



Legislation Text

File #: 2022-0091, **Version:** 1

DATE: June 14, 2022

SUBJECT:

CONDUCT PUBLIC HEARING AND ADOPT AN ORDINANCE ADOPTING THE FISCAL YEAR 2023 FINAL BUDGET

EXECUTIVE SUMMARY:

In accordance with the San Diego Unified Port District Act (Port Act) Sections 46 and 47, by June 15, 2022, the District must adopt and publish the Fiscal Year (FY) 2023 Preliminary Budget and set a date for the Board's adoption of the final budget not less than one month from publication. Staff will present the final budget to the Board for adoption on June 14, 2022 (Attachment A).

At the April 21, 2022 Budget Workshop, staff presented a draft FY 2023 Preliminary Budget and received direction from the Board; and on May 10, 2022, staff presented an updated Preliminary Budget to the Board which results in an approximate \$4.1M budget surplus. On May 10, 2022, the Board voted to accept staff's recommendation to adopt the FY 2023 Preliminary Budget, with the addition of an additional \$450,000 for the intern program.

After adoption, staff published the FY 2023 Preliminary Budget to complete the 30-day required public review period.

It is important to note that the FY 2023 budget is a plan that the Board can amend at any time during the year.

RECOMMENDATION:

Conduct public hearing and adopt an ordinance adopting the FY 2023 Final Budget

FISCAL IMPACT:

This proposed Board action will appropriate funds for FY 2023 expenditures as follows:

	Final Budget
Ordinary Annual Expense	
Personnel Expense (Net of Capitalized Labor)	\$ 104,839,800
Non-Personnel Expenses	67,717,000
Economic Recovery Program (ERP) Expense	5,255,600
Expense Major Maintenance	455,600
Total Ordinary Annual Expense	\$ 178,268,000
Capital and Debt Requirements	
Capital Improvement Program (CIP)	\$ 8,858,200
Technology Capital Projects	3,853,500
Capital Major Maintenance	4,484,400
Equipment Outlay and Other Capital Projects	4,496,700
Economic Recovery Program (ERP) Capital	63,922,300
Debt Service (Principal)	4,740,700
Total Capital and Debt Requirements	\$ 90,355,800
Total Requirements	\$ 268,623,800

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work and play.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.
- Not applicable.

DISCUSSION:

Below is a summary of the updated FY 2023 Budget:

	Draft Preliminary Budget May 10, 2022	Changes Adopted by Board May 10, 2022	Final Budget June 14, 2022
Revenue			
Operating	\$ 191.5	\$ -	\$ 191.5
Non-Operating	75.4	-	75.4
Total Revenue	<u>\$ 266.9</u>	<u>\$ -</u>	<u>\$ 266.9</u>
Expenses			
Personnel	\$ 108.3	\$ 0.5	\$ 108.8
Non-Personnel	73.0	-	73.0
Major Maintenance Expense	0.5	-	0.5
Capitalized Labor	(3.9)	-	(3.9)
Total Expenses	<u>\$ 177.8</u>	<u>\$ 0.5</u>	<u>\$ 178.3</u>
Uses of Funds and Reserves	<u>\$ (85.0)</u>	<u>\$ -</u>	<u>\$ (85.0)</u>
Unrestricted Sources over Uses of Funds	<u>\$ 4.1</u>	<u>\$ (0.5)</u>	<u>\$ 3.6</u>

On May 10, 2022, staff presented an updated Preliminary Budget to the Board which results in an approximate \$4.1M budget surplus. On May 10, 2022, the Board voted to accept staff's recommendation to adopt the FY 2023 Preliminary Budget, with the addition of an additional \$450,000 for the intern program. This final budget reflects the change of increasing the intern program by \$450,000 per direction by the Board.

The FY 2023 budget was developed supporting core operations, and resources needed to support projects that include environmental protection and complying with increasing regulations, maintaining the Port's infrastructure through ongoing major maintenance, providing a secure, stable, high performing technology environment, promoting the public's enjoyment of tidelands, public safety, and enhancing economic development.

It is important to note that the FY 2023 budget is a plan that the Board can amend at any time during the year.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda and proposed ordinance, as presented, as to form and legality.

Environmental Review:

The proposed Board action, including without limitation, to conduct a public hearing and adopt the fiscal year 2023 final budget, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed Board action is not subject to CEQA and no further action under CEQA is required.

The proposed Board action complies with Sections 21 and 35 of the Port Act, which allow the Board

to pass resolutions; and do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct impact on District workforce or contract reporting at this time.

PREPARED BY:

Robert DeAngelis
Chief Financial Officer/Treasurer

Attachment(s):
Attachment A: FY 2023 Final Budget Book