

DRAFT**SAN DIEGO UNIFIED PORT DISTRICT****ORDINANCE xxxx****ORDINANCE AMENDING THE FY2022 BUDGET
INCREASING:**

1. **NON-PERSONNEL APPROPRIATION BY
\$2,568,800**
2. **EQUIPMENT OUTLAY AND OTHER CAPITAL
PROJECTS APPROPRIATION BY \$547,000,
AND**
3. **TECHNOLOGY CAPITAL PROJECTS
APPROPRIATION BY \$52,000**

**THE ABOVE INCREASES WILL BE FUNDED
FROM THE FOLLOWING RESULTING IN NO
IMPACT TO THE DEFICIT:**

1. **\$2,052,000 UNBUDGETED REVENUE
RECEIVED AS A PARTICIPATION FEE FOR A
TENANT ASSET SALE**
2. **\$730,000 FROM PARKING REVENUE, LOW
CARBON FUEL STANDARD (LCFS) CREDITS,
NEVP MAINTENANCE FUND, AND AN
INSURANCE RECOVERY**
3. **\$385,800 IN SAVINGS FROM VACANCIES IN
THE PERSONNEL APPROPRIATION**

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, the Fiscal Year (FY) 2022 budget was prepared as an austere expenditure budget to reduce the use of reserves by minimizing the deficit; and

WHEREAS, expenditures were budgeted with the approach of minimally maintaining our services until revenue conditions improved or there was funding through government stimulus; and

WHEREAS, at the budget adoption Board of Port Commissioners (BPC) meeting, staff stated that budget amendments would be recommended as conditions changed or as expected stimulus was received; and

WHEREAS, the various expenditures recommended are the result of BPC approved expenditures after the budget was approved, changed conditions, new information, and the austere expenditure budget adopted, which had no contingency for additional items or needs; and

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WHEREAS, the non-personnel expense (NPE) portion of the FY 2022 budget amendment consists of expenses for various services totaling \$2,568,800 and are as follows:

- \$789,800 for Municipal Service Agreements (MSA) and Maintenance approved by the BPC subsequent to the FY 2022 final budget approval and adoption by the BPC; and
- \$484,000 for the Chula Vista Bayfront oversight and coordination which was determined subsequent to the FY 2022 final budget approval by the BPC, could not be funded by the District's Capital Improvement Program (CIP) since these services do not result in assets that can be capitalized; and
- \$400,000 for a service company selected for citations processing to increase efficiency and for greater transparency by recording gross revenue and expenses separately; and
- \$260,000 for contracted landscaping services by AZTEC Landscaping to maintain areas that have been neglected since June 2020 when COVID-19 impacted the District's budget and was unable to renew its contract with AZTEC Landscaping; and
- \$200,000 to restore the budget for urban forestry management such as tree trimming and tree removal, which had been drastically reduced to approximately \$10k since June 2020 when COVID-19 impacted the District's budget; and
- \$140,000 for B Street CST Pre-season Improvements which include touch-up paint throughout the facility, design and install banners to mask unsightly areas and liven the interior, and install items such as plants, planters, and wood paneling to bring elements of green into the facility; and
- \$125,000 to conduct a Market Feasibility/Price Elasticity Study to determine impacts of potential rate increases to the Port's various cargo business as part of staff's due diligence in identifying funding sources for District electrification opportunities in support of the Maritime Clean Air Strategy (MCAS); and
- \$110,000 for North Embarcadero Visionary Plan (NEVP) security services due to increased property damage, criminal activity and safety related incidents involving homeless in the area; and
- \$60,000 for KPMG to evaluate the District's procurement process and recommend best practices to increase efficiency and effectiveness of

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procuring goods and services, as well as, to evaluate BPC 110, recommending diversity, equity, and inclusion procurement best practices, and establishing key performance indicators (KPIs) for evaluating performance of the procurement department; and

WHEREAS, the equipment outlay and other capital projects portion of the FY 2022 budget amendment totals \$547,000 and includes the following:

- \$180,000 for two (2) Harbor Patrol Department (HPD) Outfitted Vehicles to replace older vehicles in HPD's fleet; and
- \$170,000 to pay for the demolition of one of the buildings at Seaport Village in the Lighthouse District that sustained significant smoke and fire damage; and
- \$150,000 for the purchase of two (2) electric trucks for General Services in order that San Diego Gas & Electric (SDG&E) will commit to contributing up to \$500,000 for charging infrastructure at the GS/Procurement facility through the SDG&E Power Your Drive Program; and
- \$47,000 for vessel pump-out station project contingency to ensure completion of the project, but shall not be used for unforeseen construction costs; and

WHEREAS, the Technology Capital Projects portion of the FY 2022 budget amendment totals \$52,000 for necessary upgrades to the IT infrastructure at the District's B Street and Broadway Cruise Ship Terminals for use by U.S. Customs and Border Protection clearance and inspection services; and

WHEREAS, the total FY 2022 budget amendment is \$3,167,800 and the funding sources for the FY 2022 budget amendment are as follows:

- \$2,052,000 from unbudgeted revenue;
- \$400,000 from parking revenue offset;
- \$110,000 from NEVP Maintenance Fund;
- \$70,000 from insurance;
- \$150,000 from LCFS;
- \$385,8000 from personnel savings; and

WHEREAS, staff recommends the BPC approves this budget amendment.

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

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Section 1. The Fiscal Year 2022 Final Budget is hereby amended to increase non-personnel appropriation by \$2,568,800, equipment outlay and other capital project appropriation by \$547,000, and technology capital projects appropriation by \$52,000, resulting in an increase to the FY 2022 budget by \$3,167,800. This budget amendment will be funded from unbudgeted revenue, parking revenue offset, NEVP maintenance fund, insurance, LCFS and personnel savings.

Section 2. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

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 14th day of September, 2021, by the following vote: