income.
- > Information about "your" transactions with "us", "our" subsidiaries, "our" affiliates (received only with "your" express consent); and
- > Information from a customer reporting agency.

"We" restrict access to non public personal information about "you" to those employees who need to know that information to provide "ESC" services to "you".

"We" maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard "your" non public personal information.

"Our" Privacy Statement is available upon request by contacting "your" local Cat dealer or "ESC" program manager.

## XIV. COVERED COMPONENTS

Major items that are serialized with unique model nomenclature; such as switchgear, automatic transfer switches or uninterruptible power supplies require a separate Contract. An Original Equipment Manufacturer component made a part of the Caterpillar factory 'as-shipped' consist of the "covered equipment" through the Design to Order (DTO) process is not covered unless Cat Insurance has given prior written approval to include the OEM component in the coverage.

Power modules and rental power units coverage **EXCLUDES** enclosures, containers, undercarriage, ladders, lights, wheels, axles, brakes, tires, sound attenuation, sound reduction material, insulation, stabilizing jacks, fire suppression, and fire extinguishers.

Silver and Gold Level Coverage Components: Silver and Gold level coverage is limited to the components listed in the **SILVER AND GOLD LEVEL COVERAGE "COVERED EQUIPMENT" COMPONENT "ESC" MATRIX**. Silver and Gold levels of coverage are not available on Petroleum Power Modules or Commercial Transmissions.



#### XIV. COVERED COMPONENTS cont'd

**Platinum Level Coverage Components:** All as-shipped consist from the factory with Cat part numbers excluding filters, fluids, vee-belts, hoses, power take-offs, paint, batteries and clutches. Exclusions explained above related to OEM components, DTO orders, power modules and rental power units apply.

**Platinum Plus Level Coverage Components:** All as-shipped consist from the factory with Cat part numbers excluding filters, fluids, vee-belts, hoses, power take-offs, paint, batteries and clutches, plus additional Cat components, having a Cat part number, installed by an "authorized dealership" and accepted by "us" through the Platinum Plus Additional Coverage Component list and Approval Verification form, LEYH0001. Exclusions explained above related to OEM components, DTO orders, power modules and rental power units apply.

It is the responsibility of the "authorized dealer" to provide the following documents to Caterpillar:

- 1) A copy of the Extended Service Coverage Registration form; and
- 2) The approved list of Cat components, complete with the Cat part numbers.

These documents will become part of the permanent history of the "covered equipment".

#### XV. ADDITIONAL COVERAGE

##### Travel & Mileage Limitations:

For engines, generator sets or power modules powered by engines up to 4 liters displacement  
> Up to 2 hours and 100 miles / 162 kilometers travel allowance.

For engines, generator sets or power modules powered by engines over 4 liters displacement and up to 7.5 liters displacement registered in Silver, Gold or Platinum level coverage,  
> Up to 4 hours and 200 miles / 325 kilometers travel allowance.

For engines, generator sets or power modules powered by engines over 7.5 liters displacement and registered in Silver, Gold or Platinum level coverage, or commercial transmissions registered in Platinum level coverage,  
> Up to 8 hours and 320 miles / 515 kilometers travel allowance.

For engines, generator sets or power modules powered by engines over 4 liters displacement or commercial transmissions registered in Platinum Plus level coverage,  
> Up to 10 hours and 500 miles / 802 kilometers travel allowance.

##### Overtime Allowance:

For engines, generator sets, power modules or commercial transmissions registered in Platinum Plus level coverage, up to \$1500 of overtime labor may be claimed for the incremental cost of performing the repair outside of normal business hours. Incremental labor cost hours must be in consecutive shifts to standard labor hours. This allowance modifies Section IV. "OUR" RESPONSIBILITIES, regarding repairs being done during normal business hours. This allowance is payable when it is not reasonably practical for the covered repair to be completed during normal business hours.

##### Emergency Freight:

Up to \$500 in emergency freight shipping charges through "our" recommended method, if the failed "covered components" require emergency shipping to expedite the repair or replacement of "covered components".

#### XVI. EXTENDED SERVICE COVERAGE CONDITIONS

For engines, generator sets or commercial transmissions with or without a known delivery date, the eligibility period ends on the last day of the Caterpillar original factory warranty period. A late fee is added to units registering more than 365 days after the delivery date as recorded in SIMSi.

Severe application special considerations pertaining to published hours of use limits:

In addition to the general hour limits described below, certain other factors may limit the maximum hours of use during the "coverage period". These factors include, but are not limited to, fuel quality, altitude of operation and other conditions of application severity.

##### Age and hours of use limits:

The equipment must be less than 10 years from the delivery date when the "coverage period" expires. Additionally, the total number of hours from delivery date cannot exceed the following hour limits based on engine displacement or being a commercial transmission:

- > 6,000 hours for power modules or commercial transmissions.
- > 6,000 hours for engines or generator sets less than 4 liter displacement,
- > 8,000 hours for engines or generator sets with displacement equal to or more than 4 liters and less than 7.5 liters,
- > 10,000 hours for engines or generator sets with displacement equal to or more than 7.5 liters and less than 22 liters,
- > 15,000 hours for engines or generator sets with displacement equal to or more than 22 liters and less than 34 liters,
- > 25,000 hours for engines or generator sets with displacement equal to or more than 34 liters,

## XVI. EXTENDED SERVICE COVERAGE CONDITIONS cont'd

Advantage "ESC" Eligibility Requirements:

Advantage "ESC" is for units with Caterpillar standard warranty that has expired.

1. Initial registration, "upgrade or coverage continuation" requirements. The "covered equipment" must:
  - a) Be less than four (4) years from delivery date and accumulated less than 3,000 hours total use,
  - b) Be currently enrolled in a New "ESC" or Advantage "ESC" program and be less than 10 years since the build date of the "covered equipment", or
  - c) Be currently covered by an "authorized dealer" Customer Support Agreement (CSA) that ensures all preventative maintenance items are completed at the intervals described in the Operations and Maintenance Manual for the "covered equipment", prior to registration and be less than 10 years since the build date of the "covered equipment", or
  - d) Successfully complete a the appropriate Advantage inspection form (Engine or Genset) by an "authorized dealer".
2. Initial Advantage registration, "upgrade or coverage continuation" requirements for power modules or commercial transmissions. The "covered equipment" must:
  - a) Be currently enrolled in a New "ESC" or Advantage "ESC" program and be less than 5 years since build date of the "covered equipment", or
  - b) Successfully complete an Advantage inspection by an "authorized dealer".
- 3) Age and hours of use limits: The equipment must be less than 10 years from the delivery date when the "coverage period" expires. Additionally, the total number of hours from delivery date (Advantage "ESC" coverage hours stated on the Registration Certificate plus total hours of operation prior to registration) cannot exceed the following hour limits on engines (based on displacement), power modules or commercial transmissions:
  - > 6,000 hours for power modules or commercial transmissions.
  - > 6,000 hours for engines with less than 4 liters displacement,
  - > 8,000 hours for engines equal to or more than 4 liters and less than 7.5 liters displacement,
  - > 10,000 hours for engines equal to or more than 7.5 liters and less than 22 liters displacement,
  - > 15,000 hour- 25,000 hours for engines equal to or more than 34 liters displacements for engines equal to or more than 22 liters and less than 34 liters displacement,
- 4) During the coverage period: For "covered equipment" requiring an "authorized dealer" CSA, the CSA must ensure all preventative maintenance items are completed at the intervals described in the Operations and Maintenance Manual for the "covered equipment". The CSA is also is required for the duration of the "ESC" "coverage period" for Contract eligibility.

## XVII. PROVIDER

**In the United States and its territories of Guam, America Samoa, the Northern Mariana Islands and U.S.A. Minor Outlying Islands:** The Provider of this service contract is Caterpillar, Inc.

**In Canada excluding Alberta:** The Provider of this service contract is the Cat Dealer.

**In Alberta, Canada:** The Provider of this service contract is Caterpillar of Canada.

**In All Other Countries and the U.S.A. territories of Puerto Rico and the U.S.A. Virgin Islands:** The Provider of this service contract is the Cat dealer.

## XVIII. NOTICE FOR U.S. CONTRACTS ONLY

Obligations of the Provider under this Contract are backed only by the full faith and credit of the Provider (issuer) and are not guaranteed under a service contract reimbursement insurance policy.

All "covered components" must pass inspection or be replaced at the proper intervals as prescribed in the manufacturer's Operation and Maintenance Manual by an "Authorized Dealer" to qualify for continued coverage under this "ESC" Contract. "Your" failure to follow the manufacturer's Operation and Maintenance Manual may result in denial of claims.

**XVIII. ENDORSEMENTS, APPLICABLE TO U.S.A. ISSUED CONTRACTS ONLY**

**In Georgia:** Paragraph X. **TERMINATIONS AND REFUNDS** the subparagraphs Refund and Administration Fee and Cancellation by Us are replaced by the following:

- > **Refund and Administration Fee.** If "you" cancel this Contract, the pro-rated refund will be based upon the lesser of months, miles or hours of unused coverage provided.
- > **Cancellation by Us.** We may only cancel this Contract for fraud, material misrepresentation or non-payment. If "we" cancel this Contract, "we" will give written notice of cancellation at least:
  - a) 10 days before the effective date of cancellation if we cancel for nonpayment of coverage fees or,
  - b) 30 days before the effective date of cancellation if we cancel for any other reason. The pro-rated refund will be based upon the lesser of months, miles or hours of unused coverage provided.

**In Hawaii:** Paragraph X. **TERMINATIONS AND REFUNDS**, the subparagraph Cancellation by Us is replaced by the following:

- > **Cancellation by Us.** "We" may cancel this Contract and return to "you" the pro-rated refund based on the lesser of months, miles or hours of unused coverage provided less any claims paid and a \$35.00 administration fee without notice for nonpayment or the Coverage Fee, material misrepresentation or substantial breach of "your" duties relating to "covered equipment" and with five (5) days prior notice of cancellation that states the effective date of cancellation for any other reason.

**In Hawaii and Wyoming:** Paragraph X. **TERMINATIONS AND REFUNDS**, the subparagraph Refund and Administration Fee is replaced by the following:

- > **Refund and Administration Fee.** If no claims have been made under the Contract delivered at the time of sale and "you" cancel this Contract by returning it to "us" within twenty (20) days of purchase, "your" refund shall be the Coverage Fees, or between twenty (20) and thirty (30) days of purchase, "your" refund shall be the Coverage Fees less a \$25.00 administration fee. If "you" cancel this Contract by returning it to "us" after thirty (30) days from purchase, the pro-rated refund will be based on the lesser of months, miles or hours of unused coverage provided less any claims paid and a \$25.00 administration fee. No refund is available if coverage is transferred or assigned to a subsequent owner. A ten percent (10%) penalty shall be added to the refund if not paid within thirty (30) days from the time this Contract was returned to "us".

**In Wisconsin:** Paragraph X. **TERMINATION AND REFUNDS** the subparagraphs Refund and Administration Fee and Cancellation by Us are replaced by the following:

- > **Refund and Administration Fee.** If "you" cancel this Contract by returning it to "us" within fifteen (15) days after "you" receive this Contract, "your" refund shall be the Coverage Fees less a \$35.00 administration fee. If "you" cancel this Contract by returning it to "us" after fifteen (15) days from the date "you" receive the Contract, the pro-rated refund will be based on the lesser of months, miles or hours of unused coverage provided less a \$35.00 administration fee. If "we" cancel this Contract, "we" will provide "you" with written notice and "we" will not deduct any claims paid from "your" refund. A ten percent (10%) penalty shall be added to the refund if not paid within thirty (30) days from the time this Contract was returned to "us". All other terms and conditions apply.
- > **Cancellation by Us.** "We" may cancel this Contract with written notice to "you" and return to "you" the pro-rated refund based on the lesser of months, miles or hours of unused coverage provided and a \$25.00 administration fee for the following reasons: the coverage fee for this Contract has not been paid by "you", the manufacturer's warranty has been canceled or voided, or a substantial breach of duties by "you" relating to the "covered equipment" or its use. If there is a material misrepresentation with intent to deceive by "you" in the Registration Certificate, "we" may void this Contract with written notice and "you" will not be charged the Coverage Fee.

**"THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE."**

**SILVER AND GOLD LEVEL COVERAGE "COVERED EQUIPMENT"**  
**COMPONENT "ESC" MATRIX**

(Applies to Engines and generator sets only):

Coverage Items	Silver	Gold	Coverage Items	Silver	Gold
<b>COOLING SYSTEM</b>			<b>AIR INDUCTION &amp; EXHAUST</b>		
Thermostat Housing	Yes	Yes	Exhaust Manifolds, Studs & Gaskets	Yes	Yes
Water Manifold Housing	Yes	Yes	Inlet Air Heater Relay	Yes	Yes
Jacket Water Pre-cooler	Yes	Yes	Intake Manifold	Yes	Yes
Jacket Water Pump	No	Yes	Turbocharger (mounting hardware, lines, wastegate)	No	Yes
<b>FUEL SYSTEM</b>			<b>SHORT BLOCK</b>		
Steel and Stainless Steel Fuel Lines	Yes	Yes	Cylinder Block Casting	Yes	Yes
Fuel Shutoff Solenoid (diesel only)	Yes	Yes	Freeze Plugs	Yes	Yes
Fuel Injectors (diesel only)	No	Yes	Crankshaft	Yes	Yes
Spark Plug Extension (gas only)	Yes	Yes	Crankshaft Rod, Main & Thrust Bearings	Yes	Yes
Ignition Transformer (gas only)	Yes	Yes	Connecting Rod Assembly	Yes	Yes
Throttle (gas only)	Yes	Yes	Piston, Wrist Pin, Retainer Clip & Piston Rings	Yes	Yes
<b>LUBRICATION SYSTEM</b>			<b>CYLINDER HEAD</b>		
Oil Pan	Yes	Yes	Piston Cooling Jet Tubes	Yes	Yes
Engine Oil Pump	Yes	Yes	Cylinder Liner, Seals & Filler Band	Yes	Yes
Oil Cooler Housing & Core/Bonnet	Yes	Yes	Main Bearing Cap Bolts	Yes	Yes
Oil Filter Base	Yes	Yes	Cylinder Head Casting, Sleeves, Bolts & Gaskets	Yes	Yes
<b>ELECTRICAL SYSTEM</b>			<b>MISCELLANEOUS</b>		
ITSM (Gas Only)	Yes	Yes	Freeze Plug	Yes	Yes
Control Module (ECM)	Yes	Yes	Spacer Plate & Spacer Plate Gasket	Yes	Yes
Sensors: All Engine Sensors	Yes	Yes	Intake & Exhaust Valve (all related parts)	Yes	Yes
<b>FRONT &amp; REAR COVERS</b>			Roller Follower		
Valve Mechanism, Rocker Arm, Brackets, Push Tube			Yes	Yes	
Front Covers / Plate / Housing /Gears (& Gaskets)	Yes	Yes	Bridge Dowels, Adjusting Screws, Nuts & Shaft	Yes	Yes
Vibration Damper	Yes	Yes	Valve Cover & Base	Yes	Yes
Flywheel Housing & Gasket	Yes	Yes	Camshaft, Camshaft Bearings, Key, Gear	Yes	Yes
<b>ALTERNATOR END</b>			Camshaft Rear Cover / Seal		
Alternator (including rotor, stator, exciter, bearings & coupling)	Yes	Yes	<b>MISCELLANEOUS</b>		
Generator Controls (including EMCP, Operator Interface Mounted on Generator)	No	Yes	Cat Bolts Attaching Covered Components	Yes	Yes
Power Center (Circuit Breakers, Voltage Regulators, Bus Bar)	No	Yes			

Our Platinum and Platinum Plus levels (New and Advantage ESC only) provide the highest level of coverage for your standby generator set. Overhaul ESC options are also available. Contact your local Cat dealer for details.

## OVERHAUL MATRIX

Cooling System	Platinum <sup>2</sup>
Thermostat Housing	✓
Water Manifold Housing	✓
Jacket Water Precooler	✓
Jacket Water Pump	✓
Thermostat	✓
Radiator & Fan	✓
Fuel System	
Steel Fuel Lines	✓
Fuel Shutoff Solenoid	✓
Fuel Injectors	✓
Fuel Transfer Pump & Housing	✓
Fuel Priming Pump	✓
Fuel Transfer Pump	✓
Lubrication System	
Fan, Pump Cooler	✓
Crankcase Breather	✓
Engine Oil Pump Drive	✓
Prelubrication Pump	✓
Electric System	
Control Module (ECM)	✓
Sensors: All Engine Sensors	✓
Wiring Harness & Connectors	✓
Starter	✓
Engine Alternator	✓
Alternator End	
Alternator, including Rotor, Stator and Exciter	✓
Generator Controls	✓
Power Center	✓

Air Induction & Exhaust	Platinum <sup>2</sup>
Exhaust Manifolds, Studs & Gaskets	✓
Inlet Air Heater Relay	✓
Intake Manifold	✓
Turbocharger(s)	✓
Air-to-Air Aftercooler Cores	✓
Muffler/Exhaust System	✓
Exhaust Guards	✓
Diesel Oxidation Catalyst	✓
Short Block	
Cylinder Block Casting	✓
Crankshaft	✓
Connecting Rod Assembly	✓
Piston, Wrist Pin, Retainer Clip & Piston Rings	✓
Idler and Timing Gears	✓
Accessory Drive	✓
Cylinder Head	
Cylinder Head	✓
Intake & Exhaust Valves	✓
Valve Mechanism	✓
Camshaft, Camshaft Bearings, Key, Gear	✓
Front & Rear Covers	
Front Cover/Plate/Housing/Gears & Gaskets	✓
Vibration Damper	✓
Flywheel Housing & Gasket	✓
Crankshaft Front & Rear Seal	✓
Optional Aftertreatment Coverage	
Diesel Particulate Filter	✓ <sup>3</sup>
Selective Catalytic Reduction	✓ <sup>3</sup>

This Coverage Matrix is for reference only and does not represent a complete list of covered components. For additional information, please reference the appropriate ESC contract. Platinum level coverage covers all as-shipped consist from the factory with Cat part numbers. Some exclusions may apply.

Platinum Plus and Platinum Plus Plus engines or generator sets may be equipped with a Diesel Particulate Filter (DPF) and/or a Selective Catalytic Reduction (SCR). We offer coverage at an additional cost on these emissions components.

## ADDITIONAL ALLOWANCES

Engine Displacement <sup>1</sup>	Travel/Mileage Limitations		Emergency Freight	Rental <sup>2</sup>		Crane & Rigging <sup>3</sup>	Overtime
	Platinum	Platinum Plus Only	All Coverage Levels	Platinum Only	Platinum Plus Only	Platinum Plus Only	Platinum Plus Only
Over 311 tons	8 hr / 320 mi	10 hr / 500 mi	\$500 USD	\$15,000 USD	\$40,000 USD	\$12,500 USD	\$1,500 USD

<sup>1</sup> Refer to the generator set spec sheets for particular engine displacement.

<sup>2</sup> Allowance is granted if covered failure repairs cannot be completed within 96 hours (for Platinum) or 48 hours (for Platinum Plus) of the authorized dealer technician's initial visit.

<sup>3</sup> Allowance is granted if covered failure repairs cannot be completed within 48 hours of the authorized dealer technician's initial visit.

Platinum Plus goes beyond Platinum coverage to include Cat components installed by an authorized dealer. Such components must be approved. See your Cat dealer for details.



# Extended Coverage Quote Confirmation

Quote Number : 1516907894260

## Customer Quote

Extended Coverage Quote Provider : Caterpillar

Quote Date : 01/25/2018

Price Expiration Date : 03/26/2018

Quote Status : Draft-NOT ACCEPTED

**Customer Information :**

SANTA CRUZ PORT DISTRICT  
135 5TH AVE  
SANTA CRUZ  
CALIFORNIA  
95062-4701  
UNITED STATES

**Dealer Information :**

PETERSON TR  
955 MARINA BLVD  
PO BOX 5258  
SAN LEANDRO  
CALIFORNIA  
94577-3400  
UNITED STATES  
EDCardona@petersoncat.com

**Product Information :**

Model : D6KLG  
Serial# : DHA01538  
Type : Published  
Emissions Control Indicator : NONE  
Original Delivery Date : 04/18/2011  
Product Status : Coverage continuation  
Current Usage : 3,901 Hours

Coverage	P/L	Duration	Usage	Deductible	Amount
POWERTRAIN + HYDRAULICS	PARTS AND LABOR	12 Months	1000 Hours	0.00	2,700.00

**Other:**

Administration Fee

Late Fee

Tax

Total Customer Amount

Currency

0.00

USD

**Additional Comments :**

**Notes:**

1. This quote is a non-binding price indication.
2. Dealers may refer to Equipment Protection Plan Administrative Manual or Engine Extended ESC coverage for covered component details.
3. Late Fees may apply to Engine Extended Coverage Cost(s) at the time of Enrollment.
4. All deductibles displayed in USD.
5. GST Not Included
6. Caterpillar branded machine product quotes do not include Year 1 – Labor Only coverage within the Year 2 & Beyond coverages (except for limited EPP programs, which include both Year 1 – Labor Only and Year 2 & Beyond coverage)



# Extended Coverage Quote Confirmation

## Customer Quote

Quote Number : 1516907894260

---

Customer Signature

Date

Dealer Signature

Date

Thank you for your business!

2120 West End Avenue, Nashville, TN 37203  
Toll Free: 1(800) 248-4228

## Equipment Protection Plans (EPP)

# 3 EASY STEPS TO PROTECT YOUR NEW CAT® EQUIPMENT

You count on your Cat® machines to get the job done, day in and day out. Choose a protection plan that's just as dependable and long-lasting. Cat Financial Insurance Services offers the only coverage designed specifically for new Cat equipment—giving you the highest level of repair cost protection available. Our comprehensive EPP options protect your investment and your peace of mind.

## 1 SELECT YOUR PROTECTION OPTION

Choose from our **Powertrain** or **Powertrain + Hydraulics** plans to get the exact age and hours for the protection you need.

### POWERTRAIN + HYDRAULICS (includes all Powertrain components listed below)

#### STEERING & IMPLEMENT CONTROLS

Hydraulic Pumps  
Hydraulic Motors  
Hydraulic Cylinders

Hydraulic Valves  
Hydraulic Accumulators  
Hydraulic Lines  
Hydraulic Hoses  
Electronic Controls - Implement & Steering

Joysticks - Implement & Directional Control  
Pilot Valve  
Hydraulic Tank  
Hydraulic Oil Filter Base  
Hydraulic Swivel

Hydraulic Oil Temp Sensor  
Hydraulic Oil Cooler  
Transmission Oil Lines  
Drive Train Oil Lines  
Steering Gear & Valve

### POWERTRAIN

#### ENGINE

Fan & Fan Drive  
Fan Motor  
Water Pump  
Thermostat  
Timing/Accessory Gears  
Timing Chain/Belt  
Oil Cooler  
Oil Pump & Pan Group  
Engine Oil Filter Base  
Cylinder Block & Cylinder Head  
Crankshaft, Main & Rod Bearings  
Piston & Connecting Rod  
Piston Pins & Rings  
Camshaft & Camshaft Bearings

Inlet/Exhaust Valves  
Push Rod & Balancer  
Rocker Arm & Shaft Assembly  
Valve Cover & Base/Valve Spring & Guide  
Flywheel  
Air Lines & Pipes  
Aftercooler  
Turbocharger  
Manifolds, Intake & Exhaust  
Fuel Pump/Governor Drive  
Fuel Injection Pumps & Injectors  
Lift/Transfer Pump  
Senders/Solenoids/Sensors  
Electronic Control Modules (ECM)

Caterpillar Clean Emissions Module (CEM)  
Emissions Control Components

#### TRANSMISSION, TORQUE CONVERTER & TRANSFER CASE

Transmission Case/Housing  
Transmission Gears  
Transmission Shafts & Bearings  
Transmission Hydraulic & Electronic Controls  
Transmission Oil Cooler  
Transmission Oil Filter Base  
Torque Converter Group  
Transfer Case Group  
Hydrostatic Drive Pumps & Drive Motors  
Joysticks - Directional Control

#### DRIVE TRAIN

Differential Case/Housing  
Differential Gears  
Differential Shafts & Bearings  
Differential Steering  
Axle Housing  
Axles, Axle Shaft & Axle Seals  
Differential & Final Drive Oil Coolers  
Final Drive Case/Bore  
Final Drive Chain/Gears  
Final Drives/Planetary Gears  
Steering Clutch  
Steering Clutch & Brake Control Valve  
Universal Joint  
Electric Final Drive Motors  
Swing Gear



## 2 KNOW YOUR RESPONSIBILITIES

To qualify for coverage under an Equipment Protection Plan, you need to:

- Operate your equipment according to the Cat Operation & Maintenance Manual (OMM) (e.g., no improper fuel use)
- Ensure recommended preventive maintenance is performed at intervals specified in the OMM
- Provide proof of preventive maintenance compliance (receipts, copies of work orders, invoices) on request
- Promptly provide your equipment for repair in the event of a covered failure

You can count on us to perform necessary inspections to confirm eligibility, install parts approved by Caterpillar on covered repairs and validate your enrollment in the program.

## 3 PURCHASE AND REGISTER YOUR EPP

Work with your local Cat dealer to complete the process—and get the protection and peace of mind you deserve.

## EXCLUSIONS\*

If a component isn't listed, it may not be included in your plan. Other exclusions include:

- Failures caused by normal wear-out or improper or abusive use of the machine
- Lubricating oil, antifreeze, filters, consumables and other maintenance items replaced during the covered component repair, unless such items are rendered unusable by a covered component failure
- Freight charges for parts shipments
- Travel time and mileage involved in getting to a jobsite
- Hauling, retrieval, equipment rental or overtime labor costs
- Repair costs resulting from the failure of any non-covered components
- Downtime loss
- Any incidental or consequential damages or costs incurred as a result of a covered component failure
- Modifications unless approved by Caterpillar

\* *These are examples of covered and excluded components or items. The actual dealer contract will govern. See your Cat dealer for a complete list of covered components and more information.*

Please contact your Cat dealer for more details.

To the extent that the above publication(s), bulletin(s), and/or any designated contract(s) are ambiguous or inconsistent with the policy language, the policy language shall determine the coverage under this policy.

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TO: Port Commission  
FROM: Latisha Marshall, Harbormaster  
DATE: February 1, 2018  
SUBJECT: Authorization to Purchase Used Shuttle Van (NTE \$25,000)

**Recommendation:** *Authorize the purchase of a used shuttle van for the Operations Department, in an amount not-to-exceed \$25,000.*

### BACKGROUND

The Port District's existing shuttle van is a 2003 Ford E350 with a transport capacity of 10-12 passengers. The Operations Department routinely uses the shuttle van for transporting staff and equipment throughout the harbor, and daily launchers from the launch ramp to the 7<sup>th</sup> and Brommer overflow parking lot.

The District's shuttle van is currently not operational due to numerous electrical and mechanical issues, as well as a suspension problem. Staff is currently operating the District's small all-terrain vehicle which has limited carrying capacity for passengers and equipment.

### ANALYSIS

In December 2017, the shuttle van's "check engine" light illuminated, and staff began to experience difficulty steering. After being assessed by a certified mechanic, it was discovered that the right upper and lower ball joints were worn out, and replacement was recommended. Additionally, the #4 cylinder is misfiring, and the head gasket is blown and leaking into the radiator system.

Repairs to the suspension and the engine are anticipated to cost a minimum of \$4,639, (Attachment 'A'). The cost of repairing the suspension and the engine has increased to the point where replacement is warranted.

Staff proposes to purchase a replacement shuttle van for the Operations Department. The vehicle will provide reliable transportation for staff, and ensure continued service to remote parking areas for harbor users.

### IMPACT ON PORT DISTRICT RESOURCES

Staff has determined that \$25,000 is sufficient to purchase a used shuttle van. Staff recommends purchasing the van in the current fiscal year to ensure operability by the opening of salmon season (anticipated for April 7, 2018).

Funding for this purchase was not included in the FY18 budget and is an unanticipated capital outlay. Staff plans to sell the existing van as a surplus item, which is valued at less than \$5,000, to help offset costs.

ATTACHMENT – A. Cost estimate for van repairs from Bobby's Pit Stop, Inc.

**Bobby's Pit Stop, Inc.**

1655 Commercial Way

Santa Cruz, CA 95065

831-476-4476

BAR # AC 250515 EPA # CAL000183782

Repair Order # 0356495

Date: 12/12/2017 Page 2 of 2

Orig Est #. 1554503 Center

Customer : SANTA CRUZ PORT DISTRICT

Address : BAR FILE # GE941248

City : SANTA CRUZ, CA 95062

Home : ( 831 ) 475-6161

Cell : ( 650 ) 575-1521

Ext :

Ext : DON

Vehicle :2003 Ford E350 van

License :1297756

VIN :1FBNE31L53HB62489

Fleet #:SHUTTLE VAN

Engine :V8-330 5 4L SOHC

Mileage :125788

P/D :6/03

Trans : AUTO

Clr : WHITE

Op	Tech	Description	Part Description	Reason for Replacement	Labor	Parts	Subtotal
	Quan	Part Number				Price	

BOBBY'S PIT STOP INC warrants all new supplied parts and labor are free from defects in material and workmanship in normal use for 12 months or 12,000 miles which ever occurs first, unless specified otherwise. All warranties are limited to the repair or replacement of the defective items at BOBBY'S PIT STOP INC., unless otherwise specified. I understand I may choose another smog repair facility for any needed repairs or adjustments the smog test indicates necessary

Labor	\$2,910.00
Parts	\$1,154.58
Sublet	\$475.00
Other Fees	\$1.80
	\$0.00
Subtotal	\$4,541.38
Sales Tax	\$98.14
<b>Total</b>	<b>\$4,639.52</b>
Paid	\$0.00
Due	\$4,639.52

Signature X \_\_\_\_\_

*+ if they find things upon tear down*

*12/11/17*



TO: Port Commission  
FROM: Marian Olin, Port Director  
DATE: February 8, 2018  
SUBJECT: Review of Draft FY19 Budget and 5-Year Capital Improvement Program

**Recommendation:** *Discuss the proposed FY19 draft budget and capital improvement projects, and:*

1. *Approve the contributions to the Reserve Fund, Capital Improvement Fund, PEMHCA fund and Dredge Intermediate Fund; and,*
2. *Provide direction to staff on proposed projects to include in the FY19 Capital Improvement Program (CIP); and*
3. *Provide direction to staff on any fee increase, conversion of 2 provisional employees to full-time equivalent status and other revisions to incorporate into the final budget for presentation on February 27, 2018.*

## **BACKGROUND**

The FY19 draft budget report (Attachment A) is presented concurrently with the proposed 5-Year Capital Improvement Plan (CIP). The CIP is incorporated into the draft budget document as Appendix D. Each year the draft budget provides detailed worksheets depicting the operating budget and debt service, a recommended funding level for dredge equipment projects (Dredge Intermediate Fund), and recommended capital projects.

Each year, staff strives to present a balanced budget, giving the Commission the ability to deliberate reserve funding, projects, major expenses and fee increases. The draft FY19 budget is presented as a balanced budget, showing funding for two major CIP projects (Aldo's Seawall Replacement and the Pile Replacement Project Phase 1) to come from either cash or financing. A decision on whether to obtain financing for these major infrastructure projects will be considered by the Port Commission independent of the budget process.

## **ANALYSIS**

### ***Reserve Policy***

The Reserve Policy, adopted by the Port Commission during FY16, was intended to strengthen the financial stability of the District against economic uncertainty, unexpected situations, unanticipated loss of revenue and other unforeseen emergencies.

The Reserve Policy identifies the target amount to be held in reserve as 25 percent of the District's annual operating expenses in the current fiscal year's adopted budget. At the time of adoption the reserve fund balance was approximately \$992,380. It was a stated goal to meet the reserve fund target in three to seven years.

In FY17 and 18, \$300,000 was contributed to the Reserve Fund each year. In FY19, the Port District will meet its funding goal. The draft FY19 budget includes a contribution in the amount of \$180,532, bringing the Reserve Fund balance to approximately \$1,772,912.<sup>1</sup>

As part of adoption of the Reserve Policy, other goals were confirmed and put into practice, including:

**Election Fund:** The account is managed to keep a balance of \$200,000. No contribution is needed in FY19, but replenishment will be required in FY20.

**CIP Fund:** A funding goal of \$500,000 per year has been established. The FY19 draft budget exceeds this goal by providing \$500,000 in funding from the operating budget, and an additional \$2,154,400 to be funded out of cash or through financing.

### ***Capital Improvement Program***

Appendix D includes the proposed 5-year Capital Improvement Plan and the projected CIP fund balance. The recommended project funding level in FY19 is \$2,668,400, not including \$18,277 proposed to be set aside for a portion of the District's cost share for future replacement of the Almar patrol vessel (see FY19 Planned Projects "FY19 CIP" in Appendix D).

The draft FY19 budget provides funding in the amount of \$500,000 for the Capital Improvement Program, as described in "Reserve Policy" above. In addition, the draft budget includes a \$2,154,400 contribution for the Aldo's Seawall Replacement project (\$1.6 million) and the Pile Replacement Project (\$554,400<sup>2</sup>). The \$2,154,400 contribution is proposed to be funded through cash or financing, or a combination of both. As noted above, a decision on whether to obtain financing for these major infrastructure projects will be considered by the Port Commission independent of the budget process.

The FY19 Capital Improvement Program proposes to reallocate CIP project funding as follows: 1) delete the Harbor Vehicle Fueling Station project originally funded in FY14; 2) provide funding for 7<sup>th</sup> and Brommer Master Planning adequate to offset a prior year deficit and leave \$10,000 in project funding; and, 3) redistribute remaining funds for the County of Santa Cruz Twin Lakes Beachfront Improvement Project (see FY19 Planned Projects Spreadsheet in Appendix D).

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<sup>1</sup> FY19 draft budget operating expenses = \$7,126,649 less \$35,000 in reserve fund contributions to the Public Employees' Medical & Hospital Care Act (PEMHCA) fund.

<sup>2</sup> Contribution brings total available funding for the Pile Replacement Project to approximately \$750,000 for the first phase of work.

Descriptions of the projects previously funded and proposed for funding are included in the 5-Year Capital Improvement Plan.

### ***Dredging Equipment – Dredge Intermediate Fund***

The proposed \$389,258 contribution to the Dredge Intermediate Fund budget supplements funding that will remain at the end of FY18. Planned maintenance and replacements for FY19 are listed in the draft budget report. The plan includes fabrication of a new snorkel for the dredge *Twin Lakes*, and major overhaul of the workboat *Dauntless*. Other major acquisitions are replacement of the Skagit winch on *Dauntless*, and ongoing funding for dredge pipe and pipe valves.

### ***Staffing Changes***

The draft FY19 budget proposes to convert two existing provisional positions to full-time equivalent (FTE) status: 1 Parking Coordinator (Operations Department); 1 Harbor Dredge Worker (Facilities).

In late-2017, the Port Commission met in closed session regarding labor negotiations with the bargaining units. As part of those meetings, the Commission directed staff to present written justification for converting the existing provisional positions to FTE status as part of the FY19 budget process. The proposal is included in the draft budget as Appendix F.

This will increase the total personnel FTE count from 27 to 29.

### ***Operating Budget***

Notable changes between the FY18 adopted budget and the FY19 proposed budget are discussed below.

### **Personnel Costs**

Total personnel costs in FY19 exceed the FY18 budget by approximately 5.2%. The increase is due to negotiated labor contract salary increases effective January 1, 2018, minimum wage and salary adjustments for unrepresented employees, and increases in CalPERS' contribution rates commencing July 1.

**Table 1 – Salary and Benefit Costs**

DEPARTMENT/SERVICE	FY17 SALARIES & BENEFITS BUDGET	FY18 SALARIES & BENEFITS BUDGET	FY18 SALARIES & BENEFITS PROJECTE D	FY19 SALARIES & BENEFITS BUDGET	FY 18 TO FY19 CHANGE
Administrative Services	673,832	608,659	508,586	635,492	+ 26,833 (+4.4%)
Operations	1,179,679	1,302,502	1,369,582	1,306,690	+4,188 (+.3%)
Boatyard	182,648	186,747	180,083	196,658	+9,911 (+5.5%)
Facilities Maintenance and Engineering	539,555	565,775	601,830	655,561	+89,786 (+15.9%)
Dredging Operations	648,840	712,300	722,637	757,084	+44,784 (6.3%)
<b>TOTALS</b>	3,224,554	3,375,983	3,382,718	3,551,485	+175,502 (+5.2%)

Salaries and benefits in the FY19 draft budget represent approximately 43% of District expenditures including debt service. Excluding debt service, personnel costs represent approximately 50% of the operating budget.

Notes:

1. Customer Service Representative is budgeted in Administration, but allocating labor expense to Marina Management (Operations)
2. In FY18, contract grounds service was eliminated. Grounds services are currently being performed in house, reducing expenditures in Services and Supplies, and increasing Personnel Services expenditures in FY19.

**Program Costs**

Overall, the proposed FY19 operating budget is approximately \$300,500 (4.4%) higher than the FY18 budget including Personnel Services and Services and Supplies. Notable differences in proposed increases for Services and Supplies include:

#### Rescue Services

- Consolidates vessel fuel under Rescue Services program, ensuring fuel is tracked in the primary program and reducing administrative effort in allocating fuel expense
- Modest increase in vessel maintenance
- Keeps harbor patrol training at high level

#### Harbor Patrol

- Less lethal ammunition (rubber bullets), including training and 3 devices

#### Parking Services

- Year round leasing of overflow parking lot at 7<sup>th</sup> and Brommer
- Increase in contract services due to increased number of parking pay stations

#### Utilities

- Acquisition of insulated tools and arc flash protection
- Increased vehicle maintenance needs for boom truck

#### Dredging

- Increases in equipment, vessel and dredge maintenance and repair line items across the board to ensure necessary repair and maintenance work is funded and performed. For example:

The FY17 budget reduced funding for maintenance and repair of the dredge *Twin Lakes* from \$80,000 in FY16, to \$20,000 in FY17 and FY18. This budget level is not sustainable, and significant expenditure overages in FY18 are projected. The cost of wire rope, a consumable product purchased annually, exceeded the FY18 \$20,000 line item budget. Other budget line items reduced in FY17 for maintenance and repair of equipment and the inner-harbor dredge *Squirt* are proposed to be increased in FY19.

(Note: The FY18 budget projections include purchase of extended warranties for *Twin Lakes*' C32 and C18 engines, and coverage for the Caterpillar bulldozer. This item is presented for approval as a separate item on this agenda.)

#### Boatyard

- Modest increases for maintenance and inspection of the Travelift
- Increased costs for filtration disposal (hazmat)

Program cost roll-ups excerpted from the budget follow.



**Expenditures by Department and Program**

<b>Department and Program</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Proposed</b>
<b>100 Administrative Services Department</b>				
	\$	\$	\$	\$
110 Administration	1,016,517	756,828	685,669	727,018
120 Finance & Purchasing	170,809	179,467	169,123	191,294
130 Property Management	429,040	452,854	391,461	439,637
140 Environmental & Permitting	156,750	209,505	139,271	205,654
190 Port Commission Support	50,183	51,255	53,112	51,189
<b>Department Total</b>	\$ 1,823,299	\$ 1,649,909	\$ 1,438,636	\$ 1,614,792
<b>200 Operations Department</b>				
	\$	\$	\$	\$
210 Harbor Patrol	621,569	606,638	653,808	635,630
220 Marina Management	461,217	429,070	493,162	445,119
230 Rescue Services	90,519	92,880	100,050	101,958
240 Parking	345,904	386,077	348,101	355,034
250 Events	32,531	40,562	31,703	42,844
280 Fuel Services	331,742	434,450	381,242	478,065
500 Boatyard	239,953	238,097	214,501	253,158
<b>Department Total</b>	\$ 2,123,435	\$ 2,227,774	\$ 2,222,567	\$ 2,311,808
<b>300 Facilities Maintenance &amp; Engineering</b>				
	\$	\$	\$	\$
310 Docks, Piers & Other Marine Structures	263,642	250,351	256,964	266,610
320 Utilities Maintenance	84,314	107,875	97,574	124,940
330 Building Maintenance	238,023	256,497	297,032	282,080
340 Grounds Maintenance	656,439	654,366	619,758	700,736
350 Aeration Program	42,498	54,885	50,982	54,263
360 Fishery Support*	5,042	18,250	9,286	18,935
390 Capital Projects	1,024	471,084	457,854	437,601
400 Dredging Operations	1,259,287	1,135,150	1,237,413	1,314,884
<b>Department Total</b>	\$ 2,550,269	\$ 2,948,458	\$ 3,026,863	\$ 3,200,049
<b>Total Operating Budget</b>	\$ 6,497,003	\$ 6,826,141	\$ 6,688,066	\$ 7,126,649

### ***Debt Service Coverage Ratio Projections***

The District's agreements with BBVA Compass Bank include covenants to maintain adequate coverage for debt service for the life of the loans. These Debt Service Coverage Ratio (DSCR) covenants provide that the District will prescribe and collect fees and charges for services at least equal to 125% of the debt service after operating and maintenance expenses for the fiscal year. In addition, the District's revenues must be at least equal to 140% of its debt service after operating and maintenance expenses or be subject to depositing additional funds with the bank to be held in reserve.

DSR's for FY16 and FY17 (actuals), and FY18 and FY19 (projected), are included in the draft budget (Appendix B). In preparing the budget projections an error in the DSCR bank filings was discovered (reimbursement received from the U.S. Army Corps of Engineers and grant funding was not calculated in the DSCR). Corrected DSCR's have been prepared and certified and submitted to BBVA Compass Bank and are included as a separate information item in this agenda packet. The correction resulted in increasing the Port District's DSCR for FY16 and FY17.

FY 18 was the first year the U.S. Army Corps of Engineers expected annual reimbursement in the amount of \$385,000 was included as non-operating revenue in the budget. Annual reimbursement of \$385,000 is also included in the draft FY19 budget. If the Port District is not successful in obtaining the annual reimbursement of approximately \$65,000 from the Corps, the DSCR could potentially fall below the 125% DSCR threshold. That may require the Port District to either increase fees and/or reduce expenditures, or to temporarily deposit additional funds with BBVA Compass Bank in accordance with the loan agreements.

### ***Fees***

The 2017 Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area is 2.9%.

The draft budget includes projected revenue increases in concession rents in accordance with lease agreements based on CPI. No increase has been applied to marina fees in the draft budget.

In previous years, the Commission has expressed a desire to keep pace with CPI in setting rates for all categories of marina fees (i.e., slip rent, dry storage and miscellaneous space rent).

Staff is seeking direction from the Commission on fee increases in FY19. If a fee increase is recommended by the Commission, the draft budget will be presented at the February 27 meeting with commensurate adjustments to anticipated revenue.

A table showing historic annual slip fee increases is included as Attachment B.

## **SUMMARY**

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

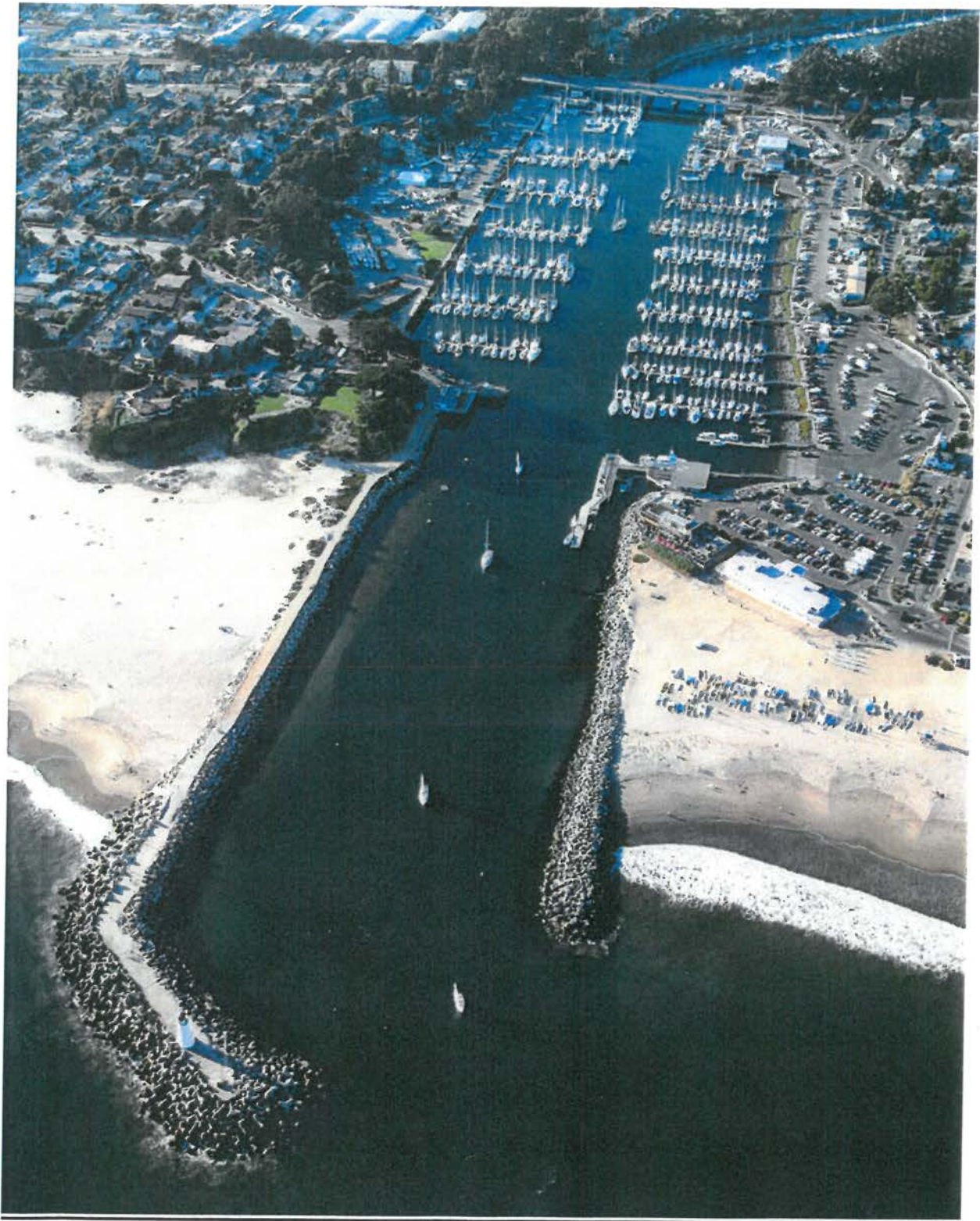
- Does the Commission wish to include an increase to marina fees in the draft budget? If yes, what level of increase should be presented? (A 1% slip rent increase generates approximately \$42,000 in additional revenue, excluding dry storage.)
- Capital Improvement Plan projects and funding.

The draft FY19 budget will be amended as needed to incorporate direction received from the Commission. The FY19 budget will be presented at the February 27 Commission meeting for review and approval.

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

**SANTA CRUZ PORT DISTRICT  
FISCAL YEAR 19 BUDGET REPORT**

**DRAFT**



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## ***POLICY STATEMENTS***

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The Port Commission adopted a Reserve Policy during FY16 (Appendix A), to enhance clarity and transparency of Port District financial priorities. The Reserve Policy states the Port Commission's intent to preserve capital to finance three months of operations, and to fund future capital improvements at a minimum level to ensure the sustainability of harbor infrastructure. The policy provides for contributions over three to seven years to meet the funding goal for operations. The FY19 budget includes contributions to the Reserve Fund and the Capital Improvement Program, consistent with the Port Commission's policy.

The budget recognizes planned Capital Improvement expenditures as encumbrances, thus the funding becomes unavailable for other expenses. Encumbering funds prevents further expenditure that would conflict with commitments already made. Encumbered funds are shown in the Fund Balance Capital Improvement detail in the fiscal year they were encumbered.

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

In the absence of written policies, several assumptions first adopted in FY 13 were made to enable the continuing administration of District budgets. Those assumptions continue in the preparation of the FY18 budget and include:

1.     Balanced Budget:

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

2.     Fixed Assets

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

**POLICY STATEMENTS**

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3. Capital Improvements

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

4. Depreciation

Depreciation is reported annually as an operating expense of approximately \$1.6 million per year. The full amount of annual depreciation has not been included in the operating budget.

5. Appropriations

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

6. Reserves

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

7. Use of Restricted/Unrestricted Net Assets

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

8. Staffing Levels

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



## **POLICY STATEMENTS**

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### Additional Policies for Future Consideration

The Port Commission may wish to consider establishing policies to guide future financial decisions. Policies that would define the Port District's strategic direction, set standards for financial management and define the limitations of the Port Director's authority would serve to streamline reporting, encourage creativity on the part of staff and increase confidence among all stakeholders.

Examples may include setting an investment policy, establishing debt levels and financial actions to undertake in emergencies.

## ***BUDGET USERS GUIDE***

---

General Fund (i.e. operating) revenues and expenses are presented in the Financial Summaries. FY17 Actual, FY18 Budget and Projected Actual and FY19 Proposed Budget figures are presented for comparison. Terms used in the Financial Summaries and in the program budgets that follow are defined below.

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

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

**Debt Service** - Principal and interest payments on loans.

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

**Fuel Sales** – Receipts at the fuel pump.

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

**Other/Miscellaneous** - Revenues shown as Other/Miscellaneous include sales of fuel, ice and merchandise, proceeds from lien sales or disposal of surplus items, etc.

**Personnel Services** - All costs associated with Port District staff compensation for regular and temporary employees, including payroll taxes, worker's compensation, unemployment insurance and employee benefits.

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

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

## ***BUDGET USERS GUIDE***

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

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

Department and Program budget summaries are based on estimated levels of effort for each throughout FY19.

The proposed Capital Improvement Program is presented in Appendix D (*pending*). Staffing and capital outlay in support of the Capital Improvement are budgeted separately in the Capital Projects section of the Facilities Maintenance and Engineering Department.

**FINANCIAL SUMMARIES**

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**GENERAL FUND BUDGET SUMMARY**

**FY 19 REVENUES  
BY CATEGORY**

**Total All Funds**

User Fees	\$ 6,072,800
Rents	1,854,060
Charges for Services	18,000
Fines	80,000
Fuel Sales	490,000
Boatyard	238,500
Intergovernmental	420,725
Grants	17,000
Other/Miscellaneous	73,950

**TOTAL**                      **\$9,265,035**

**FY 19 EXPENDITURES  
BY CATEGORY**

Personnel Services	\$ 3,551,485
Services & Supplies	3,575,164
Capital Outlay	37,000
Debt Service	1,030,895
Other Liabilities	0

**TOTAL**                      **\$ 8,194,544**

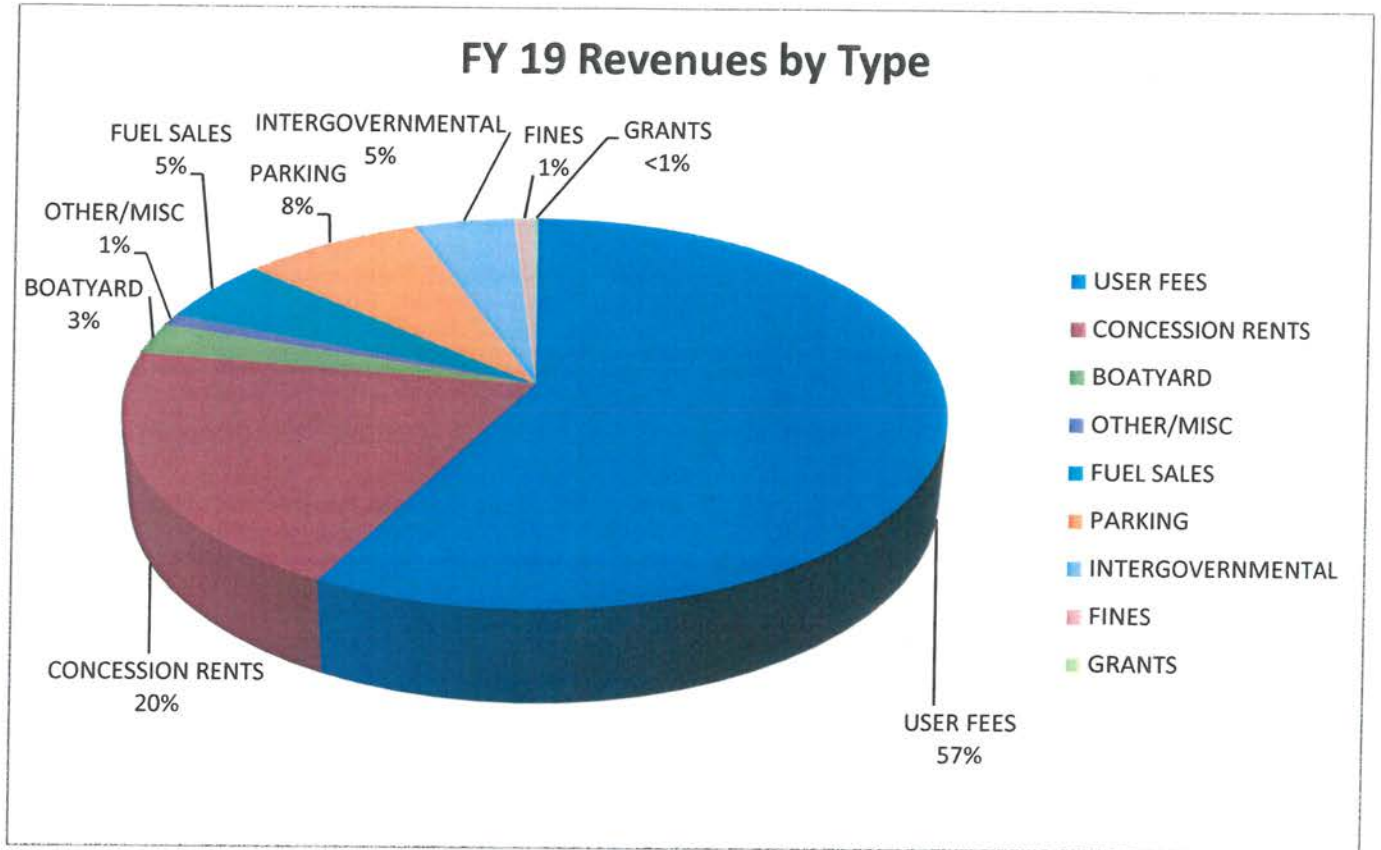
**FINANCIAL SUMMARIES**

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**GENERAL FUND REVENUE BUDGET**

	<b>FY18 Budget</b>	<b>FY18 Projection</b>	<b>FY19 Budget</b>
User Fees	\$ 5,969,500	\$ 6,128,397	\$ 6,072,800
Rents	1,713,000	1,821,795	1,854,060
Charges for Services	18,000	10,291	18,000
Fines	80,000	81,314	80,000
Fuel Sales	480,000	468,953	490,000
Boatyard	214,000	239,132	238,500
Intergovernmental	422,000	520,736	420,725
Grants		25,096	17,000
Other/Miscellaneous	93,000	99,520	73,950
<b>TOTAL</b>	<b>\$ 8,989,500</b>	<b>\$ 9,395,234</b>	<b>\$ 9,265,035</b>

Intergovernmental revenues in the FY18 and FY19 budget include approximately \$25,000 from the County of Santa Cruz for marine rescue services and \$12,000 for waste oil recycling. Beginning in FY18, revenue was increased to reflect reimbursements from the US Army Corps of Engineers (USACE) for its cost share for dredging the federal entrance channel. Reimbursement in the amount of approximately \$385,000 is anticipated during FY19. Prior to FY18, reimbursement from the USACE was not included in annual budgets due to uncertainties in funding for future year cost shares.



Note: Parking revenue, shown separately in the above chart, is included in User Fees.

***FINANCIAL SUMMARIES***

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**GENERAL FUND EXPENDITURE BUDGET**

	<b>FY18 Budget</b>	<b>FY18 Projected</b>	<b>FY19 Budget</b>
Personnel Services	\$ 3,375,983	\$ 3,382,718	\$ 3,551,485
Services & Supplies	3,450,158	3,297,348	3,575,164
Capital Outlay		8,000	37,000
<b>TOTAL OPERATING / CAPITAL OUTLAY</b>	<b>\$ 6,826,141</b>	<b>\$ 6,688,066</b>	<b>7,163,649</b>
Debt Service	997,454	997,454	1,030,895
Other Liabilities	0	0	0
<b>GRAND TOTAL</b>	<b>\$ 7,823,595</b>	<b>\$ 7,685,520</b>	<b>\$ 8,194,544</b>

In FY18, salary and benefit costs increased in the 4<sup>th</sup> quarter as a result of new labor agreements and salary schedules approved by the Port Commission. Salary and benefit costs are anticipated to increase during FY19 due to increases to minimum wage, negotiated labor contract salary and merit increases and CalPERS liability payments.

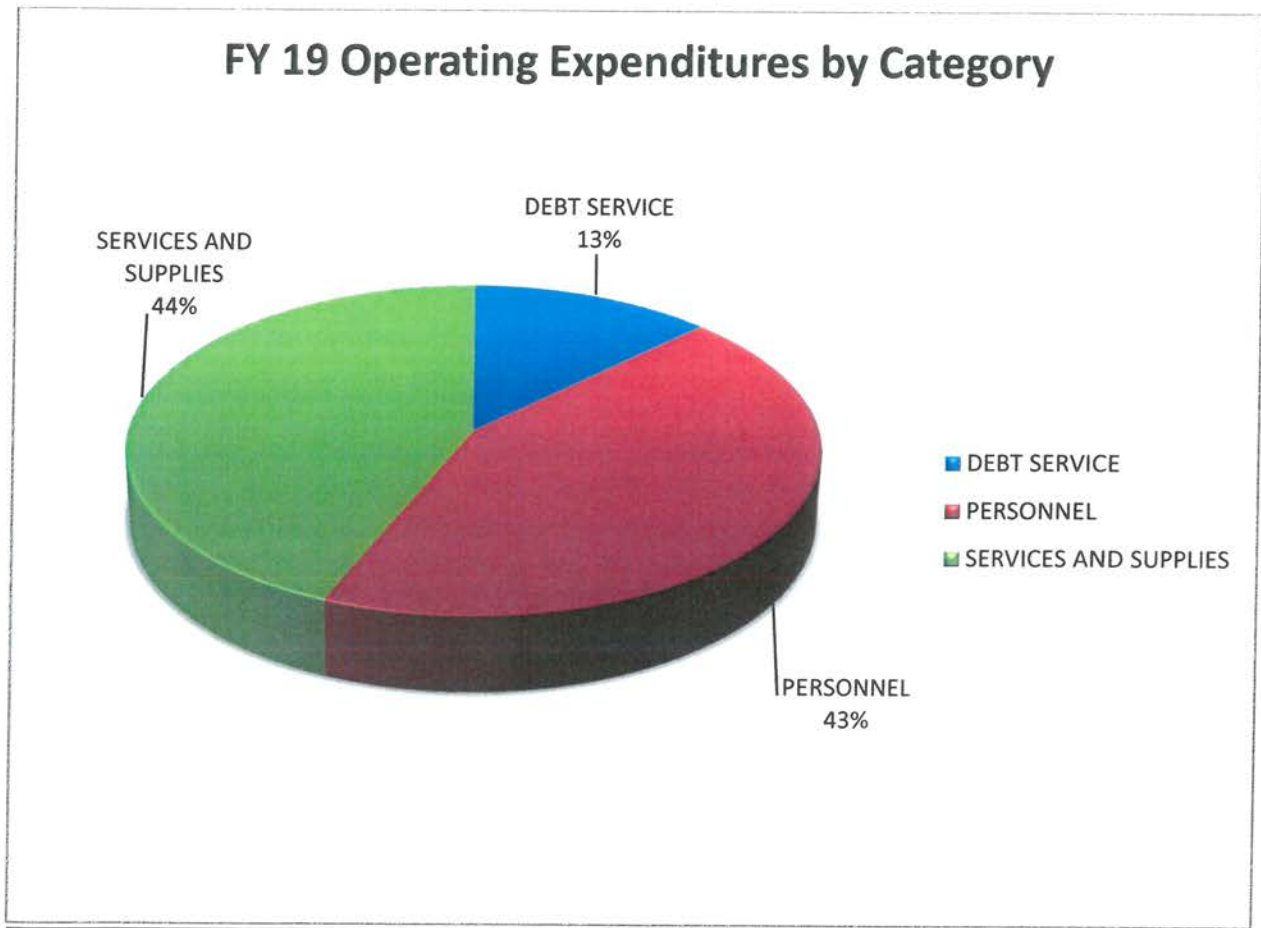
The expenditure summary in FY19 and previous budget years does not include transfers to the Dredge Intermediate Fund. Fund transfers are included in the budget as Non-Operating Expenditures:

- In FY19, fund transfers to the Dredge Intermediate Fund total \$378,258.
- In FY18, fund transfers to the Dredge Intermediate Fund totaled \$290,000 in the budget. An additional \$46,754 transfer to the fund was authorized in November 2017.

**FINANCIAL SUMMARIES**

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In FY19, there are no anticipated expenditures to note as “Other Liabilities.” In prior fiscal years, reimbursement to the California Emergency Management Agency (CalEMA) related to the 2005/06 El Niño storm disaster and pension withdrawal liability payments made to the Operating Engineers Local No. 3 (OE3) Pension Trust Fund were included as other liabilities.





**FINANCIAL SUMMARIES**

**Expenditures by Department and Program**

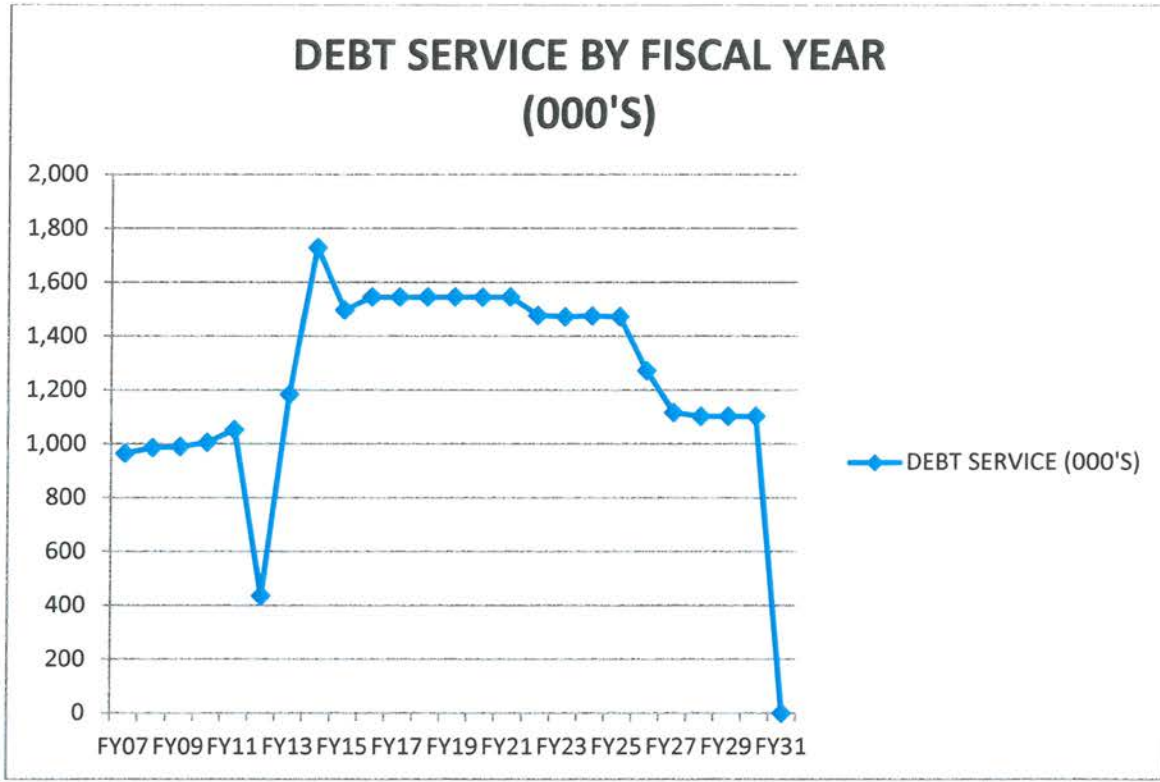
Department and Program	FY 17 Actual	FY 18 Budget	FY 18 Projected	FY 19 Proposed
<b>100 Administrative Services Department</b>				
110 Administration	\$ 1,016,517	\$ 756,828	\$ 685,669	\$ 727,018
120 Finance & Purchasing	170,809	179,467	169,123	191,294
130 Property Management	429,040	452,854	391,461	439,637
140 Environmental & Permitting	156,750	209,505	139,271	205,654
190 Port Commission Support	50,183	51,255	53,112	51,189
<b>Department Total</b>	<b>\$ 1,823,299</b>	<b>\$ 1,649,909</b>	<b>\$ 1,438,636</b>	<b>\$ 1,614,792</b>
<b>200 Operations Department</b>				
210 Harbor Patrol	\$ 621,569	\$ 606,638	\$ 653,808	\$ 635,630
220 Marina Management	461,217	429,070	493,162	445,119
230 Rescue Services	90,519	92,880	100,050	101,958
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280 Fuel Services	331,742	434,450	381,242	478,065
500 Boatyard	239,953	238,097	214,501	253,158
<b>Department Total</b>	<b>\$ 2,123,435</b>	<b>\$ 2,227,774</b>	<b>\$ 2,222,567</b>	<b>\$ 2,311,808</b>
<b>300 Facilities Maintenance &amp; Engineering</b>				
310 Docks, Piers & Other Marine Structures	\$ 263,642	\$ 250,351	\$ 256,964	\$ 266,610
320 Utilities Maintenance	84,314	107,875	97,574	124,940
330 Building Maintenance	238,023	256,497	297,032	282,080
340 Grounds Maintenance	656,439	654,366	619,758	700,736
350 Aeration Program	42,498	54,885	50,982	54,263
360 Fishery Support*	5,042	18,250	9,286	18,935
390 Capital Projects	1,024	471,084	457,854	437,601
400 Dredging Operations	1,259,287	1,135,150	1,237,413	1,314,884
<b>Department Total</b>	<b>\$ 2,550,269</b>	<b>\$ 2,948,458</b>	<b>\$ 3,026,863</b>	<b>\$ 3,200,049</b>
<b>Total Operating Budget</b>	<b>\$ 6,497,003</b>	<b>\$ 6,826,141</b>	<b>\$ 6,688,066</b>	<b>\$ 7,126,649</b>

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

\* Formerly titled "Ice Production."

**FINANCIAL SUMMARIES**

**DEBT SERVICE**



The chart above shows historic and projected debt service by fiscal year for amounts previously borrowed. Loan payoff will be achieved during FY31.

Previous loans from the California Department of Boating and Waterways (DBW) and Series 2004A and 2004C bonds used to finance improvements at 2222 East Cliff Drive, AA Dock and 555 Brommer Street Extension were paid off. New tax exempt and taxable loans were obtained from BBVA Compass Bank at lower interest rates, and the loans will be fully paid off 12 years earlier. The refinancing included \$4 million for the purchase of a new dredge *Twin Lakes* to replace *Seabright* and \$750,000 to pay off pension withdrawal liability. The total amount financed was \$16,803,405. The loans will be paid off in 2030 at a total cost of approximately \$21.6 million. The previous loans would have been paid off in 2042 at a total cost of approximately \$ 26.35 million. Shortening the life of the loans combined with the superior interest rates thus enabled the District to both borrow \$4.75 million and save \$3.9 million.

## ***FINANCIAL SUMMARIES***

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The reduced debt service in FY12 was a result of DBW allowing the District to skip a principal payment in 2011 after the tsunami.

A term of the refinancing package included terminating the District's line of credit with Comerica Bank and replacing it with a \$4 million line of credit at BBVA Compass Bank. The line of credit was necessary to ensure that sufficient cash remained available during reconstruction of docks and utilities damaged by the March 2011 tsunami. The graph on page 12 does not include monthly fees paid on the line of credit. Expenditures for the unused line of credit fee are currently funded in Administration.

The term of the line of credit was extended in FY18 and the maximum principal amount available for draw is \$2 million. No draws were made against it during FY16 – FY17, and no draws are projected for FY18.

**FINANCIAL SUMMARIES**

**FUND BALANCE PROJECTIONS**

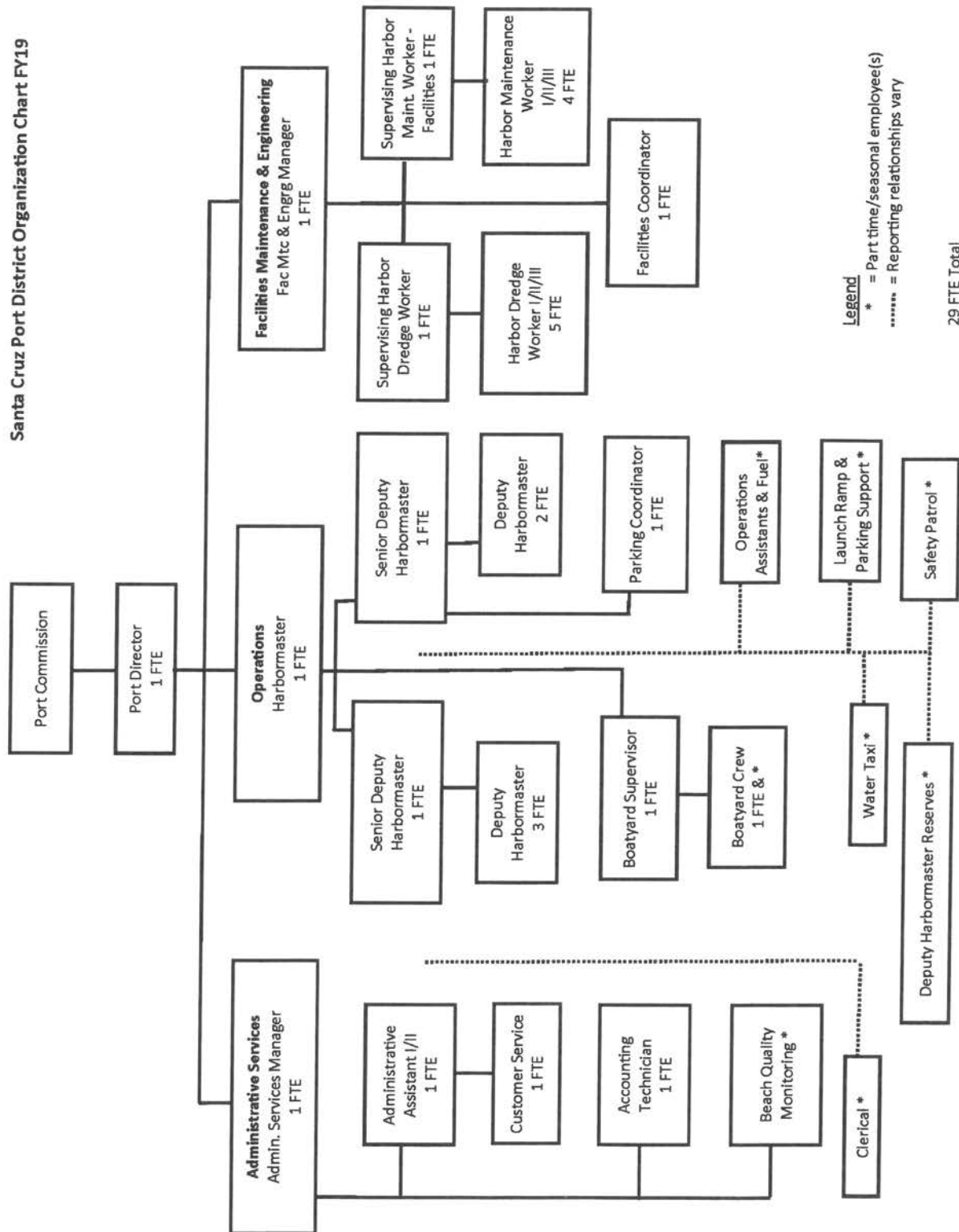
SANTA CRUZ PORT DISTRICT  
FUND BALANCE PROJECTION AS OF APRIL 1, 2018

	Unrestricted Funds		Board Designated Funds			Restricted Funds		Total Funds
	General Fund	Intermed. Dredge	Reserve Fund	Capital Improvement	Election	BBVA Reserve	PEMHCA	
Begin. Balance Apr. 1, 2017	\$ 23,750,880	\$ 33,988	\$ 1,282,380	\$ 1,009,395	\$ 136,496	\$ 725,685	\$ 105,000	\$ 27,053,832
FY18 Financial Results:								
YTD Budget report	\$ 658,034	\$ (215,000)		\$ (293,933)				
PEMHCA	(35,000)					\$ 689	\$ 35,000	\$ 149,780
Budget Designation:								
FY 2018 Budget	\$ (1,153,504)	\$ 290,000	\$ 300,000	\$ 500,000	\$ 63,504			\$ -
Mtg dtd 11/28/17	\$ (100,000)	\$ 46,754	\$ -	\$ 53,246				\$ -
<b>Projected Ending Balance March 31, 2018</b>	<b>\$ 23,120,420</b>	<b>\$ 155,742</b>	<b>\$ 1,592,380</b>	<b>\$ 1,268,708</b>	<b>\$ 200,000</b>	<b>\$ 726,374</b>	<b>\$ 140,000</b>	<b>\$ 27,203,622</b>
FY19 Budget								
CIP Projects FY19 Funding				\$ 500,000				\$ 500,000
CIP Projects Other - Seawall / Pile Project				\$ 2,154,400				\$ 2,154,400
Reserve Policy*			\$ 180,532					\$ 180,532
Dredge Intermediate Fund		\$ 378,258						\$ 378,258
Election Fund								\$ -
PEMHCA (OPEB)							\$ 35,000	\$ 35,000
<b>Projected Balance April 1, 2018</b>	<b>\$ 23,120,420</b>	<b>\$ 534,000</b>	<b>\$ 1,772,912</b>	<b>\$ 3,923,108</b>	<b>\$ 200,000</b>	<b>\$ 726,374</b>	<b>\$ 175,000</b>	<b>\$ 30,451,812</b>

\*Funding source = cash or financing  
\*\*Meets Reserve Fund goal: 25% of annual operating expenses (\$7,126,649) less PEMHCA (OPEB) contribution (\$35,000)

**PERSONNEL PROFILE**

**Santa Cruz Port District Organization Chart FY19**



## PERSONNEL PROFILE

The organization chart above is the basis of the FY19 budget projections. Positions shown with an associated FTE (full-time equivalent) number are regular, permanent positions assigned to each department. Positions shown with an asterisk and no FTE number are temporary and/or seasonal workers.

The FY19 budget increases FTE staffing by two, converting two existing full-time provisional positions. The Parking Coordinator position is in Operations, and the Harbor Dredge Worker position is in Facilities. Justification on the personnel profile status change for these positions is included as Appendix F.

Salary and benefit costs for all employees (regular FTE and temporary/seasonal) for FY 17 through FY 19 are tabulated below.

### Salary and Benefit Costs

DEPARTMENT/SERVICE	FY17 SALARIES & BENEFITS BUDGET	FY18 SALARIES & BENEFITS BUDGET	FY18 SALARIES & BENEFITS PROJECTED	FY19 SALARIES & BENEFITS BUDGET	FY 18 TO FY19 CHANGE
Administrative Services	673,832	608,659	508,586	635,492	+ 26,833 (+4.4%)
Operations	1,179,679	1,302,502	1,369,582	1,306,690	+4,188 (+.3%)
Boatyard	182,648	186,747	180,083	196,658	+9,911 (+5.5%)
Facilities Maintenance and Engineering	539,555	565,775	601,830	655,561	+89,786 (+15.9%)
Dredging Operations	648,840	712,300	722,637	757,084	+44,784 (6.3%)
<b>TOTALS</b>	3,224,554	3,375,983	3,382,718	3,551,485	+175,502 (+5.2%)

FY16 Total FTE = 27.67

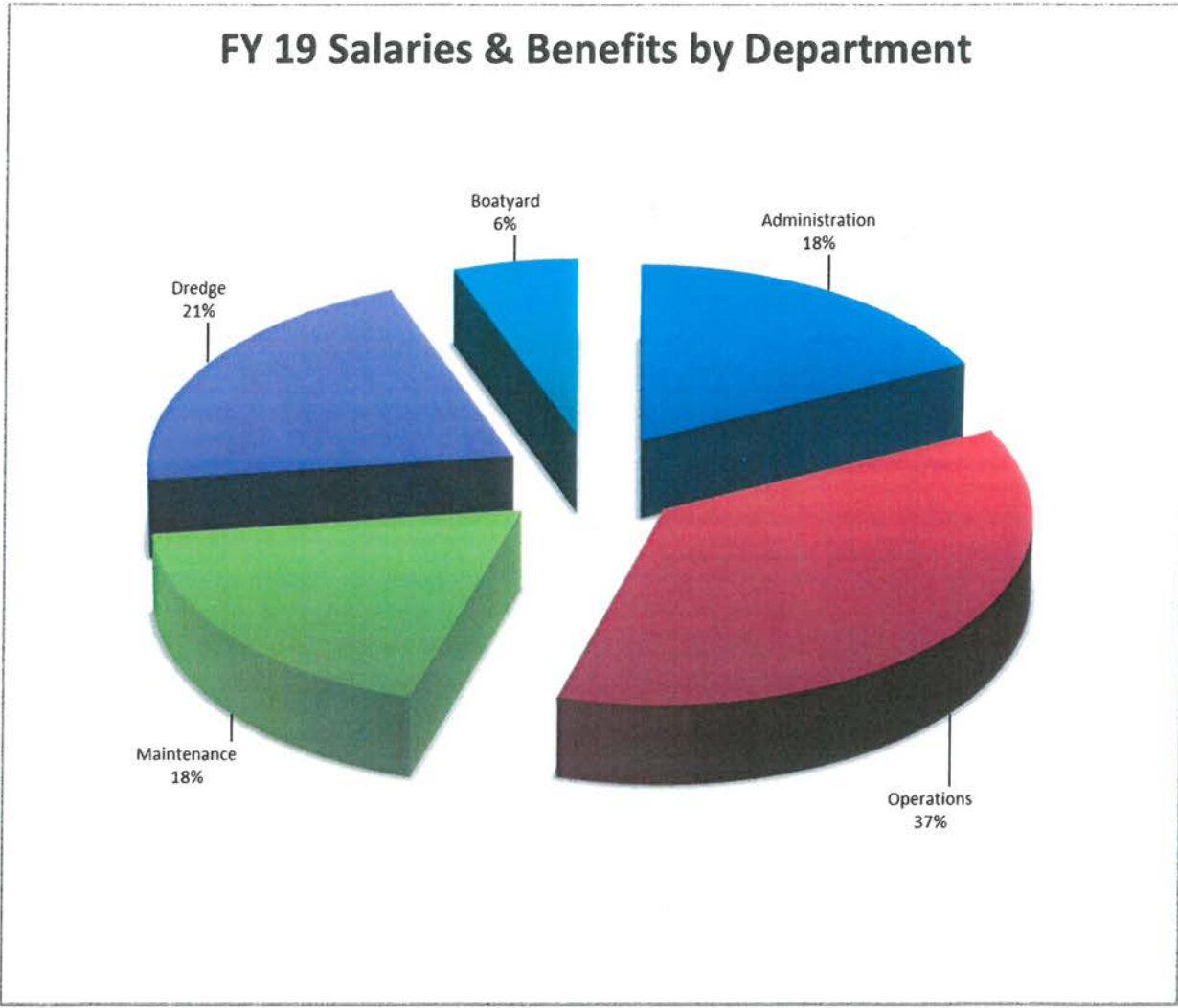
FY17 Total FTE = 27.0

FY18 Total FTE = 27.0

FY19 Total FTE = 29.0

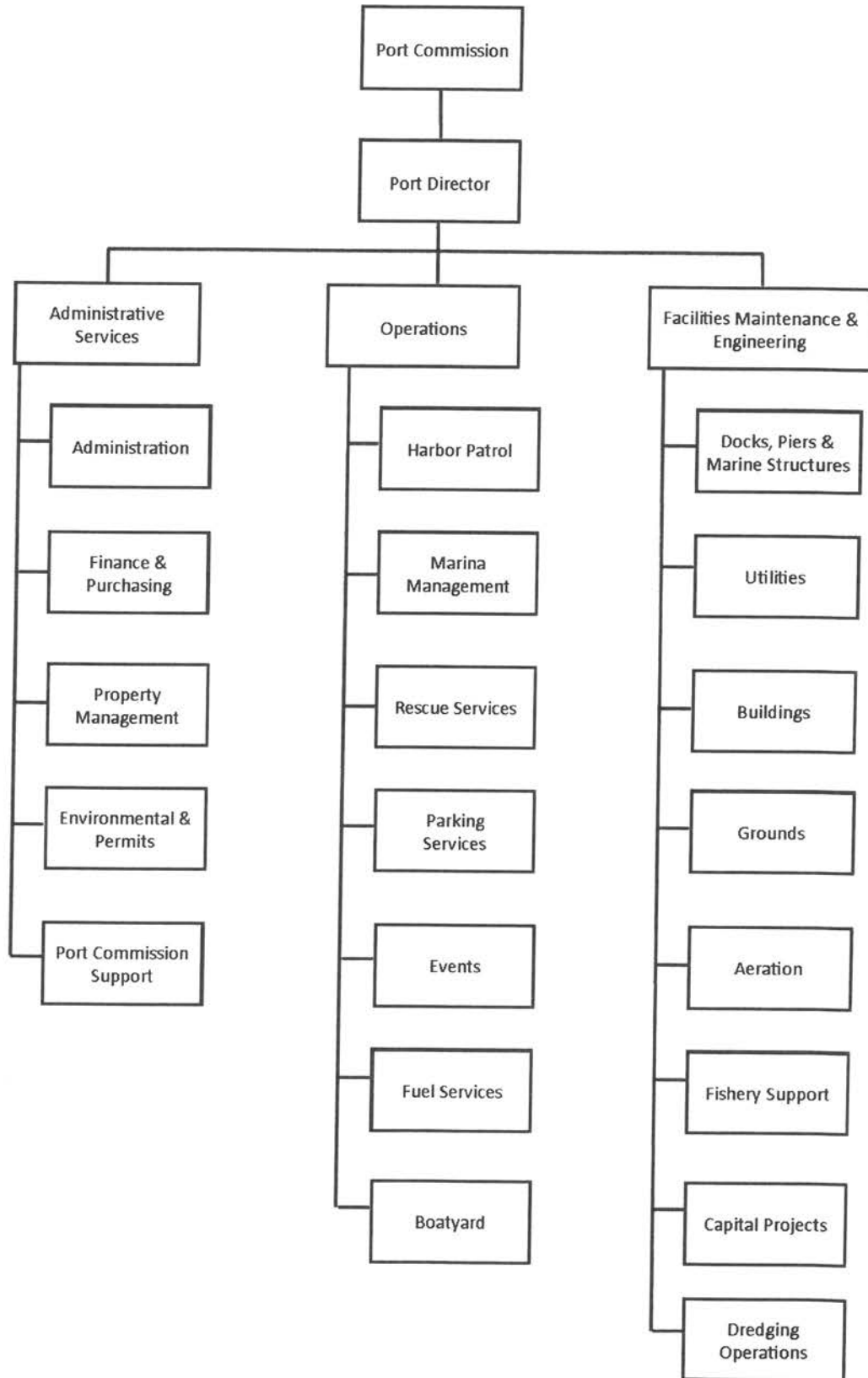
#### Notes:

1. The Boatyard is shown separately for additional clarity, but is overseen by the Operations Department.
2. Dredging Operations is encompassed under Facilities Maintenance and Engineering, but is shown separately here for added clarity.
3. The position Customer Service Representative is budgeted in Administration, but labor has been allocated to Operations (Marina Management).



**DEPARTMENTS AND PROGRAMS**

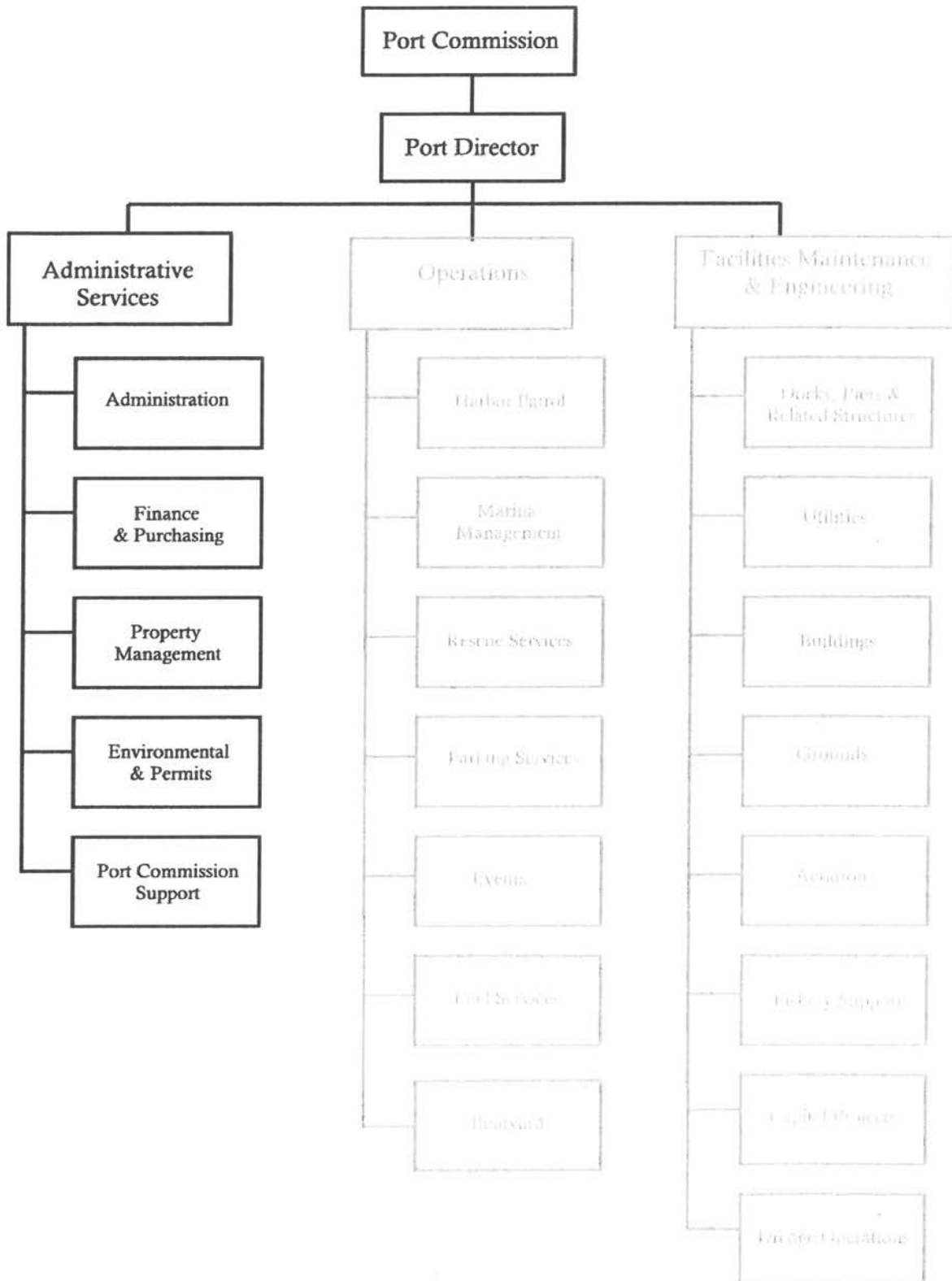
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**ADMINISTRATIVE SERVICES DEPARTMENT**

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**ADMINISTRATIVE SERVICES DEPARTMENT**

**Admin. Department Summary**

	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
<b>Expenditures by Category:</b>				
Personnel Services	600,681	608,659	508,587	635,492
Services & Supplies	1,222,618	1,041,250	930,049	979,300
Capital Outlay	0	0	0	0
Total Expenditures	1,823,299	1,649,909	1,438,636	1,614,792
<b>Expenditures by Program:</b>				
Administration	1,016,517	756,828	685,669	727,018
Finance & Purchasing	170,809	179,467	169,123	191,294
Property Management	429,040	452,854	391,461	439,637
Environmental & Permitting	156,750	209,505	139,271	205,654
Port Commission Support	50,183	51,255	53,112	51,189
Total Expenditures	1,823,299	1,649,909	1,438,636	1,614,792
<b>Total Regular Personnel Funded</b>	4	5 *	5 *	5 *
<b>Temporary/Seasonal Personnel</b>	Beach Monitors	Beach Monitors Office Support	Beach Monitors Office Support	Beach Monitors Office Support

\* The Customer Service Representative position transferred from Operations to Administration in FY17.

**ADMINISTRATIVE SERVICES DEPARTMENT**

**Administration**

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

**Administration (Program 110)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	345,400	346,028	284,802	360,218
Services & Supplies	671,117	410,800	400,867	366,800
<b>Total</b>	1,016,517	756,828	685,669	727,018
<b>Funding Source(s)</b>				
Rents	528,600	306,828	274,269	363,500
User Fees	487,917	450,000	411,400	363,518
<b>Total</b>	1,016,517	756,828	685,669	727,018
<b>Regular Personnel</b>				
	1.5 FTE	1.5 FTE	1.5 FTE	3.0 FTE
<b>Temporary/Seasonal Personnel</b>				
	Office Support	Office Support	Office Support	Office Support

Note: FTE equivalents are derived from percentages of salary & benefit costs by program. The FY17 projected and FY18 numbers were not updated in the departmental worksheets. FY19 is updated in this worksheet.

**ADMINISTRATIVE SERVICES DEPARTMENT**

**Finance and Purchasing**

Finance and purchasing activities include accounting for all Port District assets, revenues and expenses; administering payroll using an outside payroll processing contractor; financing; preparing budget monitoring and quarterly reports; contracting for services; preparing for and participating in audits; tracking grant-related expenditures and reimbursements. Finance and purchasing staff are continuing work to develop and refine purchasing procedures.

**Finance & Purchasing (Program 120)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	121,178	123,367	116,873	135,394
Services & Supplies	49,631	56,100	52,250	55,900
<b>Total</b>	<b>170,809</b>	<b>179,467</b>	<b>169,123</b>	<b>191,294</b>
<b>Funding Source(s)</b>				
User Fees	170,809	179,467	169,123	191,294
<b>Total</b>	<b>170,809</b>	<b>179,467</b>	<b>169,123</b>	<b>191,294</b>
<b>Regular Personnel</b>	1.1 FTE	1.1FTE	1.1FTE	.8 FTE
<b>Temporary/Seasonal Personnel</b>	Office Support	Office Support	Office Support	Office Support

**ADMINISTRATIVE SERVICES DEPARTMENT**

**Property Management**

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

**Property Management (Program 130)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	12,417	14,804	15,958	15,387
Services & Supplies	416,623	438,050	375,503	424,250
<b>Total</b>	<b>429,040</b>	<b>452,854</b>	<b>391,461</b>	<b>439,637</b>
<b>Funding Source(s)</b>				
Rents	429,040	452,854	391,461	439,637
<b>Total</b>	<b>429,040</b>	<b>452,854</b>	<b>391,461</b>	<b>439,637</b>
<b>Regular Personnel</b>	.4 FTE	.4 FTE	.4 FTE	1.8 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	Office Support	Office Support	Office Support

**ADMINISTRATIVE SERVICES DEPARTMENT**

**Environmental and Permitting**

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

**Environmental & Permitting (Program 140)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	76,682	82,805	44,671	81,704
Services & Supplies	80,068	126,700	94,600	123,950
<b>Total</b>	<b>156,750</b>	<b>209,505</b>	<b>139,271</b>	<b>205,654</b>
<b>Funding Source(s)</b>				
Intergovernmental	7,825	0	0	0
User Fees	148,925	209,505	139,271	205,654
<b>Total</b>	<b>156,750</b>	<b>209,505</b>	<b>139,271</b>	<b>205,654</b>
<b>Regular Personnel</b>	.6 FTE	.6 FTE	.6 FTE	.8 FTE
<b>Temporary/Seasonal Personnel</b>	Beach Quality Monitors	Beach Quality Monitors	Beach Quality Monitors	Beach Quality Monitors

**ADMINISTRATIVE SERVICES DEPARTMENT**

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**Port Commission Support**

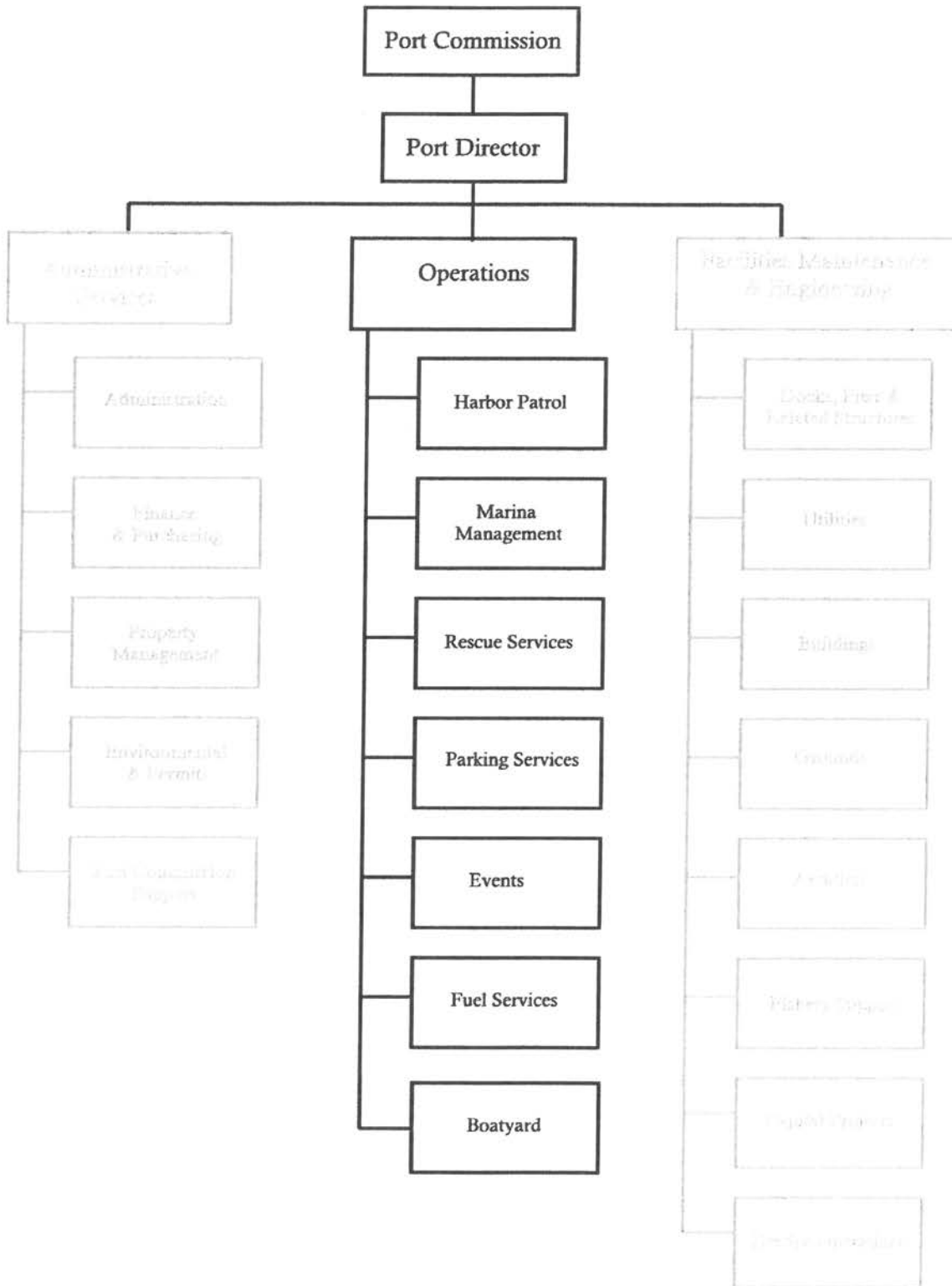
Activities that provide staff support for the Port Commission include developing meeting agendas, staff reports and minutes; coordinating with the County Elections Department and ensuring compliance with the Brown Act; intergovernmental relations and adopted Port Commission policies and procedures.

**Port Commission Support (Program 190)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	45,004	41,655	46,283	42,789
Services & Supplies	5,179	9,600	6,829	8,400
<b>Total</b>	<b>50,183</b>	<b>51,255</b>	<b>53,112</b>	<b>51,189</b>
<b>Funding Source(s)</b>				
User Fees	50,183	51,255	53,112	51,189
<b>Total</b>	<b>50,183</b>	<b>51,255</b>	<b>53,112</b>	<b>51,189</b>
<b>Regular Personnel</b>	.4 FTE	.4 FTE	.4 FTE	.2 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	Office Support	Office Support	Office Support

**OPERATIONS DEPARTMENT**

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**OPERATIONS DEPARTMENT**

**Operations Dept. Summary**

	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
<b>Expenditures by Category:</b>				
Personnel Services	1,430,204	1,489,249	1,549,664	1,503,348
Services & Supplies	693,231	738,525	672,903	808,460
Capital Outlay	0	0	0	12,000
Total Expenditures	2,123,435	2,227,774	2,222,567	2,311,808
<b>Expenditures by Program:</b>				
Harbor Patrol	621,569	606,638	653,808	635,630
Marina Management	461,217	429,070	493,162	445,119
Rescue Services	90,519	92,880	100,050	101,958
Parking Services	345,904	386,077	348,101	355,034
Events	32,531	40,562	31,703	42,844
Fuel Services	331,742	434,450	381,242	478,065
Boatyard	239,953	238,097	214,501	253,158
Total Expenditures	2,123,435	2,227,774	2,222,567	2,311,808
<b>Total Regular Personnel Funded</b>				
	8	10	10	11
<b>Temporary/Seasonal Personnel</b>	Reserve DHM Launch Parking Water Taxi	Reserve DHM Launch Parking Water Taxi	Reserve DHM Launch Parking Water Taxi	Reserve DHM Launch Parking Water Taxi

Note: FTE equivalents are derived from percentages of salary & benefit costs by program. The FY17 projected and FY18 numbers were not updated in the departmental worksheets. FY19 is updated in this worksheet.

**OPERATIONS DEPARTMENT**

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**Harbor Patrol**

The Harbor Patrol and contract operators currently provide 24-hour security and enforcement of Port District ordinances, California Harbors and Navigation, Penal and Vehicle Codes. Deputy Harbormasters provide site security and traffic control, make arrests, prepare incident reports and provide mutual aid response to other law enforcement agencies. In addition to law enforcement duties, deputy Harbormasters perform vessel search and rescue services, and a wide range of program management and customer services.

The Port Commission committed to providing 24-hour security coverage by armed Deputy Harbormasters during FY16, and approved the creation of one new FTE position to help achieve that goal. The FY18 budget included additional funding for training. The FY19 budget continues to maintain training for armed patrol staff at high levels.

**Harbor Patrol (Program 210)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	480,648	497,813	539,962	518,830
Services & Supplies	140,921	108,825	113,846	116,800
Capital Outlay	0	0	0	0
<b>Total</b>	<b>621,569</b>	<b>606,638</b>	<b>653,808</b>	<b>635,630</b>
<b>Funding Source(s)</b>				
Rents	0	260,000	260,000	260,000
User Fees	621,569	346,638	393,808	375,630
<b>Total</b>	<b>621,569</b>	<b>606,638</b>	<b>653,808</b>	<b>635,630</b>
<b>Regular Personnel</b>	3.4 FTE	3.8 FTE	3.8 FTE	2.6 FTE
<b>Temporary/Seasonal Personnel</b>	Reserve DHM	Reserve DHM	Reserve DHM	Reserve DHM

**OPERATIONS DEPARTMENT**

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**Marina Management**

Deputy Harbormaster and Operations staff manage and assigns berths and dry storage areas; monitor docks and dry storage areas for safety; staff the front counter 363 days per year; administer invoicing and payment processes; monitor vessel use and confirm current registration; perform vessel serviceability checks; manage the waiting list; develop delinquency reports; conduct lien sales, provide customer service and manage the harbor's database.

In FY18, the electrolysis fee was eliminated in recognition that the program was being performed on an "as needed" versus continual basis. The FY19 budget eliminates the Electrolysis Fee revenue line item, which previously generated approximately \$6,000 per year. The electrolysis program will continue to be conducted by Operations staff on an as needed basis.

**Marina Management (Program 220)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	418,201	398,870	463,486	414,119
Services & Supplies	43,016	30,200	29,676	31,000
<b>Total</b>	<b>461,217</b>	<b>429,070</b>	<b>493,162</b>	<b>445,119</b>
<b>Funding Source(s)</b>				
Rents	23,061	0	0	0
User Fees	438,156	429,070	493,162	445,119
<b>Total</b>	<b>461,217</b>	<b>429,070</b>	<b>493,162</b>	<b>445,119</b>
<b>Regular Personnel</b>				
	2.8 FTE	2.8 FTE	2.8 FTE	1.8 FTE
<b>Temporary/Seasonal Personnel</b>				
	Reserve DHM	Reserve DHM	Reserve DHM	Reserve DHM

Note: Front desk staffing is budgeted and overseen by Administration, though labor costs have been allocated to Marina Management.

**OPERATIONS DEPARTMENT**

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**Rescue Services**

Rescue services are provided by the Harbor Patrol aboard the vessel *Almar* or the Zodiac patrol vessel *Scout*. *Sparky*, the inner-harbor safety boat, continues to be utilized by Operations staff to manage human powered watercraft (HPW) activity inside the harbor on busy days.

The FY19 budget encapsulates all fuel costs under Rescue Services. This change accurately tracks fuel expenditures in the primary program and reduces administrative effort in allocating fuel expense throughout other budget programs with less significant fuel use.

Rescues performed on *Almar* are often conducted under the Coastal Incident Response Plan (CIRP) in coordination with City, County and State resources. The US Coast Guard staffs its Santa Cruz station in the harbor on weekends between Memorial Day and Labor Day. The Harbor Patrol and USCG coordinate efforts on those days.

The Port District negotiated with the City of Santa Cruz to provide staffing and oversight of the beach lifeguard program commencing in FY17 for approximately the same cost as in-house services. FY19 expenditures for contract lifeguard service increased 3% over FY18.

**Rescue Services (Program 230)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	49,593	52,280	50,728	53,708
Services & Supplies	40,926	40,600	49,322	48,250
<b>Total</b>	<b>90,519</b>	<b>92,880</b>	<b>100,050</b>	<b>101,958</b>
<b>Funding Source(s)</b>				
Intergovernmental	44,810	25,000	25,000	25,000
Rents	18,100	10,000	10,000	10,000
User Fees	27,609	57,880	65,050	66,958
<b>Total</b>	<b>90,519</b>	<b>92,880</b>	<b>100,050</b>	<b>101,958</b>
<b>Regular Personnel</b>	<b>.6 FTE</b>	<b>.7 FTE</b>	<b>.7 FTE</b>	<b>0.4 FTE</b>
<b>Temporary/Seasonal Personnel</b>	Reserve DHM Safety Boat Lifeguards	Reserve DHM Safety Boat	Reserve DHM Safety Boat Lifeguards	Reserve DHM Safety Boat

**OPERATIONS DEPARTMENT**

**Parking Services**

Parking services encompass year-round staffing of the concession parking lot serving 2222 East Cliff Drive (O'Neill Building), the Crow's Nest and Café el Palomar, The SUP Shack and Harbor Beach; beach parking permit sales; slip licensee and employee parking permits; launch ramp parking and permits; water taxi and shuttle van services, and parking ordinance enforcement. Revenues from parking meters, pay stations, permit sales and concession lot receipts are used to fund parking services.

The FY17 budget included increased personnel costs associated with adding one provisional Parking Coordinator, as recommended in the Santa Cruz Harbor Parking Management Plan completed during FY16. This provisional position is proposed to become FTE status in FY19 (See Appendix F).

**Parking Services (Program 240)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	261,631	297,477	260,379	261,624
Services & Supplies	84,273	88,600	87,722	93,410
<b>Total</b>	345,904	386,077	348,101	355,034
<b>Funding Source(s)</b>				
User Fees	261,545	0	0	0
Parking Fees/Fines	84,359	386,077	348,101	355,034
<b>Total</b>	345,904	386,077	348,101	355,034
<b>Regular Personnel</b>				
	1.4 FTE	1.4 FTE	1.4 FTE	1.4 FTE
<b>Temporary/Seasonal Personnel</b>	Parking Attendants, Launch Attendants, Water Taxi, Land Shuttle			

**OPERATIONS DEPARTMENT**

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**Events**

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

Revenues from events decreased in FY18 due to impacts from the County of Santa Cruz Twin Lakes Beachfront Project, but are expected to rebound following project completion.

**Events (Program 250)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	24,348	32,362	26,320	35,144
Services & Supplies	8,183	8,200	5,383	7,700
<b>Total</b>	32,531	40,562	31,703	42,844
<b>Funding Source(s)</b>				
Rents	32,531	25,000	25,000	25,000
Charges for Services	0	5000	5000	5000
User Fees	0	10,562	10,000	12,844
<b>Total</b>	32,531	40,562	31,703	42,844
<b>Regular Personnel</b>	0.4 FTE	0.4 FTE	0.4 FTE	0.2 FTE
<b>Temporary/Seasonal Personnel</b>	Parking Attendants, Water Taxi, Land Shuttle			

**OPERATIONS DEPARTMENT**

**Fuel Services**

The Port District took over operation and maintenance of the harbor's only fuel dock in July 2010. The program is managed by Deputy Harbormaster staff.

Recurring program costs include staff, fuel purchases, taxes, storage tank fees, inspections and spill prevention equipment and supplies.

Replacement of the spill buckets on the underground storage tanks is included as a capital outlay item in the FY19 budget.

**Fuel Services (Program 280)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	18,668	23,700	28,706	23,265
Services & Supplies	313,074	410,750	352,536	454,800
Capital Outlay*	0	0	0	12,000
<b>Total</b>	331,742	434,450	381,242	478,065
<b>Funding Source(s)</b>				
Charges for Services	0	0	40	0
Fuel Sales	331,742	480,000	381,202	478,065
<b>Total</b>	331,742	480,000	381,242	478,065
<b>Regular Personnel</b>				
	.1 FTE	.2 FTE	.2 FTE	1.9 FTE
<b>Temporary/Seasonal Personnel</b>	Fuel Dock Attendant	Fuel Dock Attendant	Fuel Dock Attendant	Fuel Dock Attendant

**OPERATIONS DEPARTMENT**

**Santa Cruz Harbor Boatyard**

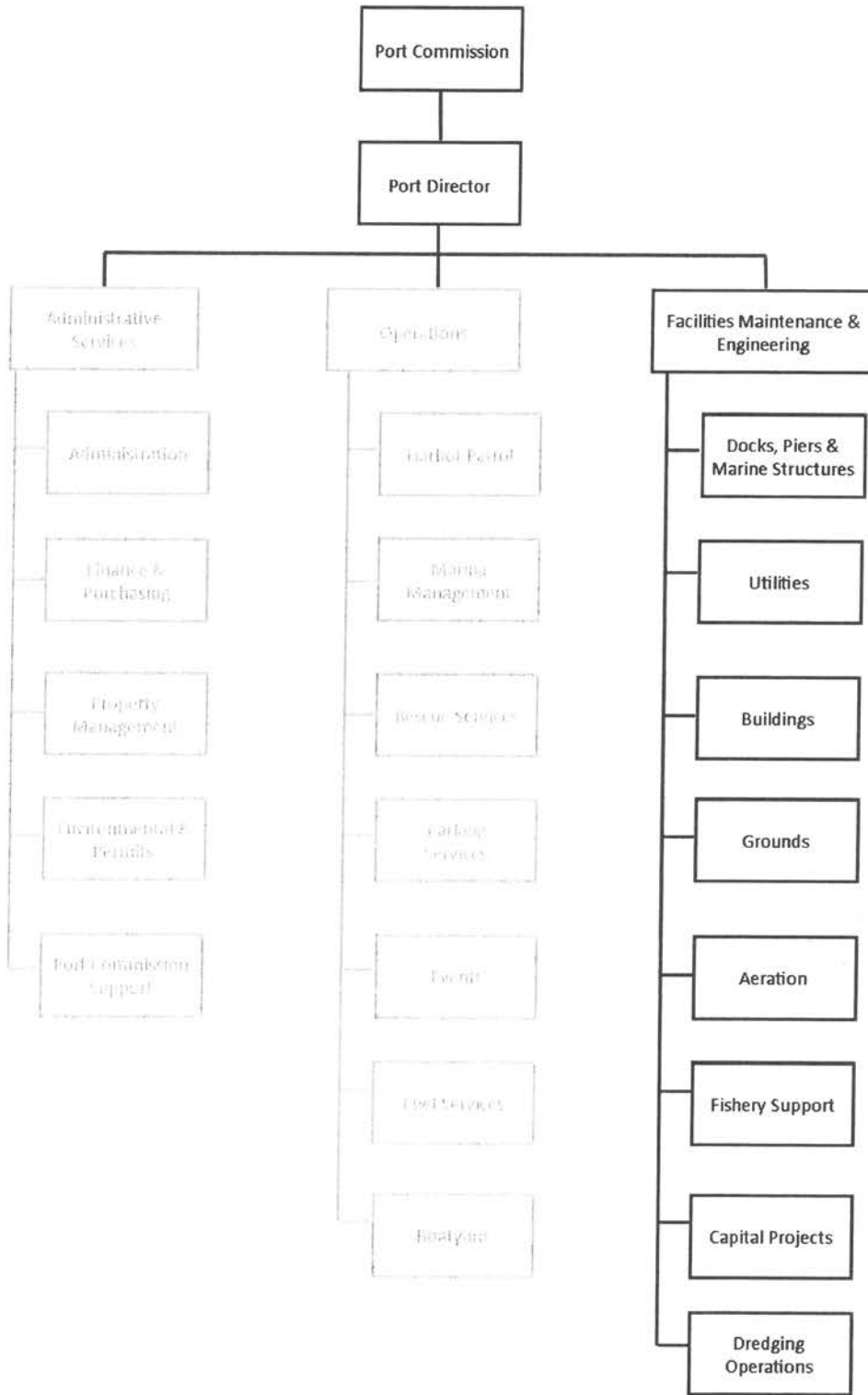
The Port District took over operation and maintenance of the boatyard on February 1, 2014, and opened in on April 7, 2014. Recurring program costs include staff, fuel purchases, taxes, storage tank fees, inspections, spill prevention equipment supplies and stormwater filtration costs. Staff, with support from a contract Qualified Industrial Stormwater Practitioner (QISP), is striving to meet increasingly stringent stormwater pollution prevention regulations. This effort is reflected in modest increases for boatyard services and supplies in FY19. Some stormwater service expenditures are captured in Environmental Permitting. The boatyard was self-supporting in FY18.

**Boatyard (Program 500)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	177,115	186,747	180,083	196,658
Services & Supplies	62,838	51,350	34,418	56,500
<b>Total</b>	<b>239,953</b>	<b>238,097</b>	<b>214,501</b>	<b>253,158</b>
<b>Funding Source(s)</b>				
Charges for Services	0	214,000	0	1,000
Proceeds	0	0	0	14,658
Boatyard Fees	239,953	24,097	214,501	237,500
<b>Total</b>	<b>239,953</b>	<b>238,097</b>	<b>214,501</b>	<b>253,158</b>
<b>Regular Personnel</b>				
	0 FTE	2 FTE	2 FTE	1 FTE
<b>Temporary/Seasonal Personnel</b>	Boatyard Crew	Boatyard Crew	Boatyard Crew	Boatyard Crew



**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**



**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Facilities Maintenance and Engineering Summary**

	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
<b>Expenditures by Category:</b>				
Personnel Services	1,269,790	1,278,075	1,324,467	1,412,645
Services & Supplies	1,280,479	1,670,383	1,694,396	1,787,404
Capital Outlay	0	18,000	8,000	25,000
Total Expenditures	2,550,269	2,966,458	3,026,863	3,200,049
<b>Expenditures by Program:</b>				
Docks, Piers, Marine Str.	263,642	250,351	256,964	266,610
Utilities Maintenance	84,314	107,875	97,574	124,940
Building Maintenance	238,023	256,497	297,032	282,080
Grounds Maintenance	656,439	654,366	619,758	700,736
Aeration Program	42,498	54,885	50,982	54,263
Ice Production	5,042	18,250	9,286	18,935
Capital Projects	1,024	471,084	457,854	437,601
Dredge Operations	1,259,287	1,135,150	1,237,413	1,314,884
Total Expenditures	2,550,269	2,948,458	3,026,863	3,200,049
<b>Total Regular Personnel Funded</b>	12	12	12	13
<b>Temporary/Seasonal Personnel</b>	Custodian	Custodian Maint. Support	Custodian Maint. Support	Custodian Maint. Support

Note: FTE equivalents are derived from percentages of salary & benefit costs by program. The FY17 projected and FY18 numbers were not updated in the departmental worksheets. FY19 is updated in this worksheet.

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Docks, Piers and Other Marine Structures**

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

**Docks, Piers, and Other Marine Structures (Program 310)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	69,392	75,002	59,304	79,160
Services & Supplies	194,250	175,349	197,660	187,450
<b>Total</b>	<b>263,642</b>	<b>250,351</b>	<b>256,964</b>	<b>266,610</b>
<b>Funding Source(s)</b>				
User Fees	263,642	250,351	256,964	266,610
<b>Total</b>	<b>263,642</b>	<b>250,351</b>	<b>256,964</b>	<b>266,610</b>
<b>Regular Personnel</b>	1.6 FTE	1.6 FTE	1.6 FTE	1.1 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	N/A	N/A	N/A

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Utilities Maintenance**

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

**Utilities Maintenance (Program 320)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	72,119	80,975	74,674	88,740
Services & Supplies	12,195	26,900	22,900	36,200
<b>Total</b>	<b>84,314</b>	<b>107,875</b>	<b>97,574</b>	<b>124,940</b>
<b>Funding Source(s)</b>				
Rents	33,725	57,875	47,574	74,940
User Fees	50,589	50,000	50,000	50,000
<b>Total</b>	<b>84,314</b>	<b>107,875</b>	<b>97,574</b>	<b>124,940</b>
<b>Regular Personnel</b>	1.0 FTE	1.0 FTE	1.0 FTE	.5 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	N/A	N/A	N/A

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Building Maintenance**

There are 25 buildings housing over 40 tenants, harbor administration, operations and maintenance functions, restrooms and miscellaneous storage facilities throughout the harbor. Activities include the full spectrum of repairs, paint, carpet, roofing, HVAC, elevator service, alarm maintenance and cleaning/custodial services.

**Building Maintenance (Program 330)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	74,484	79,047	121,297	84,630
Services & Supplies	163,539	177,450	167,735	197,450
Capital Outlay	0	8,000	8,000	0
<b>Total</b>	<b>238,023</b>	<b>256,497</b>	<b>297,032</b>	<b>282,080</b>
<b>Funding Source(s)</b>				
Rents	238,023	256,497	297,032	282,080
<b>Total</b>	<b>238,023</b>	<b>256,497</b>	<b>297,032</b>	<b>282,080</b>
<b>Regular Personnel</b>	1.1 FTE	1.1 FTE	1.1 FTE	1.1 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	N/A	N/A	N/A

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Grounds**

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

In FY18, contract grounds service was eliminated. Grounds services are currently being performed in house by unrepresented, hourly personnel, increasing costs for Personnel Services in FY19. A portion of the savings achieved in Services and Supplies was shifted to Personnel Services.

Acquisition of a used 3/4 – ton truck is included as a capital expenditure in FY19, to replace a vintage 1997 half-ton truck.

**Grounds (Program 340)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	301,043	279,666	307,472	354,736
Services & Supplies	355,396	374,700	312,286	346,000
Capital Outlay*	0	10,000	0	25,000
<b>Total</b>	<b>656,439</b>	<b>654,366</b>	<b>619,758</b>	<b>700,736</b>
<b>Funding Source(s)</b>				
Rents	242,885	200,000	200,000	200,000
User Fees	413,554	454,366	419,758	500,736
<b>Total</b>	<b>656,439</b>	<b>654,366</b>	<b>619,758</b>	<b>700,736</b>
<b>Regular Personnel</b>	2.6 FTE	2.6 FTE	2.6 FTE	2.9 FTE
<b>Temporary/Seasonal Personnel</b>	Weekend Custodian	Weekend Custodian	Weekend Custodian/HMW1 (Prov)	Weekend Custodian

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Aeration Program**

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

**Aeration Program (Program 350)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	18,879	26,885	27,482	25,763
Services & Supplies	23,619	28,000	23,500	28,500
<b>Total</b>	<b>42,498</b>	<b>54,885</b>	<b>50,982</b>	<b>54,263</b>
<b>Funding Source(s)</b>				
User Fees	42,498	54,885	50,982	54,263
<b>Total</b>	<b>42,498</b>	<b>54,885</b>	<b>50,982</b>	<b>54,263</b>
<b>Regular Personnel</b>	.3 FTE	.3 FTE	.3 FTE	.2 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	.2 FTE	N/A	.3 FTE

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Fishery Support**

Fishery Support (formerly known as the “Ice Production” program, was established when the large Sunwell ice production plant was still in operation. The plant was removed in 2013, due to repeated failures and the high cost of maintenance and repairs, and was replaced with a smaller, compact machine that is easily managed and operated by the resident fish buyer and harbor staff. As a result, program costs dropped to very low levels.

The commercial fishing fleet, resident fish buyer and the facilities that support their activities merit commitment and support from the Port District. The FY19 budget includes funding for maintenance of the hoists, ice machine and pier, working with commercial fishermen on landings administration, and for updating policies associated with the fishery.

**Fishery Support (Program 360)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	2,533	17,250	7,786	15,435
Services & Supplies	2,509	1,000	1,500	3,500
<b>Total</b>	<b>5,042</b>	<b>18,250</b>	<b>9,286</b>	<b>18,935</b>
<b>Funding Source(s)</b>				
User Fees	5,042	18,250	9,286	18,935
<b>Total</b>	<b>5,042</b>	<b>18,250</b>	<b>9,286</b>	<b>18,935</b>
<b>Regular Personnel</b>	.2 FTE	.2 FTE	.2 FTE	.1 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	N/A	N/A	N/A



**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Capital Projects**

This program provides staffing to manage the Port District’s Capital Improvement Program. Work in this section may involve preliminary engineering, such as site inspections or concept development, grant applications, and other work in support of capital projects.

Capital projects recommended for FY19 are detailed in the Capital Improvement Program later in this report.

**Capital Projects (Program 390)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	502	6,950	3,815	7,097
Services & Supplies	522	464,134	454,039	430,504
<b>Total</b>	<b>1,024</b>	<b>471,084</b>	<b>457,854</b>	<b>437,601</b>
<b>Funding Source(s)</b>				
User Fees	1,024	471,084	457,854	437,601
<b>Total</b>	<b>1,024</b>	<b>471,084</b>	<b>457,854</b>	<b>437,601</b>
<b>Regular Personnel</b>	.3 FTE	.2 FTE	.2 FTE	1.8 FTE
<b>Temporary/Seasonal Personnel</b>	N/A	N/A	N/A	N/A

**FACILITIES MAINTENANCE AND ENGINEERING DEPARTMENT**

**Dredging Operations**

Activities involve annual dredging of the channel entrance and selected areas of the inner-harbor, primarily the north harbor where sedimentation from Arana Gulch most impacts depths. Also included are maintenance and repairs to the dredges *Twin Lakes* and *Squirt* and other equipment (e.g. crane, forklift, pipe welder, and anchors).

Environmental efforts in support of Dredging Operations are budgeted separately under the Administrative Services Department and include costs associated with permitting, monitoring and compliance reporting to several regulatory agencies.

*Twin Lakes* was placed in service in November 2016 and crews received training and support from the Port District’s dredging consultant (Bean) throughout the winter of 2016-17.

The FY17 budget reduced funding for maintenance and repair of the dredge *Twin Lakes* from \$80,000 in FY16, to \$20,000 in FY17 and FY18. This budget level is not sustainable, and significant expenditure overages in FY18 are projected. Recurring annual costs for consumable products (e.g., wire rope) exceed the FY18 line item budget. Other budget line items reduced in FY17 for maintenance and repair of equipment and the inner-harbor dredge *Squirt* are proposed to be increased in FY19.

FY18 budget projections include purchase of extended warranties for *Twin Lakes* C32 and C18 engines, and coverage for the Caterpillar bulldozer.

**Dredging Operations (Program 400)**

<b>Expenditures</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>
Personnel Services	730,838	712,300	722,637	757,084
Services & Supplies	528,449	422,850	514,776	557,800
<b>Total</b>	<b>1,259,287</b>	<b>1,135,150</b>	<b>1,237,413</b>	<b>1,314,884</b>
<b>Funding Source(s)</b>				
User Fees	1,259,287	1,135,150	1,237,413	1,314,884
<b>Total</b>	<b>1,259,287</b>	<b>1,135,150</b>	<b>1,237,413</b>	<b>1,314,884</b>
<b>Regular Personnel</b>	5.7 FTE	5.7 FTE	5.7 FTE	5.4 FTE
<b>Temporary/Seasonal Personnel</b>	Dredge Expediter	HMW II (Prov)	HMW II (Prov)	HMW II (Prov)

**DREDGING EQUIPMENT**

FY16 was the final full year of operation of the dredge *Seabright*. Delivery and commissioning of the new dredge, *Twin Lakes*, occurred May-June 2016.

*Twin Lakes*' utilized the original snorkel from the former dredge *Seabright*. The FY19 Dredge Intermediate Fund provides for fabrication of a new snorkel.

Another significant project planned for FY19 is a major overhaul of *Dauntless*. Staff is researching boatyard options for the sandblasting and repair work that needs to be accomplished in Summer 2018.

The following major maintenance items have been identified as priority needs for the dredging program in FY 19:

ASSET	ITEM	IDENTIFIED NEEDS
<b><i>Twin Lakes</i></b>		
	Lights	\$ 5,000
	Snorkel – Fabricate New	150,000
	Add 18” Check Valve	12,000
	Skookum Swing Sheaves	5,000
		<b>\$ 172,000</b>
<b><i>Squirt</i></b>	Replace 12” Check Valve	\$ 10,000
		<b>\$ 10,000</b>
<b><i>Dauntless</i></b>		
	Major Overhaul – Regional or Bay Area Boatyard: Haul / Sandblast / Paint / Zincs / A-Frame Fabrication / Replace Flooring – Decking / Fendering System*	\$175,000
	Skagit Winch Replacement	85,000
	Deck Lighting L.E.D Wiring*	5,000
	Welder/Generator*	12,000
		<b>\$277,000</b>

(continued on next page)

**DREDGING EQUIPMENT**

<b><i>Ancillary Equipment</i></b>		
Pipe	Phased Replacement*	\$ 30,000
Pipe Valves	Valve Assemblies	25,000
Pipe Valves	Convert West and Offshore Valves to Hydraulic	15,000
Anchors, Wire, Rigging	Rigging Replacement, Lifting Straps, Hardware for Anchor Lines	5,000
	Sub-Total	<b>\$75,000</b>
	<b>IDENTIFIED DREDGE INTERMEDIATE FUND NEEDS</b>	<b>\$534,000</b>
	<b>PROJECTED FY19 FUNDING NEED</b>	<b>\$378,258</b>

\* Increases funding available from prior year budget.

## **CAPITAL OUTLAY**

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The following capital outlay items are included in the FY19 budget:

- Fuel Services: Replacement of the spill buckets on the underground storage tanks (\$12,000).
- Grounds: Replacement of a vintage half-ton vehicle with a used 3/4 – ton truck (\$25,000).

Two additional capital outlay items have been identified as a need, but are not included in the FY19 budget:

- Buildings: Replacement of an aged truck (\$25,000)
- Parking: Replacement of the water taxi (\$23,000)

## **CAPITAL IMPROVEMENT PROGRAM**

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The Capital Improvement Program and fund balance propose \$2.6 million in funding for capital improvement projects in FY19.

A portion capital improvement expenditures could be financed. A Port Commission decision on whether to pursue financing for projects like the Aldo's seawall replacement and the pile replacement project is separate from the FY19 budget process.

The proposed 5-Year Capital Improvement Program is included as Appendix D.

## ***DEBT SERVICE***

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During FY14, the District embarked on a refinancing (aka “refunding”) of its existing debt which comprised loans from the California Department of Boating and Waterways (DBW) and bonds financed through the California Maritime Infrastructure Association (CMIA). The DBW loans carried an interest rate of 4.5%, and interest on the CMIA bonds ranged from 5.3% to 8.4%. The existing debt was scheduled for pay off in 2042. DBW loans had been used to finance reconstruction of G, J, W and X dock following the 1989 Loma Prieta earthquake. CMIA bonds were used to used to finance improvements at 2222 East Cliff Drive, AA Dock and 555 Brommer Street Extension.

One goal of the refinancing program was to reduce the District’s debt to a level that would allow additional borrowing in order to fund a replacement for the aging dredge *Seabright*. The estimated cost of a new dredge was \$3-4 million. The District approached several potential funding agencies and financial institutions and determined that the only additional borrowing that could occur would be through California Special Districts Association (CSDA). An equipment loan through CSDA would carry an interest rate of 6% to 7% and would have to be paid off in 15 years.

The District retained The Weist Law Firm of Scotts Valley, California, to serve as bond counsel for the refinancing effort. The Weist Law Firm engaged the services of Southwest Securities marketed the District’s debt. BBVA Compass Bank offered financing at very competitive rates and terms of the refinancing were locked in July 2013.

Funding in the amount of \$4 million to replace the dredge *Seabright* and \$750,000 to pay off existing pension withdrawal liability was added to the financing package for a total amount of \$16,803,405. The table below illustrates the District’s financing needs, refinanced debt and payoff years for each.

***DEBT SERVICE***

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Financing Needs	Source	Principal Amount (in 000's)	Interest Rate	Total Cost	Payoff Year
Tax Exempt Loans	DBW	9,116	4.5%	14,620	2042
Tax Exempt Bonds	CMIA	835	5.3%	1,150	2024
Taxable Bonds <sup>1</sup>	CMIA	1,670	8.4%	2,612	2024
Tax Exempt Loan	CSDA	4,000	7.5%	6,696	2029
Tax Exempt Loan	Unknown	750	7.5%	1,274	2029
<b>TOTALS:</b>		16,371		26,352	
<b>Refinanced</b>					
Tax Exempt Loans	BBVA Compass Bank	14,419	3.09%	18,454	2029
Taxable Bonds	BBVA Compass Bank	2,384	4.74%	3,131	2026
<b>TOTALS:</b>		16,803		21,585	

A term of the refinancing package required the District to terminate its line of credit with Comerica Bank. The District replaced it with a \$4 million line of credit at BBVA Compass Bank. The line of credit was necessary to ensure that sufficient cash remained available during reconstruction of docks and electrical utilities damaged by the March 2011 tsunami. The line of credit limit was reduced in FY15 in order to save “unused credit” fees on the line.

The term of the line of credit was extended in FY18 and the maximum principal amount available for draw is \$2 million.

The District’s agreements with BBVA Compass Bank include covenants to maintain adequate coverage for debt service for the life of the loans. These Debt Service Ratio (DSR) covenants provide that the District will prescribe and collect fees and charges for services at least equal to 125% of the debt service after operating and maintenance expenses for the fiscal year. In addition, the District’s revenues must at least equal 140% of its debt service after operating and maintenance expenses or be subject to depositing additional funds with the bank to be held in reserve.

Appendix B shows the Port District’s current debt with principal and interest payments due each year through FY30 assuming no additional borrowing occurs, and provides Debt Service Coverage Ratios (DSRs) for FY16 and FY17 (audited), FY18 (projected), and FY19 (projected).

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<sup>1</sup> The interest rate the District was paying toward CMIA Series 2004C Bonds was scheduled to increase from 7.5% to 8.4% in May 2014.



***APPENDIX A***

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Santa Cruz Port District  
**MISSION STATEMENT**

The primary mission of the Santa Cruz Port Commission is to ensure that Santa Cruz Harbor is a viable operational and financial entity, providing a full array of boating and marine related opportunities for the public.

**GOALS**

The Port Commission has adopted the following goals:

- Maintain the harbor and harbor entrance to design depths and in the safest condition practical.
- Maintain the facility at a high level of serviceability in regard to function, modernism, longevity, aesthetics and cleanliness.
- Provide for an expansive array of affordable, accessible and available marine facilities and services for the boating public.
- Meet all current and long-term Port District financial responsibilities.
- Contain costs and keep prices as low as practical while still meeting all other financial and operational objectives.
- Operate the harbor as a regional facility in accordance with the three 1958 federal legislative mandates -- "recreation," "commercial fishing," "harbor of refuge."
- Provide for a variety of businesses as a community resource to be enjoyed by all citizens.
- Provide and encourage marine educational opportunities in the harbor for all, especially school children.
- Provide marine rescue services in conjunction with other agencies to the degree which funds and safety considerations allow.
- Comply with all environmental and regulatory laws which apply to Santa Cruz Harbor operations.
- Participate in the management and stewardship of surrounding watersheds with particular emphasis on erosion control and water quality.
- Provide timely information to the public relating to Port Commission public meetings and actions.

*Adopted by the Santa Cruz Port Commission on 01/25/05.*

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

**Reserve Policy Objectives**

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

**Target Amount Held in Reserve**

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

**Funding Sources**

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

**Conditions on Use of Reserves**

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

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

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



**SANTA CRUZ PORT DISTRICT**  
**PRINCIPAL AND INTEREST DETAIL**  
 Under February 8, 2017

Source	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
<b>INTEREST</b>																		
Loan #																		
5	5301	2,709																
6	5600,000 at 6%(4.5%)	7,951																
7	\$700,000 at 6%(4.5%)	10,815																
8	\$1,600,000 at 4.7%(4.5%)	43,975	40,798															
9	\$2,100,000 at 4.5%	73,044	69,185															
10	\$1,754,000 at 4.5%	67,683	65,545															
*emerg500*	\$1,975,000 at 4.5%	87,371	85,331															
12	\$1,365,000 at 4.5%	0	158,805															
12a	\$2,500,000 at 4.5%	0	0															
CMA	\$3,800,000 at 4.7%	210,843	200,043	92,738														
OEI Pension Trust	Withdrawal Liability - \$813,315 at 6.532	57,102	54,365	51,443														
BBVA Tax Exempt		183,169	433,326	412,698	389,156	364,739	339,560	313,598	286,827	259,769	233,501	206,416	179,497	148,669	118,994	89,374	57,801	16,786
BBVA Taxable		17,591	110,122	103,862	95,642	86,895	77,843	68,503	58,941	48,209	37,288	25,891	11,877	3,718	525			
BBVA P.L.O.C.		18,010																
<b>PRINCIPAL</b>																		
5	\$700,000 at 6%(4.5%)	57,698	60,200	552,388														
6	\$600,000 at 6%(4.5%)	49,409	51,633															
7	\$700,000 at 6%(4.5%)	62,602	64,342															
8	\$1,600,000 at 4.7%(4.5%)	75,733	71,811															
9	\$2,100,000 at 4.5%	85,733	80,598															
10	\$1,754,000 at 4.5%	51,907	54,239															
*emerg500*	\$1,975,000 at 4.5%	39,017	41,057															
12	\$1,365,000 at 4.5%	0	0															
12a	\$2,500,000 at 4.5%	0	0															
CMA	\$3,800,000 at 4.7%	175,000	180,000	2,505,000														
OEI Pension Trust	Withdrawal Liability - \$813,315 at 6.532	40,863	43,400	46,321														
BBVA Tax Exempt		130,988	737,468	737,468	784,113	806,531	833,709	859,671	886,442	949,501	989,769	996,853	974,792	953,580	962,275	1,013,895	1,045,488	1,086,483
BBVA Taxable		31,421	118,062	171,147	180,237	186,924	197,166	205,006	217,210	229,740	234,713	249,533	261,310	261,310	261,310	261,310	261,310	261,310
BBVA P.L.O.C.		31,421																
<b>\$1mil borrowed</b>																		
Subtotal Principal Payments	497,940	620,658	3,860,238	491,669	364,251	397,454	1,030,888	1,064,077	1,103,852	1,072,241	1,104,461	1,146,808	1,188,092	1,036,474	989,058	1,045,468	1,086,483	
<b>TOTAL PRINCIPAL AND INTEREST PAYMENTS</b>	-1,184,443	-1,228,622	-4,847,898	-5,748,278	-7,448,748	-7,449,188	-7,449,389	-7,449,778	-7,449,121	-7,449,121	-7,449,121	-7,449,121	-7,449,121	-7,449,121	-7,449,121	-7,449,121	-7,449,121	-7,449,121

Payments on CMA bonds were made from funds held in escrow as part of FY14 debt refinancing.

**Santa Cruz Port District  
Historical Revenues and Expenses  
Debt Service Coverage Projection**

	2016 <i>Audited</i>	2017 <i>Audited</i>	2018 Budget	2018 <i>Projected</i>	2019 Budget
<b>Operating Revenues</b>					
Charges for berthing and services	\$ 6,898,905	\$ 6,799,847	\$ 6,845,260	\$ 6,928,088	\$ 6,889,300
Rent and concessions	\$ 1,732,017	\$ 1,694,869	\$ 1,713,000	\$ 1,821,795	\$ 1,854,060
<b>Total Operating Revenues</b>	<b>\$ 8,630,922</b>	<b>\$ 8,494,716</b>	<b>\$ 8,558,260</b>	<b>\$ 8,749,883</b>	<b>\$ 8,743,360</b>
<b>Operating Expenses</b>					
Depreciation and Amortization	\$ 1,647,651	\$ 1,781,839	\$ 1,523,872	\$ 1,681,013	\$ 1,681,013
Dredging Operations	\$ 1,029,556	\$ 1,259,287	\$ 1,135,150	\$ 1,237,413	\$ 1,314,884
Administrative Services	\$ 784,443	\$ 1,016,517	\$ 756,826	\$ 685,669	\$ 727,018
Operating and Security Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Grounds	\$ 590,664	\$ 656,439	\$ 650,366	\$ 619,758	\$ 700,736
Fuel Services	\$ 342,096	\$ 331,742	\$ 434,450	\$ 381,242	\$ 478,065
Harbor Patrol	\$ 581,583	\$ 621,569	\$ 604,638	\$ 653,808	\$ 635,630
Property Management	\$ 430,550	\$ 429,040	\$ 452,854	\$ 391,461	\$ 439,637
Marina Management	\$ 366,449	\$ 461,217	\$ 429,070	\$ 493,162	\$ 445,119
Buildings	\$ 223,292	\$ 238,023	\$ 256,497	\$ 297,032	\$ 282,080
Parking Services	\$ 284,859	\$ 345,904	\$ 386,077	\$ 348,101	\$ 355,034
Docks, Piers, Marine Structures	\$ 206,915	\$ 263,642	\$ 250,351	\$ 256,964	\$ 266,610
Debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ -
Finance & Purchasing	\$ 170,536	\$ 170,809	\$ 179,467	\$ 169,123	\$ 191,294
Environmental & Permitting	\$ 162,413	\$ 156,750	\$ 209,505	\$ 139,271	\$ 205,654
Utilities	\$ 104,864	\$ 84,314	\$ 107,875	\$ 97,574	\$ 124,940
Aeration	\$ 39,944	\$ 42,498	\$ 54,885	\$ 50,982	\$ 54,263
Rescue Services	\$ 67,005	\$ 90,519	\$ 92,880	\$ 100,050	\$ 101,958
Boatyard Operations	\$ 216,665	\$ 239,953	\$ 238,097	\$ 214,501	\$ 253,158
Port Commission Support	\$ 39,306	\$ 50,183	\$ 51,255	\$ 53,112	\$ 51,189
Capital Projects	\$ 2,453	\$ 1,024	\$ 471,084	\$ 457,854	\$ 437,601
Events	\$ 26,359	\$ 32,531	\$ 40,562	\$ 31,703	\$ 42,844
Fishery Support	\$ 3,495	\$ 5,042	\$ 18,250	\$ 9,286	\$ 18,935
<b>Total Expenses</b>	<b>\$ 7,331,098</b>	<b>\$ 8,278,842</b>	<b>\$ 8,344,013</b>	<b>\$ 8,369,079</b>	<b>\$ 8,807,662</b>
<b>Non-Operating Revenue (Expenses)</b>					
County revenues for public services	\$ 24,985	\$ 11,243	\$ 25,000	\$ 23,736	\$ 23,725
Grants and Other Income	\$ 11,164	\$ 65,560	\$ 17,000	\$ 25,096	\$ 17,000
Dredging Reimbursement USACE	\$ 591,000	\$ 400,000	\$ 385,000	\$ 485,000	\$ 385,000
Interest Income	\$ 30,007	\$ 46,245	\$ 31,000	\$ 71,583	\$ 53,950
Interest Expense	\$ (508,936)	\$ (476,817)	\$ (451,734)	\$ (451,839)	\$ (418,104)
Other Income (Expenses)	\$ 46,760	\$ (74,482)	\$ 55,000	\$ 27,937	\$ 30,000
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ 194,980</b>	<b>\$ (28,251)</b>	<b>\$ 61,266</b>	<b>\$ 181,513</b>	<b>\$ 91,571</b>
<b>Extraordinary Items</b>					
Losses related to tsunami damage, net of CalEMA reimbursements	\$ (27,864)	\$ (17,088)	\$ -	\$ -	\$ -
OE3 Trust Fund withdrawal liability					
Grants recognized in excess of current expenses related to tsunami damage					
<b>Total Extraordinary Items</b>	<b>\$ (27,864)</b>	<b>\$ (17,088)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Coverage Calculation</b>					
(+) Gross Revenues	\$ 8,630,922	\$ 8,494,716	\$ 8,558,260	\$ 8,749,883	\$ 8,743,360
(-) Maintenance and operating expenses	\$ (7,331,098)	\$ (8,278,842)	\$ (8,344,013)	\$ (8,369,079)	\$ (8,807,662)
(+) Depreciation and Amortization	\$ 1,647,651	\$ 1,781,839	\$ 1,523,872	\$ 1,681,013	\$ 1,681,013
(=) Net Operating Income	\$ 2,947,475	\$ 1,997,713	\$ 1,738,119	\$ 2,061,817	\$ 1,616,711
(+) Interest Income	\$ 30,007	\$ 46,245	\$ 31,000	\$ 71,583	\$ 53,950
(+) Non-operating income	\$ 11,164	\$ 65,560	\$ 80,000	\$ 51,673	\$ 53,725
(+) Grants	\$ 24,985	\$ 11,243	\$ 17,000	\$ 25,096	\$ 17,000
(+) Dredging Reimbursement USACE	\$ 591,000	\$ 400,000	\$ 385,000	\$ 485,000	\$ 385,000
(=) Net Revenues Available for Debt Service	\$ 3,604,631	\$ 2,520,761	\$ 2,251,119	\$ 2,695,169	\$ 2,126,386
(+) Current Portion Long Term Debt	\$ 982,015	\$ 1,015,120	\$ 997,454	\$ 997,454	\$ 1,030,896
(+) Interest Expense	\$ 508,936	\$ 476,817	\$ 451,734	\$ 451,839	\$ 418,104
(=) Total Debt Service	\$ 1,490,951	\$ 1,491,937	\$ 1,449,188	\$ 1,449,293	\$ 1,449,000
Debt Service Coverage Ratio (DSCR)	2.42x	1.69x	1.55x	1.86x	1.47x
DSCR (Excluding Grants)	2.4x	1.68x	1.54x	1.84x	1.48x
DSCR (Excluding USACE Reimbursement)				1.62x	1.2x
Required DSCR	1.25x	1.25x	1.25x	1.25x	1.25x





California Public Employees' Retirement System  
 Actuarial Office  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone – (916) 795-2744 fax  
 www.calpers.ca.gov

August 2017

**MISCELLANEOUS FIRST TIER PLAN OF THE SANTA CRUZ PORT DISTRICT  
 (CalPERS ID: 3817767080)  
 Annual Valuation Report as of June 30, 2016**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool Report" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

**Required Contribution**

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	10.022%	\$224,021
<i>Projected Results</i>		
2019-20	10.5%	\$272,000
2020-21	11.5%	\$309,000

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. ***If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.***

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.

The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.





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 www.calpers.ca.gov

August 2017

**MISCELLANEOUS SECOND TIER PLAN OF THE SANTA CRUZ PORT DISTRICT  
 (CalPERS ID: 3817767080)  
 Annual Valuation Report as of June 30, 2016**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool Report" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

**Required Contribution**

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	7.634%	\$3,558
<i>Projected Results</i>		
2019-20	8.0%	\$3,800
2020-21	8.8%	\$4,200

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. ***If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.***

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

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The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.



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 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone – (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

August 2017

**PEPRA MISCELLANEOUS PLAN OF THE SANTA CRUZ PORT DISTRICT  
 (CalPERS ID: 3817767080)  
 Annual Valuation Report as of June 30, 2016**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool Report" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

**Required Contribution**

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	6.842%	\$5,356
<i>Projected Results</i>		
2019-20	6.8%	\$5,700
2020-21	7.1%	\$6,300

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. ***If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.***

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.

The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.





**SANTA CRUZ PORT DISTRICT**

**FIVE-YEAR**  
**CAPITAL IMPROVEMENT PLAN**  
**FY 19-23**



## ***I. INTRODUCTION***

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

The 5-year CIP serves as a tool for prioritizing and selecting projects future, along with an overview of works in progress. The CIP highlights the District's investments in infrastructure development and maintenance (i.e. capital improvements) and other significant capital expenditures that add to or strategically invest in the inventory of assets. Studies of less than \$5,000, and capital expenditures for equipment, vehicles and vessels are not included in the CIP.

## ***II. Developing the Five-Year Capital Improvement Plan***

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

FY19 is the fifth year for which the 5-year CIP has been developed. During FY13 and prior fiscal years, many capital improvements were budgeted and completed within line items in the operating budget, such as Piling Replacements, Building Repair and Maintenance and Street Maintenance. Those items are now presented as separate projects within the 5-year CIP with recommended funding amounts for each.

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

## ***III. Funding the Five-Year Capital Improvement Plan***

During FY16, the Port Commission adopted a Reserve Policy and established funding goals for reserves and for the Five-Year CIP. The Commission elected to contribute \$500,000 to the CIP fund each year, whenever practicable. The CIP fund would be allowed to grow over time so that large-scale projects could be planned and accomplished without impacting either the Reserve Fund or operations.

The CIP fund balance at the conclusion of FY18 is anticipated to be approximately \$1.2 million. Those funds are allocated to the various large and small projects funded in prior years and the CIP reserve (i.e. unallocated).

#### ***IV. Project Development and Selection Process***

The projects proposed in this FY18 CIP were derived from a variety of sources, including recommendations from Port District staff, Commission and public input, and the list of unfunded projects in the prior CIP.

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

This 5-Year CIP includes thirteen projects totaling \$2,668,400 that are recommended for funding in FY19. There are fifteen other projects with funding from prior years or recommended for funding in the next 5 years. Other desirable projects that are not currently recommended are incorporated into the index of non-funded projects in Appendix C.

The Fund Balance projection as of April 1, 2018, has 29 identified projects with available funding. The Fund Balance includes the projects in the 5-year CIP, capital expenditures not included in the CIP, and projects with funding from prior years.

#### ***V. Proposed Projects***

Several of the proposed projects in this CIP address ongoing infrastructure or facility maintenance needs and are programmed on an annual basis. Examples include parking lot resurfacing and the restroom rehabilitation.

New capital projects and projects involving maintenance of current infrastructure proposed for FY 19 are listed in Appendix A and described in detail in Appendix D. Projects approved in prior fiscal years that have not yet been completed are listed in Appendix B.

#### ***VI. Environmental Review***

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

***Appendix A***  
***Capital Improvement Plan Summary Table***

**CAPITAL IMPROVEMENT PROJECTS FY19-FY23**

Category	FY19	FY20	FY21	FY22	FY23	TOTAL
<b>Docks, Piers &amp; Marine Structures</b>						
Piling Replacement Program <sup>1</sup>	554,400	750,000	250,000	-	-	1,554,400
Dock Upgrades Project	50,000	50,000	30,000	30,000	30,000	190,000
Pier Rehabilitation Project	-	6,000	10,000	-	25,000	41,000
West Side Seawall Reconstruction <sup>2</sup>	1,600,000	-	-	-	-	1,600,000
Boatyard Marine Ways Inspection / Upgrades <sup>3</sup>	-	20,000	TBD	TBD	TBD	20,000
<b>TOTAL</b>	<b>\$ 2,204,400</b>	<b>\$ 826,000</b>	<b>\$ 290,000</b>	<b>\$ 30,000</b>	<b>\$ 55,000</b>	<b>\$ 3,405,400</b>

1. Phase 1 project to re-bid for FY19 construction. FY19 contribution brings available funding to \$750K. Explore funding options
2. Funding in FY19 for engineering design, permitting & replacement of Aldo's seawall. Project cost sharing under negotiations with tenant. Explore funding options
3. Funding in FY20 for structural engineering inspection and potential design work for repairs/upgrades for future year.

<b>Buildings</b>						
Minor Building Restoration Projects	80,000	50,000	80,000	50,000	50,000	310,000
Restroom Building Rehabilitation	25,000	22,000	22,000	22,000	22,000	113,000
Walton Lighthouse Repainting	-	-	-	-	15,000	15,000
Harbormaster Office Remodel	-	-	75,000	-	-	75,000
Harbor Office Building Improvements	-	20,000	-	-	20,000	40,000
<b>TOTAL</b>	<b>\$ 105,000</b>	<b>\$ 92,000</b>	<b>\$ 177,000</b>	<b>\$ 72,000</b>	<b>\$ 107,000</b>	<b>\$ 553,000</b>

<b>Landside Infrastructure</b>						
Ice Machine Upgrades	-	20,000	-	-	-	20,000
Harbor Roads and Parking Lots Pavement Management <sup>1</sup>	58,000	75,000	60,000	60,000	60,000	313,000
Parking Pay Stations	30,000	30,000	30,000	30,000	TBD	120,000
Parking Upgrades	-	5,000	5,000	5,000	5,000	20,000
LPR Parking Enforcement System	-	175,000	-	-	-	175,000
Pappy Park	20,000	-	-	-	-	20,000
Sidewalk & Plaza Restoration	-	10,000	10,000	10,000	10,000	40,000
<b>TOTAL</b>	<b>\$ 108,000</b>	<b>\$ 315,000</b>	<b>\$ 105,000</b>	<b>\$ 105,000</b>	<b>\$ 75,000</b>	<b>\$ 708,000</b>

1. Ongoing paving needs. FY19 contribution brings total available funds to approx \$76K



**CAPITAL IMPROVEMENT PROJECTS FY19-FY23**

Category	FY19	FY20	FY21	FY22	FY23	TOTAL
<b>Utility Systems</b>						
Sanitary Sewer Lift Station Upgrades <sup>1</sup>	150,000	150,000	150,000	200,000	TBD	650,000
Aeration System Upgrades	10,000	10,000	10,000	10,000	10,000	50,000
Boatyard Sump Pump Replacement	36,000	-	-	-		36,000
Storm Drain System Repairs and Maintenance	-	20,000	20,000	20,000	20,000	80,000
Water and Sewer System Repairs and Maintenance	-	40,000	40,000	40,000	40,000	160,000
<b>TOTAL</b>	<b>\$ 196,000</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 270,000</b>	<b>\$ 70,000</b>	<b>\$ 976,000</b>

1. FY19 contribution brings total available funding to approx \$275,800

<b>Planning Projects &amp; Studies</b>						
Commercial Fishery/Marine Services Center Upgrades <sup>1</sup>	-	TBD	TBD	TBD	TBD	-
West Side Master Plan	-	TBD	TBD	TBD	TBD	-
Aldo's Restaurant Reconstruction Project Management - Engineering Oversight	-	40,000	0	0	0	40,000
Murray Street Bridge Dock Reconfigurations <sup>2</sup>	-	TBD	TBD	TBD	TBD	-
7th & Brommer Master Plan <sup>3</sup>	10,000	TBD	TBD	TBD	TBD	10,000
SH Revetment and Seawall	-	TBD	TBD	TBD	TBD	-
Arana Gulch Grade Control Structure Feasibility Study	-	-	-	40,000	-	40,000
<b>TOTAL</b>	<b>\$ 10,000</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>

1. Phase I, funded \$10K in FY13, was planned to involve outreach, preliminary planning and grant funding for a feasibility analysis. Project on hold

2. Funding for management of engineering consultants and miscellaneous costs. Reimbursable by City of Santa Cruz.

3. \$20,649 redistribution of CIP funding brings total available funding to \$10K

**CAPITAL IMPROVEMENT PROJECTS FY19-FY23**

Category	FY19	FY20	FY21	FY22	FY23	TOTAL
<b>Other/Miscellaneous</b>						
Harborwide Sign Study & Standards	-	10,000	-	-	-	10,000
Harborwide Topographic Survey	-	10,000	10,000	-	-	20,000
Harbor Security Infrastructure Upgrades <sup>1</sup>	45,000	TBD	TBD	TBD	TBD	45,000
West Side Seawall Assessment	0	50,000	TBD	TBD	TBD	50,000
West Jetty Walkway Project	TBD	TBD	TBD	TBD	TBD	-
<b>TOTAL</b>	<b>\$ 45,000</b>	<b>\$ 70,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>

1. Shower rekeying completed during FY16. Gate and restroom rekeying pending RFP process and new gate fabrication

Total available funding approx. \$126,500

						<b>GRAND TOTAL</b>
<b>FISCAL YEAR TOTALS</b>	<b>\$ 2,668,400</b>	<b>\$ 1,563,000</b>	<b>\$ 802,000</b>	<b>\$ 477,000</b>	<b>\$ 307,000</b>	<b>\$ 5,857,400</b>

***Appendix B***  
***Overview of Previously Funded Projects***

## ***Overview of Previously Funded Projects***

### **Aldo's Seawall Replacement**

Status: Project funding recommended in FY19. FY18 design-engineering and permitting project is underway. Planned for RFP process in FY19, and subsequent reconstruction of the seawall.

Originally constructed in 1964, Aldo's seawall had reached the end of its serviceable life. Due to a sinkhole that developed under the restaurant and failure of a temporary project to patch holes in the sheet pile seawall, Aldo's closed and is operating out of temporary quarters on the harbor's west side. Conceptual seawall design options were evaluated and design-engineering and permitting for a replacement seawall is in process.

### **Piling Replacement Program**

Status: Permits are in place for a 5-year repair and replacement program. Permits are valid through December 31, 2022. Advertised for bids in FY17; no bids received. Advertised for bids in FY18; one bid received and rejected. Planned for rebidding as larger Phase 1 project in FY19 (approximately 75 piles). Phase 2 planned in FY20. Phase 3 (as needed) planned in FY21.

The Port District maintains approximately 700 piles to support its docks. 125 damaged piles were replaced as a result of the March 2011 tsunami, leaving approximately 220 in need of maintenance and/or replacement.

### **Pier Rehabilitation Project**

Status: No work in FY19

The harbor's three piers require periodic inspection and maintenance to ensure they remain safe for public access and serviceable for their various uses. This ongoing project provides for annual funding for minor repairs and upkeep.

### **Minor Building Restoration Projects**

Status: Several projects completed in FY18; additional funding recommended for FY19.

Projects to be programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in District-owned buildings that are rented out to various tenants. Work completed in FY18 included modernizing the harbor office kitchen (135 5<sup>th</sup> Avenue), installation of new flashing at 2222 East Cliff Drive, repair of a major roof leak at 345 Lake Avenue and other minor maintenance. Future projects (FY19 and beyond) include reroofing 493 Lake Avenue and 333 Lake Avenue, building repairs at 493 Lake Avenue, replacing worn carpet at the harbor office (135 5<sup>th</sup> Avenue) and flooring at 345 Lake Avenue, painting 493 Lake Avenue and 2222 East Cliff Drive, and re-wiring computer circuitry at the harbor office.

### **Restroom Building Rehabilitation**

Status: Remodel of J Dock restroom building to repair the water-damaged J Dock shower was completed in FY18.

Projects are planned on an annual basis to extend the useful life of the District's 11 restroom buildings. Additional funding is recommended for lighting upgrades, door replacements and other recurring minor maintenance needs.

### **Sidewalk and Plaza Restoration**

Status: Minor sidewalk repairs on west side were completed in FY17.

This ongoing project includes resealing tiles, repairing broken curbs and gutters, applying stain to the Beach Plaza and resealing the compass rose at Townsend Plaza.

### **Sanitary Sewer Lift Station Upgrades**

Status: Preliminary RFP developed for investigative and design services; FY16-17 funding used for fabrication of new lids; new funding recommended for FY19 and beyond, as envisioned in prior 5-year CIP (FY18-22).

This project will involve hiring a consulting engineer for a complete assessment of the nine existing sanitary sewer lift stations, development of construction documents for upgrades or replacements as required, and coordination with the City of Santa Cruz and the County of Santa Cruz for future maintenance. Preliminary engineering began during FY13. Priority tasks include replacing or relining existing tanks and upgrading access to pumps for maintenance.

### **Storm Drain System Repair Project**

Status: No work funded in FY19

This ongoing project involves maintenance, repairs and cleaning of the harbor's storm drain pipes, inlets and catch basins. Improvements and upgrades to storm drains in the dredge yard and boatyard are planned with funding from the operating budget.

### **Parking Pay Stations**

Status: Two new pay stations acquired in FY18 and placed in the Launch Ramp Area and near O Dock; two new planned in FY19.

This ongoing project will fund the replacement of the aging parking meters with pay stations throughout the harbor, beginning on the west side. The cost to install one pay station is approximately \$12,000, depending on the availability of electrical and wireless service. In FY19, a second pay station will be placed in the Launch Ramp area, and a pay station will be added near 333 Lake Avenue.

### **Concession Lot Automation**

Status: Project funded in FY17, project planning to be initiated in FY19.

This project will accomplish installation of three pay-on-foot kiosks/pay stations to serve the concession lot and replace the attendant-run cash register. Project will involve coordination with concession tenants and outreach to harbor concession and harbor beach visitors.

### **Commercial Fishery/Marine Services Center Upgrade Project – Phase I**

Status: Architectural review preliminarily commenced; project on hold. Limited funding available from FY13.

This project would involve improvements to the facilities located at 493 and 495 Lake Avenue, buildings that currently house H&H Fresh Fish, Harborside Restaurant and the Santa Cruz Harbor Boatyard. The first phase of the project will involve outreach and preliminary planning for ice production and storage, evaluation of the expansion potential for the restaurant facility, and potential upgrades to serve the commercial fishery. Additional work will involve identification of funding sources/partners, and use of the boat yard during the City of Santa Cruz' upcoming Murray Street Bridge Rehabilitation project.

### **Harbor Security Upgrades**

Status: Shower room electronic key access installed; restroom door and gate rekeying funded in FY16 and FY17. Additional funding for electronic key system proposed for FY19.

This project was approved to provide for increased security systems throughout the harbor to reduce unauthorized uses, and to improve monitoring and law enforcement capabilities. Cameras and recording devices with remote monitoring capabilities could be installed at key locations. Fencing and lighting upgrades were previously completed in the north harbor dry storage and dredge yard.

The current project involves installation of electronic keypads activated by key fobs on newly reconstructed gates, restrooms and other facilities accessed by harbor users such as the public hoist. All shower rooms were upgraded during FY15-16, and funding for restroom doors and dock gates was budgeted in FY16 and FY17. The equipment used for the shower doors was highly proprietary and the vendor has since retired. In FY18, an effort to design a Request for Quotations with the current vendor stalled. Alternatively, a new Request for Quotations for equipment compatible with the restroom doors and newly reconstructed dock gates will be circulated in FY19. It is anticipated that available keying systems may be compatible with the harbor's MarinaWare software. Funding for dock gates is included in Dock Upgrades.

### **Dock Upgrades**

Status: Fabricate new dock gates in FY19 to facilitate conversion to electronic key system for dock gates and restrooms.

The 30 distinct docks that make up the Santa Cruz Harbor provide berthing for over 800 vessels, fulfilling the mission of being a federal and state harbor of refuge. This funding provides for small projects involving repairs or upgrades to the existing docks and appurtenant structures such as gates, brow piers, ramps, etc.

### **Water and Sewer System**

Status: Funding from prior years exists; no specific projects identified in the FY19-23 CIP

This ongoing project funds upgrades and improvements to the harbor's water and sewer services.

### **Aeration System Upgrades**

Status: Ongoing project for aerator replacement and servicing; new funding recommended for FY19

Annual maintenance of the aerator motors and floats is performed as part of the Aeration program. This project differs from the annual program as it provides for replacement of aerators worked beyond their rated capacity.

### **Ice Machine Upgrades**

Status: Funding from prior years exists; no specific projects identified in the FY19-23 CIP

This project was initially funded to add cold storage and/or an ice delivery system to serve the commercial fishing fleet following replacement of the former Sunwell ice system.

### **Pavement Repairs**

Status: Funding from prior years exists; additional funding recommended in FY19 and in future years

Ongoing project to maintain, resurface and restripe harbor parking lots and roads.

### **West Jetty Walkway**

Status: On hold

A Phase 1 project to complete resurfacing of the west jetty walkway was completed in 2012, utilizing grant funding provided by the Coastal Conservancy.

Phase 2, which will complete an accessible walkway between AA-dock and Walton Lighthouse featuring donor-funded amenities including benches, plazas, a gateway and overlooks, is on hold pending completion of the Aldo's seawall replacement project, restaurant building replacement, and subsequent West Side Master Plan.

### **7<sup>th</sup> and Brommer Master Plan**

Status: Recommended for funding in FY19 to offset prior years' expenditures and provide additional funding for FY19 work

Master Plan and engineering work for future development of Port District's property in the area of 7<sup>th</sup> and Brommer, and coordination and interface with other development activities in the area to ensure Port District and community interests are served.

### **South Harbor Revetment and Seawall**

Status: No work funded in FY19; nominal prior year funding remains

Originally funded in FY15, this project was for engineering assessment and recommendations involving the seawall along the harbor's west side. Future funding for continued assessments and recommendations is warranted.

### **Water Conservation**

Status: No work funded in FY19; nominal prior year funding remains

Originally Funded in FY15, this project completed a number of water conservation projects following a lengthy California drought.

### **Parking Upgrades**

Status: Funding from prior years exists for upgrading ADA parking facilities throughout the harbor

The Santa Cruz Harbor Parking Management Plan completed during FY16 included several recommendations for upgrading ADA parking facilities throughout the harbor. Existing spaces were widened to current ADA standards in 2013. There are 23 existing spaces, and ADA standards require a total of 21 spaces as a proportion of the total parking inventory. The Parking Management Plan recommends 11 new accessible spaces in key locations throughout the harbor. This project will involve identifying new spaces, adding signs and striping where needed.

### **Toyo Pump**

Status: Equipment acquired; some funding from prior years remains.

The Port District acquired a 75hp submersible Toyo pump in FY 16 to provide more tools for dealing with shoaling of the inner harbor and difficult to reach areas along the harbor's perimeter. A mobile generator to power the pump was also acquired. Crews plan to deploy the Toyo pump in the north harbor in early-2018. Remaining funding will be used to acquire supplementary equipment needed to deploy the pump.

### **Westside Walkway and Retaining Wall Railing**

Status: No funding in FY19; funding from FY18 remains

This project will involve reconstructing the low timber retaining wall and wooden handrailing adjacent to the walkway from AA Dock to the sidewalk along Atlantic Avenue. Crews plan to complete the project in the late-FY18, early-FY19 timeframe.





*Appendix C*  
*Index of Non-Funded Projects*

## **Non-Funded Projects List FY19**

### ***FEMA Hazard Mitigation Grant Application-Arana Gulch Sediment Reduction Measures***

Estimated Cost: \$25,000

Funding Source(s): Federal Emergency Management Agency Hazard Mitigation Grant Program

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

### ***West Side Master Plan***

Estimated Cost: TBD

Funding Source(s): TBD

Master Plan study to follow reconstruction of Aldo's restaurant for the purposes of completing accessible public improvements along the walkway and jetty area between AA Dock and Walton Lighthouse, as envisioned in the 2008 West Jetty Walkway project.

### ***Murray Street Bridge Reconstruction***

Estimated Cost: TBD

Funding Source(s): TBD

Port District coordination with the City of Santa Cruz on the Murray Street bridge reconstruction project. Contract services for engineering oversight and legal counsel will be needed.

### ***Aldo's Restaurant Reconstruction Project Management – Engineering Oversight***

Estimated Cost: \$40,000

Funding Source(s): FY20 CIP

This project provides construction oversight for tenant reconstruction of the restaurant building on the Port District's west side seawall at 616 Atlantic Avenue.

### ***Harbor Vehicle Fueling Station***

Estimated Cost: \$40,000

Funding Source(s): FY14 CIP

This project was originally funded in FY14. The project is recommended for deletion in FY19, with funding allocated to other CIP projects.

***Appendix D***  
***Proposed Projects for FY19***



**Piling Replacement Project**

This Phase 1 project will provides funding for replacement of approximately 75 pilings throughout the harbor. For FY19, funding is needed to supplement the project fund balance in order to bid the larger Phase 1 project. Pilings to be replaced include but are not limited to the piling at AA dock needed in order to repair and reopen the dock, and replacement of damaged and missing piles. Funding for the project will be out of the Port District’s general fund or financing . FY21 funding on an as needed basis

Recommended Funding

- FY19 - \$ 554,400
- FY20 - \$ 750,000
- FY21 - \$ 250,000
- FY22 - \$ 0
- FY23 - \$ 0



**West Side Seawall – Engineering Design, Permitting and Construction**

The seawall underneath Aldo’s Restaurant was constructed in the early 1960’s as part of the original harbor construction. During FY16, temporary repairs and a monitoring system were funded and installed. In FY17, the temporary repairs failed and the restaurant was closed and relocated to the westside lawn. This project will fund detailed design work, public outreach, permitting and replacement seawall to stabilize the adjacent embankment and accommodate a new restaurant meeting current codes and standards. Funding for the project will be out of the Port District’s general fund or financing and is anticipated through a cost sharing arrangement with the restaurant operators.

Recommended Funding

- FY19 - \$ 1,600,000
- FY20 - \$ 0
- FY21 - \$ 0
- FY22 - \$ 0
- FY23 - \$ 0





**Restroom Building Rehabilitation**

Annually, projects will be planned that extend the useful life of the District's 11 restroom buildings.

Recommended Funding

- FY19 - \$ 25,000
- FY20 - \$ 22,000
- FY21 - \$ 22,000
- FY22 - \$ 22,000
- FY23 - \$ 22,000

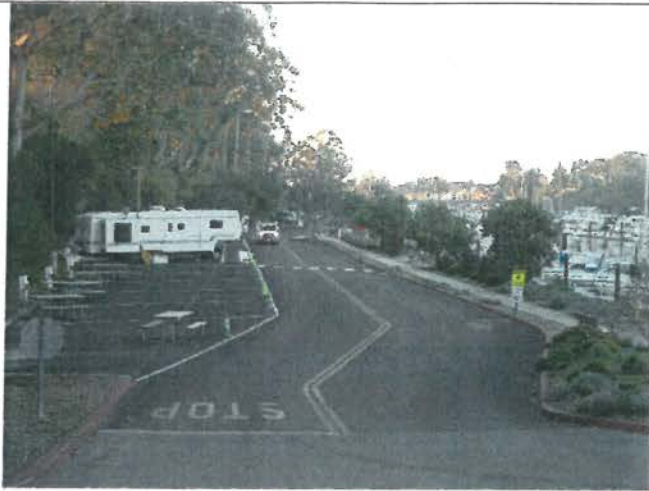


**Parking Pay Stations**

During FY16, the Santa Cruz Harbor Parking Management Plan was completed. The plan includes recommendations for adding to the current availability of pay stations throughout the harbor. FY19 funding will provide for two additional pay stations in a location TBD.

Recommended Funding

- FY19 - \$ 30,000
- FY20 - \$ 30,000
- FY21 - \$ 30,000
- FY22 - \$ 30,000
- FY23 - TBD



### **Harbor Roads and Parking Lots**

This ongoing project provides funding for maintenance of roads and parking lots within the harbor. Pavement assessment, repairs, slurry sealing and restriping work is performed annually to extend the useful life of these facilities.

#### Recommended Funding

FY19 - \$ 58,000

FY20 - \$ 75,000

FY21 - \$ 60,000

FY22 - \$ 60,000

FY23 - \$ 60,000



### **Aeration System Upgrade Project**

Annual maintenance of the aerator motors and floats is performed as part of the Aeration program. This project differs from the annual budget program as it provides for replacement or procurement of new aerators.

#### Recommended Funding

FY19 - \$ 10,000

FY20 - \$ 10,000

FY21 - \$ 10,000

FY22 - \$ 10,000

FY23 - \$ 10,000



### Stormwater System Upgrades

Ongoing projects to improve stormwater management. The first planned project is replacement of the boatyard's sump pump, to restore automation of the system and increase the amount of water that is processed in the pre-treatment system.

#### Recommended Funding

FY19 - \$ 36,000

FY20 - \$ 0

FY21 - \$ 0

FY22 - \$ 0

FY23 - \$ 0



### *Pappy Park*

Relocation of outrigger storage from the southeast harbor landside area to the northernmost portion of X-dock in the north harbor provides an opportunity to create a public space between 275 Lake Avenue and the O Dock Restroom building. The Port District's historic vessel *Pappy* will be on permanent display in the park, which will feature landscaping and benches.

#### Recommended Funding

FY19 - \$ 20,000

FY20 - \$ 0

FY21 - \$ 0

FY22 - \$ 0

FY23 - \$ 0





### Minor Building Restoration Projects

Projects to be programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in District-owned buildings that are rented out to various tenants. Future projects may include re-roofing 493 Lake Avenue and 333 Lake Avenue, building repairs at 493 Lake Avenue, replacing worn carpet at the harbor office and flooring at 345 Lake Avenue, painting 493 Lake Avenue and 2222 East Cliff Drive, and re-wiring computer circuitry at the harbor office.

#### Recommended Funding

FY19 - \$ 80,000

FY20 - \$ 50,000

FY21 - \$ 80,000

FY22 - \$ 50,000

FY23 - \$ 50,000



### Dock Upgrades Project

This recurring project provides funding for minor improvements and maintenance of the docks and appurtenant structures. For FY19, a planned project includes fabricating new dock gates to facilitate conversion to electronic key system.

#### Recommended Funding

FY19 - \$ 50,000

FY20 - \$ 50,000

FY21 - \$ 30,000

FY22 - \$ 30,000

FY23 - \$ 30,000



### Harbor Security Upgrades – Card Key System

A desired security upgrade throughout the harbor is replacement of the existing hard key system with card keys that can better limit access to docks, restrooms and showers. The harbor’s shower rooms were rekeyed during FY15-16, and funding was allocated in FY16 and FY17 to add the restroom doors and dock gates. This project funds the additional amount needed for a Request for Proposals process to select a vendor for the remaining items of work which include installation of key readers on the restroom doors and dock gates. This project is dependent upon fabrication of new dock gates (Dock Upgrades Project).

#### Recommended Funding

FY19 - \$ 45,000

FY20 - TBD

FY21 - TBD

FY22 - TBD

FY23 - TBD



### Sanitary Sewer Lift Station Upgrades

This project was originally funded in FY13 with the intent of regular contributions until a major replacement project could be completed. Funding recommended in FY19 and beyond.

#### Recommended Funding

FY19 - \$ 150,000

FY20 - \$ 150,000

FY21 - \$ 150,000

FY22 - \$ 200,000

FY23 - TBD





***APPENDIX E***

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Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>OPERATING INCOME</b>					
4000	Slip Rent Permanent	\$2,828,135	\$4,273,800	\$4,226,835	\$4,273,800
4002	Slip Rent Visitors	\$108,826	\$65,000	\$124,826	\$75,000
4003	Annual Slip Rent Discount	(\$904)	(\$1,000)	(\$1,224)	(\$1,000)
4006	Tenant Concession Rent	\$1,296,658	\$1,650,000	\$1,706,400	\$1,749,060
4008	Misc. Tenant Rent (Sewer)	\$97,645	\$63,000	\$115,395	\$105,000
4010	Launch Fees	\$56,793	\$110,000	\$71,793	\$80,000
4012	Liveaboard	\$47,052	\$70,000	\$70,052	\$70,000
4014	Catamaran Storage	\$14,364	\$17,340	\$19,864	\$20,000
4016	North Harbor Dry Storage	\$112,532	\$153,000	\$162,532	\$160,000
4018	7th Ave Dry Storage	\$69,159	\$102,000	\$102,159	\$102,000
4020	Waiting List	\$5,852	\$90,000	\$100,852	\$90,000
4024	Slip Leave Option	\$0	\$500	\$1,250	\$500
4026	Partnership Fees	\$27,744	\$40,800	\$40,994	\$41,000
4028	Sublease Fees	\$16,582	\$16,320	\$25,482	\$20,000
4030	Variable/Utility Fees	\$121,352	\$178,500	\$178,500	\$178,500
4032	Late Fees	\$36,957	\$45,000	\$55,407	\$50,000
4034	Electrolysis Fees	\$4,974	\$6,000	\$4,974	\$0
4036	Citations	\$69,314	\$80,000	\$81,314	\$80,000
4040	Credit Card Convenience Charges	\$8,251	\$8,000	\$10,251	\$8,000
4100	Parking - Concession Lot	\$325,556	\$725,000	\$416,426	\$737,000
4102	Parking - Launch Area	\$69,670		\$77,670	
4104	Parking - Westside	\$59,491		\$66,491	
4118	Meter Permits & Coin	\$182,240		\$197,000	
4120	Slip Renter Parking Permits	\$3,980	\$10,000	\$17,230	\$12,000
4122	RV Parking	\$130,658	\$150,000	\$161,000	\$155,000
4200	Fuel Sales Gasoline	\$172,704	\$230,000	\$213,953	\$230,000
4202	Fuel Sales Diesel	\$208,686	\$250,000	\$255,000	\$260,000
4204	Fuel Service Call Back Charges	\$40		\$40	\$0
4210	Wash Rack	\$7,785	\$11,000	\$8,285	\$9,000
4220	Boatyard Retail	\$8,037	\$10,000	\$9,537	\$10,000
4225	Boatyard Labor		\$1,000		\$1,000
4230	Boatyard Rental	\$1,420	\$3,000	\$1,770	\$1,500
4235	Boatyard Misc.	\$19,926	\$30,000	\$33,926	\$35,000
4240	Lay Days/Storage	\$61,470	\$70,000	\$78,600	\$75,000
4245	Vessel Haulout	\$80,019	\$100,000	\$102,000	\$102,000
4250	Vessel Berthing	\$9,535		\$13,300	\$14,000
<b>OPERATING INCOME</b>		<b>\$6,262,501</b>	<b>\$8,558,260</b>	<b>\$8,749,883</b>	<b>\$8,743,360</b>
<b>EXPENSE SUMMARY BY PROGRAM</b>					
	Administrative Services (110)	\$480,486	\$756,828	\$685,669	\$727,018
	Finance & Purchasing (120)	\$125,219	\$179,467	\$169,123	\$191,294
	Property Management (130)	\$238,186	\$452,854	\$391,461	\$439,637
	Environmental & Permitting (140)	\$82,614	\$209,505	\$139,271	\$205,654
	Port Commission Support (190)	\$29,256	\$51,255	\$53,112	\$51,189
	Harbor Patrol (210)	\$433,117	\$606,638	\$653,808	\$635,630
	Marina Management (220)	\$319,636	\$429,070	\$493,162	\$445,119
	Rescue Services (230)	\$56,695	\$92,880	\$100,050	\$101,958
	Parking Services (240)	\$268,191	\$386,077	\$348,101	\$355,034
	Events (250)	\$25,831	\$40,562	\$31,703	\$42,844
	Fuel Services (280)	\$289,386	\$434,450	\$381,242	\$478,065
	Docks, Piers, Marine Structures (310)	\$215,326	\$250,351	\$256,964	\$266,610
	Utilities (320)	\$55,684	\$107,875	\$97,574	\$124,940
	Buildings (330)	\$188,773	\$256,497	\$297,032	\$282,080
	Grounds (340)	\$417,412	\$654,366	\$619,758	\$700,736
	Aeration (350)	\$35,652	\$54,885	\$50,982	\$54,263
	Fishery Support (360)	\$1,893	\$18,250	\$9,286	\$18,935
	Capital Projects (390)	\$272,834	\$471,084	\$457,854	\$437,601
	Dredging Operations (400)	\$773,688	\$1,135,150	\$1,237,413	\$1,314,884
	Boatyard Operations (500)	\$143,698	\$238,097	\$214,501	\$253,158
<b>OPERATING EXPENSES</b>		<b>\$4,453,579</b>	<b>\$6,826,140</b>	<b>\$6,688,065</b>	<b>\$7,126,649</b>
<b>OPERATING PROFIT</b>		<b>\$1,808,923</b>	<b>\$1,766,620</b>	<b>\$2,061,818</b>	<b>\$1,616,711</b>

Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>NON OPERATING INCOME/(EXPENSE)</b>					
	4300 Harbor Services Charge	\$277	\$10,000	\$4,277	\$10,000
	4308 Interest Income	\$583	\$31,000	\$71,583	\$53,950
	4310 Other Income	\$17,160	\$55,000	\$23,660	\$20,000
	4350 AGWA Contributions	\$0	\$12,000	\$12,000	\$12,000
	4375 USACE Reimbursement	\$452,750	\$385,000	\$485,000	\$385,000
	4404 Grants - Other/Misc.	\$13,096	\$5,000	\$13,096	\$5,000
	4406 County Rescue Contribution	\$23,736	\$25,000	\$23,736	\$23,725
	4408 Waste Oil Grant	\$0	\$12,000	\$12,000	\$12,000
	4600 Cash Over/Under	(\$114)		(\$114)	\$0
Various	Pension Withdrawal Liability	(\$310)	\$0	\$0	\$0
Various	Principal Debt Payments	(\$593,189)	(\$997,454)	(\$997,454)	(\$1,030,895)
Various	Capital Improvement Program	(\$126,021)	\$0	(\$298,828)	(\$500,000)
Various	Capitalized Expenses / Dredge Int Fund	(\$131,024)	(\$290,000)	(\$310,000)	(\$415,258)
Various	Depreciation	(\$1,120,012)	\$0	(\$1,681,013)	
<b>NET INCOME/(LOSS)</b>		<b>\$345,855</b>	<b>\$996,166</b>	<b>-\$580,239</b>	<b>\$192,233</b>
<b>FY 18 INCOME PROJECTION NET OF DEPRECIATION/CAP EXPENSES</b>					
	Capital Improvement Program			\$298,828	
	Capitalized Expenses			\$310,000	
	Depreciation			\$1,681,013	
<b>PROJECTED NET INCOME</b>				<b>\$1,709,602</b>	
<i>FY19 - Cash or Finance CIP - Pile Project</i>					<i>-\$554,400</i>
<i>FY19 - Cash or Finance CIP - Aldo's Seawall Replacement</i>					<i>-\$1,600,000</i>
<i>FY19 Reserve Reserve Fund Contribution</i>					<i>-\$180,532</i>

Account	Description	YTD	FY18		
			FY18 BUDGET	PROJECTION	FY19 BUDGET
<b>ADMINISTRATIVE SERVICES (110)</b>					
100-100-110-0000-5000	Salaries - Regular	\$107,755	\$215,414	\$167,814	\$220,446
100-100-110-0000-5005	Salaries - Overtime	\$624	\$1,000	\$624	\$1,000
100-100-110-0000-5010	Wages - Part Time/Temporary		\$7,500	\$0	\$5,000
100-100-110-0000-5020	Salaries - Vacation Pay	\$3,184	\$16,000	\$3,184	\$5,000
100-100-110-0000-5055	Unemployment Insurance (SUI)		\$2,653	\$0	\$1,823
100-100-110-0000-5060	FICA Medicare/Social Security	\$8,338	\$15,176	\$12,115	\$16,442
100-100-110-0000-5075	Auto Allowance	\$900	\$765	\$1,700	\$2,400
100-100-110-0000-5105	Workers' Compensation	\$4,154	\$3,301	\$4,154	\$8,850
100-100-110-0000-5110	CalPERS Employer Share	\$21,576	\$23,964	\$34,713	\$25,510
100-100-110-0000-5112	CalPERS Unfunded Liability	\$15,203	\$16,834	\$23,305	\$29,304
100-100-110-0000-5115	Health Insurance	\$19,000	\$36,532	\$30,364	\$35,650
100-100-110-0000-5120	Dental Insurance	\$1,059	\$1,468	\$1,589	\$2,124
100-100-110-0000-5125	Long Term Disability/Life/AD&D	\$157	\$221	\$239	\$1,469
100-100-110-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-100-110-0000-5200	Printing & Newsletter	\$7,146	\$14,000	\$9,358	\$12,000
100-100-110-0000-5202	Legal Notices	\$165	\$1,000	\$500	\$1,000
100-100-110-0000-5204	Advertising	\$1,320	\$5,000	\$2,000	\$2,000
100-100-110-0000-5206	Postage	\$6,417	\$12,000	\$9,017	\$12,000
100-100-110-0000-5208	Promotional Expense	\$1,904	\$6,000	\$5,000	\$6,000
100-100-110-0000-5214	Office Supplies	\$7,921	\$13,000	\$12,000	\$13,000
100-100-110-0000-5217	Supplies	-\$12	\$1,000	\$600	\$1,000
100-100-110-0000-5240	Miscellaneous Employee Training	\$376	\$1,000	\$1,000	\$1,000
100-100-110-0000-5242	Pre-Employment Physicals	\$610	\$1,000	\$610	\$1,000
100-100-110-0000-5256	Equipment Rental		\$1,000	\$0	\$1,000
100-100-110-0000-5262	Insurance Premiums	\$3,959	\$20,000	\$20,000	\$20,000
100-100-110-0000-5264	Insurance Claims	\$17,181	\$6,000	\$8,500	\$6,000
100-100-110-0000-5266	Memberships, Dues, Subscriptions	\$9,831	\$10,000	\$11,000	\$12,000
100-100-110-0000-5268	Meetings & Training	\$1,972	\$5,000	\$3,500	\$5,000
100-100-110-0000-5270	Books		\$300	\$300	\$300
100-100-110-0000-5282	Bank Service Charges	\$21,057	\$26,000	\$28,258	\$30,000
100-100-110-0000-5284	Credit Card Fees	\$15,898	\$15,000	\$25,433	\$20,000
100-100-110-0000-5286	Data Storage	\$1,800	\$3,000	\$2,700	\$3,000
100-100-110-0000-5288	Employee Recognition	\$638	\$3,000	\$3,000	\$3,000
100-100-110-0000-5290	Miscellaneous Expenses	\$790	\$1,000	\$1,000	\$1,000
100-100-110-0000-5296	Election Expense	\$63,504	\$60,000	\$63,504	\$0
100-100-110-0000-5298	Interest Expense	\$25	\$500	\$50	\$500
100-100-110-0000-5310	Telephone & Alarms	\$28,357	\$30,000	\$43,114	\$42,000
100-100-110-0000-5415	Miscellaneous Professional Services	\$6,400	\$15,000	\$9,600	\$12,000
100-100-110-0000-5416	Legal Consultation	\$32,280	\$50,000	\$50,000	\$50,000
100-100-110-0000-5420	Technical Services	\$2,255	\$20,000	\$3,500	\$20,000
100-100-110-0000-5425	Contract Services	\$5,741	\$12,000	\$7,459	\$12,000
100-100-110-0000-5450	Other Services	\$23,043	\$10,000	\$23,043	\$10,000
100-100-110-0000-5465	Software License & Application	\$7,845	\$20,000	\$20,000	\$20,000
100-100-110-0000-5470	LAFCO Assessment	\$12,572	\$12,000	\$12,572	\$13,000
100-100-110-0000-5500	Mileage Reimbursement		\$1,000	\$250	\$1,000
100-100-110-0000-5510	Meetings & Seminars	\$1,170	\$3,000	\$2,000	\$3,000
100-100-110-0000-5694	Office Equipment R&M	\$6,300	\$20,000	\$12,000	\$20,000
100-100-110-0000-5698	Equipment/Equipment R&M	\$6,739	\$13,000	\$10,000	\$13,000
	<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>\$480,486</b>	<b>\$756,828</b>	<b>\$685,669</b>	<b>\$727,018</b>



Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>FINANCE &amp; PURCHASING (120)</b>					
100-100-120-0000-5000	Salaries - Regular	\$48,087	\$86,000	\$74,163	\$89,579
100-100-120-0000-5005	Salaries - Overtime	\$95	\$1,000	\$95	\$1,000
100-100-120-0000-5010	Wages - Part Time/Temporary		\$0		\$3,000
100-100-120-0000-5015	Salaries - Comp. Time	\$0	\$0	\$0	\$0
100-100-120-0000-5020	Salaries - Vacation Pay	-\$1,212	\$0	-\$1,212	\$0
100-100-120-0000-5055	Unemployment Insurance (SUI)	\$4,260	\$977	\$4,260	\$770
100-100-120-0000-5060	FICA Medicare/Social Security	\$3,905	\$6,359	\$5,885	\$6,948
100-100-120-0000-5105	Workers' Compensation	\$6,387	\$5,076	\$6,387	\$3,740
100-100-120-0000-5110	CalPERS Employer Share	\$5,613	\$6,234	\$9,031	\$6,337
100-100-120-0000-5112	CalPERS Unfunded Liability	\$3,955	\$4,379	\$6,063	\$7,623
100-100-120-0000-5115	Health Insurance	\$6,429	\$11,947	\$10,694	\$14,878
100-100-120-0000-5120	Dental Insurance	\$882	\$1,224	\$1,324	\$898
100-100-120-0000-5125	Long Term Disability/Life/AD&D	\$121	\$170	\$184	\$621
100-100-120-0000-5214	Office Supplies	\$112	\$500	\$500	\$500
100-100-120-0000-5266	Memberships, Dues, Subscriptions		\$250	\$0	\$250
100-100-120-0000-5268	Meetings & Training	\$620	\$2,000	\$1,000	\$2,000
100-100-120-0000-5270	Books		\$200	\$0	\$0
100-100-120-0000-5272	Software		\$500	\$0	\$500
100-100-120-0000-5290	Miscellaneous Expenses	\$981	\$1,000	\$1,000	\$1,000
100-100-120-0000-5420	Technical Services	\$200	\$2,500	\$2,500	\$3,000
100-100-120-0000-5460	Accounting & Auditing	\$44,659	\$46,000	\$46,000	\$46,000
100-100-120-0000-5465	Software License & Application	\$125	\$1,000	\$250	\$500
100-100-120-0000-5500	Mileage Reimbursement		\$150	\$0	\$150
100-100-120-0000-5698	Equipment/Equipment R&M		\$2,000	\$1,000	\$2,000
	<b>TOTAL FINANCE &amp; PURCHASING</b>	<b>\$125,219</b>	<b>\$179,467</b>	<b>\$169,123</b>	<b>\$191,294</b>
<b>PROPERTY MANAGEMENT (130)</b>					
100-100-130-0000-5000	Salaries - Regular	\$5,827.95	\$8,200.00	\$8,040.51	\$8,440.00
100-100-130-0000-5055	Unemployment Insurance (SUI)		\$50.71		\$80.00
100-100-130-0000-5060	FICA Medicare/Social Security	\$442.70	\$481.79	\$546.14	\$725.00
100-100-130-0000-5105	Workers' Compensation	\$990.10	\$786.81	\$990.10	\$390.00
100-100-130-0000-5110	CalPERS Employer Share	\$1,654.76	\$1,837.85	\$2,662.28	\$1,868.00
100-100-130-0000-5112	CalPERS Unfunded Liability	\$1,165.88	\$1,290.98	\$1,787.20	\$2,247.00
100-100-130-0000-5115	Health Insurance	\$820.68	\$1,564.83	\$1,291.72	\$1,478.00
100-100-130-0000-5120	Dental Insurance	\$352.85	\$489.41	\$529.57	\$94.00
100-100-130-0000-5125	Long Term Disability/Life/AD&D	\$72.52	\$102.04	\$110.36	\$65.00
100-100-130-0000-5204	Advertising	\$359.38	\$1,800.00	\$750.00	\$1,500.00
100-100-130-0000-5262	Insurance Premiums	\$84,745.06	\$125,000.00	\$84,745.06	\$105,000.00
100-100-130-0000-5268	Meetings & Training		\$750.00	\$0.00	\$750.00
100-100-130-0000-5290	Miscellaneous Expenses	\$112.32	\$4,000.00	\$150.00	\$2,000.00
100-100-130-0000-5300	Gas & Electricity	\$47,327.52	\$75,000.00	\$74,949.00	\$78,000.00
100-100-130-0000-5305	Water, Sewer & Garbage	\$78,604.89	\$140,000.00	\$107,999.00	\$130,000.00
100-100-130-0000-5310	Telephone & Alarms	\$6,628.95	\$7,500.00	\$10,079.00	\$10,000.00
100-100-130-0000-5315	Sanitary Dist Charges	\$8,830.76	\$83,000.00	\$95,830.76	\$96,000.00
100-100-130-0000-5416	Legal Consultation	\$250.00	\$1,000.00	\$1,000.00	\$1,000.00
	<b>TOTAL PROPERTY MANAGEMENT</b>	<b>\$238,186.32</b>	<b>\$452,854.42</b>	<b>\$391,460.70</b>	<b>\$439,637.00</b>

Account	Description	YTD	FY18		FY19 BUDGET	
			FY18 BUDGET	PROJECTION		
<b>ENVIRONMENTAL &amp; PERMITTING (140)</b>						
100-100-140-0000-5000	Salaries - Regular	\$6,727	\$19,984	\$7,585	\$15,939	
100-100-140-0000-5005	Salaries - Overtime	\$2,793	\$1,000	\$2,895	\$3,000	
100-100-140-0000-5010	Wages - Part Time/Temporary	\$10,468	\$45,000	\$20,132	\$46,000	
100-100-140-0000-5055	Unemployment Insurance (SUI)	\$53	\$1,618	\$53	\$237	
100-100-140-0000-5060	FICA Medicare/Social Security	\$1,449	\$5,161	\$2,264	\$4,700	
100-100-140-0000-5105	Workers' Compensation	\$1,364	\$1,084	\$1,364	\$1,150	
100-100-140-0000-5110	CalPERS Employer Share	\$2,352	\$2,613	\$3,785	\$2,656	
100-100-140-0000-5112	CalPERS Unfunded Liability	\$1,657	\$1,835	\$2,541	\$3,195	
100-100-140-0000-5115	Health Insurance	\$1,907	\$3,674	\$3,147	\$4,360	
100-100-140-0000-5120	Dental Insurance	\$529	\$734	\$794	\$276	
100-100-140-0000-5125	Long Term Disability/Life/AD&D	\$73	\$102	\$110	\$191	
100-100-140-0000-5217	Supplies	\$966	\$1,000	\$1,000	\$1,000	
100-100-140-0000-5235	Vehicle & Equipment Fuel	\$36	\$1,000	\$1,000	\$1,000	
100-100-140-0000-5268	Meetings & Training	\$88	\$2,000	\$250	\$500	
100-100-140-0000-5276	Permit Fees	\$47	\$8,000	\$8,000	\$8,000	
100-100-140-0000-5292	Uniform Cleaning/Laundry	\$32	\$500	\$250	\$250	
100-100-140-0000-5420	Technical Services	\$47,273	\$90,000	\$75,000	\$90,000	
100-100-140-0000-5455	AGWA		\$12,000	\$0	\$12,000	
100-100-140-0000-5500	Mileage Reimbursement		\$500	\$0	\$500	
100-100-140-0000-5625	Signage		\$200	\$200	\$200	
100-100-140-0000-5665	Vehicle Maintenance	\$1,273	\$1,500	\$2,400	\$2,000	
100-100-140-0000-5696	Permits & Inspections	\$1,357	\$2,500	\$2,500	\$2,500	
100-100-140-0000-5698	Equipment/Equipment R&M	\$2,171	\$7,500	\$4,000	\$6,000	
	<b>TOTAL ENVIRONMENTAL &amp; PERMITTING</b>		<b>\$82,614</b>	<b>\$209,505</b>	<b>\$139,271</b>	<b>\$205,654</b>
<b>PORT COMMISSION SUPPORT (190)</b>						
100-100-190-0000-5000	Salaries - Regular	\$16,443	\$25,000	\$30,237	\$25,968	
100-100-190-0000-5005	Salaries - Overtime	\$243	\$1,000	\$243	\$1,000	
100-100-190-0000-5010	Wages - Part Time/Temporary		\$2,000		\$1,000	
100-100-190-0000-5055	Unemployment Insurance (SUI)		\$129		\$243	
100-100-190-0000-5060	FICA Medicare/Social Security	\$1,382	\$1,949	\$2,329	\$2,192	
100-100-190-0000-5105	Workers' Compensation	\$1,509	\$1,199	\$1,509	\$1,180	
100-100-190-0000-5110	CalPERS Employer Share	\$2,515	\$2,793	\$4,046	\$2,839	
100-100-190-0000-5112	CalPERS Unfunded Liability	\$1,772	\$1,962	\$2,716	\$3,415	
100-100-190-0000-5115	Health Insurance	\$2,681	\$4,929	\$4,452	\$4,473	
100-100-190-0000-5120	Dental Insurance	\$353	\$489	\$530	\$283	
100-100-190-0000-5125	Long Term Disability/Life/AD&D	\$145	\$204	\$221	\$196	
100-100-190-0000-5200	Printing & Newsletter		\$500	\$0	\$0	
100-100-190-0000-5214	Office Supplies		\$500	\$0	\$200	
100-100-190-0000-5217	Supplies		\$500	\$250	\$100	
100-100-190-0000-5268	Meetings & Training	\$1,699	\$6,000	\$5,279	\$6,000	
100-100-190-0000-5270	Books		\$100	\$0	\$100	
100-100-190-0000-5290	Miscellaneous Expenses	\$516	\$1,000	\$800	\$1,000	
100-100-190-0000-5294	Commission Expenses		\$1,000	\$500	\$1,000	
	<b>TOTAL PORT COMMISSION SUPPORT</b>		<b>\$29,256</b>	<b>\$51,255</b>	<b>\$53,112</b>	<b>\$51,189</b>

Account	Description	YTD	FY18		FY19 BUDGET
			BUDGET	PROJECTION	
<b>HARBOR PATROL (210)</b>					
100-200-210-0000-5000	Salaries - Regular	\$195,838	\$275,000	\$291,610	\$284,143
100-200-210-0000-5005	Salaries - Overtime	\$8,474	\$15,000	\$13,066	\$15,000
100-200-210-0000-5010	Wages - Part Time/Temporary	\$10,345	\$15,000	\$15,872	\$16,000
100-200-210-0000-5020	Salaries - Vacation Pay	\$8,320	\$0	\$24,823	\$2,000
100-200-210-0000-5025	Salaries - Holiday Pay	\$3,056	\$5,000	\$5,212	\$5,000
100-200-210-0000-5040	Salaries - Call Back	\$864	\$1,500	\$864	\$1,500
100-200-210-0000-5045	Salaries - Call Ready	\$428	\$3,500	\$428	\$3,500
100-200-210-0000-5050	Salaries - Night Differential	\$2,447	\$2,000	\$3,624	\$3,000
100-200-210-0000-5055	Unemployment Insurance (SUI)	\$601	\$5,082	\$791	\$2,983
100-200-210-0000-5060	FICA Medicare/Social Security	\$17,492	\$24,234	\$27,004	\$26,902
100-200-210-0000-5100	Uniform Allowance	\$4,560	\$6,500	\$4,560	\$6,500
100-200-210-0000-5105	Workers' Compensation	\$20,370	\$16,187	\$20,370	\$14,480
100-200-210-0000-5110	CalPERS Employer Share	\$29,250	\$42,000	\$47,059	\$33,023
100-200-210-0000-5112	CalPERS Unfunded Liability	\$20,610	\$22,821	\$31,593	\$39,726
100-200-210-0000-5115	Health Insurance	\$26,884	\$53,852	\$42,743	\$60,494
100-200-210-0000-5120	Dental Insurance	\$2,823	\$3,915	\$4,237	\$3,475
100-200-210-0000-5125	Long Term Disability/Life/AD&D	\$727	\$1,023	\$1,106	\$2,404
100-200-210-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-200-210-0000-5217	Supplies	\$1,362	\$2,500	\$2,062	\$2,500
100-200-210-0000-5218	Tools	-\$82	\$1,000	\$18	\$1,000
100-200-210-0000-5220	Harbor Patrol Supplies	\$7,203	\$5,500	\$8,203	\$3,500
100-200-210-0000-5224	Almar Maintenance	\$1,245	\$1,000	\$1,245	\$2,500
100-200-210-0000-5226	Boat Fuel - Almar	\$3,879	\$2,000	\$5,779	\$0
100-200-210-0000-5228	Boat Fuel - HBI		\$1,000	\$1,000	\$0
100-200-210-0000-5235	Vehicle & Equipment Fuel	\$5,117	\$4,000	\$7,617	\$7,000
100-200-210-0000-5236	Harbor Patrol Training	\$7,691	\$12,000	\$12,191	\$12,000
100-200-210-0000-5238	Harbor Patrol Misc. Expense	\$2,175	\$2,000	\$2,875	\$9,000
100-200-210-0000-5244	Background Investigations		\$3,000		\$1,500
100-200-210-0000-5262	Insurance Premiums	\$3,166	\$6,825	\$3,166	\$7,500
100-200-210-0000-5278	Booking Fees	\$1,329	\$1,000	\$2,029	\$2,000
100-200-210-0000-5415	Miscellaneous Professional Services	\$45	\$5,000	\$95	\$3,000
100-200-210-0000-5450	Other Services	\$38,245	\$55,000	\$59,245	\$50,000
100-200-210-0000-5500	Mileage Reimbursement	\$1,976	\$1,000	\$2,276	\$1,500
100-200-210-0000-5510	Meetings & Seminars	\$52	\$500	\$152	\$300
100-200-210-0000-5665	Vehicle Maintenance	\$3,292	\$3,000	\$4,892	\$5,000
100-200-210-0000-5692	Communications Maintenance		\$2,500	\$1,000	\$2,000
	<b>TOTAL HARBOR PATROL</b>	<b>\$433,117</b>	<b>\$606,638</b>	<b>\$653,808</b>	<b>\$635,630</b>

Account	Description	YTD	FY18		
			FY18 BUDGET	PROJECTION	FY19 BUDGET
<b>MARINA MANAGEMENT (220)</b>					
100-200-220-0000-5000	Salaries - Regular	\$190,411	\$239,452	\$285,320	\$249,767
100-200-220-0000-5005	Salaries - Overtime	\$707	\$1,500	\$707	\$1,000
100-200-220-0000-5010	Wages - Part Time/Temporary	\$10,789	\$10,000	\$16,765	\$25,000
100-200-220-0000-5025	Salaries - Holiday Pay	\$175	\$1,000	\$175	\$1,000
100-200-220-0000-5040	Salaries - Call Back	\$105	\$0	\$105	\$0
100-200-220-0000-5055	Unemployment Insurance (SUI)	\$659	\$5,000	\$1,029	\$1,704
100-200-220-0000-5060	FICA Medicare/Social Security	\$15,901	\$22,665	\$23,808	\$15,365
100-200-220-0000-5105	Workers' Compensation	\$15,045	\$11,956	\$15,045	\$8,270
100-200-220-0000-5110	CalPERS Employer Share	\$28,990	\$32,198	\$46,641	\$32,730
100-200-220-0000-5112	CalPERS Unfunded Liability	\$20,427	\$22,618	\$31,313	\$39,373
100-200-220-0000-5115	Health Insurance	\$19,052	\$40,494	\$30,236	\$31,352
100-200-220-0000-5120	Dental Insurance	\$2,823	\$3,915	\$4,237	\$1,985
100-200-220-0000-5125	Long Term Disability/Life/AD&D	\$2,041	\$2,872	\$3,106	\$1,373
100-200-220-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-200-220-0000-5217	Supplies	\$766	\$2,500	\$1,066	\$2,500
100-200-220-0000-5222	HBI Maintenance	\$0	\$2,000	\$2,000	\$2,500
100-200-220-0000-5224	Almar Maintenance	\$1,225	\$2,500	\$3,725	\$3,000
100-200-220-0000-5228	Boat Fuel - HBI	\$0	\$1,000	\$0	\$0
100-200-220-0000-5262	Insurance Premiums	\$3,974		\$3,974	\$4,000
100-200-220-0000-5279	Bad Debt Expense	\$203	\$15,000	\$15,000	\$15,000
100-200-220-0000-5280	Lien Sale Expenses	\$1,370	\$5,000	\$2,070	\$2,500
100-200-220-0000-5465	Software License & Application	\$720	\$2,000	\$720	\$1,000
100-200-220-0000-5500	Mileage Reimbursement	\$921	\$200	\$1,121	\$500
	<b>TOTAL MARINA MANAGEMENT</b>	<b>\$319,636</b>	<b>\$429,070</b>	<b>\$493,162</b>	<b>\$445,119</b>
<b>RESCUE SERVICES (230)</b>					
100-200-230-0000-5000	Salaries - Regular	\$9,215	\$16,000	\$13,055	\$16,820
100-200-230-0000-5005	Salaries - Overtime	\$1,118	\$3,000	\$1,118	\$1,000
100-200-230-0000-5010	Wages - Part Time/Temporary		\$1,000		\$1,000
100-200-230-0000-5040	Salaries - Call Back	\$2,897	\$2,000	\$3,661	\$2,000
100-200-230-0000-5045	Salaries - Call Ready	\$12,293	\$15,626	\$17,333	\$16,000
100-200-230-0000-5050	Salaries - Night Differential	\$7	\$0	\$7	\$0
100-200-230-0000-5055	Unemployment Insurance (SUI)		\$305		\$354
100-200-230-0000-5060	FICA Medicare/Social Security	\$1,963	\$2,592	\$2,707	\$3,196
100-200-230-0000-5105	Workers' Compensation	\$2,004	\$1,593	\$2,004	\$1,720
100-200-230-0000-5110	CalPERS Employer Share	\$1,768	\$1,964	\$2,845	\$1,996
100-200-230-0000-5112	CalPERS Unfunded Liability	\$1,246	\$1,500	\$1,910	\$2,402
100-200-230-0000-5115	Health Insurance	\$2,916	\$5,518	\$4,807	\$6,521
100-200-230-0000-5120	Dental Insurance	\$706	\$979	\$1,059	\$413
100-200-230-0000-5125	Long Term Disability/Life/AD&D	\$145	\$204	\$221	\$286
100-200-230-0000-5212	Safety Supplies	\$1,597	\$500	\$1,897	\$1,500
100-200-230-0000-5217	Supplies	\$153	\$100	\$223	\$250
100-200-230-0000-5221	Safety Boat Maintenance	\$81	\$500	\$466	\$0
100-200-230-0000-5222	HBI Maintenance	\$1,652	\$2,000	\$2,152	\$2,500
100-200-230-0000-5224	Almar Maintenance	\$521	\$2,500	\$8,021	\$4,000
100-200-230-0000-5226	Boat Fuel - Almar	\$1,940	\$1,000	\$2,890	\$6,000
100-200-230-0000-5228	Boat Fuel - HBI		\$1,000		\$0
100-200-230-0000-5236	Harbor Patrol Training	\$10,330	\$10,000	\$10,330	\$10,000
100-200-230-0000-5238	Harbor Patrol Miscellaneous Expense	\$167	\$1,000	\$997	\$1,000
100-200-230-0000-5262	Insurance Premiums	\$3,974	\$5,500	\$5,961	\$6,000
100-200-230-0000-5425	Contract Services	\$16,385	\$16,500	\$16,385	\$17,000
	<b>TOTAL RESCUE SERVICES</b>	<b>\$73,080</b>	<b>\$92,880</b>	<b>\$100,050</b>	<b>\$101,958</b>

Account	Description	YTD	FY18		
			FY18 BUDGET	PROJECTION	FY19 BUDGET
	<b>PARKING SERVICES (240)</b>				
100-200-240-0000-5000	Salaries - Regular	\$31,699	\$80,000	\$34,347	\$84,226
100-200-240-0000-5005	Salaries - Overtime	\$1,487	\$1,000	\$2,547	\$1,000
100-200-240-0000-5010	Wages - Part Time/Temporary	\$118,018	\$155,000	\$154,038	\$119,000
100-200-240-0000-5015	Salaries - Comp. Time	\$422	\$0	\$472	\$0
100-200-240-0000-5020	Salaries - Vacation Pay	\$944	\$0	\$944	\$0
100-200-240-0000-5025	Salaries - Holiday Pay	\$335	\$0	\$335	\$0
100-200-240-0000-5030	Salaries - Sick Pay	\$1,273	\$1,000	\$2,068	\$1,000
100-200-240-0000-5055	Unemployment Insurance (SUI)	\$4,256	\$6,734	\$4,949	\$717
100-200-240-0000-5060	FICA Medicare/Social Security	\$11,960	\$15,656	\$15,148	\$16,647
100-200-240-0000-5105	Workers' Compensation	\$11,664	\$9,269	\$11,664	\$5,894
100-200-240-0000-5110	CalPERS Employer Share	\$7,171	\$7,964	\$11,536	\$8,095
100-200-240-0000-5112	CalPERS Unfunded Liability	\$5,052	\$5,594	\$7,745	\$9,739
100-200-240-0000-5115	Health Insurance	\$7,796	\$13,382	\$12,555	\$13,893
100-200-240-0000-5120	Dental Insurance	\$1,059	\$1,468	\$1,589	\$835
100-200-240-0000-5125	Long Term Disability/Life/AD&D	\$291	\$409	\$443	\$578
100-200-240-0000-5212	Safety Supplies	\$477	\$500	\$477	\$500
100-200-240-0000-5217	Supplies	\$9,457	\$10,000	\$11,457	\$12,000
100-200-240-0000-5218	Tools	\$87	\$100	\$99	\$10
100-200-240-0000-5231	Boat Fuel - Free Ride	\$431	\$1,000	\$431	\$1,000
100-200-240-0000-5235	Vehicle & Equipment Fuel	\$1,069	\$3,000	\$1,569	\$3,000
100-200-240-0000-5240	Miscellaneous Employee Training	\$1,675	\$500	\$1,675	\$1,800
100-200-240-0000-5254	Rent & Leases	\$5,600	\$3,500	\$9,600	\$10,000
100-200-240-0000-5272	Software	\$435	\$1,000	\$435	\$1,000
100-200-240-0000-5284	Credit Card Fees	\$10,607	\$12,000	\$12,607	\$12,000
100-200-240-0000-5292	Uniform Cleaning/Laundry	\$448	\$500	\$448	\$500
100-200-240-0000-5425	Contract Services	\$4,444	\$4,000	\$6,664	\$7,000
100-200-240-0000-5450	Other Services	\$16,079	\$25,000	\$24,104	\$25,000
100-200-240-0000-5465	Software License & Application	\$3	\$1,500	\$1,003	\$1,000
100-200-240-0000-5610	Water Taxi Maintenance	\$4,359	\$3,500	\$4,359	\$3,500
100-200-240-0000-5625	Signage	\$2,405	\$1,000	\$2,405	\$1,000
100-200-240-0000-5635	Parking Meters R&M	\$609	\$1,500	\$909	\$1,100
100-200-240-0000-5665	Vehicle Maintenance	\$2,607	\$5,000	\$3,607	\$5,000
100-200-240-0000-5698	Equipment/Equipment R&M	\$3,974	\$15,000	\$5,874	\$8,000
100-200-240-0000-6100	Capitalized Equipment Xfer to 1100				
	<b>TOTAL PARKING SERVICES</b>		<b>\$268,191</b>	<b>\$348,101</b>	<b>\$355,034</b>

Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>EVENTS (250)</b>					
100-200-250-0000-5000	Salaries - Regular	\$6,520	\$12,000	\$8,482	\$13,645
100-200-250-0000-5005	Salaries - Overtime	\$772	\$3,000	\$772	\$2,000
100-200-250-0000-5010	Wages - Part Time/Temporary	\$3,780	\$5,000	\$3,780	\$5,000
100-200-250-0000-5055	Unemployment Insurance (SUI)	\$223	\$69	\$223	\$284
100-200-250-0000-5060	FICA Medicare/Social Security	\$788	\$1,206	\$896	\$2,564
100-200-250-0000-5105	Workers' Compensation	\$1,847	\$1,468	\$1,847	\$1,380
100-200-250-0000-5110	CalPERS Employer Share	\$1,801	\$2,000	\$2,897	\$2,033
100-200-250-0000-5112	CalPERS Unfunded Liability	\$1,269	\$1,405	\$1,945	\$2,446
100-200-250-0000-5115	Health Insurance	\$2,452	\$4,827	\$3,975	\$5,232
100-200-250-0000-5120	Dental Insurance	\$706	\$979	\$1,059	\$331
100-200-250-0000-5125	Long Term Disability/Life/AD&D	\$291	\$409	\$443	\$229
100-200-250-0000-5217	Supplies	\$3,738	\$4,200	\$3,738	\$4,200
100-200-250-0000-5256	Equipment Rental		\$1,000		\$1,000
100-200-250-0000-5290	Misc. Expenses	\$1,457	\$2,000	\$1,457	\$2,000
100-200-250-0000-5625	Signage	\$187	\$1,000	\$187	\$500
	<b>TOTAL EVENTS</b>	<b>\$25,831</b>	<b>\$40,562</b>	<b>\$31,703</b>	<b>\$42,844</b>
<b>FUEL SERVICES (280)</b>					
100-200-280-0000-5000	Salaries - Regular	\$1,232	\$2,000	\$2,334	\$2,059
100-200-280-0000-5005	Salaries - Overtime	\$213	\$0	\$213	\$0
100-200-280-0000-5010	Wages - Part Time/Temporary	\$13,407	\$16,000	\$19,538	\$16,000
100-200-280-0000-5055	Unemployment Insurance (SUI)	\$167	\$345	\$167	\$70
100-200-280-0000-5060	FICA Medicare/Social Security	\$1,140	\$1,321	\$1,699	\$1,432
100-200-280-0000-5105	Workers' Compensation	\$1,147	\$912	\$1,147	\$340
100-200-280-0000-5110	CalPERS Employer Share	\$779	\$865	\$1,253	\$879
100-200-280-0000-5112	CalPERS Unfunded Liability	\$549	\$650	\$841	\$1,058
100-200-280-0000-5115	Health Insurance	\$605	\$1,159	\$1,030	\$1,289
100-200-280-0000-5120	Dental Insurance	\$176	\$245	\$265	\$82
100-200-280-0000-5125	Long Term Disability/Life/AD&D	\$145	\$204	\$221	\$56
100-200-280-0000-5217	Supplies	\$966	\$300	\$1,416	\$1,000
100-200-280-0000-5245	Fuel Dock Gasoline	\$95,189	\$200,000	\$128,000	\$200,000
100-200-280-0000-5246	Fuel Dock Diesel	\$151,874	\$180,000	\$200,000	\$230,000
100-200-280-0000-5248	Fuel Dock Sales Tax	\$7,556		\$0	\$0
100-200-280-0000-5250	Fuel Dock Equipment & Supplies		\$1,500	\$250	\$1,000
100-200-280-0000-5252	Underground Storage Tank Maintenance	\$1,898	\$5,000	\$2,848	\$2,500
100-200-280-0000-5262	Insurance Premiums	\$0	\$5,250	\$5,250	\$5,500
100-200-280-0000-5276	Permit Fees	\$3,567	\$3,200	\$3,567	\$3,800
100-200-280-0000-5282	Bank Service Charges	\$0	\$2,500	\$0	\$0
100-200-280-0000-5284	Credit Card Fees	\$3,862	\$9,000	\$5,792	\$7,000
100-200-280-0000-5465	Software License & Application	\$0	\$1,500	\$0	\$1,500
100-200-280-0000-5607	Fueling Equipment R&M	\$4,912	\$2,500	\$5,412	\$2,500
100-200-280-0000-6100	Capitalized Equipment Xfer to 1100				\$12,000
	<b>TOTAL FUEL SERVICES</b>	<b>\$289,386</b>	<b>\$434,450</b>	<b>\$381,242</b>	<b>\$478,065</b>

Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>DOCKS, PIERS, MARINE STRUCTURES (310)</b>					
100-300-310-0000-5000	Salaries - Regular	\$20,528	\$40,000	\$26,364	\$41,642
100-300-310-0000-5005	Salaries - Overtime	\$191	\$2,000	\$191	\$2,000
100-300-310-0000-5010	Wages - Part Time/Temporary		\$1,000		\$2,000
100-300-310-0000-5055	Unemployment Insurance (SUI)		\$374		\$457
100-300-310-0000-5060	FICA Medicare/Social Security	\$1,682	\$3,212	\$2,170	\$4,124
100-300-310-0000-5105	Workers' Compensation	\$3,514	\$2,792	\$3,514	\$2,220
100-300-310-0000-5110	CalPERS Employer Share	\$4,624	\$5,135	\$7,439	\$5,220
100-300-310-0000-5112	CalPERS Unfunded Liability	\$3,258	\$3,607	\$4,994	\$6,279
100-300-310-0000-5115	Health Insurance	\$4,690	\$9,765	\$7,558	\$9,116
100-300-310-0000-5120	Dental Insurance	\$1,235	\$1,713	\$1,854	\$533
100-300-310-0000-5125	Long Term Disability/Life/AD&D	\$145	\$204	\$221	\$369
100-300-310-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-300-310-0000-5212	Safety Supplies	\$98	\$200	\$200	\$1,000
100-300-310-0000-5214	Office Supplies	\$0	\$200	\$0	\$200
100-300-310-0000-5217	Supplies	\$1,447	\$5,000	\$5,000	\$200
100-300-310-0000-5218	Tools	\$845	\$12,000	\$10,000	\$10,000
100-300-310-0000-5230	Boat Fuel - Odd Job	\$0	\$200	\$200	\$500
100-300-310-0000-5235	Vehicle & Equipment Fuel	\$51	\$200	\$200	\$500
100-300-310-0000-5240	Miscellaneous Employee Training	\$590	\$5,000	\$5,000	\$5,000
100-300-310-0000-5256	Equipment Rental	\$0	\$1,000	\$0	\$1,000
100-300-310-0000-5262	Insurance Premiums	\$138,646	\$131,048	\$138,646	\$140,000
100-300-310-0000-5268	Meetings & Training	-\$81	\$2,000	\$200	\$1,500
100-300-310-0000-5290	Miscellaneous Expenses	\$943	\$500	\$943	\$750
100-300-310-0000-5292	Uniform Cleaning/Laundry	\$226		\$226	\$300
100-300-310-0000-5430	Engineering Services	\$0	\$1,000	\$0	\$1,000
100-300-310-0000-5500	Mileage Reimbursement	\$250		\$250	\$500
100-300-310-0000-5605	Piers & Marine Structures R&M	\$20,595	\$5,000	\$25,595	\$10,000
100-300-310-0000-5615	Maintenance Work Boat R&M	\$33	\$500	\$500	\$1,000
100-300-310-0000-5620	Paint & Supplies	\$2,733	\$1,500	\$3,000	\$3,000
100-300-310-0000-5625	Signage	\$963	\$1,000	\$1,000	\$1,000
100-300-310-0000-5665	Vehicle Maintenance	\$0	\$3,000	\$1,200	\$3,000
100-300-310-0000-5698	Equipment/Equipment R&M	\$4,292	\$5,000	\$4,500	\$4,500
100-300-310-0000-5725	Welding Supplies	\$497	\$1,000	\$1,000	\$2,500
<b>TOTAL DOCKS, PIERS, MARINE STRUCTURES</b>		<b>\$215,326</b>	<b>\$250,351</b>	<b>\$256,964</b>	<b>\$266,610</b>

Account	Description	YTD	FY18		FY19 BUDGET
			BUDGET	PROJECTION	
	<b>UTILITIES (320)</b>				
100-300-320-0000-5000	Salaries - Regular	\$24,711	\$49,050	\$38,868	\$51,083
100-300-320-0000-5005	Salaries - Overtime	\$78	\$1,000	\$78	\$1,000
100-300-320-0000-5055	Unemployment Insurance (SUI)		\$543		\$610
100-300-320-0000-5060	FICA Medicare/Social Security	\$4,874	\$3,845	\$5,991	\$5,499
100-300-320-0000-5105	Workers' Compensation	\$3,043	\$2,418	\$3,043	\$2,960
100-300-320-0000-5110	CalPERS Employer Share	\$4,007	\$4,450	\$6,447	\$4,524
100-300-320-0000-5112	CalPERS Unfunded Liability	\$2,823	\$3,126	\$4,328	\$5,442
100-300-320-0000-5115	Health Insurance	\$5,555	\$10,670	\$9,109	\$11,221
100-300-320-0000-5120	Dental Insurance	\$1,059	\$1,468	\$1,589	\$710
100-300-320-0000-5125	Long Term Disability/Life/AD&D	\$145	\$204	\$221	\$491
100-300-320-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-300-320-0000-5212	Safety Supplies	\$98	\$500	\$500	\$5,000
100-300-320-0000-5217	Supplies	\$504	\$1,000	\$1,000	\$1,000
100-300-320-0000-5240	Miscellaneous Employee Training		\$5,000	\$3,500	\$5,000
100-300-320-0000-5290	Miscellaneous Expenses		\$200	\$200	\$200
100-300-320-0000-5650	Storm Drain Maintenance	\$661	\$2,200	\$2,200	\$5,000
100-300-320-0000-5665	Vehicle Maintenance		\$2,000	\$2,000	\$5,000
100-300-320-0000-5670	Utility Maintenance	\$669	\$10,000	\$8,500	\$10,000
100-300-320-0000-5698	Equipment/Equipment R&M	\$4,122	\$5,000	\$5,000	\$5,000
	<b>TOTAL UTILITIES</b>	<b>\$55,684</b>	<b>\$107,875</b>	<b>\$97,574</b>	<b>\$124,940</b>



Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>BUILDINGS (330)</b>					
100-300-330-0000-5000	Salaries - Regular	\$50,865	\$38,500	\$78,429	\$39,143
100-300-330-0000-5005	Salaries - Overtime	\$585	\$0	\$585	\$1,000
100-300-330-0000-5010	Wages - Part Time/Temporary		\$5,000		\$5,000
100-300-330-0000-5015	Salaries - Comp. Time	\$489	\$0	\$489	\$0
100-300-330-0000-5040	Salaries - Call Back	\$613	\$0	\$975	\$0
100-300-330-0000-5045	Salaries - Call Ready	\$4,550	\$5,000	\$7,506	\$5,000
100-300-330-0000-5055	Unemployment Insurance (SUI)		\$888		\$610
100-300-330-0000-5060	FICA Medicare/Social Security	\$4,581	\$5,775	\$7,044	\$5,499
100-300-330-0000-5105	Workers' Compensation	\$2,693	\$2,140	\$2,693	\$2,960
100-300-330-0000-5110	CalPERS Employer Share	\$3,537	\$3,928	\$5,690	\$3,993
100-300-330-0000-5112	CalPERS Unfunded Liability	\$2,492	\$3,200	\$3,820	\$4,803
100-300-330-0000-5115	Health Insurance	\$7,831	\$12,944	\$12,257	\$15,421
100-300-330-0000-5120	Dental Insurance	\$1,059	\$1,468	\$1,589	\$710
100-300-330-0000-5125	Long Term Disability/Life/AD&D	\$145	\$204	\$221	\$491
100-300-330-0000-5212	Safety Supplies		\$500	\$500	\$500
100-300-330-0000-5216	Janitorial Supplies	\$14,543	\$30,000	\$27,000	\$30,000
100-300-330-0000-5217	Supplies	\$1,313	\$3,000	\$3,000	\$3,000
100-300-330-0000-5218	Tools	\$1,261	\$4,500	\$4,500	\$5,000
100-300-330-0000-5235	Vehicle & Equipment Fuel	\$243	\$3,000	\$3,000	\$2,500
100-300-330-0000-5240	Miscellaneous Employee Training		\$2,500	\$2,500	\$2,500
100-300-330-0000-5262	Insurance Premiums	\$11,923	\$17,500	\$11,923	\$16,000
100-300-330-0000-5266	Memberships, Dues, Subscriptions		\$250	\$0	\$250
100-300-330-0000-5268	Meetings & Training		\$1,000	\$500	\$1,000
100-300-330-0000-5290	Miscellaneous Expenses		\$200	\$0	\$200
100-300-330-0000-5292	Uniform Cleaning/Laundry	\$1,139	\$3,000	\$3,000	\$3,000
100-300-330-0000-5305	Water, Sewer & Garbage	\$33,289	\$28,000	\$41,611	\$45,000
100-300-330-0000-5412	Custodial Contract	\$20,304	\$33,000	\$28,000	\$33,000
100-300-330-0000-5430	Engineering Services		\$1,500	\$0	\$1,500
100-300-330-0000-5450	Other Services	\$93	\$1,500	\$800	\$1,500
100-300-330-0000-5600	Building Repairs & Maintenance	\$17,800	\$30,000	\$30,000	\$40,000
100-300-330-0000-5620	Paint & Supplies	\$363	\$1,500	\$1,500	\$1,500
100-300-330-0000-5625	Signage	\$1,947	\$1,000	\$2,400	\$1,000
100-300-330-0000-5645	Street Maintenance		\$500	\$500	\$1,000
100-300-330-0000-5665	Vehicle Maintenance		\$1,000	\$1,000	\$1,500
100-300-330-0000-5698	Equipment/Equipment R&M	\$4,663	\$5,000	\$5,000	\$6,000
100-300-330-0000-5725	Welding Supplies	\$454	\$1,000	\$1,000	\$1,500
100-300-330-0000-6100	Capitalized Equipment Xfer to 1100	\$2,867	\$8,000	\$8,000	
	<b>TOTAL BUILDINGS</b>		<b>\$188,773</b>	<b>\$256,497</b>	<b>\$297,032</b>
					<b>\$282,080</b>

Account	Description	YTD	FY18		
			FY18 BUDGET	PROJECTION	FY19 BUDGET
<b>GROUNDS (340)</b>					
100-300-340-0000-5000	Salaries - Regular	\$100,486	\$155,000	\$153,541	\$162,634
100-300-340-0000-5005	Salaries - Overtime	\$4,175	\$3,000	\$4,869	\$3,000
100-300-340-0000-5010	Wages - Part Time/Temporary	\$20,306	\$15,000	\$35,399	\$50,000
100-300-340-0000-5020	Salaries - Vacation Pay	\$2,191	\$0	\$2,191	\$1,500
100-300-340-0000-5040	Salaries - Call Back	\$1,209	\$1,200	\$1,572	\$1,700
100-300-340-0000-5045	Salaries - Call Ready	\$2,657	\$5,000	\$4,590	\$5,000
100-300-340-0000-5055	Unemployment Insurance (SUI)	\$823	\$3,830	\$1,046	\$2,616
100-300-340-0000-5060	FICA Medicare/Social Security	\$10,093	\$15,507	\$15,567	\$23,595
100-300-340-0000-5105	Workers' Compensation	\$10,215	\$8,118	\$10,215	\$12,700
100-300-340-0000-5110	CalPERS Employer Share	\$13,465	\$14,955	\$21,663	\$15,202
100-300-340-0000-5112	CalPERS Unfunded Liability	\$9,488	\$11,000	\$14,544	\$18,287
100-300-340-0000-5115	Health Insurance	\$21,243	\$39,788	\$35,036	\$48,146
100-300-340-0000-5120	Dental Insurance	\$1,235	\$1,713	\$1,854	\$3,048
100-300-340-0000-5125	Long Term Disability/Life/AD&D	\$253	\$355	\$384	\$2,108
100-300-340-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-300-340-0000-5210	Hazmat Supplies	\$1,515	\$7,500	\$3,000	\$7,500
100-300-340-0000-5212	Safety Supplies	\$421	\$2,200	\$2,200	\$2,500
100-300-340-0000-5217	Supplies	\$5,653	\$5,000	\$6,000	\$6,000
100-300-340-0000-5218	Tools	\$4,163	\$2,000	\$4,500	\$5,000
100-300-340-0000-5234	Boat Fuel - Dauntless	\$145		\$145	\$0
100-300-340-0000-5235	Vehicle & Equipment Fuel	\$5,680	\$6,000	\$6,000	\$6,000
100-300-340-0000-5240	Miscellaneous Employee Training	\$413	\$2,000	\$2,000	\$2,000
100-300-340-0000-5256	Equipment Rental	\$1,716	\$3,000	\$2,500	\$3,000
100-300-340-0000-5266	Memberships, Dues, Subscriptions		\$500	\$0	\$500
100-300-340-0000-5276	Permit Fees	\$838	\$2,500	\$2,500	\$2,500
100-300-340-0000-5292	Uniform Cleaning/Laundry	\$3,795	\$3,000	\$4,200	\$4,000
100-300-340-0000-5298	Interest Expense	\$152		\$152	\$0
100-300-340-0000-5300	Gas & Electricity	\$130,624	\$180,000	\$163,280	\$180,000
100-300-340-0000-5305	Water, Sewer & Garbage	\$31,855	\$45,000	\$45,000	\$45,000
100-300-340-0000-5308	Hazmat Disposal	\$7,248	\$5,000	\$8,500	\$8,500
100-300-340-0000-5405	Landscaping	\$748	\$10,000	\$2,500	\$10,000
100-300-340-0000-5425	Contract Services	\$7,989	\$40,000	\$10,000	\$10,000
100-300-340-0000-5600	Building Repairs & Maintenance	\$14		\$14	\$0
100-300-340-0000-5620	Paint & Supplies		\$5,000	\$5,000	\$5,000
100-300-340-0000-5625	Signage	\$713	\$5,000	\$4,000	\$5,000
100-300-340-0000-5630	Parking Lot R&M	\$323	\$5,000	\$1,500	\$5,000
100-300-340-0000-5645	Street Maintenance	\$147	\$1,000	\$500	\$2,500
100-300-340-0000-5665	Vehicle Maintenance	\$2,095	\$8,000	\$6,500	\$8,000
100-300-340-0000-5672	Other Repairs & Maintenance	\$1,350	\$2,500	\$2,500	\$3,000
100-300-340-0000-5696	Permits & Inspections		\$2,500	\$2,500	\$2,500
100-300-340-0000-5698	Equipment/Equipment R&M	\$2,467	\$10,000	\$8,000	\$10,000
100-300-340-0000-5800	Fish Removal Expenses	\$295	\$2,000	\$295	\$2,500
100-300-340-0000-5805	Waste Oil Disposal/Recycle	\$5,882	\$10,000	\$9,000	\$10,000
100-300-340-0000-6100	Capitalized Equipment Xfer to 1100		\$10,000	\$10,000	\$25,000
	<b>TOTAL GROUNDS</b>	<b>\$417,412</b>	<b>\$654,366</b>	<b>\$619,758</b>	<b>\$700,736</b>

Account	Description	YTD	FY18		FY19 BUDGET
			FY18 BUDGET	PROJECTION	
<b>AERATION (350)</b>					
100-300-350-0000-5000	Salaries - Regular	\$10,478	\$15,000	\$15,159	\$15,645
100-300-350-0000-5055	Unemployment Insurance (SUI)		\$1,000		\$157
100-300-350-0000-5060	FICA Medicare/Social Security	\$846	\$1,000	\$1,224	\$1,412
100-300-350-0000-5105	Workers' Compensation	\$1,751	\$1,000	\$1,751	\$760
100-300-350-0000-5110	CalPERS Employer Share	\$1,849	\$3,000	\$2,975	\$2,088
100-300-350-0000-5112	CalPERS Unfunded Liability	\$1,303	\$1,600	\$1,998	\$2,512
100-300-350-0000-5115	Health Insurance	\$1,809	\$2,900	\$2,877	\$2,881
100-300-350-0000-5120	Dental Insurance	\$353	\$489	\$530	\$182
100-300-350-0000-5125	Long Term Disability/Life/AD&D	\$636	\$895	\$968	\$126
100-300-350-0000-5217	Supplies	\$345		\$500	\$500
100-300-350-0000-5300	Gas & Electricity	\$11,358	\$18,000	\$13,000	\$18,000
100-300-350-0000-5698	Equipment/Equip. R&M	\$4,923	\$10,000	\$10,000	\$10,000
	<b>TOTAL AERATION</b>		<b>\$35,652</b>	<b>\$54,885</b>	<b>\$50,982</b>
<b>FISHERY SUPPORT (360)</b>					
100-300-360-0000-5000	Salaries - Regular	\$0	\$12,650	\$4,500	\$13,175
100-300-360-0000-5055	Unemployment Insurance (SUI)	\$0	\$500	\$0	\$31
100-300-360-0000-5060	FICA Medicare/Social Security	\$0	\$1,000	\$345	\$279
100-300-360-0000-5105	Workers' Compensation	\$350	\$500	\$525	\$150
100-300-360-0000-5110	CalPERS Employer Share	\$470	\$1,000	\$757	\$531
100-300-360-0000-5112	CalPERS Unfunded Liability	\$332	\$500	\$508	\$639
100-300-360-0000-5115	Health Insurance	\$243	\$500	\$401	\$569
100-300-360-0000-5120	Dental Insurance	\$353	\$500	\$530	\$36
100-300-360-0000-5125	Long Term Disability/Life/AD&D	\$145	\$100	\$221	\$25
100-300-360-0000-5675	Ice Equipment R&M		\$1,000	\$1,500	\$3,500
	<b>TOTAL FISHERY SUPPORT</b>		<b>\$1,893</b>	<b>\$18,250</b>	<b>\$9,286</b>
<b>CAPITAL PROJECTS (390)</b>					
100-300-390-0000-5000	Salaries - Regular	\$0	\$5,000	\$2,500	\$5,147
100-300-390-0000-5010	Wages - Part Time/Temporary	\$0	\$500	\$0	\$500
100-300-390-0000-5055	Unemployment Insurance (SUI)	\$0	\$400	\$75	\$200
100-300-390-0000-5060	FICA Medicare/Social Security	\$0	\$200	\$200	\$400
100-300-390-0000-5105	Workers' Compensation	\$145	\$100	\$290	\$100
100-300-390-0000-5110	CalPERS Employer Share	\$0	\$750	\$750	\$750
100-300-390-0000-5276	Permit Fees		\$1,000	\$1,000	\$1,000
100-300-390-0000-5290	Miscellaneous Expenses		\$200	\$200	\$200
100-300-390-0000-5298	Interest Expense	\$272,689	\$451,734	\$451,839	\$418,104
100-300-390-0000-5416	Legal Consultation		\$1,000	\$1,000	\$1,000
100-300-390-0000-5430	Engineering Services		\$10,000	\$0	\$10,000
100-300-390-0000-5500	Mileage Reimbursement		\$200	\$0	\$200
100-300-390-0000-6200	Principal Debt Payments	\$593,189	\$997,454	\$997,454	\$1,030,895
	<b>TOTAL CAPITAL PROJECTS</b>		<b>\$272,834</b>	<b>\$471,084</b>	<b>\$437,601</b>

Account	Description	YTD	FY18		
			FY18 BUDGET	PROJECTION	FY19 BUDGET
<b>DREDGING OPERATIONS (400)</b>					
100-300-400-0000-5000	Salaries - Regular	\$305,581	\$440,000	\$451,648	\$470,178
100-300-400-0000-5005	Salaries - Overtime	\$22,593	\$20,000	\$40,869	\$25,000
100-300-400-0000-5007	Salaries - Provisional		\$35,000		\$0
100-300-400-0000-5010	Wages - Part Time/Temporary	\$574	\$10,000	\$2,870	\$10,000
100-300-400-0000-5015	Salaries - Comp. Time	\$449	\$0	\$449	\$500
100-300-400-0000-5020	Salaries - Vacation Pay	\$901	\$0	\$953	\$1,000
100-300-400-0000-5025	Salaries - Holiday Pay	\$1,164	\$0	\$5,285	\$1,000
100-300-400-0000-5040	Salaries - Call Back	\$267	\$0	\$267	\$500
100-300-400-0000-5055	Unemployment Insurance (SUI)	\$434	\$5,500	\$434	\$4,983
100-300-400-0000-5060	FICA Medicare/Social Security	\$26,119	\$40,000	\$39,517	\$44,942
100-300-400-0000-5105	Workers' Compensation	\$25,115	\$20,000	\$25,115	\$24,190
100-300-400-0000-5110	CalPERS Employer Share	\$24,935	\$28,500	\$40,116	\$29,300
100-300-400-0000-5112	CalPERS Unfunded Liability	\$17,569	\$21,000	\$26,932	\$33,865
100-300-400-0000-5115	Health Insurance	\$50,730	\$83,100	\$80,526	\$96,604
100-300-400-0000-5120	Dental Insurance		\$1,500	\$0	\$5,806
100-300-400-0000-5125	Long Term Disability/Life/AD&D	\$1,744	\$2,500	\$2,654	\$4,016
100-300-400-0000-5140	Retiree Medical Contribution	\$3,333	\$5,200	\$5,000	\$5,200
100-300-400-0000-5200	Printing & Newsletter	\$30		\$30	\$0
100-300-400-0000-5210	Hazmat Supplies		\$2,000	\$2,000	\$2,000
100-300-400-0000-5212	Safety Supplies	\$3,288	\$3,000	\$4,500	\$5,000
100-300-400-0000-5217	Supplies	\$6,907	\$6,000	\$7,500	\$7,500
100-300-400-0000-5218	Tools	\$3,535	\$5,000	\$5,000	\$10,000
100-300-400-0000-5232	Boat Fuel - Dredge Skiff		\$300	\$500	\$500
100-300-400-0000-5233	Boat Fuel - Twin Lakes	\$21,746	\$125,000	\$100,000	\$125,000
100-300-400-0000-5234	Boat Fuel - Dauntless	\$1,775	\$7,500	\$7,500	\$7,500
100-300-400-0000-5235	Vehicle & Equipment Fuel	\$4,725	\$6,000	\$6,000	\$6,000
100-300-400-0000-5240	Miscellaneous Employee Training		\$6,000	\$5,000	\$6,000
100-300-400-0000-5256	Equipment Rental	\$43	\$32,000	\$15,000	\$32,000
100-300-400-0000-5262	Insurance Premiums	\$3,459	\$36,750	\$3,459	\$35,000
100-300-400-0000-5266	Memberships, Dues, Subscriptions, Warranties		\$500	\$34,600	\$500
100-300-400-0000-5268	Meetings & Training		\$2,000	\$2,000	\$2,000
100-300-400-0000-5270	Books		\$100	\$100	\$100
100-300-400-0000-5276	Permit Fees	\$3,417	\$10,000	\$10,000	\$10,000
100-300-400-0000-5290	Miscellaneous Expenses	\$2,251	\$5,000	\$5,000	\$5,000
100-300-400-0000-5292	Uniform Cleaning/Laundry	\$5,520	\$6,500	\$6,500	\$6,500
100-300-400-0000-5308	Hazmat Disposal	\$408	\$2,500	\$2,500	\$2,500
100-300-400-0000-5418	Freight	\$195	\$2,500	\$2,500	\$2,500
100-300-400-0000-5440	Environmental Services		\$10,000	\$10,000	\$10,000
100-300-400-0000-5445	Dredge Consulting	\$34,697	\$30,000	\$34,697	\$25,000
100-300-400-0000-5450	Other Services	\$7,744	\$10,000	\$10,000	\$10,000
100-300-400-0000-5500	Mileage Reimbursement	\$549	\$500	\$750	\$1,000
100-300-400-0000-5600	Building Repairs & Maintenance	\$299		\$299	
100-300-400-0000-5620	Paint & Supplies	\$440	\$1,500	\$1,500	\$2,500
100-300-400-0000-5665	Vehicle Maintenance	\$1,260	\$2,500	\$2,500	\$3,500
100-300-400-0000-5672	Other Repairs & Maintenance	\$797	\$1,200	\$1,200	\$1,200
100-300-400-0000-5685	Safety Equipment R&M	\$441	\$500	\$500	\$1,000
100-300-400-0000-5698	Equipment/Equipment R&M	\$40,043	\$35,000	\$42,000	\$60,000
100-300-400-0000-5700	Maint/Lube Inner Harbor Dredge	\$11,619	\$5,000	\$15,000	\$15,000
100-300-400-0000-5705	Maint/Lube Dredge Twin Lakes	\$87,431	\$20,000	\$110,000	\$80,000
100-300-400-0000-5707	Maint/Lube - Ancillary Equipment	\$5,801	\$10,000	\$10,000	\$20,000
100-300-400-0000-5710	Maint/Lube Dredge Workboat Dauntless	\$32,289	\$20,000	\$36,000	\$27,500
100-300-400-0000-5715	Dredge Paint/Coatings	\$5,416	\$5,000	\$5,416	\$8,500
100-300-400-0000-5720	Booster Pump R&M		\$2,000	\$2,000	\$15,000
100-300-400-0000-5725	Welding Supplies	\$2,831	\$11,000	\$10,000	\$12,000
100-300-400-SC01-5450	January 2017 Winter Storms - Other Services	\$3,225		\$3,225	
100-300-400-0000-6105	Capitalized Equip Xfer to 1100	\$128,157	\$290,000	\$215,000	\$378,258
100-300-400-0000-6300	Pension Withdrawal Liability	\$310		\$0	\$0
<b>TOTAL DREDGING OPERATIONS</b>		<b>\$773,688</b>	<b>\$1,135,150</b>	<b>\$1,237,413</b>	<b>\$1,314,884</b>

Account	Description	YTD	FY18		
			FY18 BUDGET	PROJECTION	FY19 BUDGET
<b>BOATYARD OPERATIONS (500)</b>					
100-500-500-0000-5000	Salaries - Regular	\$72,633	\$100,000	\$108,381	\$103,224
100-500-500-0000-5005	Salaries - Overtime	\$1,903	\$2,000	\$1,903	\$2,000
100-500-500-0000-5010	Wages - Part Time/Temp.	\$7,623	\$22,000	\$10,535	\$15,500
100-500-500-0000-5025	Salaries - Holiday Pay	\$364	\$0	\$1,822	\$0
100-500-500-0000-5040	Call Back	\$86	\$0	\$86	\$500
100-500-500-0000-5055	Unemployment Insurance (SUI)	\$236	\$2,128	\$236	\$1,870
100-500-500-0000-5060	FICA Medicare/Social Security	\$6,191	\$9,098	\$9,193	\$10,370
100-500-500-0000-5105	Workers' Compensation	\$7,438	\$5,911	\$7,438	\$9,080
100-500-500-0000-5110	CalPERS Employer Share	\$5,873	\$6,522	\$9,448	\$6,630
100-500-500-0000-5112	CalPERS Unfunded Liability	\$4,138	\$5,500	\$6,343	\$7,976
100-500-500-0000-5115	Health Insurance	\$13,584	\$31,340	\$22,266	\$35,822
100-500-500-0000-5120	Dental Insurance	\$882	\$1,223	\$1,324	\$2,179
100-500-500-0000-5125	Long Term Disability/Life/AD&D	\$728	\$1,024	\$1,107	\$1,507
100-500-500-0000-5210	Hazmat Supplies	\$0	\$500	\$250	\$500
100-500-500-0000-5212	Safety Supplies	\$15	\$500	\$90	\$500
100-500-500-0000-5217	Supplies	\$1,644	\$3,000	\$2,464	\$2,500
100-500-500-0000-5218	Tools	\$165	\$1,000	\$265	\$1,000
100-500-500-0000-5235	Fuel - Travelift	\$1,804	\$1,500	\$2,604	\$2,100
100-500-500-0000-5236	Boatyard Training (new line)	\$595		\$595	\$700
100-500-500-0000-5240	Advertising	\$0	\$500	\$0	\$500
100-500-500-0000-5256	Equipment Rental	\$0	\$1,000	\$0	\$1,000
100-500-500-0000-5262	Insurance Premiums	\$2,464	\$1,050	\$2,464	\$2,700
100-500-500-0000-5276	Permit Fees	\$2,037	\$2,500	\$2,037	\$2,500
100-500-500-0000-5284	Credit Card Fees	\$2,472	\$4,000	\$3,702	\$4,000
100-500-500-0000-5290	Misc. Expenses	\$418	\$3,000	\$618	\$2,500
100-500-500-0000-5292	Uniforms	\$194	\$500	\$194	\$400
100-500-500-0000-5300	Gas & Electricity	\$0	\$2,500	\$0	\$2,500
100-500-500-0000-5305	Water, Sewer, Garbage	\$2,418	\$4,000	\$2,418	\$2,500
100-500-500-0000-5308	Hazmat Disposal	\$0	\$2,000	\$2,600	\$5,200
100-500-500-0000-5310	Telephone & Alarms	\$1,841	\$2,500	\$2,761	\$2,500
100-500-500-0000-5315	Sanitary District Charges	\$25	\$1,000	\$100	\$1,000
100-500-500-0000-5425	Contract Services	\$256	\$500	\$386	\$500
100-500-500-0000-5430	Engineering Services	\$0	\$500	\$0	\$500
100-500-500-0000-5450	Other Services	\$0	\$2,000	\$0	\$2,000
100-500-500-0000-5465	Software License & Application	\$240	\$1,000	\$240	\$500
100-500-500-0000-5500	Mileage Reimbursement	\$0	\$100	\$100	\$200
100-500-500-0000-5625	Signage	\$0	\$500	\$0	\$500
100-500-500-0000-5694	Office Equipment	\$40	\$200	\$40	\$200
100-500-500-0000-5698	Equipment R&M	\$3,602	\$2,000	\$6,102	\$3,000
100-500-500-0000-7000	Filtration System R&M	\$0	\$3,000	\$1,700	\$3,000
100-500-500-0000-7005	Filtration System Supplies	\$1,789	\$500	\$2,689	\$1,500
100-500-500-0000-7020	Cost of Goods Sold	\$0	\$10,000	\$0	\$10,000
<b>TOTAL BOATYARD OPERATIONS</b>		<b>\$143,698</b>	<b>\$238,097</b>	<b>\$214,501</b>	<b>\$253,158</b>

Account	Description	YTD	FY18	
			BUDGET	PROJECTION
			FY18 BUDGET	FY19 BUDGET
<b>CAPITAL IMPROVEMENT PROGRAM (900)</b>				
100-900-900-D001-6300	Seabright Replacement Budget	\$2,405		\$2,405
100-900-900-D002-6100	Toyo Pump	\$0		\$0
100-900-900-F004-5000	Sewer Lift Station Upgrade Labor	\$4,267		\$5,334
100-900-900-F005-5000	Piling Replacement Labor	\$941		\$4,425
100-900-900-F005-5276	Piling Replacement Permit Fees	\$790		\$790
100-900-900-F006-5000	Pavement Repairs Labor	\$1,175		\$3,644
100-900-900-F006-6300	Pavement Repairs Budget	\$7,356		\$32,356
100-900-900-F011-5000	Building Restoration Labor	\$243		\$2,366
100-900-900-F011-6300	Building Restoration Budget	\$3,634		\$7,634
100-900-900-F012-6300	Restroom Building Rehab Budget	\$4,991		\$9,694
100-900-900-F018-5698	Parking Pay Station Equipment	\$0		\$19,547
100-900-900-F019-6300	Aeration System Upgrades	\$0		\$2,500
100-900-900-F021-5000	7th & Brommer Labor	\$918		\$918
100-900-900-F021-5430	7th & Brommer Engineering	\$6,914		\$6,914
100-900-900-F022-5000	Revetment & Seawall Labor	\$297		\$0
100-900-900-F025-5000	Twin Lakes Beach Labor	\$728		\$1,028
100-900-900-F025-5430	Twin Lakes Beach Engineering	\$2,759		\$4,972
100-900-900-F027-5000	Aldo's Seawall Labor	\$780		\$780
100-900-900-F027-5430	Aldo's Seawall Engineering	\$87,674		\$192,786
100-900-900-H001-5000	Harbor Security Labor	\$147		\$734
<b>TOTAL CAPITAL IMPROVEMENT PROGRAM</b>		<b>\$126,021</b>	<b>\$0</b>	<b>\$298,828</b>

***APPENDIX F***

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## **PERSONNEL PROFILE SUPPLEMENTAL INFORMATION**

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### **BUDGET PROPOSAL – PARKING COORDINATOR POSITION**

In the FY19 budget, convert one provisional, full-time Parking Coordinator position to full-time equivalent status.

### **BACKGROUND**

The Port District authorized hiring the Parking Coordinator position in the Operations department on a provisional basis for a two-year period as part of the FY17 budget adoption of February 23, 2016. This action was taken to implement findings of the Parking Management Plan completed by Watry Design, Inc., in January 2016. The FY19 budget converts the existing provisional position to full-time equivalent (FTE) status.

In late-2017, the Port Commission met in closed session regarding labor negotiations with the Harbor Employees' Association. As part of those meetings, the Commission directed staff to present written justification for converting the existing provisional Parking Coordinator position to full-time equivalent as part of the FY19 budget process.

### **ANALYSIS**

The Operations Department FTE deputy harbormaster staffing level is currently 8 (7 deputy harbormasters and 1 harbormaster). The Parking Coordinator position supplements existing deputy harbormaster staff, providing expanded parking enforcement, scheduling and parking equipment maintenance services that are not able to be consistently performed by deputy harbormaster staff. The administrative and maintenance functions are best served by a dedicated position, as deputy harbormaster staff can be unavailable due to search and rescue responsibilities, incident response or training. Deputy harbormasters typically work a 4x10 schedule. The Parking Coordinator position typically works 5 days per week, including weekend days during the busy season to ensure service is provided when needed most.

In FY16, audited parking service revenue totaled \$294,859. In FY17, with the addition of the Parking Coordinator position and implementation of a number of findings of the Watry Design Inc. Parking Management Plan, parking revenue increased to \$345,904. Parking revenue is projected to increase further in FY18.

### **IMPACT TO PORT DISTRICT RESOURCES**

The salary range for the Parking Coordinator position is \$4,024 to \$5,392 per month, with a total cost at top step of approximately \$86,280 per year including payroll overhead and benefits. The position has been funded out of the budget on a provisional, benefited basis since April 1, 2016. Funding for the recommended FTE position is included in the FY19 budget.



## **PERSONNEL PROFILE SUPPLEMENTAL INFORMATION**

### **BUDGET PROPOSAL – HARBOR DREDGE WORKER**

In the FY19 budget, convert one provisional, full-time Harbor Dredge Worker position to full-time equivalent status.

### **BACKGROUND**

The Port District currently has five full-time equivalent (FTE) Harbor Dredge Worker positions, not including a full-time provisional 6<sup>th</sup> dredge crew member or the administrator position of Facilities, Maintenance and Engineering Manager. The FY19 budget converts the existing provisional dredge worker position to full-time equivalent (FTE) status.

In late-2017, the Port Commission met in closed session regarding labor negotiations with the Operating Engineers Local No. 3. As part of those meetings, the Commission directed staff to present written justification for converting the existing provisional Harbor Dredge Worker position to full-time equivalent as part of the FY19 budget process.

### **ANALYSIS**

During the dredge season, experienced and trained workers are needed to supervise, plan and organize dredge operations and maintenance, operate the dredge *Twin Lakes*, operate the workboat *Dauntless*, place and reposition anchors (3 crew minimum required), and operate the bulldozer on the beach. From November through April, concurrent dredging operations are performed in the north harbor. In previous years, Operating Engineers supplemented their crew with additional staff when inner-harbor dredging was performed. Inner-harbor dredging requires a minimum of 3 crewmembers (2 aboard “Squirt,” and 1 monitoring the booster pump). Even with a sixth crewmember, the dredge crew is heavily reliant on Facilities staff to supplement the dredging operation to mobilize and repair pipe, perform equipment maintenance and repair, provide monitoring of the booster pump, etc.

There are a number of important and significant equipment maintenance and repair projects required during the off season each year. Ensuring there is adequate crew to perform this time consuming work is critical, and the season coincides with the only time of year that dredge crewmembers can utilize vacation.

The additional staff member helps ensure that there is adequate, trained staff available to safely perform dredging operations if someone is on leave or in the event of crew turnover. It helps limit interruption of dredging operations due to staff shortages.

### **IMPACT TO PORT DISTRICT RESOURCES**

The salary range for the Harbor Dredge Worker II is \$3,832 to \$5,135 per month, with a total maximum cost of approximately \$95,289 per year including payroll overhead and benefits. The position has been funded out of the budget on a provisional, benefited basis since FY17. Funding for the recommended FTE position is included in the FY19 budget.

**NOTES**

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**NOTES**

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**Santa Cruz Port District  
Historic Annual Slip Rent Increases  
FY00 – FY18**

<b>Year</b>	<b>Slip Rent Increase (South Harbor)</b>	<b>Slip Rent Increase (North Harbor)</b>
FY 02	+ 5.0 %	0
FY 03	+ 3.0%	+ 4.0%
FY 04	+ 3.7%	+ 4.5%
FY 05	+ 2.5%	+ 3.0%
FY 06	+ 7.5%	+ 7.5%
FY 07	+ 5.0%	+ 5.0%
FY 08	+ 5.0%	+ 5.0%
FY 09	+ 5.0%	+ 5.0%
FY 10	+ 3.0 %	+ 3.0 %
FY 11	+ 4.0%	+ 1.0%
FY 12	0%	0%
FY 13	+ 5%	+ 5% <sup>1</sup>
FY 14	+ 2.5%	+ 2.5%
FY 15	+ 2.6%	+ 2.6%
FY 16	+ 2.7%	+ 2.7%
FY 17	0%	0%
FY18	2%	2%

<sup>1</sup> 20-foot slips were excluded from fee increase in FY13.

Santa Cruz Port District  
Historical Revenues and Expenses  
Debt Service Coverage

	2011	2012	2013	2014	2015	2016	2017
<b>Operating Revenues</b>							
Charges for berthing and services	\$ 5,338,869	\$ 5,490,721	\$ 6,056,456	\$ 6,323,993	\$ 6,767,201	\$ 6,898,905	\$ 6,799,847
Rent and concessions	\$ 1,300,236	\$ 1,388,370	\$ 1,456,083	\$ 1,642,193	\$ 1,644,354	\$ 1,732,017	\$ 1,694,869
<b>Total Operating Revenues</b>	<b>\$ 6,639,105</b>	<b>\$ 6,879,091</b>	<b>\$ 7,512,539</b>	<b>\$ 7,966,186</b>	<b>\$ 8,411,555</b>	<b>\$ 8,630,922</b>	<b>\$ 8,494,716</b>
<b>Operating Expenses</b>							
Depreciation and Amortization	\$ 1,192,719	\$ 1,323,307	\$ 1,338,538	\$ 1,430,269	\$ 1,722,204	\$ 1,647,651	\$ 1,781,839
Dredging Operations	\$ 1,076,783	\$ 975,751	\$ 838,764	\$ 819,751	\$ 852,520	\$ 1,029,556	\$ 1,259,287
Administrative Services	\$ 764,259	\$ 525,123	\$ 507,595	\$ 607,274	\$ 623,503	\$ 784,443	\$ 1,016,517
Operating and Security Maintenance	\$ 1,856,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grounds	\$ 1,061,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel Services	\$ -	\$ 608,750	\$ 575,417	\$ 578,337	\$ 584,124	\$ 590,664	\$ 656,439
Harbor Patrol	\$ -	\$ 457,727	\$ 556,269	\$ 554,830	\$ 472,246	\$ 342,096	\$ 331,742
Property Management	\$ -	\$ 469,420	\$ 441,927	\$ 496,558	\$ 573,539	\$ 581,583	\$ 621,569
Marina Management	\$ -	\$ 216,669	\$ 419,124	\$ 412,992	\$ 401,920	\$ 430,550	\$ 429,040
Buildings	\$ -	\$ 386,186	\$ 414,325	\$ 385,748	\$ 341,554	\$ 366,449	\$ 461,217
Parking Services	\$ -	\$ 295,828	\$ 259,700	\$ 311,959	\$ 237,033	\$ 223,292	\$ 238,023
Docks, Piers, Marine Structures	\$ -	\$ 171,311	\$ 203,175	\$ 203,175	\$ 281,634	\$ 294,859	\$ 345,904
Debt issuance costs	\$ -	\$ 169,812	\$ 219,408	\$ 219,302	\$ 208,181	\$ 206,915	\$ 263,642
Finance & Purchasing	\$ -	\$ -	\$ -	\$ -	\$ 193,568	\$ -	\$ -
Environmental & Permitting	\$ -	\$ 167,294	\$ 182,756	\$ 180,263	\$ 178,125	\$ 170,536	\$ 170,809
Utilities	\$ -	\$ 67,147	\$ 102,242	\$ 116,999	\$ 147,084	\$ 162,413	\$ 156,750
Aeration	\$ -	\$ 84,833	\$ 116,531	\$ 102,937	\$ 98,475	\$ 104,864	\$ 84,314
Rescue Services	\$ -	\$ 56,327	\$ 52,587	\$ 99,878	\$ 80,991	\$ 39,944	\$ 42,498
Boatyard Operations	\$ -	\$ 51,503	\$ 73,509	\$ 91,876	\$ 66,713	\$ 67,005	\$ 90,519
Port Commission Support	\$ -	\$ -	\$ -	\$ 84,561	\$ 280,911	\$ 216,665	\$ 239,953
Capital Projects	\$ -	\$ 35,125	\$ 45,543	\$ 36,029	\$ 39,303	\$ 39,306	\$ 50,183
Events	\$ -	\$ 15,823	\$ 29,406	\$ 32,600	\$ 8,581	\$ 2,453	\$ 1,024
Fishery Support	\$ -	\$ 40,961	\$ 71,700	\$ 26,392	\$ 64,171	\$ 26,359	\$ 32,531
<b>Total Expenses</b>	<b>\$ 9,952,162</b>	<b>\$ 6,142,276</b>	<b>\$ 6,472,590</b>	<b>\$ 7,084,730</b>	<b>\$ 7,270,665</b>	<b>\$ 7,331,068</b>	<b>\$ 8,278,842</b>
<b>Non-Operating Revenue (Expenses)</b>							
County revenues for public services	\$ 24,986	\$ 24,985	\$ 13,742	\$ 12,493	\$ 37,478	\$ 24,985	\$ 11,243
Grants and Other Income	\$ 34,948	\$ 128,816	\$ 21,447	\$ 364,086	\$ 10,702	\$ 11,164	\$ 65,560
Dredging Reimbursement USACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 591,000	\$ 400,000
Interest Income	\$ 12,168	\$ 16,650	\$ 30,675	\$ 31,681	\$ 18,360	\$ 30,007	\$ 46,245
Interest Expense	\$ (598,961)	\$ (664,490)	\$ (629,784)	\$ (764,057)	\$ (558,591)	\$ (508,936)	\$ (476,817)
Other Income (Expenses)	\$ -	\$ 22,258	\$ 57,607	\$ 53,188	\$ (1,943)	\$ 46,760	\$ (74,482)
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ (526,859)</b>	<b>\$ (471,781)</b>	<b>\$ (506,313)</b>	<b>\$ (302,629)</b>	<b>\$ (493,694)</b>	<b>\$ 194,980</b>	<b>\$ (26,251)</b>
<b>Extraordinary Items</b>							
Losses related to tsunami damage, net of CalEMA reimbursements	\$ (91,507)	\$ -	\$ -	\$ -	\$ -	\$ (27,864)	\$ (17,088)
OE3 Trust Fund withdrawal liability	\$ -	\$ (913,315)	\$ -	\$ -	\$ 100,447	\$ -	\$ -
Grants recognized in excess of current expenses related to tsunami damage	\$ -	\$ 3,536,138	\$ 6,403,462	\$ 6,055,067	\$ 2,086,757	\$ -	\$ -
<b>Total Extraordinary Items</b>	<b>\$ (91,507)</b>	<b>\$ 2,622,823</b>	<b>\$ 6,403,462</b>	<b>\$ 6,055,067</b>	<b>\$ 2,187,204</b>	<b>\$ (27,864)</b>	<b>\$ (17,088)</b>
<b>Debt Service Coverage Calculation</b>							
(+) Gross Revenues	\$ 6,639,105	\$ 6,879,091	\$ 7,512,539	\$ 7,966,186	\$ 8,411,555	\$ 8,630,922	\$ 8,494,716
(-) Maintenance and operating expenses	\$ (5,952,162)	\$ (6,142,276)	\$ (6,472,590)	\$ (7,084,730)	\$ (7,270,665)	\$ (7,331,068)	\$ (8,278,842)
(+) Depreciation and Amortization	\$ 1,192,719	\$ 1,323,307	\$ 1,338,538	\$ 1,430,269	\$ 1,722,204	\$ 1,647,651	\$ 1,781,839
(=) Net Operating Income	\$ 1,879,662	\$ 2,060,122	\$ 2,378,487	\$ 2,311,725	\$ 2,863,064	\$ 2,947,475	\$ 1,997,713
(+) Interest Income	\$ 12,168	\$ 16,650	\$ 30,675	\$ 31,681	\$ 18,360	\$ 30,007	\$ 46,245
(+) Non-operating Income	\$ 34,948	\$ 128,816	\$ 21,447	\$ 364,086	\$ 10,702	\$ 11,164	\$ 65,560
(+) Grants	\$ -	\$ 3,536,138	\$ 6,403,462	\$ 6,055,067	\$ 2,086,757	\$ 24,985	\$ 11,243
(+) Dredging Reimbursement USACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 591,000	\$ 400,000
(=) Net Revenues Available for Debt Service	\$ 1,926,778	\$ 5,741,726	\$ 8,834,071	\$ 8,762,539	\$ 4,978,883	\$ 3,604,631	\$ 2,520,761
(+) Current Portion Long Term Debt	\$ 211,798	\$ 471,715	\$ 658,250	\$ 902,851	\$ 902,851	\$ 982,015	\$ 1,015,120
(+) Interest Expense	\$ 598,961	\$ 664,490	\$ 629,784	\$ 764,057	\$ 558,591	\$ 508,936	\$ 476,817
(=) Total Debt Service	\$ 810,759	\$ 1,136,205	\$ 1,288,034	\$ 1,666,908	\$ 1,461,442	\$ 1,490,951	\$ 1,491,937
Debt Service Coverage Ratio (DSCR)	2.38x	5.05x	6.86x	5.26x	3.41x	2.42x	1.69x
DSCR (Excluding Grants Related to Tsunami)	2.38x	1.94x	1.89x	1.62x	1.96x	2.4x	1.68x
Required DSCR	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x

**Debt Reserve Fund Calculation**

**The Lessor Of:**

Half of 10% of the original par amount → \$2,384,445.08 + \$14,416,960.43 = \$16,803,405.51 x 10% = \$1,680,340.55 x 50% = \$840,170.28  
 Half of 100% of the maximum annual debt service → \$276,949.04 + \$1,173,269.14 = \$1,450,218.18 x 100% = \$1,450,218.18 x 50% = \$725,109.09  
 Half of 125% of the average annual debt service → \$223,667.89 + \$1,085,528.69 = \$1,309,196.58 x 125% = \$1,636,495.72 x 50% = \$818,247.86

**Debt Reserve Fund Calculation if DSCR < 1.40x**

**The Lessor Of:**

10% of the original par amount → \$2,384,445.08 + \$14,416,960.43 = \$16,803,405.51 x 10% = \$1,680,340.55  
 100% of the maximum annual debt service → \$276,949.04 + \$1,173,269.14 = \$1,450,218.18 x 100% = \$1,450,218.18  
 125% of the average annual debt service → \$223,667.89 + \$1,085,528.69 = \$1,309,196.58 x 125% = \$1,636,495.72

Financial Covenants:	In Compliance	Out of Compliance	Notes
Maintenance of Debt Service Reserve Fund (1/0 of \$725,109.09 (if DSCR ≥ 1.40x) or \$1,450,218.18 (if DSCR < 1.40x) held on deposit with BBVA Compass. *No event of default shall be called, so long as, the DSRF is fully funded within 210 calendar days from fiscal year end and remains funded for a cure period of not less than 12 months.	X		MM Acct #6715895844 Balance as of 01/31/17 is \$725,560.24
Debt service Coverage Ratio of at least 1.25x *The Borrower covenants that it will fix, prescribe and collect rates, fees, and charges sufficient to yield Net Revenues which are equal to 1.25x the aggregate amount of principal and interest on all Senior Parity Obligations. To the extent that there is an outstanding balance on the RLOC, the annual debt service shall be calculated based on a 15-year amortization and 6% interest rate.	X		DSCR as of 01/31/2017 is 1.36x
Minimum Additional Parity Debt of at least 1.40x *Draws on the RLOC is subject to Additional Parity Debt Test. Debt service on the RLOC will be based on a 15-yr amortization and a 6% rate.	N/A		DSCR as of 01/31/2017 is 1.36x

Santa Cruz Port District (the "District") certifies to Compass Bank (the "Bank") that the above information, figures and calculations and any attached documentation are accurate, true and complete and that all material is correct to the best of their knowledge. They also certify that the above figures and calculations represent legally available resources to pay debt service and that the above figures and calculations accurately reflect the historical debt service coverage within the definition of "Net Revenues" as defined in the Loan Agreement Dated September 1, 2013 between District and Bank specifically as it relates to Grants and Other Income legally available for operations of the District and that the natural person executing this Certificate on District's behalf has authorization to execute this Certificate on District's behalf, and has the capacity and knowledge of the above financial matters to duly execute, and make these certifications.

Santa Cruz Port District corrected DSRF Y16 and FY17

By: Marian Olin  
 Its: Port Director  
 Date: 2-1-18