

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION TO REDUCE THE FY 2019-2023
CAPITAL IMPROVEMENT PROGRAM (CIP) BY \$5.7M
AND ALLOCATE THE FUNDS TO THE CUMULATIVE
UNRESTRICTED RESOURCES**

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

WHEREAS, as a direct consequence of the unforeseen COVID-19 pandemic, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted; and

WHEREAS, staff currently estimates potential lost revenue across almost every major revenue category for the District, as a result of the pandemic, through the remainder of Fiscal Year (FY) 2020 and expects revenue losses to continue through the rest of calendar year 2020; and

WHEREAS, total revenues for FY 2021 are projected to be \$49.3 million (M) lower than prior year's budget; and

WHEREAS, to balance District spending with various revenue reduction scenarios, staff identified significant expense reductions and prepared some across-the-board percentage cuts in non-personnel expenses, major maintenance, equipment and other capital projects, technology management, and a variety of other programs for the FY 2021 budget; and

WHEREAS, staff also re-prioritized some expenses in order to find funding for those programs that the Board of Port Commissioners (BPC) wanted to continue to pursue such as Clean Air program, the Port Master Plan Update (PMPU), homeless outreach, and some of the Blue Tech projects that could be a source of future revenue stream; and

WHEREAS, staff also developed a range of strategies and measures to reduce expenses in the District's personnel budget and implemented some cost-saving measures that can be implemented quickly and do not require a meet and confer process with our collective bargaining units, with the underlying objective of keeping as many of our regular full-time employees working as possible, for as long as possible; and

WHEREAS, the Capital Improvement Program (CIP) includes approximately \$5.7M of funding for projects that could be delayed and instead transferred to Cumulative Unrestricted Resources, which will help balance the FY 2021 budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District hereby authorizes the reduction of the FY 2019-2023 CIP budget by \$5.7M and allocate the funds to Cumulative Unrestricted Resources.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 19th day of May, 2020, by the following vote: