

**DRAFT****SAN DIEGO UNIFIED PORT DISTRICT****ORDINANCE xxxx**

**ORDINANCE ADOPTING THE FISCAL YEAR 2021 FINAL BUDGET INCLUDING CHANGES FROM THE APPROVED PRELIMINARY BUDGET TO (1) ADD \$575,000 TO NON-PERSONNEL APPROPRIATED ITEM FOR STRATEGIC ACTIVATIONS AND ENHANCEMENTS FOR SEAPORT VILLAGE TO BE FUNDED FROM RESERVES, AND (2) TRANSFER \$150,000 FROM ORDINARY ANNUAL EXPENSE BUDGET TO THE EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECTS BUDGET FOR CAPITAL LABOR RELATED TO THE COAST GUARD BUILD OUT LEASEHOLD IMPROVEMENT PROJECT AND SECURITY IMPROVEMENTS AT HARBOR POLICE DEPARTMENT (HPD) PROJECT**

**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**, in accordance with the San Diego Unified Port District Act (Port Act) Sections 46 and 47, by June 15, 2020, the District must adopt and publish the Fiscal Year (FY) 2021 Preliminary Budget and set a date for the Board's adoption of the final budget not less than one month from publication; and

**WHEREAS**, Section 46 of the Port Act states, "On or before the 15<sup>th</sup> day of June of each year, the district board shall estimate and determine the amount of money required by the district and shall adopt a preliminary budget..."; and

**WHEREAS**, Section 47 of the Port Act states, "On or before the 15<sup>th</sup> day of June of each year, the board shall publish a notice pursuant to Section 6061 of the Government Code in the district stating:

- (1) That the preliminary budget has been adopted and is available at a time and at a place within the district specified in the notice for inspection by interested taxpayers.
- (2) That on a specified date not less than one month after the publication of the notice and at a specified time and place, the district board will meet for the purposes of fixing the final budget, and that any taxpayer may appear and be heard regarding the increase, decrease or omission of any item in the budget, or for the inclusion of additional items."; and

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**WHEREAS**, on May 19, 2020, the Board adopted the FY 2021 Preliminary Budget and set June 23, 2020 as the date the Board will meet for the purposes of fixing the final budget, and a notice in compliance with Port Act Section 47 was published; and

**WHEREAS**, on June 23, 2020, the Board met for the purposes of fixing the final budget.

**WHEREAS**, the FY 2021 Final Budget includes the following changes from the approved Preliminary Budget:

1. Strategic Activations and Enhancements for Seaport Village – After the approval of the preliminary budget, staff has received feedback from its partners, Seaport Village tenants and members of the public requesting that the Board consider allocating funds in FY 2021 towards continued implementation of the strategic activations and enhancement program. Based on this, staff is recommending that a total of \$575,000 be included in the FY 2021 Budget, Non-Personnel appropriated item for continued implementation of the seaport activation and site enhancements program. (See discussion in Agenda on file with the Office of the District Clerk for more details and breakdown of expenses). Staff recommends funding to come from reserves.

2. Transfer of \$150,000 from the Ordinary Annual Operating Expense Budget to the Equipment and Other Capital Projects Budget for capital labor related to two projects: 1) Coast Guard Build Out Leasehold Improvement project, and 2) Security Improvements at Harbor Police Department (HPD) project. This transfer will not have any funding impact as this pertains to internal staff costs that need to be capitalized per generally accepted accounting principles.

**NOW, THEREFORE**, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. The final budget for FY 2021, including changes from the approved Preliminary Budget to (1) Add \$575,000 to the non-personnel appropriated item for Strategic Activations and Enhancements for Seaport Village to be funded from the Cumulative Unrestricted Resources, and (2) Transfer \$150,000 from Ordinary Annual Expense Budget to the Equipment Outlay and Other Capital Projects Budget for capital labor related to the Coast Guard Build Out Leasehold Improvement project, and the Security Improvements at HPD project, as set forth in the document on file in the Office of the District Clerk, is hereby adopted as the Annual Budget for said Fiscal Year.

Section 2. There is hereby appropriated for expenditure out of the Revenue Fund and Reserve Funds of said District the following amounts:

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	Preliminary Budget May 19, 2020	Changes From Preliminary	Final Budget June 23, 2020
<b>Direct Expense</b>			
Ordinary Annual Expense (Direct Expense)	\$ 156,713,900	\$ 425,000	\$ 157,138,900
<b>Total Direct Expense</b>	<b>\$ 156,713,900</b>	<b>\$ 425,000</b>	<b>\$ 157,138,900</b>
<b>Capital and Debt Requirements</b>			
Capital Improvement Program (CIP)	\$ 9,042,000	\$ 5,699,500	\$ 14,741,500
Technology Capital Projects	2,369,000	-	2,369,000
Capital Major Maintenance	3,970,000	-	3,970,000
Equipment Outlay and Other Capital Projects	6,261,300	150,000	6,411,300
Debt Service - Principal	4,784,500	-	4,784,500
<b>Total Capital and Debt Requirements</b>	<b>\$ 26,426,800</b>	<b>\$ 5,849,500</b>	<b>\$ 32,276,300</b>
<b>Total Requirements</b>	<b>\$ 183,140,700</b>	<b>\$ 6,274,500</b>	<b>\$ 189,415,200</b>

All unexpended monies remaining in said Fund on June 30, 2021, together with monies transferred to said Fund or received in connection with said Fund during FY 2021 in excess of the requirements shown above, are hereby appropriated for the uses authorized in the San Diego Unified Port District Act.

Section 3. This ordinance is declared to take effect upon its publication, pursuant to the provisions of Section 21 of the San Diego Unified Port District Act.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 23<sup>rd</sup> day of June 2020, by the following vote: