

File No. 240459

Committee Item No. 7

Board Item No. 30

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget and Appropriations Committee Date May 22, 2024

Board of Supervisors Meeting Date June 4, 2024

### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
|                                     |                                     | • MYR Submittal Letter 5/1/2024              |
|                                     |                                     | • PRT Letter 4/1/2024                        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Budget                                 |
|                                     |                                     | • PSGP Budget Worksheets                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

### OTHER (Use back side if additional space is needed)

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PRT Resolution No. 24-14 2/27/2024</u>                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PRT Extension Request 2/27/2024</u>                      |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>Presidential Action Memo – Temp Assignment 5/21/2024</u> |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____   |

Completed by: Brent Jalipa Date May 17, 2024

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Accept and Expend Grant - Retroactive - Department of Homeland Security - 2021 Port  
2 Security Grant Program - \$118,314]

3 **Resolution retroactively authorizing the Port of San Francisco to accept and expend a**  
4 **grant award in the amount of \$118,314 from the Department of Homeland Security’s**  
5 **2021 Port Security Grant Program, including \$44,780 for Emergency Preparedness and**  
6 **Response Training, \$48,632 for CCTV Refresh, and \$24,902 for CCTV Remote Access**  
7 **for the period of September 1, 2021, through August 31, 2024.**

8  
9 WHEREAS, The FY 2021 Port Security Grant Program (PSGP) provides grant funding  
10 to port areas for the protection of critical port infrastructure from terrorism; and

11 WHEREAS, On April 26, 2021, the Port of San Francisco submitted an application for  
12 grant funds under the FY 2021 PSGP; and

13 WHEREAS, On September 1, 2021, the Port was awarded \$118,314 in grant funds for  
14 its Emergency Preparedness and Response Training, and CCTV Refresh project including  
15 remote access; and

16 WHEREAS, On February 27, 2023, the Port requested an extension of 12 months to  
17 amend the budget period through August 31, 2025, and anticipates approval of such  
18 extension; and

19 WHEREAS, On February 27, 2024, through Resolution No. 24-14, the Port  
20 Commission authorized the Executive Director to seek the Board of Supervisors’ approval to  
21 accept and expend the grant, including any extensions, augmentations or amendments  
22 thereof; and

23 WHEREAS, This grant does not create any new positions and will not require an  
24 amendment to the Annual Salary Ordinance; and

1           WHEREAS, Port funds have been identified to provide the required \$39,438 (25% of  
2 total project cost of \$157,752) in required non-federal match monies; and

3           WHEREAS, The grant terms prohibit including indirect costs in the grant budget; now,  
4 therefore, be it;

5           RESOLVED, That the Board of Supervisors hereby authorizes the Port of San  
6 Francisco to accept and expend \$118,314 in grant funding from the Federal Emergency  
7 Management Agency for security improvements at the Port of San Francisco; and be it

8           FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of  
9 indirect costs in the grant budget and, be it

10          FURTHER RESOLVED, That the Port, subject to the Board of Supervisors' approval,  
11 authorizes the Executive Director or her designee to execute for and on behalf of the City and  
12 County, any documents necessary to enter into the grant agreement with the Federal  
13 Emergency Management Agency within the Department of Homeland Security, including any  
14 extensions, augmentations or amendments, thereof.

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Recommended:

Approved: \_\_\_\_\_ /s/ \_\_\_\_\_

Mayor

\_\_\_\_\_ /s/ \_\_\_\_\_

Department Head

Approved: \_\_\_\_\_ /s/ \_\_\_\_\_

Controller





**\*\*Disability Access Checklist\*\*\*(Department must forward a copy of all completed Grant Information Forms to the Mayor’s Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- Existing Site(s)                       Existing Structure(s)                       Existing Program(s) or Service(s)
- Rehabilitated Site(s)                       Rehabilitated Structure(s)                       New Program(s) or Service(s)
- New Site(s)                       New Structure(s)

14. The Departmental ADA Coordinator or the Mayor’s Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor’s Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor’s Office of Disability Reviewer:

wendy Proctor

\_\_\_\_\_  
(Name)

Port of San Francisco ADA Coordinator

\_\_\_\_\_  
(Title)

Date Reviewed: 4/30/2024

DocuSigned by:  
  
AE1BD153CD1045E...  
 \_\_\_\_\_  
 (Signature Required)

**Department Head or Designee Approval of Grant Information Form:**

Elaine Forbes

\_\_\_\_\_  
(Name)

Executive Director

\_\_\_\_\_  
(Title)

Date Reviewed: 4/30/2024

DocuSigned by:  
  
BD2F0B099FFE43F...  
 \_\_\_\_\_  
 (Signature Required)

**DEPARTMENT OF HOMELAND SECURITY  
FEDERAL EMERGENCY MANAGEMENT AGENCY  
PORT SECURITY GRANT PROGRAM INVESTMENT JUSTIFICATION**

OMB Control Number 1660-0114  
Expiration: 11/30/2023

**Warning: Please follow the Notice of Funding Opportunity Guidance and Preparedness Grants Manual while completing this form.**

**PART I - INVESTMENT HEADING**

1) ORGANIZATION NAME (Legal Name Listed On The SF-424): <b>Port of San Francisco</b>		2) STATE OR TERRITORY IN WHICH THE PROJECT WILL BE IMPLEMENTED: <b>CA</b>	
3) TYPE OF ORGANIZATION: <b>Local Agency</b>	4) CLASSIFICATION OF ORGANIZATION: <b>Port Authority</b>	5) CAPTAIN OF THE PORT ZONE: <b>San Francisco Bay</b>	

**PART II - BASIC PROJECT INFORMATION**

6) PROJECT TITLE: <b>Emergency Preparedness and Response Training</b>	
7) PROJECT DESCRIPTION (SERVICE(S)/EQUIPMENT SUMMARY): <b>Instructor led training in ICS 300, ICS 339, E/L 960, handling of dangerous substances and devices, passenger screening techniques, current threats and patterns, and developing an enhanced Facilities Security Plan over a two year period to train new employees.</b>	
8) HAS THIS PROJECT BEEN FUNDED BY PSGP OR ANOTHER FEDERAL ASSISTANCE PROGRAM IN THE LAST 3 YEARS? <b>No</b>	
9) IF SO, WHEN WAS THE LAST TIME IT WAS FUNDED? <b>Not Previously Funded</b>	10) WHICH PROGRAM FUNDED THIS CAPABILITY? <b>N/A - Not Previously Funded</b>
11) PROVIDE JUSTIFICATION THAT SUPPORTS FUNDING THIS PROJECT AGAIN: <b>N/A</b>	
12) PROJECT CATEGORY: <b>Training</b>	13) NEW CAPABILITY OR MAINTENANCE/SUSTAINMENT: <b>New Capability</b>
14) IS THIS PROJECT EXEMPT FROM THE REQUIRED COST SHARE OUTLINED IN 46 U.S.C. 70107? <b>- No</b>	
15) IF YES, IDENTIFY COST SHARE EXEMPTION	
16) FEDERAL SHARE: <b>\$44,780</b>	17) COST SHARE: <b>\$14,926</b>
18) TOTAL PROJECT COST: <b>\$59,706</b>	

**PART III - ELIGIBILITY INFORMATION**

**PLEASE REVIEW THE NOTICE OF FUNDING OPPORTUNITY AND 46 U.S.C. 70107**

19) WHICH PLAN(S) APPLIES TO YOUR ORGANIZATION? <b>AREA MARITIME SECURITY PLAN:</b>	<b>Yes</b>	FACILITY SECURITY PLAN:	<b>Yes</b>
20) STATE AND LOCAL AGENCIES – IS YOUR AGENCY REQUIRED TO PROVIDE PORT SECURITY SERVICES TO MTSA REGULATED FACILITIES?		<b>Yes</b>	
21) IF YES, HOW MANY MTSA REGULATED FACILITIES IS YOUR ORGANIZATION REQUIRED TO PROVIDE SERVICES?		<b>5</b>	

**PART IV - ORGANIZATIONAL INFORMATION**

22) IS YOUR ORGANIZATION AN ACTIVE PARTICIPANT OF AN AREA MARITIME SECURITY COMMITTEE?	<b>Yes</b>	23) IS THIS APPLICATION ON BEHALF OF ANOTHER ENTITY OR SUBMITTED AS A CONSORTIUM?	<b>No</b>
24) IS THE PROJECT SITE OWNED BY YOUR ORGANIZATION?	<b>Yes</b>	25) IS THE PROJECT SITE OPERATED BY YOUR ORGANIZATION?	<b>Yes</b>
26) IF THE PROJECT SITE IS NOT OWNED OR OPERATED BY YOUR ORGANIZATION, PLEASE EXPLAIN YOUR ORGANIZATION'S RELATION TO THE PROJECT SITE:			
27) IS THE PROJECT SITE A FACILITY OR VESSEL THAT IS REGULATED UNDER THE MARITIME TRANSPORTATION SECURITY ACT OF 2002, AS AMENDED?		<b>Yes</b>	
28) STATE AND LOCAL AGENCIES – IS YOUR AGENCY THE PRIMARY RESPONDER TO MTSA REGULATED FACILITIES?		<b>Yes</b>	

**PART V - POINT(S) OF CONTACT FOR ORGANIZATION**

29) SIGNATORY AUTHORITY FOR ENTERING INTO A GRANT AGREEMENT		30) AUTHORIZED REPRESENTATIVE FOR THE MANAGEMENT OF THE PROJECT	
NAME: <b>Elaine Forbes</b>	NAME: <b>Ken Tashian</b>	ORGANIZATION: <b>Port of San Francisco</b>	ORGANIZATION: <b>Port of San Francisco - Homeland Security</b>
ADDRESS: <b>Pier 1 - The Embarcadero</b>	ADDRESS: <b>Pier 1 - The Embarcadero</b>	PHONE: <b>415 274-0445</b>	PHONE: <b>415 725-1681</b>
EMAIL: <b>elaine.forbes@sfport.com</b>	EMAIL: <b>ken.tashian@sfport</b>		

**PART VI - PHYSICAL LOCATION OF PROJECT**

31) PHYSICAL ADDRESS OF THE PROJECT LOCATION:		32) BRIEF DESCRIPTION OF THE PROJECT LOCATION:	
Street Address: <b>Pier 1 - The Embarcadero</b>	<b>Port of San Francisco Headquarters</b>		
City: <b>San Francisco</b>			
State: <b>CA</b> Zip: <b>94111</b>			
LATITUDE & LONGITUDE: <b>37-47-48 N</b>			

**STATE AND LOCAL AGENCIES ONLY – ROLE IN PROVIDING LAYERED PROTECTION OF MTSA REGULATED ENTITIES**

33) DESCRIBE YOUR ORGANIZATION'S SPECIFIC ROLES, RESPONSIBILITIES AND ACTIVITIES IN DELIVERING LAYERED PROTECTION, AND IDENTIFY THE FACILITIES TO WHICH YOUR AGENCY IS REQUIRED TO PROVIDE SECURITY SERVICES.

The Port of San Francisco is required by the Maritime Transportation Security Act to maintain Facility Security Plans and implement physical security measures to protect vessels and facilities belonging to the Port. The Port maintains three approved FSPs: Ferry Terminals, Piers 15,17,19 and General Berthing. Piers and Facilities that are included in the plans include: Downtown Ferry Terminal Gate B, China Basin Ferry Terminal, Piers 15, 17,19, 27, 29, 35, 40, 45, 50, 54, 68 (wharf 4e and wharf 3w), 80D, 94 and 96

POSF is a vital link in the layered defense concept of maritime infrastructure protection in the San Francisco Bay Area. As a member of the Northern California Area Maritime Security Committee (AMSC), the Port of San Francisco has forged working relationships with local maritime response agencies, including the Coast Guard, Customs & Border Protection, San Francisco Police Department, San Francisco County Fire Department, and the City of San Francisco's Department of Emergency Management. The Program Manager of Homeland Security, the Emergency Operations and Security Manager share oversight responsibility for security services as well as the Facility Security Program at POSF.

**Important Features**

POSF is a critical seaport consisting of maritime passenger and cargo terminals, power plants, petroleum-vessel anchorages, MARAD vessel lay-berths, and the largest ship repair facility on the west coast of the Americas. Two major bridges, the local subway system, and the Bay-wide ferry network all make landfall on Port and City property. The San Francisco waterfront surrounds a high profile, densely populated American urban center, which operates as a financial and technology hub, as well as a preeminent tourist destination. The Port moves approximately 1,364,000 metric tons of bulk cargo per year. While cargo traffic is substantial, human traffic at the Port is extraordinary, with roughly 6,825,000 marine passengers coming and going from San Francisco each year, over 11 million visitors to the Fisherman's Wharf area, and 14 million visitors to the Ferry Building. In addition, Oracle Park – home of the San Francisco Giants – is located on Port property.

**PART VII MARITIME SECURITY MOU, MOA AND/OR MUTUAL AID AGREEMENTS**

34) IF YOUR AGENCY PROVIDES SECURITY SERVICES TO MTSA REGULATED FACILITIES, IDENTIFY AND DESCRIBE THE TYPE(S) OF AGREEMENT(S) THAT REQUIRES YOUR AGENCY TO DIRECTLY PROVIDE PORT SECURITY SERVICES TO MTSA REGULATED FACILITIES.

**Interrelationship of Operations**

The Port of San Francisco coordinates closely with other ports in the region, with regard to security and emergency preparedness. POSF's High Risk security partners include the Ports of Oakland, Richmond and Stockton. The Port also coordinates with smaller ports in the region – in particular, the ports of Redwood City and West Sacramento. The entire region will benefit from the Port of San Francisco having training staff during mutual aid operations.

**Ownership or Operation**

The Port of San Francisco (POSF) is applying as "owners/operators of federally regulated ports, terminals, facilities, U.S. inspected passenger vessels, or ferries as defined in the Maritime Transportation Security Act (MTSA) 33 CFR Parts 101, 104, and 105. POSF acts as operator for two ferry terminals (the Downtown Ferry Terminal and the China Basin Ferry Terminal), and as landlord for the remainder of the Port. All other federally regulated facilities on Port property – ferry terminals, cruise terminals, bulk and break-bulk terminals - are leased to commercial operators who are directly responsible to the Coast Guard under MTSA regulations.

**PART VIII - ALL AGENCIES/ORGANIZATION – IMPORTANT FEATURES**

35) DESCRIBE ANY OPERATIONAL ISSUES YOU DEEM IMPORTANT TO THE CONSIDERATION OF YOUR APPLICATION, SUCH AS LACKING OR INADEQUATE CAPABILITIES OR ASSETS WITHIN THE PORT AREA TO MITIGATE MARITIME SECURITY VULNERABILITIES BEING ADDRESSED BY THIS PROJECT.

Since the onset of COVID-19, there has been a significant turnover in staff resulting in a knowledge gap in emergency management.

The Port of San Francisco will launch a highly focused program to develop skills and knowledge across the organization. This project will provide the requisite funding to deliver highly quality training from established and trusted resources.

**PART IX - INVESTMENT JUSTIFICATION ABSTRACT**

36) WHAT ASSET(S) OR SERVICE(S) WOULD THIS PROJECT INVESTMENT FUND (i.e. vessels, radios, cameras, construction, service contracts, fencing etc.)? \* For training requests, a course number and title are required.

N/A

37) IDENTIFY SIMILAR ASSETS THAT ALREADY EXIST:

N/A

38) SPECIFY VULNERABILITIES IDENTIFIED WITHIN AN AREA MARITIME SECURITY PLAN, FACILITY SECURITY PLAN, VESSEL SECURITY PLAN, OR OTHER IDENTIFIED PLAN(S) THAT THIS PROJECT CLOSES/MITIGATES.

A significant number of Port staff previously charged with ensuring compliance with all security plans have not been active since the onset of COVID-19, and will not be returning to work. This presents a vulnerability across all plans that presents a risk of not having human resources with the requisite knowledge and skills to respond to an event and/or recovery operations.

39) SUMMARIZE THE PROPOSED INVESTMENT JUSTIFICATION.

THE FOLLOWING MUST BE INCLUDED:

- DESCRIBE HOW THIS INVESTMENT ADDRESSES THE CAPTAIN OF THE PORT'S PRIORITIES
- EXPLAIN HOW THIS INVESTMENT WILL ACHIEVE A MORE SECURE AND RESILIENT PORT AREA
- IF SIMILAR CAPABILITIES ALREADY EXIST, EXPLAIN WHY ADDITIONAL ASSETS/SERVICES ARE NEEDED.

**AMSP/COTP Priorities**

This investment addresses the following risk(s) outlined in the 2009 Strategic Risk Management Plan and Trade Resumption/Resiliency Plan submitted by the Group 1 ports in the Bay Area Region. Specific issues identified in the Risk Management/Mitigation Plan and Trade Resumption/Resiliency sections of the report and addressed by this request include:

IED and WMD prevention, protection, and response and recovery capabilities: The ability to effectively enable access to Port Properties and Maritime Operations, support all post event response and recovery operations, and supports all trade resumption goals.

**AMSP / COTP Priorities**

This investment addresses AMSP/COTP priorities in that it supports several "Trade Resumption/Resiliency Initiatives outlined in Section 5.2. This will be a first step in developing a local response and recovery capability by educating and training first responders to be prepared to responds to events. Staff training is a critical success factor in achieving this goal.

**PART X - NATIONAL PRIORITIES**

40) IDENTIFY ONE PROGRAM PRIORITY THIS INVESTMENT MOST CLOSELY SUPPORTS (Program Priorities are identified in the NOFO):

41) DESCRIBE HOW, AND THE EXTENT THIS INVESTMENT JUSTIFICATION MEETS ONE OR MORE OF THE NATIONAL PRIORITIES.

This investment supports the National priorities under subsection "Enduring Needs." Specifically, "Planning" and "Training and Awareness." Training and education of Port staff will address the enhancement of core capabilities defined as:



- Risk management for protection programs and activities
- Risk and disaster resilience assessment
- Threats and hazards identification
- Operational coordination
- Community resilience
- Operational coordination
- Situational assessment

**PART XI - IMPLEMENTATION PLAN**

42) PROVIDE A HIGH-LEVEL TIMELINE OF MILESTONES FOR THE IMPLEMENTATION OF THIS INVESTMENT, SUCH AS PLANNING, TRAINING, EXERCISES, AND MAJOR ACQUISITIONS OR PURCHASES. UP TO 10 MILESTONES MAY BE SUBMITTED.

THE FOLLOWING MUST BE INCLUDED:

- MAJOR MILESTONES OR RELEVANT INFORMATION THAT IS CRITICAL TO THE SUCCESS OF THE INVESTMENT
- MAJOR TASKS THAT WILL NEED TO OCCUR (E.G. DESIGN AND DEVELOPMENT, CONTRACTUAL AGREEMENTS, PROCUREMENT, DELIVERY, INSTALLATION AND PROJECT COMPLETION)
- ESTIMATED PERCENTAGE FOR EACH MILESTONE BASED ON COMPLEXITY AND SIGNIFICANCE (MILESTONES MUST COLLECTIVELY EQUAL 100%)

Milestones	Start Date (mm/yyyy)	Completion Date (mm/yyyy)	Percentage of Project
1. Submit EHP screening form	Nov-21	Jan-22	2%
2. Obtain requisite Accept and Expend approval for Boards and Commissions	Mar-22	May-22	8%
3. Let training RFP and award contract	Jun-22	Nov-22	15%
4. Conduct Phase 1 training (Amergent Tech "Persons with Security Duties" and EMSI - ICS 300 & ICS 339)	Jan-23	Apr-23	25%
5. Conduct Phase 1 training (Amergent Tech "Persons with Security Duties" and EMSI - ICS 300 & ICS 339)	Jun-23	Aug-23	25%
6. Conduct Phase 1 training (Amergent Tech "Persons with Security Duties" and EMSI - ICS 300 & ICS 339)	Oct-23	Apr-24	25%
7.			
8.			
9.			
10.			
<b>Total Percentage of Project</b>			<b>100%</b>

**PSGP Budget Detail Worksheet**

**A. Personnel.** List each position by title and name of employee, if available. Show the annual amount devoted to the project. Compensation paid for employees engaged in grant activities must be paid by the applicant organization.

Name/Position	Description of Project Work Activities
Name/Position for Management and Administration	Description of Management and Administration Activities

**B. Fringe Benefits.** Fringe benefits should be based on actual known costs or an established rate listed in budget category (A) and only for the percentage of time devoted to the project.

Name/Position	Description of Fringe Benefits
Name/Position for Management and Administration	Description of Fringe Benefits

**C. Travel.** Itemize travel expenses of project personnel by purpose (e.g., staff to training, field work, etc.) on the basis of computation (e.g., six people to three-day training at \$X airfare, \$X lodging, \$X subsistence). Expenses for trainees should be listed separately. Show the number of trainees and unit costs involved. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location
Purpose of Travel for Management and Administration	Location

**D. Equipment.** List non-expendable items that are to be purchased. Non-expendable equipment is that which has a useful life of more than one year. (Note: Organization's own capitalization policy and threshold amount for equipment.)

Identify the Authorized Equipment List number (AEL #) for items requested. Expendable items are those with a useful life of one year or less. Items should be listed in the "Other" category or in the "Other" category. Applicants should analyze the cost benefits of purchasing items and those subject to rapid technical advances. Rented or leased equipment costs should be included. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the equipment. For Vessels or Vehicles, list the specific CBRNE equipment that will be installed on the vessel or vehicle. For other equipment, list the specific equipment that will be installed on the vessel or vehicle. Attach a narrative describing the equipment.

Equipment (Type and AEL#)	Description and Purpose of Equipment
Equipment for Management and Administration (Type and AEL#)	Description and Purpose for Equipment

**E. Supplies.** List items by type (office supplies, postage, training materials, copying paper, a held tape recorders) and show the basis for computation. (Note: Organization’s own capital classification of supplies may be used). Generally, supplies include any materials that are ex project.

Supplies	Description and Purpose of Supplies
Supplies for Management and Administration	Description and Purpose for Supplies

**F. Consultants/Contracts.** Indicate whether applicant’s procurement policy follows standar

Consultant Fees: For each consultant enter the name, if known, service to be provided, reas time on the project to include M&A.

Name of Consultant	Description of Services Provided
Name of Consultant for Management and Administration	Description of Services for Management and Administration

**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultant (lodging, etc.)

Item	Location and/or Purpose
Item for Management and Administration	Location and/or Purpose

**Contracts:** Provide a description of the product or services to be procured by contract and a to promote free and open competition in awarding contracts. Any sole source contracts mu applicable state and local laws and regulations, as well as applicable Federal regulations at 2

Item	Description of Services Provided
Security and Emergency Prepared Training	<b>Topics Include:</b> <ul style="list-style-type: none"> <li>➤ Facility Security Plan</li> <li>➤ Maritime security incidents/history</li> <li>➤ MARSEC Levels</li> <li>➤ Current Threats and Patterns</li> <li>➤ Transportation Worker Identification Credential (TWIC) requirements</li> <li>➤ Dangerous substances and device Behavioral patterns of people likely to threaten security.</li> <li>➤ Techniques used to circumvent security.</li> <li>➤ Monitoring</li> <li>➤ Screening</li> <li>➤ Emergency Procedures</li> <li>➤ Notifications</li> </ul>
ICS 300 Training	Training for 90 disaster service workers 30 per class
ICS 339	Training for 30 supervising disaster service workers
Item for Management and Administration	Description of Services for Management and Administration

**G. Other Costs.** List items (e.g., reproduction, janitorial or security services, and investigati basis of the computation. For example, provide the square footage and the cost per square and how many months to rent.

Item	Description and Purpose

Item for Management and Administration	Description and Purpose

**H. Indirect Costs.** Indirect costs are allowable only as described in 2 C.F.R. § 200.414. With received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must with their cognizant Federal agency to charge indirect costs to this award. A copy of the app negotiated with the applicant’s cognizant Federal agency) must be attached.

Cognizant Federal Agency	Description and Purpose

Cognizant Federal Agency for Management and Administration	Description and Purpose

Budget Category	Federal Amount
A. Personnel	\$0
B. Fringe Benefits	\$0
C. Travel	\$0
D. Equipment	\$0
E. Supplies	\$0
F. Consultants/Contracts	\$44,780
G. Other	\$0
H. Indirect Costs	\$0
<b>Total</b>	<b>\$44,780</b>

ual salary rate and the percentage of time to be  
 be consistent with that paid for similar work within

Computation	Cost
	\$0

Computation	Cost

<b>Total Personnel</b>	\$0
------------------------	-----

d formula. Fringe benefits are for the personnel

Computation	Cost

Computation	Cost

<b>Total Fringe Benefits</b>	\$0
------------------------------	-----

eld interviews, advisory group meeting, etc.). Show  
 (subsistence). In training projects, travel and meals  
 ed. Identify the location of travel, if known.

Computation	Cost
Computation	Cost
<b>Total Travel</b>	\$0

oment is tangible property having a useful life of  
 for classification of equipment may be used).

ms should be included either in the "Supplies"  
 ng versus leasing equipment, especially high cost  
 uld be listed in the "Contractual" category. Explain  
 g the procurement method to be used. For CBRNE  
 vehicle, including equipment already owned by the

Computation (Quantity x per unit cost)	Cost
Computation (Quantity x per unit cost)	Cost
<b>Total Equipment</b>	\$0



and other expendable items such as books, hand  
 lization policy and threshold amount for  
 expendable or consumed during the course of the

Computation (Quantity x per unit cost)	Cost
Computation (Quantity x per unit cost)	Cost
<b>Total Supplies</b>	\$0

ds found in 2 C.F.R. § 200.318(a).

onable daily or hourly (8-hour day), and estimated

Computation	Cost
Computation	Cost
<b>Subtotal – Consultant Fees</b>	

: in addition to their fees (i.e., travel, meals,

Computation	Cost
Computation	Cost

<b>Subtotal – Consultant Expenses</b>	\$0
---------------------------------------	-----

n estimate of the cost. Applicants are encouraged  
 ist follow the requirements set forth in in  
 CFR Part 200.

<b>Computation</b>	<b>Cost</b>
3 classes @ \$7,000 each	\$21,000

(3) 3-day class @\$6,451	\$19,353
--------------------------	----------

(3) 3-day class @\$6,451	\$19,353
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<b>Computation</b>	<b>Cost</b>
<b>Subtotal – Contracts</b>	\$59,706

<b>Total Consultants/Contracts</b>	\$59,706
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ve or confidential funds) by major type and the  
 foot for rent, and provide a monthly rental cost

<b>Computation</b>	<b>Cost</b>

Computation	Cost
<b>Other Costs</b>	\$0

the exception of recipients who have never  
 t have an approved indirect cost rate agreement  
 proved rate (a fully executed, agreement

Computation	Cost

Computation	Cost

Non-Federal Amount	Total
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$14,926	\$59,706
\$0	\$0
\$0	\$0
<b>\$14,926</b>	<b>\$59,706</b>

**Warning: Please follow the Notice of Funding Opportunity Guidance and Preparedness Grants Manual while completing this form.**

PART I - INVESTMENT HEADING			
1) ORGANIZATION NAME (Legal Name Listed On The SF-424): <b>Port of San Francisco</b>		2) STATE OR TERRITORY IN WHICH THE PROJECT WILL BE IMPLEMENTED: <b>CA</b>	
3) TYPE OF ORGANIZATION: <b>Local Agency</b>	4) CLASSIFICATION OF ORGANIZATION: <b>Port Authority</b>	5) CAPTAIN OF THE PORT ZONE: <b>San Francisco Bay</b>	

PART II - BASIC PROJECT INFORMATION			
6) PROJECT TITLE: <b>CCTV Refresh</b>		7) PROJECT DESCRIPTION (SERVICE(S)/EQUIPMENT SUMMARY): <b>Replace failure prone PTZ and fixed length cameras, and add two new NVRs to provide increased capacity and greater reliability.</b>	
8) HAS THIS PROJECT BEEN FUNDED BY PSGP OR ANOTHER FEDERAL ASSISTANCE PROGRAM IN THE LAST 3 YEARS?		<b>Yes</b>	
9) IF SO, WHEN WAS THE LAST TIME IT WAS FUNDED? <b>FY19</b>	10) WHICH PROGRAM FUNDED THIS CAPABILITY? <b>PSGP FY19</b>		
11) PROVIDE JUSTIFICATION THAT SUPPORTS FUNDING THIS PROJECT AGAIN:		<b>Cameras in a maritime environment have a reduced life expectancy. Cameras funded by FEMA and installed almost 10 years ago are being replaced when the cost of maintenance exceeds the cost of replacement. This request is part of an ongoing program to keep the Port's CCTV fully operational.</b>	
12) PROJECT CATEGORY: <b>Equipment</b>	13) NEW CAPABILITY OR MAINTENANCE/SUSTAINMENT:		<b>Maintenance/Sustainment</b>
14) IS THIS PROJECT EXEMPT FROM THE REQUIRED COST SHARE OUTLINED IN 46 U.S.C. 70107?		<b>No</b>	
15) IF YES, IDENTIFY COST SHARE EXEMPTION			
16) FEDERAL SHARE: <b>\$48,632</b>	17) COST SHARE: <b>\$16,211</b>	18) TOTAL PROJECT COST: <b>\$64,843</b>	

PART III - ELIGIBILITY INFORMATION			
PLEASE REVIEW THE NOTICE OF FUNDING OPPORTUNITY AND 46 U.S.C. 70107			
19) WHICH PLAN(S) APPLIES TO YOUR ORGANIZATION?	<b>AREA MARITIME SECURITY PLAN:</b>	<b>Yes</b>	<b>FACILITY SECURITY PLAN:</b> <b>Yes</b>
20) STATE AND LOCAL AGENCIES – IS YOUR AGENCY REQUIRED TO PROVIDE PORT SECURITY SERVICES TO MTSA REGULATED FACILITIES?		<b>Yes</b>	
21) IF YES, HOW MANY MTSA REGULATED FACILITIES IS YOUR ORGANIZATION REQUIRED TO PROVIDE SERVICES?		<b>5</b>	

PART IV - ORGANIZATIONAL INFORMATION			
22) IS YOUR ORGANIZATION AN ACTIVE PARTICIPANT OF AN AREA MARITIME SECURITY COMMITTEE?	<b>Yes</b>	23) IS THIS APPLICATION ON BEHALF OF ANOTHER ENTITY OR SUBMITTED AS A CONSORTIUM?	<b>No</b>
24) IS THE PROJECT SITE OWNED BY YOUR ORGANIZATION?	<b>Yes</b>	25) IS THE PROJECT SITE OPERATED BY YOUR ORGANIZATION?	<b>Yes</b>
26) IF THE PROJECT SITE IS NOT OWNED OR OPERATED BY YOUR ORGANIZATION, PLEASE EXPLAIN YOUR ORGANIZATION'S RELATION TO THE PROJECT SITE:	<b>Owned and operated by the Port of San Francisco. Maintained by the City of San Francisco's Department of Technology</b>		
27) IS THE PROJECT SITE A FACILITY OR VESSEL THAT IS REGULATED UNDER THE MARITIME TRANSPORTATION SECURITY ACT OF 2002, AS AMENDED?		<b>No</b>	
28) STATE AND LOCAL AGENCIES – IS YOUR AGENCY THE PRIMARY RESPONDER TO MTSA REGULATED FACILITIES?		<b>Yes</b>	

PART V - POINT(S) OF CONTACT FOR ORGANIZATION			
29) SIGNATORY AUTHORITY FOR ENTERING INTO A GRANT AGREEMENT		30) AUTHORIZED REPRESENTATIVE FOR THE MANAGEMENT OF THE PROJECT	
NAME: <b>Elaine Forbes</b>	NAME: <b>Ken Tashian</b>		
ORGANIZATION: <b>Port of San Francisco</b>	ORGANIZATION: <b>Port of San Francisco - Homeland Security</b>		
ADDRESS: <b>Pier 1 - The Embarcadero</b>	ADDRESS: <b>Pier 1 - The Embarcadero</b>		
PHONE: <b>415 274-0445</b>	PHONE: <b>415 725-1681</b>		
EMAIL: <a href="mailto:elaine.forbes@sfport.com">elaine.forbes@sfport.com</a>	EMAIL: <a href="mailto:ken.tashian@sfport">ken.tashian@sfport</a>		

PART VI - PHYSICAL LOCATION OF PROJECT			
31) PHYSICAL ADDRESS OF THE PROJECT LOCATION:		32) BRIEF DESCRIPTION OF THE PROJECT LOCATION:	
Street Address: <b>Christmass Tree Lane</b>	<b>NVRs - Twin Peaks - San Francisco Emergency Communications Center Cameras - various locations as failures occur</b>		
City: <b>San Francisco</b>			
State: <b>CA</b> Zip: <b>94131</b>			
LATITUDE & LONGITUDE: <b>37-45-08 N 122-27-15 W</b>			

STATE AND LOCAL AGENCIES ONLY – ROLE IN PROVIDING LAYERED PROTECTION OF MTSA REGULATED ENTITIES	
33) DESCRIBE YOUR ORGANIZATION'S SPECIFIC ROLES, RESPONSIBILITIES AND ACTIVITIES IN DELIVERING LAYERED PROTECTION, AND IDENTIFY THE FACILITIES TO WHICH YOUR AGENCY IS REQUIRED TO PROVIDE SECURITY SERVICES.	
<p>The Port of San Francisco is required by the Maritime Transportation Security act to maintain Facility Security Plans and implement physical security measures to protect vessels and facilities belonging to the Port. The Port maintains three approved FSPs: Ferry Terminals, Piers 15,17,19 and General Berthing. Piers and Facilities that are included in the plans include: Downtown Ferry Terminal Gate B, China Basin Ferry Terminal, Piers 15, 17,19, 27, 29, 35, 40, 45, 50, 54, 68 (wharf 4e and wharf 3w), 80D, 94 and 96</p> <p>POSF is a vital link in the layered defense concept of maritime infrastructure protection in the San Francisco Bay Area. As a member of the Northern California Area Maritime Security Committee (AMSC), the Port of San Francisco has forged working relationships with local maritime response agencies, including the Coast Guard, Customs &amp; Border Protection, San Francisco Police Department, San Francisco County Fire Department, and the City of San Francisco's Department of Emergency Management. The Program Manager of Homeland Security, the Emergency Operations and Security Manager share oversight responsibility for security services as well as the Facility Security Program at POSF.</p> <p><b>Important Features</b></p>	

POSF is a critical seaport consisting of maritime passenger and cargo terminals, power plants, petroleum-vessel anchorages, MARAD vessel lay-berths, and the largest ship repair facility on the west coast of the Americas. Two major bridges, the local subway system, and the Bay-wide ferry network all make landfall on Port and City property. The San Francisco waterfront surrounds a high profile, densely populated American urban center, which operates as a financial and technology hub, as well as a preeminent tourist destination. The Port moves approximately 1,364,000 metric tons of bulk cargo per year. While cargo traffic is substantial, human traffic at the Port is extraordinary, with roughly 6,825,000 marine passengers coming and going from San Francisco each year, over 11 million visitors to the Fisherman's Wharf area, and 14 million visitors to the Ferry Building. In addition, Oracle Park – home of the San Francisco Giants – is located on Port property.

**PART VII MARITIME SECURITY MOU, MOA AND/OR MUTUAL AID AGREEMENTS**

34) IF YOUR AGENCY PROVIDES SECURITY SERVICES TO MTSA REGULATED FACILITIES, IDENTIFY AND DESCRIBE THE TYPE(S) OF AGREEMENT(S) THAT REQUIRES YOUR AGENCY TO DIRECTLY PROVIDE PORT SECURITY SERVICES TO MTSA REGULATED FACILITIES.

**Interrelationship of Operations**

The Port of San Francisco coordinates closely with other ports in the region, with regard to security and emergency preparedness. POSF's High Risk security partners include the Ports of Oakland, Richmond and Stockton. The Port also coordinates with smaller ports in the region – in particular, the ports of Redwood City and West Sacramento. The equipment requested will be an asset available to other regional ports as part of the region's mutual aid program.

**Ownership or Operation**

The Port of San Francisco (POSF) is applying as "owners/operators of federally regulated ports, terminals, facilities, U.S. inspected passenger vessels, or ferries as defined in the Maritime Transportation Security Act (MTSA) 33 CFR Parts 101, 104, and 105. POSF acts as operator for two ferry terminals (the Downtown Ferry Terminal and the China Basin Ferry Terminal), and as landlord for the remainder of the Port. All other federally regulated facilities on Port property – ferry terminals, cruise terminals, bulk and break-bulk terminals - are leased to commercial operators who are directly responsible to the Coast Guard under MTSA regulations.

**PART VIII - ALL AGENCIES/ORGANIZATION – IMPORTANT FEATURES**

35) DESCRIBE ANY OPERATIONAL ISSUES YOU DEEM IMPORTANT TO THE CONSIDERATION OF YOUR APPLICATION, SUCH AS LACKING OR INADEQUATE CAPABILITIES OR ASSETS WITHIN THE PORT AREA TO MITIGATE MARITIME SECURITY VULNERABILITIES BEING ADDRESSED BY THIS PROJECT.

The Port of San Francisco is in the midst of a multi-year effort to improve security through infrastructure improvements, target hardening, training programs, and is increasing maritime domain awareness through improved coordination and information sharing with city partners who provide layered security to the Port such as police, fire, and Coast Guard. This project supports enhanced threat detection and prevention, and security measures that are consistent with Department of Homeland Security requirements.

The planned investment will enable the Port to replace CCTV cameras that were installed over the past 9 years to increase security and to assist local and federal law enforcement agencies in the apprehension of criminals, terrorists, and persons of ill intent. The Port's long-range CCTV consists of multi-year projects and a fiber build-out plan was funded by the 2007 and 2008 CPMSGP grants and projects funded under the PSGP for fiscal years 2011, 2014, 2015, 2019, and 2020.

This project is focused on replacing cameras that are near, or at end of service life; cameras with short mean time between failure intervals. Significant improvements in CCTV technology have been made over the past five years that delivers increased durability in maritime environments, enhanced video imaging, and much improved nighttime capture capability. This project will enable the Port to take advantage of these advancements, while improving the overall quality of video and extend video storage capability.

**PART IX - INVESTMENT JUSTIFICATION ABSTRACT**

36) WHAT ASSET(S) OR SERVICE(S) WOULD THIS PROJECT INVESTMENT FUND (i.e. vessels, radios, cameras, construction, service contracts, fencing etc.)? \* For training requests, a course number and title are required.

CCTV cameras

37) IDENTIFY SIMILAR ASSETS THAT ALREADY EXIST:

A Portwide FiberWAN, and cameras installed the Hyde Street Harbor Joint Operations Center, Pier 45, Pier 27 (cruise terminal), Pier 23, Pier 19, South Beach Harbor, Pier 48, and Pier 50 (Alt. DOC).

38) SPECIFY VULNERABILITIES IDENTIFIED WITHIN AN AREA MARITIME SECURITY PLAN, FACILITY SECURITY PLAN, VESSEL SECURITY PLAN, OR OTHER IDENTIFIED PLAN(S) THAT THIS PROJECT CLOSES/MITIGATES.

This investment addresses the following risk(s) outlined in the 2009 Strategic Risk Management Plan and Trade Resumption/Resiliency Plan submitted by the High Risk ports in the Bay Area region. The system(s) requested address a wide range of security risks that are detailed in Section 4 of this report that includes:

- Terrorists attacks
- Natural disasters

• Accidents

Specific issues identified in the Risk Management/Mitigation Plan and Trade Resumption/Resiliency sections of the report and addressed by this request include:

**Maritime Domain Awareness:** The CCTV system with video analytics will improve MDA by monitoring activities at Port facilities and surrounding areas. Local law enforcement, Port staff, and USCG will have access to cameras and facility sensors. Moreover, video surveillance, access control system, and intrusion detection systems will increase Maritime Domain Awareness, thus reducing the vulnerability of Pier to waterside or landside attacks, as well as reducing vulnerabilities along the federal waterway passing the Port of San Francisco and linking all local port jurisdictions within San Francisco Bay, San Pablo Bay and the Sacramento River Delta.

In addition to the domain awareness for high-consequence terrorist threats, the Port of San Francisco has a higher than average risk for local crime. Reducing local crime is a significant objective for the Port's security program. Installing Portwide access control and video surveillance will significantly improve the Port's security and deter potential crimes. The Port has already installed over 5 miles of fiber optic communications, and is currently in the process of rolling out a limited site specific CCTV plan.

**IED and WMD:** Surveillance, access control, and intrusion detection systems will provide a threat detection capability, secure access points, and increase the facilities overall awareness capability.

39) SUMMARIZE THE PROPOSED INVESTMENT JUSTIFICATION.

THE FOLLOWING MUST BE INCLUDED:

- DESCRIBE HOW THIS INVESTMENT ADDRESSES THE CAPTAIN OF THE PORT'S PRIORITIES
- EXPLAIN HOW THIS INVESTMENT WILL ACHIEVE A MORE SECURE AND RESILIENT PORT AREA
- IF SIMILAR CAPABILITIES ALREADY EXIST, EXPLAIN WHY ADDITIONAL ASSETS/SERVICES ARE NEEDED.

**COTP Priorities**

This investment addresses COTP priorities in that it reduces security threats to areas near maritime transit systems. This project request is consistent with security guidelines described in various documents relating to maritime security best practices including Coast Guard Pacific Instruction 16611 dated January 28, 2002 (Security Guidelines for Waterfront Facilities); Navigation and Inspection Circular (NVIC) 11-02, dated January 13, 2003 (recommended Security Guidelines for Facilities); Report of the Inter-agency Commission on Crime and Security in US Seaports (Fall 2000), Appendix F (Model Port); and Security Attributes of a Model Port and Guidelines for Their Use (Draft) dated July 26, 2002, prepared by the USCG Port Security Directorate (G-MO).

According to a 2003 Parsons Brinkerhoff Security and Vulnerability Assessment, vulnerabilities identified for facility operations include:

- Lack of land-side and waterside perimeter security
- Inadequate access controls
- Deficiencies in screening of cargo and stores
- Lack of effective security communications.

In a recent MSRAM assessment, the USCG identified 11 possible terrorist attack scenarios. CCTV and access control systems will promote unauthorized access to the Port facilities.

**PART X - NATIONAL PRIORITIES**

40) IDENTIFY ONE PROGRAM PRIORITY THIS INVESTMENT MOST CLOSELY SUPPORTS (Program Priorities are identified in the NOFO):

41) DESCRIBE HOW, AND THE EXTENT THIS INVESTMENT JUSTIFICATION MEETS ONE OR MORE OF THE NATIONAL PRIORITIES.

**Enduring Needs - Enhancing the Protection of Soft Targets and Crowded Places**

**PART XI - IMPLEMENTATION PLAN**

42) PROVIDE A HIGH-LEVEL TIMELINE OF MILESTONES FOR THE IMPLEMENTATION OF THIS INVESTMENT, SUCH AS PLANNING, TRAINING, EXERCISES, AND MAJOR ACQUISITIONS OR PURCHASES. UP TO 10 MILESTONES MAY BE SUBMITTED.

THE FOLLOWING MUST BE INCLUDED:

- MAJOR MILESTONES OR RELEVANT INFORMATION THAT IS CRITICAL TO THE SUCCESS OF THE INVESTMENT
- MAJOR TASKS THAT WILL NEED TO OCCUR (E.G. DESIGN AND DEVELOPMENT, CONTRACTUAL AGREEMENTS, PROCUREMENT, DELIVERY, INSTALLATION AND PROJECT COMPLETION)
- ESTIMATED PERCENTAGE FOR EACH MILESTONE BASED ON COMPLEXITY AND SIGNIFICANCE (MILESTONES MUST COLLECTIVELY EQUAL 100%)

Milestones	Start Date (mm/yyyy)	Completion Date (mm/yyyy)	Percentage of Project
1. Submit EHP screening form	Nov-21	Jan-22	3%
2. Obtain requisite Accept and Expend approval for Boards and Commissions	Mar-22	May-22	8%
3. Submit purchase order requisitions	Jun-22	May-22	2%
4. Award bids and receive equipment	Jun-22	Sep-22	4%
5. Establish internal work orders and transfer funds to the Department of Technology	Oct-22	Nov-22	4%
6. Establish work schedule and secure required resources	Jan-23	Mar-23	8%
7. Install all equipment and conduct user acceptance testing	Apr-23	Sep-23	65%
8. Update asset management database	Oct-23	Nov-23	2%
9. Submit required document to ND Grants and close out project	Dec-23	Feb-24	4%
10.			
<b>Total Percentage of Project</b>			<b>100%</b>

**PSGP Budget Detail Worksheet**

**A. Personnel.** List each position by title and name of employee, if available. Show the annual amount devoted to the project. Compensation paid for employees engaged in grant activities must be paid by the applicant organization.

Name/Position	Description of Project Work Activities



**B. Fringe Benefits.** Fringe benefits should be based on actual known costs or an established percentage of the amount listed in budget category (A) and only for the percentage of time devoted to the project.

Name/Position	Description of Fringe Benefits



**C. Travel.** Itemize travel expenses of project personnel by purpose (e.g., staff to training, field work, etc.) on the basis of computation (e.g., six people to three-day training at \$X airfare, \$X lodging, \$X subsistence). Expenses for trainees should be listed separately. Show the number of trainees and unit costs involved. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location
Purpose of Travel for Management and Administration	Location

**D. Equipment.** List non-expendable items that are to be purchased. Non-expendable equipment is defined as equipment with a useful life of more than one year. (Note: Organization’s own capitalization policy and threshold amount for equipment purchase apply.)

Identify the Authorized Equipment List number (AEL #) for items requested. Expendable items should be listed in the “Other” category or in the “Other” category. Applicants should analyze the cost benefits of purchasing equipment and those subject to rapid technical advances. Rented or leased equipment costs should be included. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the equipment. For Vessels or Vehicles, list the specific CBRNE equipment that will be installed on the vessel or vehicle. For other equipment, list the specific equipment that will be installed on the vessel or vehicle. Attach a narrative describing the equipment.

Equipment (Type and AEL#)	Description and Purpose of Equipment
Network Video Recorder(s)	Resilient PIXEL CCTV storage device Model #PS312e2
Video Cameras AEL #04MD-01-VCAM	Fixed Bosch Dinion IP 3000 IR 5MP
Video Cameras AEL #04MD-01-VCAM	Panasonic Multilens Camera(s) Model #WV-X750
Video Cameras AEL #04MD-01-VCAM	PTZ - Bosch Autodome IP Starlight 5000i IR
	Sales Tax

Equipment for Management and Administration (Type and AEL#)	Description and Purpose for Equipment



**E. Supplies.** List items by type (office supplies, postage, training materials, copying paper, a held tape recorders) and show the basis for computation. (Note: Organization’s own capital classification of supplies may be used). Generally, supplies include any materials that are ex project.

Supplies	Description and Purpose of Supplies
Supplies for Management and Administration	Description and Purpose for Supplies

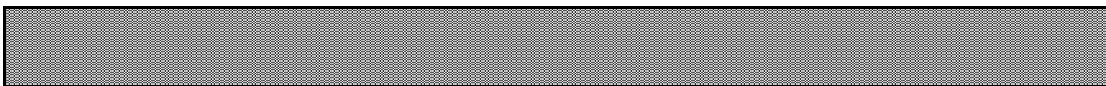
**F. Consultants/Contracts.** Indicate whether applicant’s procurement policy follows standar

Consultant Fees: For each consultant enter the name, if known, service to be provided, reas time on the project to include M&A.

Name of Consultant	Description of Services Provided
Name of Consultant for Management and Administration	Description of Services for Management and Administration

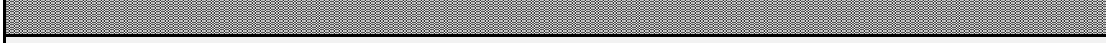
**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultant (lodging, etc.)

Item	Location and/or Purpose
Item for Management and Administration	Location and/or Purpose



**Contracts:** Provide a description of the product or services to be procured by contract and a to promote free and open competition in awarding contracts. Any sole source contracts must comply with applicable state and local laws and regulations, as well as applicable Federal regulations at 2

Item	Description of Services Provided
Item for Management and Administration	Description of Services for Management and Administration



**G. Other Costs.** List items (e.g., reproduction, janitorial or security services, and investigativ basis of the computation. For example, provide the square footage and the cost per square and how many months to rent.

Item	Description and Purpose
Item for Management and Administration	Description and Purpose



**H. Indirect Costs.** Indirect costs are allowable only as described in 2 C.F.R. § 200.414. With received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must with their cognizant Federal agency to charge indirect costs to this award. A copy of the app negotiated with the applicant's cognizant Federal agency) must be attached.

Cognizant Federal Agency	Description and Purpose
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<b>Cognizant Federal Agency for Management and Administration</b>	<b>Description and Purpose</b>
<b>Budget Category</b>	<b>Federal Amount</b>
A. Personnel	\$0
B. Fringe Benefits	\$0
C. Travel	\$0
D. Equipment	\$48,632
E. Supplies	\$0
F. Consultants/Contracts	\$0
G. Other	\$0
H. Indirect Costs	\$0
<b>Total</b>	<b>\$48,632</b>

Annual salary rate and the percentage of time to be consistent with that paid for similar work within

Computation	Cost
	\$0

Computation	Cost
<b>Total Personnel</b>	\$0

and formula. Fringe benefits are for the personnel

Computation	Cost

Computation	Cost
<b>Total Fringe Benefits</b>	\$0

eld interviews, advisory group meeting, etc.). Show  
 (subsistence). In training projects, travel and meals  
 ed. Identify the location of travel, if known.

Computation	Cost
Computation	Cost
<b>Total Travel</b>	\$0

oment is tangible property having a useful life of  
 for classification of equipment may be used).

ms should be included either in the "Supplies"  
 ng versus leasing equipment, especially high cost  
 uld be listed in the "Contractual" category. Explain  
 g the procurement method to be used. For CBRNE  
 vehicle, including equipment already owned by the

Computation (Quantity x per unit cost)	Cost
(2) x \$11,500	\$23,000
(11) X \$1,200	\$13,200
(4) x \$3,150	\$12,600
(6) x \$2,475	\$14,850
.01876% x \$57,650	\$1,193
	<b>\$64,843</b>
Computation (Quantity x per unit cost)	Cost
	\$0
<b>Total Equipment</b>	

and other expendable items such as books, hand  
 lization policy and threshold amount for  
 expendable or consumed during the course of the

Computation (Quantity x per unit cost)	Cost
	\$.0
Computation (Quantity x per unit cost)	Cost
<b>Total Supplies</b>	\$0

ds found in 2 C.F.R. § 200.318(a).

onable daily or hourly (8-hour day), and estimated

Computation	Cost
Computation	Cost
<b>Subtotal – Consultant Fees</b>	\$0

: in addition to their fees (i.e., travel, meals,

Computation	Cost
Computation	Cost

<b>Subtotal – Consultant Expenses</b>	\$0
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n estimate of the cost. Applicants are encouraged  
 ist follow the requirements set forth in in  
 CFR Part 200.

Computation	Cost

Computation	Cost
<b>Subtotal – Contracts</b>	\$0

<b>Total Consultants/Contracts</b>	\$0.00
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ve or confidential funds) by major type and the  
 foot for rent, and provide a monthly rental cost

Computation	Cost

Computation	Cost
<b>Other Costs</b>	\$0

the exception of recipients who have never  
 t have an approved indirect cost rate agreement  
 proved rate (a fully executed, agreement

Computation	Cost
-------------	------

	\$0
<b>Computation</b>	<b>Cost</b>
	\$0
<b>Non-Federal Amount</b>	<b>Total</b>
\$0	\$0
\$0	\$0
\$0	\$0
\$16,211	<b>\$64,843</b>
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$16,211</b>	<b>\$64,843</b>



DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY PORT SECURITY GRANT PROGRAM INVESTMENT JUSTIFICATION				OMB Control Number 1660-0114 Expiration: 11/30/2023	
<b>Warning: Please follow the Notice of Funding Opportunity Guidance and Preparedness Grants Manual while completing this form.</b>					
<b>PART I - INVESTMENT HEADING</b>					
1) ORGANIZATION NAME (Legal Name Listed On The SF-424): <b>Port of San Francisco</b>			2) STATE OR TERRITORY IN WHICH THE PROJECT WILL BE IMPLEMENTED: <b>CA</b>		
3) TYPE OF ORGANIZATION: <b>Local Agency</b>		4) CLASSIFICATION OF ORGANIZATION: <b>Port Authority</b>	5) CAPTAIN OF THE PORT ZONE: <b>San Francisco Bay</b>		
<b>PART II - BASIC PROJECT INFORMATION</b>					
6) PROJECT TITLE:	<b>CCTV Refresh</b>				
7) PROJECT DESCRIPTION (SERVICE(S)/EQUIPMENT SUMMARY):	<b>Establish a remote access capability to the Port's CCTV system</b>				
8) HAS THIS PROJECT BEEN FUNDED BY PSGP OR ANOTHER FEDERAL ASSISTANCE PROGRAM IN THE LAST 3 YEARS?			<b>No</b>		
9) IF SO, WHEN WAS THE LAST TIME IT WAS FUNDED?		<b>N/A</b>	10) WHICH PROGRAM FUNDED THIS CAPABILITY? <b>N/A</b>		
11) PROVIDE JUSTIFICATION THAT SUPPORTS FUNDING THIS PROJECT AGAIN:	<b>During the past year of COVID-19, Port staff have not been permitted to enter office areas, thereby eliminating access to the Port's CCTV system housed at Pier 1. The installed CCTV has no remote access capability. This project will provide a 24x7 remote access capability to assist the Maritime Division in investigations, and provide SFPD with real-time evidence for investigative purposes.</b>				
12) PROJECT CATEGORY:		<b>Equipment</b>	13) NEW CAPABILITY OR MAINTENANCE/SUSTAINMENT: <b>New Capability</b>		
14) IS THIS PROJECT EXEMPT FROM THE REQUIRED COST SHARE OUTLINED IN 46 U.S.C. 70107?			<b>No</b>		
15) IF YES, IDENTIFY COST SHARE EXEMPTION					
16) FEDERAL SHARE:	<b>\$24,902</b>	17) COST SHARE:	<b>\$8,301</b>	18) TOTAL PROJECT COST:	
<b>\$33,202</b>					
<b>PART III - ELIGIBILITY INFORMATION</b>					
<b>PLEASE REVIEW THE NOTICE OF FUNDING OPPORTUNITY AND 46 U.S.C. 70107</b>					
19) WHICH PLAN(S) APPLIES TO YOUR ORGANIZATION?	AREA MARITIME SECURITY PLAN:		<b>Yes</b>	FACILITY SECURITY PLAN:	
				<b>Yes</b>	
20) STATE AND LOCAL AGENCIES – IS YOUR AGENCY REQUIRED TO PROVIDE PORT SECURITY SERVICES TO MTSA REGULATED FACILITIES?			<b>Yes</b>		
21) IF YES, HOW MANY MTSA REGULATED FACILITIES IS YOUR ORGANIZATION REQUIRED TO PROVIDE SERVICES?			<b>5</b>		
<b>PART IV - ORGANIZATIONAL INFORMATION</b>					
22) IS YOUR ORGANIZATION AN ACTIVE PARTICIPANT OF AN AREA MARITIME SECURITY COMMITTEE?	<b>Yes</b>		23) IS THIS APPLICATION ON BEHALF OF ANOTHER ENTITY OR SUBMITTED AS A CONSORTIUM? <b>No</b>		
24) IS THE PROJECT SITE OWNED BY YOUR ORGANIZATION?	<b>Yes</b>		25) IS THE PROJECT SITE OPERATED BY YOUR ORGANIZATION? <b>Yes</b>		
26) IF THE PROJECT SITE IS NOT OWNED OR OPERATED BY YOUR ORGANIZATION, PLEASE EXPLAIN YOUR ORGANIZATION'S RELATION TO THE PROJECT SITE:	<b>Owned and operated by the Port of San Francisco. Maintained by the City of San Francisco's Department of Technology</b>				
27) IS THE PROJECT SITE A FACILITY OR VESSEL THAT IS REGULATED UNDER THE MARITIME TRANSPORTATION SECURITY ACT OF 2002, AS AMENDED?			<b>No</b>		
28) STATE AND LOCAL AGENCIES – IS YOUR AGENCY THE PRIMARY RESPONDER TO MTSA REGULATED FACILITIES?			<b>Yes</b>		
<b>PART V - POINT(S) OF CONTACT FOR ORGANIZATION</b>					
29) SIGNATORY AUTHORITY FOR ENTERING INTO A GRANT AGREEMENT			30) AUTHORIZED REPRESENTATIVE FOR THE MANAGEMENT OF THE PROJECT		
NAME:	<b>Elaine Forbes</b>		NAME:	<b>Ken Tashian</b>	
ORGANIZATION:	<b>Port of San Francisco</b>		ORGANIZATION:	<b>Port of San Francisco - Homeland Security</b>	
ADDRESS:	<b>Pier 1 - The Embarcadero</b>		ADDRESS:	<b>Pier 1 - The Embarcadero</b>	
PHONE:	<b>415 274-0445</b>		PHONE:	<b>415 725-1681</b>	
EMAIL:	<b>elaine.forbes@sfport.com</b>		EMAIL:	<b>ken.tashian@sfport</b>	
<b>PART VI - PHYSICAL LOCATION OF PROJECT</b>					
31) PHYSICAL ADDRESS OF THE PROJECT LOCATION:			32) BRIEF DESCRIPTION OF THE PROJECT LOCATION:		
Street Address:	<b>Christmas Tree Lane</b>		<b>Mt. Sutro - San Francisco Emergency Communications Center</b>		
City:	<b>San Francisco</b>				
State:	<b>CA</b>	Zip:			<b>94131</b>
LATITUDE & LONGITUDE:	<b>37-45-08 N 122-27-15 W</b>				
<b>STATE AND LOCAL AGENCIES ONLY – ROLE IN PROVIDING LAYERED PROTECTION OF MTSA REGULATED ENTITIES</b>					
33) DESCRIBE YOUR ORGANIZATION'S SPECIFIC ROLES, RESPONSIBILITIES AND ACTIVITIES IN DELIVERING LAYERED PROTECTION, AND IDENTIFY THE FACILITIES TO WHICH YOUR AGENCY IS REQUIRED TO PROVIDE SECURITY SERVICES.					
<p>The Port of San Francisco is required by the Maritime Transportation Security act to maintain Facility Security Plans and implement physical security measures to protect vessels and facilities belonging to the Port. The Port maintains three approved FSPs: Ferry Terminals, Piers 15,17,19 and General Berthing. Piers and Facilities that are included in the plans include: Downtown Ferry Terminal Gate B, China Basin Ferry Terminal, Piers 15, 17,19, 27, 29, 35, 40, 45, 50, 54, 68 (wharf 4e and wharf 3w), 80D, 94 and 96</p> <p>POSF is a vital link in the layered defense concept of maritime infrastructure protection in the San Francisco Bay Area. As a member of the Northern California Area Maritime Security Committee (AMSC), the Port of San Francisco has forged working relationships with local maritime response agencies, including the Coast Guard, Customs &amp; Border Protection, San Francisco Police Department, San Francisco County Fire Department, and the City of San Francisco's Department of Emergency Management. The Program Manager of Homeland Security, the Emergency Operations and Security Manager share oversight responsibility for security services as well as the Facility Security Program at POSF.</p>					

**Important Features**

POSF is a critical seaport consisting of maritime passenger and cargo terminals, power plants, petroleum-vessel anchorages, MARAD vessel lay-berths, and the largest ship repair facility on the west coast of the Americas. Two major bridges, the local subway system, and the Bay-wide ferry network all make landfall on Port and City property. The San Francisco waterfront surrounds a high profile, densely populated American urban center, which operates as a financial and technology hub, as well as a preeminent tourist destination. The Port moves approximately 1,364,000 metric tons of bulk cargo per year. While cargo traffic is substantial, human traffic at the Port is extraordinary, with roughly 6,825,000 marine passengers coming and going from San Francisco each year, over 11 million visitors to the Fisherman’s Wharf area, and 14 million visitors to the Ferry Building. In addition, Oracle Park – home of the San Francisco Giants – is located on Port property.

**PART VII MARITIME SECURITY MOU, MOA AND/OR MUTUAL AID AGREEMENTS**

34) IF YOUR AGENCY PROVIDES SECURITY SERVICES TO MTSA REGULATED FACILITIES, IDENTIFY AND DESCRIBE THE TYPE(S) OF AGREEMENT(S) THAT REQUIRES YOUR AGENCY TO DIRECTLY PROVIDE PORT SECURITY SERVICES TO MTSA REGULATED FACILITIES.

**Interrelationship of Operations**

The Port of San Francisco coordinates closely with other ports in the region, with regard to security and emergency preparedness. POSF’s High Risk security partners include the Ports of Oakland, Richmond and Stockton. The Port also coordinates with smaller ports in the region – in particular, the ports of Redwood City and West Sacramento.

**Ownership or Operation**

The Port of San Francisco (POSF) is applying as “owners/operators of federally regulated ports, terminals, facilities, U.S. inspected passenger vessels, or ferries as defined in the Maritime Transportation Security Act (MTSA) 33 CFR Parts 101, 104, and 105. POSF acts as operator for two ferry terminals (the Downtown Ferry Terminal and the China Basin Ferry Terminal), and as landlord for the remainder of the Port. All other federally regulated facilities on Port property – ferry terminals, cruise terminals, bulk and break-bulk terminals – are leased to commercial operators who are directly responsible to the Coast Guard under MTSA regulations.

**PART VIII - ALL AGENCIES/ORGANIZATION – IMPORTANT FEATURES**

35) DESCRIBE ANY OPERATIONAL ISSUES YOU DEEM IMPORTANT TO THE CONSIDERATION OF YOUR APPLICATION, SUCH AS LACKING OR INADEQUATE CAPABILITIES OR ASSETS WITHIN THE PORT AREA TO MITIGATE MARITIME SECURITY VULNERABILITIES BEING ADDRESSED BY THIS PROJECT.

The Port of San Francisco is in the midst of a multi-year effort to improve security through infrastructure improvements, target hardening, training programs, and is increasing maritime domain awareness through improved coordination and information sharing with city partners who provide layered security to the Port such as police, fire, and Coast Guard. This project supports enhanced threat detection and prevention, and security measures that are consistent with Department of Homeland Security requirements.

The planned investment will enable Harbormasters, Port staff and SFPD to monitor CCTV cameras remotely and download video from any location with Internet access.

**PART IX - INVESTMENT JUSTIFICATION ABSTRACT**

36) WHAT ASSET(S) OR SERVICE(S) WOULD THIS PROJECT INVESTMENT FUND (i.e. vessels, radios, cameras, construction, service contracts, fencing etc.)? \* For training requests, a course number and title are required.

IT infrastructure and network related equipment

37) IDENTIFY SIMILAR ASSETS THAT ALREADY EXIST:

The Port currently has cameras installed at the Hyde Street Harbor Joint Operations Center, Pier 45, Pier 27 (cruise terminal), Pier 23, Pier 19, South Beach Harbor, Pier 48, and Pier 50 (Alt. DOC), none of which can be accessed remotely.

38) SPECIFY VULNERABILITIES IDENTIFIED WITHIN AN AREA MARITIME SECURITY PLAN, FACILITY SECURITY PLAN, VESSEL SECURITY PLAN, OR OTHER IDENTIFIED PLAN(S) THAT THIS PROJECT CLOSES/MITIGATES.

This investment addresses the following risk(s) outlined in the 2009 Strategic Risk Management Plan and Trade Resumption/Resiliency Plan submitted by the High Risk ports in the Bay Area region. The system(s) requested address a wide range of security risks that are detailed in Section 4 of this report that includes:

- Terrorists attacks
- Natural disasters
- Accidents

Specific issues identified in the Risk Management/Mitigation Plan and Trade Resumption/Resiliency sections of the report and addressed by this request include:

Maritime Domain Awareness: The CCTV system with video analytics will improve MDA by monitoring activities at Port facilities and surrounding areas. Local law enforcement, Port staff, and USCG will have access to cameras and facility sensors. Moreover, video surveillance, access control system, and intrusion detection systems will increase Maritime Domain Awareness, thus reducing the vulnerability of Pier to waterside or landside attacks, as well as reducing vulnerabilities along the federal waterway passing the Port of San Francisco and linking all local port jurisdictions within San Francisco Bay, San Pablo Bay and the Sacramento River Delta.

In addition to the domain awareness for high-consequence terrorist threats, the Port of San Francisco has a higher than average risk for local crime. Reducing local crime is a significant objective for the Port’s security program. Providing remote access to video systems will significantly improve the Port’s intrusion detection capability.

IED and WMD: Surveillance, access control, and intrusion detection systems will provide a threat detection capability, secure access points, and increase the facilities overall awareness capability.

39) SUMMARIZE THE PROPOSED INVESTMENT JUSTIFICATION.

THE FOLLOWING MUST BE INCLUDED:

- DESCRIBE HOW THIS INVESTMENT ADDRESSES THE CAPTAIN OF THE PORT'S PRIORITIES
- EXPLAIN HOW THIS INVESTMENT WILL ACHIEVE A MORE SECURE AND RESILIENT PORT AREA
- IF SIMILAR CAPABILITIES ALREADY EXIST, EXPLAIN WHY ADDITIONAL ASSETS/SERVICES ARE NEEDED.

**COTP Priorities**

This investment addresses COTP priorities in that it reduces security threats to areas near maritime transit systems. This project request is consistent with security guidelines described in various documents relating to maritime security best practices including Coast Guard Pacific Instruction 16611 dated January 28, 2002 (Security Guidelines for Waterfront Facilities); Navigation and Inspection Circular (NVIC) 11-02, dated January 13, 2003 (recommended Security Guidelines for Facilities); Report of the Inter-agency Commission on Crime and Security in US Seaports (Fall 2000), Appendix F (Model Port); and Security Attributes of a Model Port and Guidelines for Their Use (Draft) dated July 26, 2002, prepared by the USCG Port Security Directorate (G-MO).

According to a 2003 Parsons Brinkerhoff Security and Vulnerability Assessment, vulnerabilities identified for facility operations include:

- Lack of land-side and waterside perimeter security
- Inadequate access controls
- Deficiencies in screening of cargo and stores
- Lack of effective security communications.

In a recent MSRAM assessment, the USCG identified 11 possible terrorist attack scenarios. CCTV and access control systems will promote unauthorized access to the Port facilities.

**PART X - NATIONAL PRIORITIES**

40) IDENTIFY ONE PROGRAM PRIORITY THIS INVESTMENT MOST CLOSELY SUPPORTS (Program Priorities are identified in the NOFO):

41) DESCRIBE HOW, AND THE EXTENT THIS INVESTMENT JUSTIFICATION MEETS ONE OR MORE OF THE NATIONAL PRIORITIES.

**Enduring Needs - Enhancing the Protection of Soft Targets and Crowded Places**

**PART XI - IMPLEMENTATION PLAN**

42) PROVIDE A HIGH-LEVEL TIMELINE OF MILESTONES FOR THE IMPLEMENTATION OF THIS INVESTMENT, SUCH AS PLANNING, TRAINING, EXERCISES, AND MAJOR ACQUISITIONS OR PURCHASES. UP TO 10 MILESTONES MAY BE SUBMITTED.

THE FOLLOWING MUST BE INCLUDED:

- MAJOR MILESTONES OR RELEVANT INFORMATION THAT IS CRITICAL TO THE SUCCESS OF THE INVESTMENT
- MAJOR TASKS THAT WILL NEED TO OCCUR (E.G. DESIGN AND DEVELOPMENT, CONTRACTUAL AGREEMENTS, PROCUREMENT, DELIVERY, INSTALLATION AND PROJECT COMPLETION)
- ESTIMATED PERCENTAGE FOR EACH MILESTONE BASED ON COMPLEXITY AND SIGNIFICANCE (MILESTONES MUST COLLECTIVELY EQUAL 100%)

Milestones	Start Date (mm/yyyy)	Completion Date (mm/yyyy)	Percentage of Project
1. Submit EHP screening form	Nov-21	Jan-22	3%
2. Obtain requisite Accept and Expend approval for Boards and Commissions	Mar-22	May-22	8%
3. Submit purchase order requisitions	Jun-22	May-22	2%
4. Award bids and receive equipment	Jun-22	Aug-22	4%
5. Establish internal work orders and transfer funds to the Department of Technology	Sep-22	Oct-22	4%
6. Establish work schedule and secure required resources	Sep-22	Nov-22	8%
7. Install all equipment and conduct user acceptance testing	Nov-22	Dec-22	65%
8. Update asset management database	Jan-23	Jan-23	2%
9. Submit required document to ND Grants and close out project	Jan-23	Feb-23	4%
10.			
<b>Total Percentage of Project</b>			<b>100%</b>

**PSGP Budget Detail Worksheet**

**A. Personnel.** List each position by title and name of employee, if available. Show the annual amount of salary and benefits devoted to the project. Compensation paid for employees engaged in grant activities must be reported by the applicant organization.

Name/Position	Description of Project Work Activities



**B. Fringe Benefits.** Fringe benefits should be based on actual known costs or an established percentage of salary and benefits listed in budget category (A) and only for the percentage of time devoted to the project.

Name/Position	Description of Fringe Benefits



**C. Travel.** Itemize travel expenses of project personnel by purpose (e.g., staff to training, field work, etc.) on the basis of computation (e.g., six people to three-day training at \$X airfare, \$X lodging, \$X subsistence for trainees should be listed separately. Show the number of trainees and unit costs involved. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location
Purpose of Travel for Management and Administration	Location

**D. Equipment.** List non-expendable items that are to be purchased. Non-expendable equipment is that which has a useful life of more than one year. (Note: Organization’s own capitalization policy and threshold amount for equipment purchase apply.)

Identify the Authorized Equipment List number (AEL #) for items requested. Expendable items are those that are not in the “Other” category or in the “Other” category. Applicants should analyze the cost benefits of purchasing items and those subject to rapid technical advances. Rented or leased equipment costs should be included. Attach a narrative describing how the equipment is necessary for the success of the project. Attach a narrative describing the equipment. For Vessels or Vehicles, list the specific CBRNE equipment that will be installed on the vessel or vehicle. For other equipment, list the specific equipment that will be installed on the vessel or vehicle. Attach a narrative describing the equipment. Attach a narrative describing the equipment.

Equipment (Type and AEL#)	Description and Purpose of Equipment
Fiber Kit AEL #03-OE-02-FIBR	Installation of fiber link to connect Port network to the FiberWAN and Internet
Ethernet Switch AEL #06CP-02-BRDG	Cisco Ethernet 4010 Series switch for network connectivity
Network Firewall AEL #06CP-02-BRDG	Palo Alto Networks PA 220 Provide secure access
Laptop Computers 04HW-01-INHW	Dell XPS laptops for remote viewing
	Sales Tax
Equipment for Management and Administration (Type and AEL#)	Description and Purpose for Equipment

**E. Supplies.** List items by type (office supplies, postage, training materials, copying paper, a held tape recorders) and show the basis for computation. (Note: Organization’s own capital classification of supplies may be used). Generally, supplies include any materials that are ex project.

Supplies	Description and Purpose of Supplies
Supplies for Management and Administration	Description and Purpose for Supplies

**F. Consultants/Contracts.** Indicate whether applicant’s procurement policy follows standar

Consultant Fees: For each consultant enter the name, if known, service to be provided, reas time on the project to include M&A.

Name of Consultant	Description of Services Provided
Name of Consultant for Management and Administration	Description of Services for Management and Administration

**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultant (lodging, etc.)

Item	Location and/or Purpose
Item for Management and Administration	Location and/or Purpose


**Contracts:** Provide a description of the product or services to be procured by contract and a to promote free and open competition in awarding contracts. Any sole source contracts must be in accordance with applicable state and local laws and regulations, as well as applicable Federal regulations at 2

Item	Description of Services Provided
Item for Management and Administration	Description of Services for Management and Administration


**G. Other Costs.** List items (e.g., reproduction, janitorial or security services, and investigati basis of the computation. For example, provide the square footage and the cost per square and how many months to rent.

Item	Description and Purpose
Item for Management and Administration	Description and Purpose

--	--

**H. Indirect Costs.** Indirect costs are allowable only as described in 2 C.F.R. § 200.414. With received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must with their cognizant Federal agency to charge indirect costs to this award. A copy of the app negotiated with the applicant’s cognizant Federal agency) must be attached.

--	--

Cognizant Federal Agency	Description and Purpose
Cognizant Federal Agency for Management and Administration	Description and Purpose
Budget Category	Federal Amount
A. Personnel	\$0
B. Fringe Benefits	\$0
C. Travel	\$0
D. Equipment	\$24,902
E. Supplies	\$0
F. Consultants/Contracts	\$0
G. Other	\$0
H. Indirect Costs	\$0
<b>Total</b>	<b>\$24,902</b>



Annual salary rate and the percentage of time to be consistent with that paid for similar work within

Computation	Cost
	\$0
<b>Computation</b>	<b>Cost</b>
<b>Total Personnel</b>	\$0

and formula. Fringe benefits are for the personnel

Computation	Cost
	\$0
<b>Computation</b>	<b>Cost</b>
<b>Total Fringe Benefits</b>	\$0

eld interviews, advisory group meeting, etc.). Show  
 (subsistence). In training projects, travel and meals  
 ed. Identify the location of travel, if known.

Computation	Cost
	\$0
Computation	Cost
<b>Total Travel</b>	\$0

oment is tangible property having a useful life of  
 for classification of equipment may be used).

ms should be included either in the "Supplies"  
 ng versus leasing equipment, especially high cost  
 uld be listed in the "Contractual" category. Explain  
 g the procurement method to be used. For CBRNE  
 vehicle, including equipment already owned by the

Computation (Quantity x per unit cost)	Cost
(1) X \$14,600	\$14,600
(1) x \$5,500	\$5,500
(1) x \$1,700	\$1,700
(3) x \$3,600	\$10,800
\$603	\$603
Computation (Quantity x per unit cost)	Cost
	\$0
<b>Total Equipment</b>	\$33,203

and other expendable items such as books, hand  
 lization policy and threshold amount for  
 expendable or consumed during the course of the

Computation (Quantity x per unit cost)	Cost
	\$0
Computation (Quantity x per unit cost)	Cost
<b>Total Supplies</b>	\$0

ds found in 2 C.F.R. § 200.318(a).

onable daily or hourly (8-hour day), and estimated

Computation	Cost
Computation	Cost
<b>Subtotal – Consultant Fees</b>	\$0

: in addition to their fees (i.e., travel, meals,

Computation	Cost
Computation	Cost

<b>Subtotal – Consultant Expenses</b>	\$0

n estimate of the cost. Applicants are encouraged  
 st follow the requirements set forth in in  
 CFR Part 200.

Computation	Cost
	\$0
Computation	Cost
<b>Subtotal – Contracts</b>	\$0

<b>Total Consultants/Contracts</b>	\$0
------------------------------------	-----

ve or confidential funds) by major type and the  
 foot for rent, and provide a monthly rental cost

Computation	Cost
Computation	Cost
<b>Other Costs</b>	\$0

the exception of recipients who have never  
 t have an approved indirect cost rate agreement  
 proved rate (a fully executed, agreement

<b>Computation</b>	<b>Cost</b>
	\$0
<b>Computation</b>	<b>Cost</b>
	\$0
<b>Non-Federal Amount</b>	<b>Total</b>
\$0	\$0
\$0	\$0
\$0	\$0
\$8,301	\$33,203
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$8,301</b>	<b>\$33,203</b>

U.S. Department of Homeland Security  
Washington, D.C. 20472



Ken Tashian  
Port of San Francisco  
Pier 1  
San Francisco, CA 94111 - 2001

Re: Grant No.EMW-2021-PU-00148

Dear Ken Tashian:

Congratulations, on behalf of the Department of Homeland Security, your application for financial assistance submitted under the Fiscal Year (FY) 2021 Port Security Grant Program has been approved in the amount of \$118,314.00. As a condition of this award, you are required to contribute a cost match in the amount of \$39,438.00 of non-Federal funds, or 25 percent of the total approved project costs of \$157,752.00.

Before you request and receive any of the Federal funds awarded to you, you must establish acceptance of the award. By accepting this award, you acknowledge that the terms of the following documents are incorporated into the terms of your award:

- Agreement Articles (attached to this Award Letter)
- Obligating Document (attached to this Award Letter)
- FY 2021 Port Security Grant Program Notice of Funding Opportunity.
- FEMA Preparedness Grants Manual

Please make sure you read, understand, and maintain a copy of these documents in your official file for this award.

In order to establish acceptance of the award and its terms, please follow these instructions:

Step 1: Please log in to the ND Grants system at <https://portal.fema.gov>.

Step 2: After logging in, you will see the Home page with a Pending Tasks menu. Click on the Pending Tasks menu, select the Application sub-menu, and then click the link for "Award Offer Review" tasks. This link will navigate you to Award Packages that are pending review.

Step 3: Click the Review Award Package icon (wrench) to review the Award Package and accept or decline the award. Please save or print the Award Package for your records.

System for Award Management (SAM): Grant recipients are to keep all of their information up to date in SAM, in particular, your organization's name, address, DUNS number, EIN and banking information. Please ensure that the DUNS number used in SAM is the same one used to apply for all FEMA awards. Future payments will be contingent on the information provided in the SAM; therefore, it is imperative that the information is correct. The System for Award Management is located at <http://www.sam.gov>.

If you have any questions or have updated your information in SAM, please let your Grants Management Specialist (GMS) know as soon as possible. This will help us to make the necessary updates and avoid any interruptions in the payment process.

Robert Allen Farmer


ROBERT ALLEN FARMER Signatory Authority



## MEMORANDUM

February 23, 2024

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Gail Gilman, Vice President  
Hon. Willie Adams  
Hon. Ed Harrington  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Request approval of the Fiscal Year 2024-25 and 2025-26 Biennial Operating and Capital Budget.

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 24-14

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### EXECUTIVE SUMMARY

*This item was presented as an informational item at the February 6, 2024 Port Commission meeting and is now before the Port Commission for approval. For convenience, substantive changes from the prior report are shown as underlined and in italics.*

The aftermath of the COVID-19 pandemic continues to create unprecedented economic pressures on the Port. At the onset of the pandemic, Port revenues plummeted nearly 40% as visitors and commuters sheltered in place. Under the leadership of the Port Commission, the Port met this financial challenge by reducing \$60 million in expenses through a combination of expenditure reductions, operating efficiencies, hiring delays, decreases to capital investments, defunding prior capital projects, use of fund balance, and the successful pursuit of \$117 million in stimulus funding.

Four years later, led by the return of leisure tourism, revenues have returned to pre-pandemic levels three years ahead of the prior budget forecast. This is an important economic milestone for the Port, and one worth celebrating.

However, two significant challenges from COVID-19 remain. First, high inflation has driven up the price of labor and goods such that the cost of providing pre-pandemic



service levels well exceeds pre-pandemic costs, leaving less net operating income available to support capital investment. Second, the citywide office vacancy rate remains alarmingly high at 32.5% while the market adjusts to new and long-term telecommuting patterns. This not only creates revenue uncertainty for the Port's minor office space portfolio but also creates challenges for Port tenants who rely on office workers as customers.

Given this difficult economic situation, the proposed budget keeps costs as low as possible, while still including investments in the Port's strategic objectives. The most significant investments include:

- **New Parking Lot Operations:** The budget includes a new parking lot operations model (subject to future Port Commission approval) that is forecasted to increase net parking income to the Port by approximately 50% at full implementation. This model follows the Municipal Transportation Agency's approach to lot operations, which relies on pay stations and fee-based lot operators instead of the Port's revenue-sharing operator model.
- **Improved Security:** The budget proposes to enhance safety for Port tenants and the public by internalizing most security functions at the Port that were previously provided by contractors. Staff believes that this cost increase of only 2% will deliver significantly better security, keeping the waterfront a world-class attraction.
- **Equity:** Feedback from the regular race equity survey indicated career advancement was a significant concern to many Port employees. The proposed budget includes new entry-level management positions in the Maintenance division to both (a) create promotive opportunities for our skilled craft workers, and (b) improve the efficient and effective deployment of maintenance resources along our dynamic 7.5-mile waterfront. The budget also proposes to double the training funding to ensure staff can gain the skills needed to advance in their careers.
- **One-Time Capital Funding:** Because operating revenues recovered faster than expected, \$11.7 million of stimulus funding is being redirected to capital projects.

## **1. STRATEGIC OBJECTIVES**

Despite the challenges posed by the recovery from the pandemic, the proposed FY 2024-25 and FY 2025-26 budget includes actions that advance all seven goals of the Port's Strategic Plan.

### *1. Economic Recovery*

- a. Adds staffing resources for revenue collection to address the record-high amount of unpaid rent accumulated during the pandemic.
- b. Redirects stimulus funds from operating to capital investment to ensure the long-term viability of Port assets.
- c. Shifts security services away from contractors to Port staff to improve security for waterfront visitors and tenants.

## 2. *Economic Growth*

- a. Funds a feasibility study for a secondary cruise terminal to assess the cost of expanding cruise call capacity, which is currently limited by our single shoreside power access point.
- b. Creates a new partnership with the MTA for parking management expected to significantly increase parking revenues.
- c. Expands the project delivery capacity of the Port through new capital-funded positions.

## 3. *Equity*

- a. Creates new entry-level management positions in Maintenance to create promotive pathways.
- b. Doubles the training budget to allow staff to develop career skills.
- c. Increases funding for the Port's Race Equity Program to provide staff training.

## 4. *Resilience*

- a. Continues the Port's financial contribution towards the Waterfront Resilience Program and adds new project management positions to support ongoing work to address the seismic and sea-level rise risks.

## 5. *Sustainability*

- a. Includes funds for stormwater capture, improvements to sewer infrastructure, environmental clean-up at Pier 39-45, and a match to a grant to restore Heron's Head Park shoreline.

## 6. *Evolution*

- a. Creates a special project with the Bay Conservation and Development Commission (BCDC) that supports the development projects at Piers 30/32.

## 7. *Engagement*

- a. Invests in public access improvements to make the waterfront accessible to everyone.

## **2. ECONOMIC OUTLOOK**

### **2a. Revenue Scenarios**

The Port benefits from a diverse revenue stream that served it well during the worst of the pandemic, as tourism-dependent revenues from cruise and restaurant operations plummeted but industrial revenues remained stable. Ultimately, the combination of steady industrial revenues, deep reserves, and stimulus funding allowed the Port to maintain critical operations and service levels. Revenues have now returned to pre-pandemic levels, led by the near-full recovery of leisure tourism. Cruise passenger volumes set new

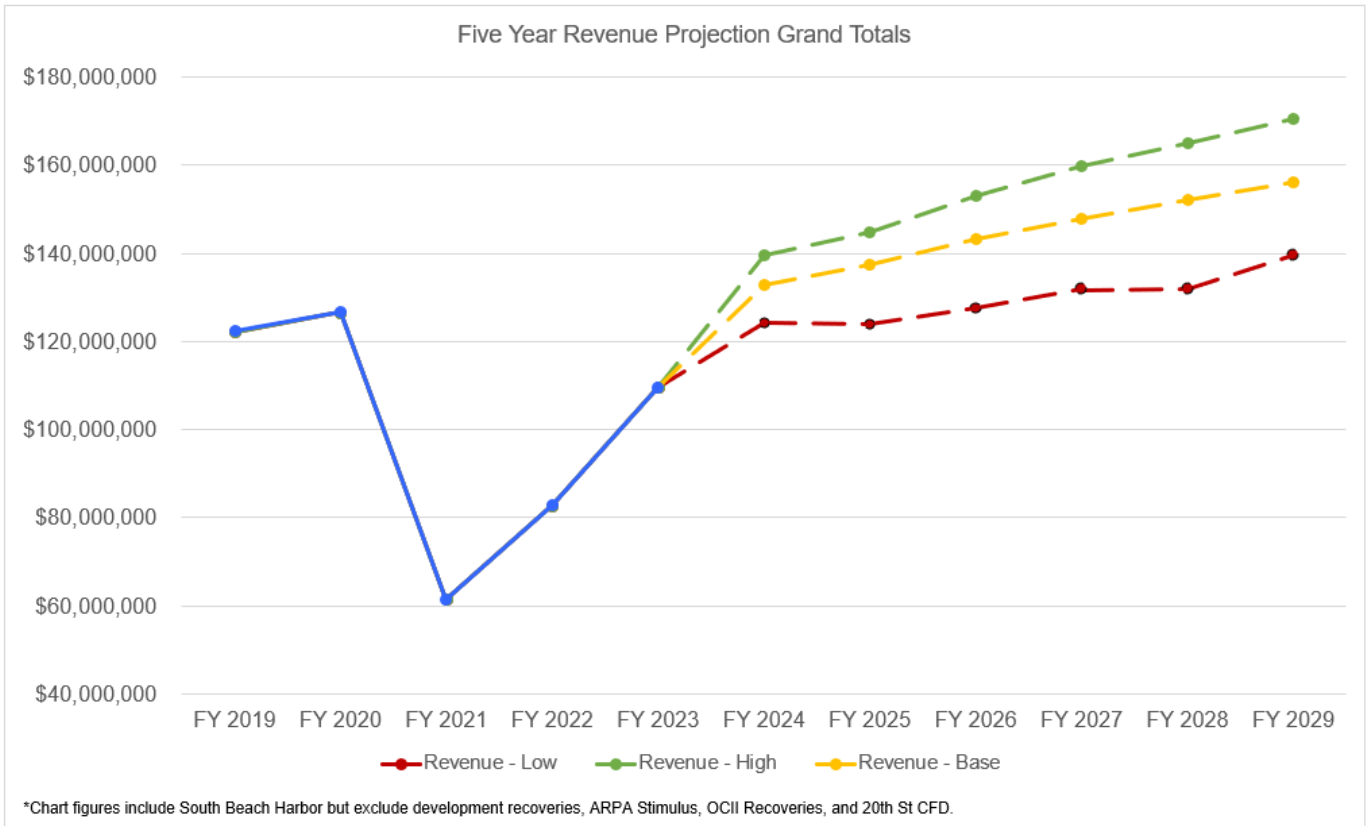
records, and key attractions along the waterfront continue to bring visitors to the Port.

Using Port revenue data since the pandemic’s onset, guidance from the Controller’s Office, and input from tenants, Port staff has developed base, low, and high-case five-year revenue scenarios with the following major assumptions.

**Table 2a-1: Revenue Scenario Assumptions**

<b>Assumptions</b>	<b>Base (Budget Basis)</b>	<b>Low</b>	<b>High</b>	<b><u>Estimated 5-Yr Cumulative Variance from Base</u></b>
Re-Leasing Northern Waterfront Restaurants	Five currently vacant restaurant spaces will be generating revenue by the beginning of FY 2025-26.	Only one existing vacancy will be filled by mid-FY 2025-26. In addition, three expiring restaurant and retail leases are to be rebid, contributing to a revenue gap for those spaces in the next two fiscal years.	Six currently vacant restaurant spaces will be re-leased at different times during the two fiscal years, but all will generate revenues by the end of FY 2025-26.	<b><u>Low: \$(2.7M)</u></b> <b><u>High: \$2.1M</u></b>
Hotel Occupancy (a proxy for tourism)	Occupancy will return to pre-pandemic levels by 2029.	Pre-pandemic levels will only be seen after 2029.	Pre-pandemic levels to return by 2027.	<b><u>Low: \$(2.6M)</u></b> <b><u>High: \$5.5M</u></b>
Office Vacancy	Citywide vacancy peaked in 2023 and started making a slow recovery extending beyond 2029.	Vacancy will peak much later in 2025. As a result, the low case assumes a re-leasing period of 18 months on large office leases that expire during the forecast window.	Vacancy is forecasted to come down from its 2023 peak and recover slightly faster than the base case, but still beyond 2029.	<b><u>Low: \$(3.6M)</u></b> <b><u>High: \$4.2M</u></b>
Parking	Transition to the new parking model begins in mid-FY 2024-25 with moderate revenue increases.	Transition beginning mid-FY 2025-26 with conservative revenue increases.	Transition effective beginning of FY 2024-25 with high revenue increases.	<b><u>Low: \$(16.5M)</u></b> <b><u>High: \$26.4M</u></b>

**Figure 2a-2: Revenue Scenarios**

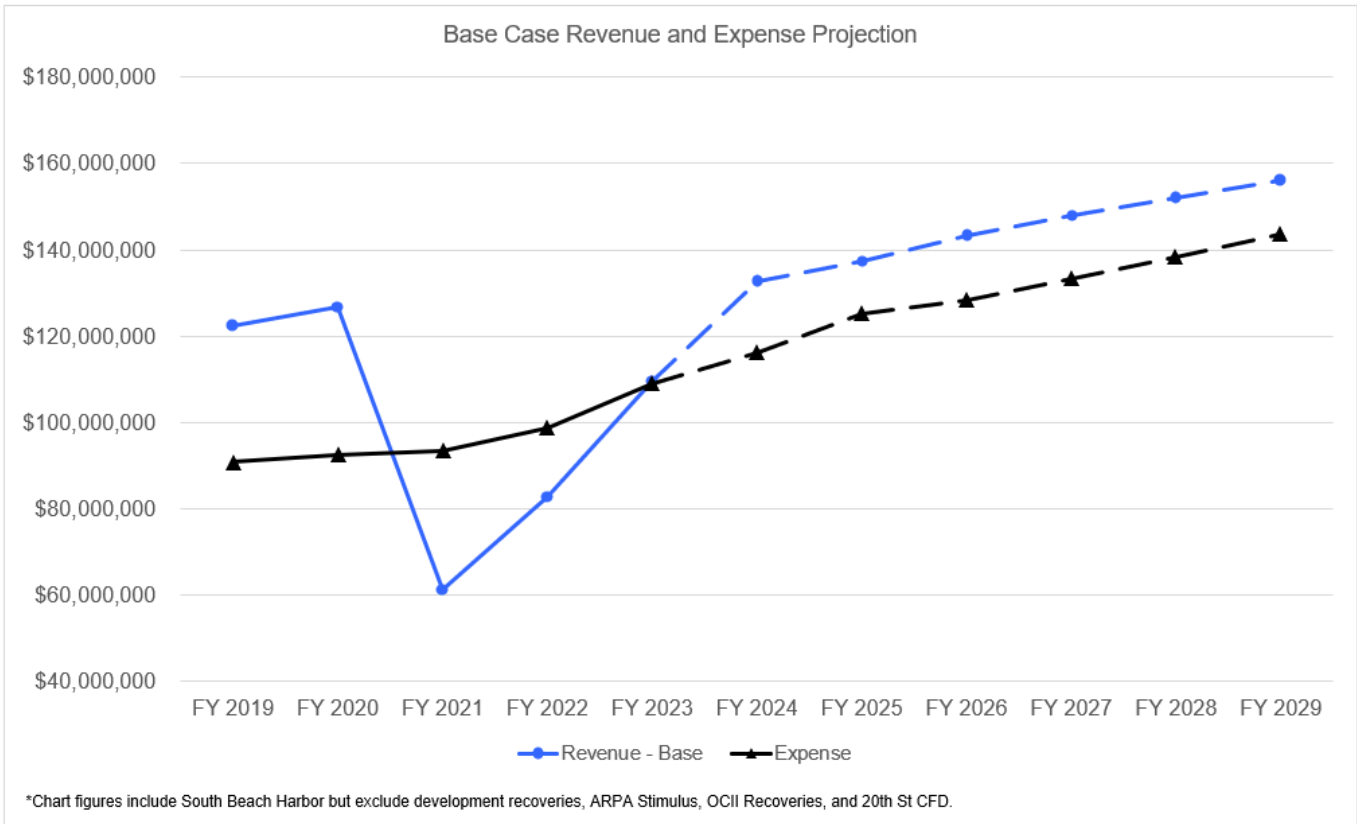


The uncertainty surrounding the scenarios above remains high. Office space in the financial district continues to suffer extremely high vacancy rates (approximately 32.5% as of this report, including subleased space), and while the Port’s relatively unique and affordable space remains well occupied at only 13% vacant, further degradation of the downtown office market will have spillover impacts to the Port.

**2b. Net Operating Income and Fund Balance**

While Figure 2a-2 above shows the revenue outlook, only when expenses are compared to revenues is the long-term impact of the pandemic clear: revenues have rebounded over the past four years to pre-pandemic levels, but high inflation during that same period drove expenses up, leaving little net operating income available for capital investment for the foreseeable future. Figure 2b-1 below illustrates this problem, using the base case for revenues, where the distance between the blue revenue line and the black expense line represents net operating income.

**Figure 2b-1: Net Operating Income Compression**



Due to this narrowing margin between operating revenues and operating expenses, staff has committed to pursuing other capital sources in the coming years such as:

- The Port Infrastructure Development Program (PIDP) is a discretionary grant program administered by the Federal Maritime Administration. Funds for PIDP are awarded on a competitive basis to projects that improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port. MARAD will award over \$600 million in grant funds through PIDP in 2024.
- The Environmental Protection Agency (EPA) Clean Ports Program is a new \$3 billion grant-funded program made available through the Inflation Reduction Act. The EPA will be awarding all of the funds in one round in 2024. The grant will include two programs that will be evaluated separately with 10% of funds available to support climate and air quality plans and the remaining 90% going to zero-emission technology deployment.
- Private development investment at the Port has long been a critical component of the long-term economic success of the Port. The staff is actively working to advance many projects such as Mission Rock and Pier 70 to attract outside funding into our assets.

In the longer term, the Port has the opportunity to benefit from major investments in a resilient shoreline, including:

- The US Army Corps of Engineers draft plan that indicates a federal interest in the Waterfront Resilience Program that could result in billions in federal investment (see Item 10A of the February 6, 2024 Port Commission meeting); and
- Another Waterfront Resilience General Obligation (GO) bond likely in 2028 for approximately \$200 million.

Note that none of the near or long-term sources listed above are included in the proposed biennial budget appropriation, but all will be the subject of future Commission approval.

In addition to revenues and expenses, a strong fund balance plays a critical role in the Port's overall economic health. Using the base revenue scenario above, Table 2b-2 below shows the Port's overall economic outlook including fund balance projections that plateau at approximately \$161.2 million in the out-years as the Port maximizes capital investment by directing any available net surplus to its assets.

**Table 2b-2: Fund Balance Forecast through FY 2028-29 (\$millions)**

	Estimated	Next Biennial Cycle		Following Biennial		Outyear
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
<b>Starting Fund Balance</b>	156.6	177.8	161.3	161.3	161.3	161.3
<b>Revenues</b>						
<b>Operating Subtotal</b>	<b>132.7</b>	<b>137.3</b>	<b>143.3</b>	<b>147.9</b>	<b>152.1</b>	<b>156.1</b>
Operating Revenues <sup>a</sup>	125.9	137.3	143.3	147.9	152.1	156.1
One-Time Revenue <sup>b</sup>	6.9					
<b>Other Subtotal</b>	<b>38.4</b>	<b>23.1</b>	<b>12.4</b>	<b>13.1</b>	<b>13.9</b>	<b>14.7</b>
ARPA Stimulus	27.3	11.7				
Grants	0.1					
OCII Recoveries	1.0	0.9	1.2	1.2	1.3	1.4
20th St CFD	0.3	0.3	0.3	0.3	0.3	0.4
Development Recoveries	9.6	10.2	10.8	11.5	12.2	13.0
<b>Total Revenue</b>	<b>171.1</b>	<b>160.4</b>	<b>155.6</b>	<b>161.0</b>	<b>166.0</b>	<b>170.8</b>
<b>Operating Expenses <sup>a</sup></b>						
Salaries & Benefits	52.2	55.2	57.4	59.7	62.1	64.6
Other Current Expenses	14.7	15.6	14.9	15.5	16.1	16.7
Materials, Supplies & Equipmen	2.4	2.7	2.7	2.8	2.9	3.0
Debt Service	6.1	6.1	6.1	6.1	6.1	5.9
Interdept. Work Orders	36.2	40.2	42.3	44.0	45.8	47.6
Programmatic Projects	4.6	5.0	4.9	5.1	5.3	5.5
<b>Total Operating Expenses</b>	<b>116.2</b>	<b>124.9</b>	<b>128.3</b>	<b>133.2</b>	<b>138.3</b>	<b>143.3</b>
<b>Net Surplus/Deficit</b>	<b>54.9</b>	<b>35.5</b>	<b>27.3</b>	<b>27.8</b>	<b>27.8</b>	<b>27.5</b>
<b>Capital Expenses</b>						
Portwide <sup>c</sup>	24.0	25.3	16.5	16.3	15.5	14.5
Development Projects	9.6	10.2	10.8	11.5	12.2	13.0
Development Capital Contribution		16.5				
<b>Total Capital Expenses</b>	<b>33.7</b>	<b>52.0</b>	<b>27.3</b>	<b>27.8</b>	<b>27.8</b>	<b>27.5</b>
<b>Deposit to Fund Balance</b>	<b>21.2</b>	<b>-16.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Ending Fund Balance</b>	<b>177.8</b>	<b>161.3</b>	<b>161.3</b>	<b>161.3</b>	<b>161.3</b>	<b>161.3</b>

<sup>a</sup> Includes South Beach Harbor (SBH)

<sup>b</sup> Includes land sale to SFFD.

<sup>c</sup> Includes separate fund for SBH

### 3. Operating Revenues

The biennial budget in FY2024-25 and FY2025-26 is supported by a variety of ongoing sources, most significantly from rents and fees from the use of Port property. Details of those sources are shown in Table 3-1 below, and the figures below reflect the first two years of the base scenario discussed in the Economic Outlook section above.

**Table 3-1: Operating Revenue Detail (\$millions)**

	FY 2022-23		FY 2023-24		Proposed Budget	
	Approved Budget	Actuals	Approved Budget	Projected	FY 2024-25	FY 2025-26
<b>Real Estate</b>						
Commercial Rent	37.7	45.1	37.7	48.5	51.1	52.1
Percentage Rent	18.9	19.8	24.7	13.3	13.3	15.1
Parking	16.0	21.2	18.5	21.4	29.0	32.1
Special Event & Miscellaneous	5.3	0.8	0.3	7.3	0.4	0.4
<b>Real Estate Subtotal</b>	<b>78.0</b>	<b>86.9</b>	<b>81.2</b>	<b>90.5</b>	<b>93.9</b>	<b>99.8</b>
<b>Maritime</b>						
Cargo	7.4	9.4	6.4	9.7	9.9	9.5
Cruise	7.8	10.4	7.8	9.9	10.3	10.6
Fishing	2.3	2.6	2.3	2.6	2.6	2.7
Harbor Services	2.0	2.5	2.1	2.3	2.4	2.5
Other Marine	4.2	8.2	4.3	7.4	8.1	7.8
South Beach Harbor	5.4	5.4	5.6	5.6	5.7	5.9
<b>Maritime Subtotal</b>	<b>29.1</b>	<b>38.6</b>	<b>28.5</b>	<b>37.4</b>	<b>39.1</b>	<b>39.1</b>
Other Port Revenues	2.7	11.1	2.5	4.8	4.3	4.4
<b>Grand Total</b>	<b>109.7</b>	<b>136.6</b>	<b>112.2</b>	<b>132.7</b>	<b>137.3</b>	<b>143.3</b>

**Real Estate Revenues:**

- **Commercial Rent:** This category includes fixed-rate tenants, primarily composed of shed, office, and land tenants. In FY 2024-25, the 36% increase from the FY 2023-24 budget (from \$37.7 to \$51.1 million) is due to overly conservative assumptions in the prior biennial budget that projected flat rents and significant tenant non-payment. Despite challenges to the City-wide office market, the Port’s office space presents a distinct offering combining unique and affordable spaces on a famed waterfront. Current trends indicate the Port’s office portfolio will continue to perform better than the City-wide market, as tenants leave the financial district seeking better value and locations that offer a unique character.<sup>1</sup>
- **Percentage Rent:** This category primarily includes restaurant and retail tenants, some of which are large operators such as Pier 39. The FY 2024-25 budget represents a 46% decrease from the FY 2023-24 budget (from \$24.7 to \$13.3 million). This is due to a number of factors including:
  - Recategorizing excursion revenue from this category to Maritime. Despite a landside footprint on various piers and wharves, the revenue from excursions is driven by the bay cruises offered by the operators and is thus more accurately characterized as Maritime.
  - Unreasonably optimistic assumptions in the prior budget regarding the speed

<sup>1</sup> <https://www.sfchronicle.com/realestate/article/sf-downtown-jackson-square-18522867.php>



with which vacant restaurants would be re-leased and the number of additional vacancies that would occur.

- Parking: This category includes off-street parking lots, on-street parking, assigned parking stalls, parking permits, and citations. The increase from the FY 2023-24 budget of \$18.5 million to the FY 2024-25 budget of \$29.0 million is due to the forecast and (b) the first-year impact of the two-year roll-out of a proposed, new parking lot operations model. This model follows the Municipal Transportation Agency's approach to lot operations that relies on pay-stations and fee-based lot operators instead of the Port's revenue-sharing model (see Table 4g-1 for details).
- Special Event & Miscellaneous: This category includes event permits, utility and service reimbursements from tenants, and one-time revenues. The FY 2022-23 budget assumed a \$5.9 million land sale to the Fire Department (for their use to build a training facility) that actually occurred in FY 2023-24, driving the large variance between budgeted and actuals in each year. Additionally, in FY 2023-24, the Port settled with a parking tenant for \$1 million for an incomplete infrastructure upgrade project, an amount that was not anticipated in the budget.

## **Maritime Revenues**

- Cargo: This category includes vehicle exports and transport of dry bulk by water and rail. In FY 2024-25, the 54% increase from the FY 2023-24 budget (from \$6.4 to \$9.9 million) is due to the power capacity MOU with the San Francisco Public Utilities Commission (SFPUC) at Pier 70 that commenced in early 2022 along with the Portola Music Festival at Pier 80 (our cargo facility). Both are considered new businesses that were not previously anticipated in the budget. The power capacity MOU is expected to terminate in the middle of FY 2025-26 while the music festival is expected to continue annually.
- Cruise: This category includes rent from the terminal operator, tariffs charged to the cruise lines, shoreside power reimbursement, special events, and parking at the terminals on days without cruise calls. In FY 2022-23, the Port achieved a record 110 cruise calls and 390,967 passengers due to the faster-than-expected recovery of travel, bigger ships, and redeployment of vessels to the West Coast while the Asian cruise market remained closed. Revenues are expected to decline slightly from that record high as those ships return to Asia.
- Fishing: This category includes fish processing and gear storage. The success of off-boat fish and crab sales and demand for shed space at Pier 45 has contributed to the 14% increase in FY 2024-25 from the FY 2023-24 budget (from \$2.3 to \$2.6 million).
- Harbor Services: This category includes tenants that provide maritime support services such as towing, marine construction, vessel escorts, and barge services. The 15% increase in FY 2024-25 from the FY 2023-24 budget (from \$2.1 to \$2.4 million) stems from a renegotiated lease that became effective in July 2022 and was not previously assumed in the budget.

- Other Marine: This category includes lay berthing and other water-dependent uses. Going forward from FY 2024-25, excursion and ferry tenants are included in this category rather than in Real Estate's Percentage Rent category because the service is primarily provided on the bay and contributes to an 89% increase from the FY 2023-24 budget (from \$4.3 to \$8.1 million). Excursion revenues are dependent upon tourism volumes and are predicted to follow the same patterns as the percentage rent category.
- South Beach Harbor (SBH): The harbor was acquired by the Port in 2012 after the dissolution of the redevelopment agency. For financial purposes, the harbor is a stand-alone business unit where SBH revenues are dedicated to SBH operating and capital costs. The Harbor's revenue sources remain stable and are derived from berth holders and tenants within the Pier 40 shed. The 3% budget increases in FY 2024-25 and FY 2025-26 are solely attributable to the CPI changes.

### **Other Port Revenues**

This broad category includes revenues generated by other Port divisions from building and construction permits, penalties on late payments, interest on investments, and other miscellaneous items. In FY 2022-23, interest on investments skyrocketed and achieved a record of \$7.0 million due to the combined impact of increasing return rates and a larger-than-expected amount of investable cash. Investment returns are anticipated to slowly revert to historical averages as that cash, which is largely appropriated in capital projects, is spent.

### **One-Time Sources**

- Surplus Asset Sales – By FY 2024-25, Maritime plans to reissue a Request for Offers and sell the two drydocks that have been abandoned by the shipyard operator at Piers 68/70, Drydock #2 and the Eureka. The expected proceeds from this transaction are included in the Other Marine category in Table 3-1 above.
- Redirected Stimulus – As discussed above, stimulus funding was appropriated to support operating expenses in the FY 2022-23 and FY 2023-24 budgets while revenues were still suppressed due to the pandemic. Because operating revenues returned to pre-pandemic levels faster than expected and stimulus funds are not needed to support operating functions, the proposed budget redirects \$11.7 million in stimulus funding to much-needed capital investment.
- Grants – The Port received a grant in FY 2021 from the U.S. Department of Homeland Security in the amount of \$118,314 with a match of \$39,438 for a total project budget of \$157,752. It was not appropriated in FY2021 due to staff oversight and is included in the proposed FY 2024-25 budget. This grant is proposed to fund staff training, CCTV upgrades, and remote CCTV access. The agreement governing this grant is included as Attachment V.

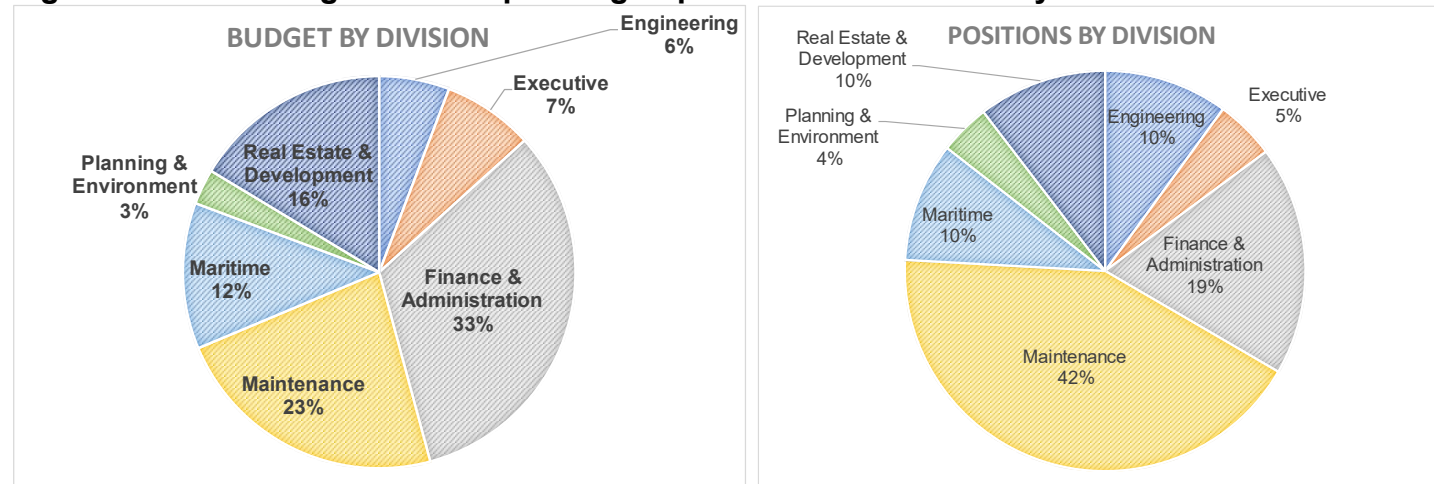
## 4. OPERATING EXPENSES

The Port's operating expense budget is organized by operating division, as shown in Table 4-1 below.

**Table 4-1: Operating Expenses Summary (\$thousands)**

Division	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
Engineering	7,097.2	6,157.7	(939.5)	-13%	7,348.2	7,179.9	(168.4)	-2%	7,431.8	251.9	4%
Executive	9,320.1	8,440.3	(879.8)	-9%	9,437.1	10,849.7	1,412.6	15%	9,609.2	(1,240.5)	-11%
Finance & Administration	33,469.2	30,120.2	(3,349.0)	-10%	36,158.1	39,099.5	2,941.4	8%	41,725.6	2,626.1	7%
Maintenance	24,423.5	19,669.3	(4,754.1)	-19%	26,251.0	28,409.2	2,158.2	8%	29,326.9	917.7	3%
Maritime	13,871.8	12,279.8	(1,592.0)	-11%	14,422.6	14,940.3	517.7	4%	15,470.0	529.7	4%
Planning & Environment	3,211.0	3,181.3	(29.6)	-1%	3,354.0	3,640.3	286.4	9%	3,739.9	99.6	3%
Real Estate & Development	18,700.0	15,455.3	(3,244.7)	-17%	19,267.3	20,759.5	1,492.3	8%	20,989.0	229.5	1%
<b>Grand Total</b>	<b>110,092.7</b>	<b>95,303.9</b>	<b>(14,788.8)</b>	<b>-13%</b>	<b>116,238.3</b>	<b>124,878.4</b>	<b>8,640.1</b>	<b>7%</b>	<b>128,292.4</b>	<b>3,414.0</b>	<b>3%</b>

**Figure 4-2: Percentage of Port Operating Expenses and Positions by Division**



Division-level detail follows, including expenditure analysis for FY2022-23 (the most recent complete fiscal year) and proposed changes in FY 2024-25 and FY2025-26.

### 4a. Engineering

The Engineering division offers comprehensive project and construction management, engineering design, facility inspection, construction contracting, code compliance review, and permitting services for all facilities within the Port. The division collaborates with other City departments to facilitate a smooth transition between the City and properties within the Port.

The only significant change in Engineering’s budget is the creation of four new capital positions to accelerate project delivery.

**Table 4a-1: Engineering Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Personnel</b>											
Salaries	3,918.6	3,476.4	(442.2)	-11%	4,192.2	4,087.4	(104.7)	-2%	4,250.9	163.5	4%
Mandatory Fringe Benefits	1,295.8	1,188.4	(107.4)	-8%	1,305.4	1,248.7	(56.8)	-4%	1,298.6	49.9	4%
<b>Personnel Total</b>	<b>5,214.4</b>	<b>4,664.8</b>	<b>(549.6)</b>	<b>-11%</b>	<b>5,497.6</b>	<b>5,336.1</b>	<b>(161.5)</b>	<b>-3%</b>	<b>5,549.6</b>	<b>213.4</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Prof & Specialized Svcs	847.0	450.7	(396.3)	-47%	711.0	711.0	-	0%	711.0	-	0%
Other Expenses	142.3	86.7	(55.6)	-39%	117.3	72.3	(45.0)	-38%	70.9	(1.4)	-2%
<b>Non-Personnel Services Total</b>	<b>989.3</b>	<b>537.4</b>	<b>(451.9)</b>	<b>-46%</b>	<b>828.3</b>	<b>783.3</b>	<b>(45.0)</b>	<b>-5%</b>	<b>781.9</b>	<b>(1.4)</b>	<b>0%</b>
<b>Materials &amp; Supplies</b>	<b>7.0</b>	<b>13.0</b>	<b>6.0</b>	<b>85%</b>	<b>7.0</b>	<b>7.0</b>	<b>-</b>	<b>0%</b>	<b>10.0</b>	<b>3.0</b>	<b>43%</b>
<b>Work Orders</b>											
SFPUC - Project Pull	39.5	14.7	(24.8)	-63%	39.5	39.5	-	0%	39.5	-	0%
GF-PUC-Hetch Hetchy	-	-	-	-	-	-	-	-	-	-	-
DPW - As-needed Engineering	40.6	-	(40.6)	-100%	40.6	40.6	-	0%	40.6	-	0%
SFFD - Permit review	756.4	917.2	160.8	21%	885.2	923.4	38.2	4%	960.3	36.9	4%
Sr-DPW-Architecture	-	2.1	2.1	-	-	-	-	-	-	-	-
ADM Permit Center	-	5.1	5.1	-	-	-	-	-	-	-	-
<b>Work Orders Total</b>	<b>836.5</b>	<b>939.1</b>	<b>102.6</b>	<b>12%</b>	<b>965.3</b>	<b>1,003.5</b>	<b>38.2</b>	<b>4%</b>	<b>1,040.4</b>	<b>36.9</b>	<b>4%</b>
<b>Programmatic Projects</b>											
PO Facility Maint & Repair	50.0	3.5	(46.5)	-93%	50.0	50.0	-	0%	50.0	-	0%
<b>Programmatic Projects Total</b>	<b>50.0</b>	<b>3.5</b>	<b>(46.5)</b>	<b>-93%</b>	<b>50.0</b>	<b>50.0</b>	<b>-</b>	<b>0%</b>	<b>50.0</b>	<b>-</b>	<b>0%</b>
<b>GRAND TOTAL</b>	<b>7,097.2</b>	<b>6,157.7</b>	<b>(939.5)</b>	<b>-13%</b>	<b>7,348.2</b>	<b>7,179.9</b>	<b>(168.4)</b>	<b>-2%</b>	<b>7,431.8</b>	<b>251.9</b>	<b>4%</b>

### FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following notable variances from the proposed budget:

- The Salaries & Fringe expenses finished 11% under budget due to ongoing vacancies and delays in the hiring process.
- Non-Personnel Services expenses were a substantial 46% under budget. The majority of this budget is for as-needed engineering services, which are sized to accommodate unusually high needs. Actual needs were below budgeted amounts.
- Materials & Supplies expenses exceeded the budget by a substantial 85% (although a minor dollar amount of \$6,000) and are attributed to the need to replace triennial building codebooks, an expense not originally included in the budget.
- Work Order expenses surpassed the budget by 12% due to additional expenses incurred by the SF Fire Department for fire prevention and permit reviews.
- The Programmatic Project for as-needed Port office improvements or repairs finished 93% under budget due to a lack of demand.

### Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Operating position changes:
  - The following operating positions have been substituted for other positions within other divisions reducing the Personnel costs and are reflected in Table 4a-1 above.
    - 6318 – Construction Inspector was substituted for a 3232 Marina Assistant in the Maritime division (see that division for a rationale).
    - 1844 – Senior Management Assistant was substituted for a 9775 Senior Community Development Specialist II in the Finance and Administration division (see that division for a rationale).
- Capital position changes:
  - The following capital position changes will support project delivery and have no impact on Engineering's Personnel costs shown in Table 4a-1 above. All of the changes below are intended to help address the backlog of funded capital projects (many of which are funded by stimulus which must be spent by December of 2026).
    - One new 5502 Project Manager I to manage the delivery of small to medium-sized capital projects.
    - Three new 5504 Project Manager II positions (1 will serve as ADA coordinator and the other 2 will manage complex projects as well as supervise PM Is).
    - Upward substitution from an 1823 Senior Administrative Analyst to a 5502 Project Manager I to manage small to medium-sized capital projects.

#### Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- A 38% reduction in other expenses is attributed to consolidating all software license fees into the Finance and Administration budget.
- A 43% increase in the Materials & Supplies budget in FY 2025-26 is due to the need to replace the codebooks that are published every three years.

#### **4b. Executive**

The Port Commission's policies are put into action by the Port's Executive Director and supporting staff. The Executive Division includes Security, Communications, Government Affairs, the Waterfront Resilience Program, and the Director's Office.

A significant change in the Port's approach to security is included in the proposed budget. Currently, the Port relies primarily on contracted security guards, augmented by SFPD officers. The services provided by the contractors, while affordable, have not provided the necessary level of security to provide a clean and safe waterfront for all to enjoy; therefore, after analyzing the costs and quality of different security models around the City such as off-duty or retired law enforcement, patrol specials, or ambassadors, this budget proposes to shift resources away from the contracted security provider to:

- Create three new Port-staff security guard positions and a supervisor position;
- Increase resources for SFPD officer support through an existing work order; and
- Purchase security equipment including a new vehicle and cameras on Port facilities.

Staff selected this model to provide base-level security because it will (a) improve security quality for Port tenants and visitors, (b) provide that quality at a similar price as current contracting costs, and (c) create unionized entry-level and supervisory positions with advancement opportunities throughout the City. The net financial impact of this shift in security is an increased cost of roughly \$50,000, or 2%, as shown in Table 4b-1 below. Notably, because this new security will be phased in over multiple fiscal years with the first full year under the new security model being FY26-27, the figures in Table 4b-1 below do not align with year-over-year budget changes in the biennial budget period.

Port staff will provide the Port Commission regular reports on the implementation of this new model.

**Table 4b-1: Estimated Ongoing Financial Impact of Change in Security (\$thousands)**

<b>EXPENSES</b>	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Personnel</b>	<b>443.8</b>	<b>870.5</b>	<b>426.6</b>	<b>96%</b>
Current Security Positions	443.8	443.8	-	0%
3 New Security Guards	-	294.4	294.4	-
1 New Marina Associate Manager	-	132.2	132.2	-
<b>Non-Personnel</b>	<b>1,443.6</b>	<b>254.0</b>	<b>(1,189.6)</b>	<b>-82%</b>
Security Contract Services	1,443.6	154.0	(1,289.6)	-89%
Real Estate CAM Charges <sup>a</sup>	-	100.0	100.0	-
<b>Work Orders</b>	<b>1,049.7</b>	<b>1,788.2</b>	<b>738.5</b>	<b>70%</b>
SFPD Police Security	1,049.7	1,500.0	450.3	43%
DTIS Services	-	288.2	288.2	-
<b>Programmatic Projects</b>	<b>-</b>	<b>75.0</b>	<b>75.0</b>	<b>-</b>
Homeland Security Special Projects	-	75.0	75.0	-
<b>Expenses Total</b>	<b>2,937.1</b>	<b>2,987.7</b>	<b>50.6</b>	<b>2%</b>

<sup>a</sup>CAM charges are budgeted under Real Estate and Development

**Table 4b-2: Executive Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Personnel</b>											
Salaries	1,486.1	1,946.7	460.6	31%	1,567.2	1,768.2	201.1	13%	1,839.0	70.7	4%
Mandatory Fringe Benefits	520.8	652.2	131.4	25%	514.4	590.3	75.9	15%	613.9	23.6	4%
<b>Personnel Total</b>	<b>2,006.9</b>	<b>2,598.9</b>	<b>592.0</b>	<b>29%</b>	<b>2,081.5</b>	<b>2,358.5</b>	<b>277.0</b>	<b>13%</b>	<b>2,452.9</b>	<b>94.3</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Security Services	1,400.2	1,622.3	222.1	16%	1,442.2	1,416.5	(25.7)	-2%	160.2	(1,256.3)	-89%
Other Expenses	596.0	218.3	(377.7)	-63%	596.0	613.6	17.7	3%	613.6	-	0%
<b>Non-Personnel Services Total</b>	<b>1,996.1</b>	<b>1,840.5</b>	<b>(155.6)</b>	<b>-8%</b>	<b>2,038.1</b>	<b>2,030.1</b>	<b>(8.0)</b>	<b>0%</b>	<b>773.8</b>	<b>(1,256.3)</b>	<b>-62%</b>
<b>Materials &amp; Supplies</b>	<b>3.8</b>	<b>430.7</b>	<b>427.0</b>	<b>11386%</b>	<b>3.8</b>	<b>158.0</b>	<b>154.3</b>	<b>4113%</b>	<b>158.0</b>	<b>-</b>	<b>0%</b>
<b>Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80.0</b>	<b>80.0</b>	<b>-</b>	<b>-</b>	<b>(80.0)</b>	<b>-100%</b>
<b>Work Orders</b>											
SF Airport - Calendar Printing	25.0	-	(25.0)	-100%	25.0	-	(25.0)	-100%	-	-	-
City Administrators Support for special events	95.0	95.0	-	0%	95.0	95.0	-	0%	95.0	-	0%
City Attorney Services	3,400.0	2,592.6	(807.4)	-24%	3,400.0	3,400.0	-	0%	3,400.0	-	0%
OEWD Services	200.0	66.4	(133.6)	-67%	200.0	200.0	-	0%	200.0	-	0%
Mayor's Services	33.6	33.6	-	0%	34.0	34.9	0.8	2%	34.9	-	0%
Police Security Services - Portwide	1,049.7	639.8	(409.9)	-39%	1,049.7	1,500.0	450.3	43%	1,560.0	60.0	4%
DT Technology Services	-	-	-	-	-	288.2	288.2	-	299.7	11.5	4%
<b>Work Orders Total</b>	<b>4,803.3</b>	<b>3,427.4</b>	<b>(1,375.9)</b>	<b>-29%</b>	<b>4,803.7</b>	<b>5,518.1</b>	<b>714.3</b>	<b>15%</b>	<b>5,589.6</b>	<b>71.5</b>	<b>1%</b>
<b>Programmatic Projects</b>											
Racial Equity	510.0	142.7	(367.3)	-72%	510.0	560.0	50.0	10%	560.0	-	0%
Homeland Security Projects	-	-	-	-	-	145.0	145.0	-	75.0	(70.0)	-48%
<b>Programmatic Projects Total</b>	<b>510.0</b>	<b>142.7</b>	<b>(367.3)</b>	<b>-72%</b>	<b>510.0</b>	<b>705.0</b>	<b>195.0</b>	<b>38%</b>	<b>635.0</b>	<b>(70.0)</b>	<b>-10%</b>
<b>GRAND TOTAL</b>	<b>9,320.1</b>	<b>8,440.3</b>	<b>(879.8)</b>	<b>-9%</b>	<b>9,437.1</b>	<b>10,849.7</b>	<b>1,412.6</b>	<b>15%</b>	<b>9,609.2</b>	<b>(1,240.5)</b>	<b>-11%</b>

FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following notable variances from the proposed budget:

- Salaries & Fringe expenses ended 29% over budget due to the reassignment of Waterfront Resilience Program (WRP) communications staff into the Executive division, partially offset by vacancies in security staffing.
- Non-Personnel Services expenses went over budget due to a shift in cruise-related security costs shifting the Maritime budget to the Homeland Security section of Executive (the proposed FY 2024-25 and FY 2025-26 budget reflects this shift). The rest of the Executive Division's Non-Personnel Services budget was underutilized because of a lack of demand for as-needed services.



- Materials & Supplies expenses exceeded budget due to an unanticipated expenditure for Heron’s Head Park projects that were completely offset by a donation.
- Work Order expenses were under budget by 29%, driven largely by decreased utilization on the City Attorney’s work order and the Police as-needed work order. The savings in the Police work order were largely driven by the staff vacancy in security that managed this as-needed service and is not anticipated to continue now that the position is full.
- Programmatic Project expenses for the Racial Equity Program were 72% below budget because of delays in getting consultants under contract.

Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Operating position changes:
  - Three new 8202 Security Guards and a 3233 Marina Associate Manager to supervise the three new guards. These new positions will replace the contracted vendor and provide improved security at the Port.

Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Non-Personnel expenses reflect a reduction of 89% in security contractor costs, to be replaced by the new Port positions discussed above.
- Materials & Supplies expenses are proposed to increase for a one-time cost of \$316k, divided equally over the next two years, to install cameras on Port facilities as part of the restructured approach to Port security.
- One-time Equipment expense increase to allow Homeland Security to purchase an electric Ford F150 with police upfitting for the new Port security guards that are replacing contracted guards who had their own vehicles.
- The Work Order expense is proposed to increase by 15% due to increased SFPD resources dedicated to Port jurisdiction. This will also allow for flexibility in overtime and special events staffing.
- Homeland Security is requesting a new annual Programmatic Project budget for unanticipated special projects. In FY 2024-25, they are requesting an additional amount in the budget for physical access control systems.
- Racial Equity is proposing to increase its budget by 10%. This increase includes as-needed racial equity services and additional promotional items.

**4c. Finance and Administration**

The Finance and Administration Division is responsible for human resources, accounting, finance, contracts, information systems, and office/fleet management.

There are no significant changes planned in the proposed budget.

**Table 4c-1. Finance and Administration Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Personnel</b>											
Salaries	6,740.6	6,206.3	(534.3)	-8%	7,249.2	7,936.8	687.6	9%	8,254.2	317.5	4%
Mandatory Fringe Benefits	4,759.5	4,147.5	(611.9)	-13%	4,935.6	5,292.0	356.5	7%	5,503.7	211.7	4%
Overhead	1,000.0	-	(1,000.0)	-100%	1,040.0	1,081.6	41.6	4%	1,124.9	43.3	4%
<b>Personnel Total</b>	<b>12,500.1</b>	<b>10,353.8</b>	<b>(2,146.3)</b>	<b>-17%</b>	<b>13,224.8</b>	<b>14,310.4</b>	<b>1,085.6</b>	<b>8%</b>	<b>14,882.8</b>	<b>572.4</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Prof & Specialized Svcs	779.7	400.1	(379.6)	-49%	749.7	598.0	(151.7)	-20%	645.7	47.7	8%
Software Licensing Fees	530.5	655.2	124.7	24%	533.5	710.0	176.5	33%	740.0	30.0	4%
Other Expenses	367.2	239.4	(127.7)	-35%	328.3	529.5	201.2	61%	529.6	0.1	0%
<b>Non-Personnel Services Total</b>	<b>1,677.4</b>	<b>1,294.7</b>	<b>(382.7)</b>	<b>-23%</b>	<b>1,611.5</b>	<b>1,837.5</b>	<b>226.0</b>	<b>14%</b>	<b>1,915.4</b>	<b>77.9</b>	<b>4%</b>
<b>Materials &amp; Supplies</b>	<b>210.0</b>	<b>257.4</b>	<b>47.4</b>	<b>23%</b>	<b>205.0</b>	<b>177.0</b>	<b>(28.0)</b>	<b>-14%</b>	<b>188.3</b>	<b>11.3</b>	<b>6%</b>
<b>Equipment</b>	<b>-</b>	<b>13.9</b>	<b>13.9</b>	<b>-</b>	<b>53.1</b>	<b>-</b>	<b>(53.1)</b>	<b>-100%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Services</b>	<b>6,343.6</b>	<b>6,245.9</b>	<b>(97.7)</b>	<b>-2%</b>	<b>5,600.0</b>	<b>5,601.1</b>	<b>1.1</b>	<b>0%</b>	<b>5,594.7</b>	<b>(6.4)</b>	<b>0%</b>
<b>Work Orders</b>											
Risk Management Services & Insurance Premiums	9,301.9	9,170.0	(131.9)	-1%	11,433.9	12,800.0	1,366.1	12%	14,700.0	1,900.0	15%
Citywide Telecommunications Infrastructure Services	823.9	823.9	-	0%	942.4	1,010.6	68.2	7%	1,051.0	40.4	4%
PeopleSoft Citywide Services	267.4	258.7	(8.7)	-3%	374.7	389.3	14.6	4%	404.9	15.6	4%
Telephone Invoice Services	322.8	362.9	40.0	12%	323.8	320.1	(3.7)	-1%	332.9	12.8	4%
Internal Audit Services	363.8	135.2	(228.6)	-63%	285.0	289.1	4.1	1%	300.7	11.6	4%
Other Work orders	1,658.4	1,203.9	(454.5)	-27%	2,103.9	2,264.4	160.5	8%	2,354.9	90.6	4%
<b>Work Orders Total</b>	<b>12,738.2</b>	<b>11,954.4</b>	<b>(783.7)</b>	<b>-6%</b>	<b>15,463.8</b>	<b>17,073.5</b>	<b>1,609.7</b>	<b>10%</b>	<b>19,144.4</b>	<b>2,070.9</b>	<b>12%</b>
<b>Programmatic Projects</b>											
RE Database Upgrades	-	-	-	-	-	100.0	100.0	-	-	(100.0)	-100%
<b>Programmatic Projects Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>(100.0)</b>	<b>-100%</b>
<b>GRAND TOTAL</b>	<b>33,469.2</b>	<b>30,120.2</b>	<b>(3,349.0)</b>	<b>-10%</b>	<b>36,158.1</b>	<b>39,099.5</b>	<b>2,941.4</b>	<b>8%</b>	<b>41,725.6</b>	<b>2,626.1</b>	<b>7%</b>

FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following significant variance from the proposed budget:

- Salaries & Fringe expenses were 17% below budget due to ongoing vacancies and delays in hiring.

Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Operating position changes:
  - Substitution of an 1823 Senior Administrative Analyst to an 1824 Principal Administrative Analyst to support the significant growth in the volume and complexity of contracting needed to address the capital backlog and WRP.
  - Formalization of a number of mid-year temporarily exchanged positions (shown as TX's in Attachment I) in Human Resources that were needed to address the significant vacancy backlog caused during COVID and to

- create an internal coordinator for staff and workforce development.
- *Substitution of a 1042 Journey IS Engineer to a 1043 Senior IS Engineer to support increasing complexities of cloud-based systems as well as create promotive pathways within IT.*
- Capital position changes:
  - There are no proposed changes.

#### Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

Notable changes in the budget shown above include:

- A 61% increase in Other Expenses that includes a 100% increase in training resources available to Port staff. This increase supports career development opportunities included in the Port's Race Equity Action Plan.
- A 12% and subsequent 15% increase in the Risk Management work order due to (a) the recalculation of the cost to replace insured facilities reflected in an increase in property insurance premiums and (b) general cost increases in the insurance market.
- A new Programmatic Project to begin project scoping for the long-needed replacement and/or upgrade of the Real Estate Division's tenant management database.

#### **4d. Maintenance**

The Maintenance Division plays a pivotal role in the stewardship of the Port's extensive 7.5 miles of waterfront property. A dedicated and proficient team of over 100 skilled craftspeople spearheads the ongoing efforts to preserve and elevate the condition of critical Port assets, including fishing harbors, ferry landings, public parks, cargo terminals, and piers.

The proposed budget includes a significant investment in management resources for the Port's most complicated yet flattest division. It also creates additional promotive and advancement opportunities for shop supervisors. Overall, this includes four upward substitutions to create four Building and Grounds Maintenance Superintendents, and one upward substitution to create a Junior Management Assistant.

**Table 4d-1: Maintenance Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Personnel</b>											
Salaries	12,331.7	10,057.0	(2,274.7)	-18%	13,343.6	14,121.8	778.2	6%	14,686.7	564.9	4%
Mandatory Fringe Benefits	5,048.2	4,003.2	(1,045.0)	-21%	5,203.5	5,509.5	305.9	6%	5,729.9	220.4	4%
<b>Personnel Total</b>	<b>17,379.9</b>	<b>14,060.2</b>	<b>(3,319.7)</b>	<b>-19%</b>	<b>18,547.1</b>	<b>19,631.3</b>	<b>1,084.2</b>	<b>6%</b>	<b>20,416.6</b>	<b>785.3</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Prof & Specialized Svcs	14.0	30.2	16.2	116%	14.0	14.5	0.5	3%	15.1	0.6	4%
Scavenger Services	329.0	333.5	4.5	1%	408.1	425.0	16.9	4%	442.0	17.0	4%
Other Expenses	412.8	183.8	(229.0)	-55%	412.8	421.6	8.8	2%	439.5	17.9	4%
<b>Non-Personnel Services Total</b>	<b>755.8</b>	<b>547.6</b>	<b>(208.3)</b>	<b>-28%</b>	<b>834.9</b>	<b>861.1</b>	<b>26.2</b>	<b>3%</b>	<b>896.6</b>	<b>35.5</b>	<b>4%</b>
<b>Materials &amp; Supplies</b>	<b>799.6</b>	<b>812.6</b>	<b>13.1</b>	<b>2%</b>	<b>1,098.7</b>	<b>1,248.7</b>	<b>150.0</b>	<b>14%</b>	<b>1,292.6</b>	<b>43.9</b>	<b>4%</b>
<b>Equipment</b>	<b>992.8</b>	<b>736.5</b>	<b>(256.3)</b>	<b>-26%</b>	<b>998.9</b>	<b>983.7</b>	<b>(15.2)</b>	<b>-2%</b>	<b>981.3</b>	<b>(2.4)</b>	<b>0%</b>
<b>Work Orders</b>											
GF-HR-Workers' Comp Claims	1,099.0	1,359.7	260.7	24%	1,114.0	1,500.0	386.0	35%	1,500.0	-	0%
Is-Purch-Centr'l Shop-AutoMaint	701.4	746.8	45.4	6%	789.6	885.5	95.8	12%	916.9	31.4	4%
Adm-Real Estate Special Svcs	227.4	162.9	(64.4)	-28%	225.0	235.6	10.6	5%	235.6	-	0%
Is-Purch-Centr'l Shop-FuelStock	180.2	246.7	66.5	37%	182.8	271.4	88.6	48%	282.3	10.9	4%
Sr-DPW-Street Cleaning	207.0	163.6	(43.4)	-21%	214.2	214.2	-	0%	214.2	-	0%
Other Work orders	229.9	225.5	(4.4)	-2%	235.2	387.2	152.0	65%	391.3	4.1	1%
<b>Work Orders Total</b>	<b>2,644.8</b>	<b>2,905.2</b>	<b>260.3</b>	<b>10%</b>	<b>2,760.9</b>	<b>3,493.9</b>	<b>732.9</b>	<b>27%</b>	<b>3,540.3</b>	<b>46.4</b>	<b>1%</b>
<b>Programmatic Projects</b>											
Stormwater Pollution Control	190.0	32.4	(157.6)	-83%	200.0	200.0	-	0%	200.0	-	
Abandoned Mat-Illegal Dumpin C	200.0	126.8	(73.2)	-37%	200.0	200.0	-	0%	200.0	-	
Utility Annual Maintenance	80.0	-	(80.0)	-100%	80.0	80.0	-	0%	80.0	-	
Oil Spill Response Training &	90.0	81.9	(8.1)	-9%	90.0	90.0	-	0%	90.0	-	
Sanitary Sewer Management Plan	150.0	-	(150.0)	-100%	250.0	250.0	-	0%	250.0	-	
Tree Replacement & Maintenance	0.0	-	-	-	-	180.0	-	-	189.0	0.0	
GE Youth Employment & Environm	365.0	328.0	(37.0)	-10%	415.0	415.0	-	0%	415.0	-	
PO Facility Maint Repair P50	407.0	27.6	(379.4)	-93%	407.0	407.0	-	0%	407.0	-	
PO Crane Cove Park	368.5	10.5	(358.0)	-97%	368.5	368.5	-	0%	368.5	-	0%
<b>Programmatic Projects Total</b>	<b>1,850.5</b>	<b>607.3</b>	<b>(1,243.3)</b>	<b>-67%</b>	<b>2,010.5</b>	<b>2,190.5</b>	<b>180.0</b>	<b>9%</b>	<b>2,199.5</b>	<b>9.0</b>	<b>0%</b>
<b>GRAND TOTAL</b>	<b>24,423.5</b>	<b>19,669.3</b>	<b>(4,754.1)</b>	<b>-19%</b>	<b>26,251.0</b>	<b>28,409.2</b>	<b>2,158.2</b>	<b>8%</b>	<b>29,326.9</b>	<b>917.7</b>	<b>3%</b>

FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following notable variances from the proposed budget:

- Salaries & Fringe expenses were 19% below budget due to ongoing vacancies and delays in hiring.
- Non-Personnel expenses were 28% below budget because the department operated with a reduced workforce that

limited its ability to utilize Non-Personnel resources as initially projected.

- Equipment expenses came in 26% below budget because the procurement of equipment took considerably longer than anticipated.
- Work Order expenses were 10% over budget, primarily due to worker's compensation claims coming in higher than anticipated.
- Programmatic Project expenses were 67% below budget and attributed to vacancies within the division that would typically deploy this project funding as needed.

#### Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Operating positions changes:
  - The following substitutions are planned to create four Assistant Superintendent positions (classified as a 7120 Building and Grounds Maintenance Superintendent) to increase the effective and efficient management of resources, and also create promotive pathways into management. The substitutions include:
    - Upward substitution from a 7282 Street Repair Supervisor II to a 7120 Buildings and Grounds Maintenance Superintendent
    - Upward substitution from a 7502 Asphalt Worker to a 7120 Buildings and Grounds Maintenance Superintendent
    - Upward substitution from a 9330 Pile Worker to a 7120 Buildings and Grounds Maintenance Superintendent
    - Upward substitution from a 9331 Piledriver Engine Operator to a 7120 Buildings and Grounds Maintenance Superintendent
  - An upward substitution from a 1406 Senior Clerk to an 1840 Junior Management Assistant will better meet the work demands for procurement, scheduling, and program coordination for this complex division.
- Capital position changes:
  - The addition of a new 7434 Maintenance Machinist Helper to support capital project delivery, specifically for the sewer pump conversion and stormwater enhancement projects. This type of entry-level position also meets Port's goals for race equity in our Racial Equity Action Plan.
  - Addition of a new 6138 Industrial Hygienist to address the growing backlog of capital projects.
  - The following capital project positions are surplus and will be eliminated as there are no longer funded capital projects in need of these roles:
    - One 7215 General Laborer Supervisor
    - One 7311 Cement Mason
    - Two 7347 Plumbers
    - One 7355 Truck Driver

- Two 7514 General Laborers

#### Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

Notable changes in the budget shown above include:

- A 14% uptick in Materials & Supplies expenses is necessary to accommodate the inflationary cost of materials.
- A 27% increase in Work Order expenses primarily attributed to:
  - A surge in the worker's compensation work order.
  - Rising fuel prices.
  - Increase in the Department of Public Work's (DPW) Urban Forestry work order to remove dead trees.

#### **4e. Maritime**

The Maritime Division is responsible for managing and marketing a wide array of maritime industries: passenger cruise, cargo shipping, commercial and sport fishing, and ferry and excursion operations. In addition, the Division oversees South Beach Harbor (SBH) which is a full-service marina, consisting of 700 slips for recreational and commercial berthing. For financial purposes, the harbor is a stand-alone business unit where SBH revenues are dedicated to SBH operating and capital costs.

**Table 4e-1: Maritime Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Maritime Personnel</b>											
Salaries	1,961.5	1,671.0	(290.5)	-15%	2,027.5	2,216.4	188.9	9%	2,305.1	88.7	4%
Mandatory Fringe Benefits	719.4	667.6	(51.7)	-7%	701.0	772.2	71.2	10%	803.0	30.9	4%
<b>Personnel Total</b>	<b>2,680.8</b>	<b>2,338.6</b>	<b>(342.2)</b>	<b>-13%</b>	<b>2,728.5</b>	<b>2,988.6</b>	<b>260.1</b>	<b>10%</b>	<b>3,108.1</b>	<b>119.5</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Prof & Specialized Svcs	800.0	655.1	(144.9)	-18%	800.0	900.0	100.0	13%	936.0	36.0	4%
Other Expenses	503.1	123.5	(379.6)	-75%	503.5	213.5	(290.0)	-58%	222.0	8.5	4%
<b>Non-Personnel Services Total</b>	<b>1,303.1</b>	<b>778.5</b>	<b>(524.5)</b>	<b>-40%</b>	<b>1,303.5</b>	<b>1,113.5</b>	<b>(190.0)</b>	<b>-15%</b>	<b>1,158.0</b>	<b>44.5</b>	<b>4%</b>
<b>Materials &amp; Supplies</b>	<b>9.5</b>	<b>12.9</b>	<b>3.4</b>	<b>36%</b>	<b>9.5</b>	<b>20.0</b>	<b>10.5</b>	<b>111%</b>	<b>20.8</b>	<b>0.8</b>	<b>4%</b>
<b>Work Orders</b>											
SFO - Graphic design services	26.0	-	(26.0)	-100%	26.0	26.0	-	0%	26.0	-	0%
SFPUC - Ship shoreside power	1,440.0	1,669.7	229.7	16%	1,656.1	1,760.0	103.9	6%	1,804.0	44.0	3%
SFFD - Fire boat operations	3,845.6	3,835.6	(10.0)	0%	3,990.9	4,101.9	110.9	3%	4,296.7	194.8	5%
MTA - Cruise call traffic control	15.0	-	(15.0)	-100%	15.0	15.0	-	0%	15.0	-	0%
POL - Cruise call security services	575.0	487.2	(87.8)	-15%	581.8	609.4	27.6	5%	638.3	28.9	5%
<b>Work Orders Total</b>	<b>5,901.6</b>	<b>5,992.6</b>	<b>90.9</b>	<b>2%</b>	<b>6,269.8</b>	<b>6,512.3</b>	<b>242.5</b>	<b>4%</b>	<b>6,780.1</b>	<b>267.8</b>	<b>4%</b>
<b>Programmatic Projects</b>											
PO Cargo Fac Repair	109.0	26.1	(82.9)	-76%	109.0	109.0	-	0%	109.0	-	0%
<b>Programmatic Projects Total</b>	<b>109.0</b>	<b>26.1</b>	<b>(82.9)</b>	<b>-76%</b>	<b>109.0</b>	<b>109.0</b>	<b>-</b>	<b>0%</b>	<b>109.0</b>	<b>-</b>	<b>0%</b>
<b>Maritime Total</b>	<b>10,004.0</b>	<b>9,148.7</b>	<b>(855.3)</b>	<b>-9%</b>	<b>10,420.3</b>	<b>10,743.3</b>	<b>323.1</b>	<b>3%</b>	<b>11,176.0</b>	<b>432.7</b>	<b>4%</b>

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>South Beach Harbor Personnel</b>											
Salaries	1,220.8	1,013.5	(207.3)	-17%	1,258.8	1,361.5	102.7	8%	1,416.0	54.5	4%
Mandatory Fringe Benefits	434.4	423.6	(10.8)	-2%	536.6	579.0	42.4	8%	602.2	23.2	4%
<b>Personnel Total</b>	<b>1,655.2</b>	<b>1,437.1</b>	<b>(218.1)</b>	<b>-13%</b>	<b>1,795.4</b>	<b>1,940.5</b>	<b>145.2</b>	<b>8%</b>	<b>2,018.2</b>	<b>77.6</b>	<b>4%</b>
<b>Debt Services</b>	<b>536.0</b>	<b>536.0</b>	<b>-</b>	<b>0%</b>	<b>536.0</b>	<b>536.0</b>	<b>-</b>	<b>0%</b>	<b>536.0</b>	<b>-</b>	<b>0%</b>
<b>Work Orders</b>											
SFPUC - Utilities	287.7	274.9	(12.7)	-4%	282.0	295.4	13.4	5%	309.5	14.0	5%
ADM - Insurance services	101.9	100.9	(1.1)	-1%	101.9	106.7	4.8	5%	111.8	5.1	5%
CAT - Legal services	-	21.9	21.9	-	-	30.0	30.0	-	30.0	-	0%
ADM - Printing services	-	-	-	-	-	1.0	1.0	-	1.0	-	0%
TTX - Lock box services	7.0	2.7	(4.2)	-61%	7.0	7.3	0.3	4%	7.6	0.3	4%
<b>Work Orders Total</b>	<b>396.6</b>	<b>400.4</b>	<b>3.8</b>	<b>1%</b>	<b>390.9</b>	<b>440.4</b>	<b>49.5</b>	<b>13%</b>	<b>459.8</b>	<b>19.4</b>	<b>4%</b>
<b>Programmatic Projects</b>											
PO South Beach Harbor Project	1,280.1	757.6	(522.4)	-41%	1,280.1	1,280.1	-	0%	1,280.1	-	0%
<b>Programmatic Projects Total</b>	<b>1,280.1</b>	<b>757.6</b>	<b>(522.4)</b>	<b>-41%</b>	<b>1,280.1</b>	<b>1,280.1</b>	<b>-</b>	<b>0%</b>	<b>1,280.1</b>	<b>-</b>	<b>0%</b>
<b>South Beach Harbor Total</b>	<b>3,867.8</b>	<b>3,131.1</b>	<b>(736.7)</b>	<b>-19%</b>	<b>4,002.3</b>	<b>4,197.0</b>	<b>194.7</b>	<b>5%</b>	<b>4,294.0</b>	<b>97.0</b>	<b>2%</b>
<b>GRAND TOTAL</b>	<b>13,871.8</b>	<b>12,279.8</b>	<b>(1,592.0)</b>	<b>-11%</b>	<b>14,422.6</b>	<b>14,940.3</b>	<b>517.7</b>	<b>4%</b>	<b>15,470.0</b>	<b>529.7</b>	<b>4%</b>

FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following notable variances from the proposed budget:

- Other Expenses came in at 75% under budget because security services relating to cruise and maritime facilities were shifted to the Executive Division’s Homeland Security budget (the proposed FY 2024-25 and FY 1015-16 budget reflects this shift).
- Materials and Supplies expenses, which cover boat fuel and lubricant, locks, and other incidentals incurred by wharfingers, came in at 36% over budget because of faster than anticipated resumption of activity along the waterfront in conjunction with rising inflation.
- The work order with the Airport for the graphic design of banners was not utilized because the staff decided to use City Reproduction instead.
- The work order with MTA for traffic and pedestrian control on cruise days was not utilized because of competing MTA staffing demands; however, talks are underway to secure the necessary resources to provide the services in the future.
- The annual project for Facility Repairs which typically covers unforeseen repairs and the removal of abandoned vessels came in at 76% under budget due to lack of demand.



- South Beach Harbor had an unexpected legal matter that required specialized services. The proposed budget includes a new work order with the City Attorney to cover such needs should they arise.
- The Programmatic Project for South Beach Harbor is intended to cover its as-needed Non-Personnel, Materials & Supplies, and Equipment. Low demand for as-needed services resulted in costs coming in 41% under budget.

#### Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Operating position changes:
  - Two FTE upgrades from 1406 Sr. Clerks to 1840 Jr. Management Assistants to allow for increased flexibility in job duties. As South Beach Harbor continues to grow and undertake Capital Improvement Projects, particularly the North Guest Dock, and the Port continues to focus on the revitalization of Fisherman's Wharf, a substantial increase in complex administrative requirements is anticipated. In addition, the 1840 Jr. Management Assistants will provide the leadership and resourcefulness skills along with maritime industry knowledge of harbor-specific tasks, regulations, and policies and procedures to navigate the intricacies of a 24/7 operation and improve both harbors' overall office processes.
  - One FTE downgrade from 6318 Construction Inspector which is no longer a priority to 3232 Marina Assistant to provide additional coverage and resources at Hyde Street Harbor to prevent theft, vandalism, hazardous conditions, and illegal charters that contribute to lost revenues. The position will also assist in performing boater and maintenance support services that will lead to enhanced service delivery to our customers.
- Capital position changes:
  - There are no proposed changes.

#### Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- A 13% increase in Professional Services allows Maritime to engage consultants for feasibility studies for a secondary cruise terminal and proposed Maritime uses in the Backlands.
- A 58% decrease in Other Expenses represents the previously mentioned move to centralize security expenses under the Executive division's Homeland Security budget.

#### **4f. Planning and Environment**

The Planning and Environment division provides regulatory and review responsibilities pertaining to Port building permits, leases, and use proposals to ensure that proposals for Port properties comply with applicable land use, design review, and environmental impact review requirements administered by a number of different government agencies.

There are no significant changes planned in the proposed budget.

**Table 4f-1: Planning and Environment Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Personnel</b>											
Salaries	1,632.7	1,942.5	309.7	19%	1,690.6	1,800.0	109.4	6%	1,872.0	72.0	4%
Mandatory Fringe Benefits	535.2	643.5	108.3	20%	526.2	564.0	37.8	7%	586.6	22.6	4%
<b>Personnel Total</b>	<b>2,167.9</b>	<b>2,585.9</b>	<b>418.0</b>	<b>19%</b>	<b>2,216.8</b>	<b>2,364.0</b>	<b>147.2</b>	<b>7%</b>	<b>2,458.6</b>	<b>94.6</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Prof & Specialized Svcs	400.0	197.9	(202.1)	-51%	550.0	650.0	100.0	18%	650.0	-	0%
Other Expenses	209.0	86.1	(122.9)	-59%	128.1	142.3	14.2	11%	147.3	5.0	4%
<b>Non-Personnel Services Total</b>	<b>609.0</b>	<b>284.0</b>	<b>(325.0)</b>	<b>-53%</b>	<b>678.1</b>	<b>792.3</b>	<b>114.2</b>	<b>17%</b>	<b>797.3</b>	<b>5.0</b>	<b>1%</b>
<b>Materials &amp; Supplies</b>	<b>10.0</b>	<b>1.3</b>	<b>(8.7)</b>	<b>-87%</b>	<b>10.0</b>	<b>10.0</b>	<b>-</b>	<b>0%</b>	<b>10.0</b>	<b>-</b>	<b>0%</b>
<b>Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Work Orders</b>											
City Planning coordination and design review services	150.0	140.3	(9.7)	-6%	150.0	200.0	50.0	33%	200.0	-	0%
Real Estate Service	25.0	5.0	(20.0)	-80%	25.0	-	(25.0)	-100%	-	-	-
Heron's Head Park	82.0	82.0	-	0%	82.0	82.0	-	0%	82.0	-	0%
<b>Work Orders Total</b>	<b>257.0</b>	<b>227.3</b>	<b>(29.7)</b>	<b>-12%</b>	<b>257.0</b>	<b>282.0</b>	<b>25.0</b>	<b>10%</b>	<b>282.0</b>	<b>-</b>	<b>0%</b>
<b>Programmatic Projects</b>											
PO Public Access Improvements	40.0	10.0	(30.0)	-75%	60.0	60.0	-	0%	60.0	-	0%
PO Heron's Head Park (Pier 98)	77.0	71.8	(5.2)	-7%	82.0	82.0	-	0%	82.0	-	0%
PO Enviorn Cleanup Pier 39-45	50.0	1.0	(49.0)	-98%	50.0	50.0	-	0%	50.0	-	0%
<b>Programmatic Projects Total</b>	<b>167.0</b>	<b>82.8</b>	<b>(84.2)</b>	<b>-50%</b>	<b>192.0</b>	<b>192.0</b>	<b>-</b>	<b>0%</b>	<b>192.0</b>	<b>-</b>	<b>0%</b>
<b>GRAND TOTAL</b>	<b>3,211.0</b>	<b>3,181.3</b>	<b>(29.6)</b>	<b>-1%</b>	<b>3,354.0</b>	<b>3,640.3</b>	<b>286.4</b>	<b>9%</b>	<b>3,739.9</b>	<b>99.6</b>	<b>3%</b>

FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following notable variances from the proposed budget:

- Personnel expenses exceeded the budget amount by 19% due to staff time related to an unfunded contamination negotiation with the responsible parties.
- Non-Personnel expenses, largely for as-needed consultants, were under the budgeted amount by 53% due to a lack of demand for such services.
- Programmatic Projects expenses were also 50% under the budget amount due to pauses in the project workflow.

### Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

The proposed budget includes the following position changes:

- Operating position changes:
  - Upward substitution of a 0931 Manager III to a 0932 Manager IV due to a budget update for a mid-year temporary transfer to support increasingly complex environmental regulations.
  - Upward substitution of a 5291 Planner III to a 5293 Planner IV because the workload has increased significantly to include permitting for larger and more complex projects like Pier 30/32 and no longer lends itself to the scope of the lower classification. This position supports Port tenant capital projects, and the enhanced expertise of a 5293 Planner IV will improve efficiencies in securing necessary entitlements to move projects along and lease Port properties more quickly, directly impacting revenues.
- Capital position changes:
  - Upward substitution of a 5502 Project Manager I to a 5504 Project Manager II due to an increased workload of Port Capital projects and several claims against the Port for historic contamination. The position will help limit, if not eliminate, millions of dollars in penalties and/or cleanup costs.

### Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

Notable changes in the budget shown above include:

- An 18% increase in the Prof & Specialized Services budget is due to (a) an upcoming special project in which the work will be contracted out with BCDC reimbursing 50% of the costs and P&E reimbursing the remaining half, (b) air travel to a scheduled conference, and (c) promotional budget for the Biennial State of the Estuary Conference taking place in FY 2025-26.
- A 33% increase in the City Planning work order is due to the recent acquisition of a \$7.8 million grant to study the Southern Embarcadero and may require a partnership with SF Planning and SFMTA.
- A 100% decrease in the Real Estate Service work order due to the work order being moved to the Real Estate & Development division budget.

## **4g. Real Estate and Development**

The Real Estate and Development Division is responsible for marketing, leasing, and managing the Port's commercial and industrial property along the 7.5 miles of waterfront land that extends from Fisherman's Wharf and Hyde Street Harbor to Heron's Head Park and Pier 96. In addition, the Division is responsible for managing development projects on Port property; this large responsibility involves significant public-private partnerships that span developer selection, construction, and facility management.

A significant change in the Port’s approach to parking management is included in the proposed budget. Currently, the Port relies primarily on parking lot operators to manage the lots under a lease where the Port receives 66% of gross revenues. The new model, subject to future Port Commission approval, will include a combination of newly metered lots and flat-fee lot operators where the Port will receive 100% of revenues and pay a fixed amount for lot operation and maintenance. This new model is expected to increase both revenues and expenses and ultimately increase net revenues by roughly 52%, as shown in Table 4g-1 below. Notably, because this new parking model will be phased in over multiple fiscal years with the first full year after implementation being FY 2025-26, the figures in Table 4g-1 below do NOT align with year-over-year budget changes in the biennial budget period. Port staff will provide the Port Commission regular reports on the implementation and financial results of this new parking model.

**Table 4g-1: Financial Impact of New Parking Mode (\$thousands)**

	<b>Current</b>	<b>Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>REVENUES</b>				
<b>Parking</b>				
Lots	11,899.7	4,901.6	(6,998.2)	-59%
Stalls	738.9	268.0	(470.9)	-64%
Meter	5,717.3	17,258.7	11,541.4	202%
Citations	2,850.3	9,644.9	6,794.6	238%
<b>Revenues Subtotal</b>	<b>21,206.3</b>	<b>32,073.1</b>	<b>10,866.8</b>	<b>51%</b>
<b>EXPENSES</b>				
<b>Non-Personnel</b>				
Parking Operator Management Fee	-	150.0	150.0	-
Credit Card Transaction Fees	212.0	640.0	428.0	202%
<b>Work Orders</b>				
MTA Parking Enforcement & Meter Maintenance	2,038.6	2,500.0	461.4	23%
<b>Expenses Subtotal</b>	<b>2,250.6</b>	<b>3,290.0</b>	<b>1,039.4</b>	<b>46%</b>
<b>Total Net Revenue</b>	<b>18,955.7</b>	<b>28,783.1</b>	<b>9,827.5</b>	<b>52%</b>

**Table 4g-2: Real Estate & Development Operating Expenses (\$thousands)**

	Previous Year Actuals				Approved Current Year	Next Biennial Cycle					
	FY 2022-23				FY 2023-24	FY 2024-25			FY 2025-26		
	Budget	Actuals	\$ Variance	% Variance	Budget	Budget	\$ Change from PY	% Change from PY	Budget	\$ Change from PY	% Change from PY
<b>Personnel</b>											
Salaries	4,323.3	3,081.3	(1,242.1)	-29%	4,498.6	4,660.9	162.3	4%	4,847.3	186.4	4%
Mandatory Fringe Benefits	1,612.0	1,067.4	(544.6)	-34%	1,585.1	1,641.4	56.3	4%	1,707.0	65.7	4%
<b>Personnel Total</b>	<b>5,935.3</b>	<b>4,148.7</b>	<b>(1,786.7)</b>	<b>-30%</b>	<b>6,083.7</b>	<b>6,302.3</b>	<b>218.6</b>	<b>4%</b>	<b>6,554.4</b>	<b>252.1</b>	<b>4%</b>
<b>Non-Personnel Services</b>											
Prof & Specialized Svcs	1,000.0	242.3	(757.7)	-76%	1,000.0	500.0	(500.0)	-50%	650.0	150.0	30%
Rents & Leases	4,315.0	4,137.8	(177.2)	-4%	4,325.0	4,510.6	185.6	4%	4,688.0	177.4	4%
Other Expenses	2,608.7	2,560.7	(48.0)	-2%	2,629.5	3,178.5	549.0	21%	3,229.2	50.7	2%
<b>Non-Personnel Services Total</b>	<b>7,923.7</b>	<b>6,940.8</b>	<b>(982.9)</b>	<b>-12%</b>	<b>7,954.5</b>	<b>8,189.1</b>	<b>234.6</b>	<b>3%</b>	<b>8,567.2</b>	<b>378.1</b>	<b>5%</b>
<b>Materials &amp; Supplies</b>	-	<b>0.6</b>	<b>0.6</b>	-	-	<b>1.0</b>	<b>1.0</b>	-	<b>1.0</b>	-	<b>0%</b>
<b>Work Orders</b>											
SFPUC - Electricity and gas	1,674.7	1,995.5	320.7	19%	1,439.3	2,090.2	651.0	45%	2,189.5	99.3	5%
SFFD - Event permit review	116.3	92.5	(23.8)	-20%	239.9	239.9	-	0%	239.9	-	0%
MTA - Parking and enforcement	2,649.9	2,086.6	(563.3)	-21%	3,149.9	3,000.0	(149.9)	-5%	2,500.0	(500.0)	-17%
ADM - Real Estate services	-	-	-	-	-	525.0	525.0	-	525.0	-	0%
TTX - Collection services	-	-	-	-	-	12.0	12.0	-	12.0	-	0%
<b>Work Orders Total</b>	<b>4,441.0</b>	<b>4,174.6</b>	<b>(266.3)</b>	<b>-6%</b>	<b>4,829.1</b>	<b>5,867.1</b>	<b>1,038.1</b>	<b>21%</b>	<b>5,466.4</b>	<b>(400.7)</b>	<b>-7%</b>
<b>Programmatic Projects</b>											
PO MiscTenant Facility Imprv.	400.0	190.6	(209.4)	-52%	400.0	400.0	-	0%	400.0	-	0%
<b>Programmatic Projects Total</b>	<b>400.0</b>	<b>190.6</b>	<b>(209.4)</b>	<b>-52%</b>	<b>400.0</b>	<b>400.0</b>	<b>-</b>	<b>0%</b>	<b>400.0</b>	<b>-</b>	<b>0%</b>
<b>GRAND TOTAL</b>	<b>18,700.0</b>	<b>15,455.3</b>	<b>(3,244.7)</b>	<b>-17%</b>	<b>19,267.3</b>	<b>20,759.5</b>	<b>1,492.3</b>	<b>8%</b>	<b>20,989.0</b>	<b>229.5</b>	<b>1%</b>

FY 2022-23 Budget vs Actuals

The year-end results from FY 2022-23 have been finalized, with the following notable variances from the proposed budget:

- Salaries & Fringe Benefits expenses came in at 30% under budget due to staff turnover and delays in hiring.
- Professional Services expenses came in at 76% under budget due to expiring contracts for as-needed real estate economic services. In addition, a decision was made to use City Real Estate’s existing pool of broker contracts instead of issuing a competitive bid solicitation and managing the contracts directly.
- The work order with PUC for electricity and gas came in at 19% over budget due to the post-pandemic return to office and increased business activity that led to increased utility usage.
- The work order with the Fire Department came in at 20% under budget because staff did not spend as much time as

anticipated on reviewing the increasing volume of special event permits.

- The work order with MTA achieved a 21% savings because Port issued the PO to pay the meter vendor directly for the upgrade project instead of reimbursing MTA through the work order. However, this cost shifted into Other Expenses under Non-Personnel Services and did not represent actual savings.
- The annual project for Tenant Facility Improvements came in at 52% under budget due to the Port's lack of capital project capacity. Also, a handful of other projects were started in FY 2022-23 but were not completed and carried over to FY 2023-24. The Port is currently working to increase project delivery capacity and does not anticipate future savings in this project budget.

#### Position Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- Operating budget position changes:
  - One FTE downgrade from 9395 Property Manager to 1823 Senior Administrative Analyst and one FTE upgrade from 9395 Property Manager to 1824 Principal Administrative Analyst. These positions will continue to manage public parks and coordinate special events; however, the duties and analytical expertise more closely align with the skillset of the 1800 Analyst Classification series.
  - One FTE downgrade from 5283 Planner V to 0923 Manager II. This adjusts for a mid-year TX because the development project manager role was filled at a Manager II level which aligns the classification to other development project management roles at the Port.
- Capital budget position changes:
  - One FTE upgrade from 1406 Sr. Clerk to 4306 Collections Officer is needed because uncollected rents increased by ten times since the onset of the pandemic. The 4306 Collections Officer is needed to bring accounts into compliance before the statute of limitations prevents the collection of unpaid revenue.
  - One FTE deletion of 0922 Manager I. This position is no longer a priority given the economic conditions facing the City and Port.

#### Other Changes in Proposed FY 2024-25 and FY 2025-26 Budget

- A 50% reduction in Professional Services expenses for FY 2024-25 is balanced by an equivalent dollar value increase in the work order with City Real Estate which manages the contracts for broker services. In the subsequent year, a 30% increase in Professional Services expenses will cover expected annual operator fees for several parking locations.
- The 21% increase in Other Expenses for FY 2024-25 includes \$365K for PUC's new stormwater program, increased utility expenditures due to vacancies and increasing rates, and utility costs at Ferry Building Gate B that were previously budgeted under Maritime. An additional \$330K in credit card transaction fees are anticipated after the forthcoming expansion of MTA meters to off-street locations. Finally, a \$150K reduction is adjusted for security guard

and monitoring services that are being paid for out of the Executive Division's Homeland Security budget.

- The PUC work order for electricity and gas at all Port-owned facilities is expected to increase by 45% in FY 2024-25 due to a dramatic increase in utility costs. Forecasted expenditure is based upon PUC analysis using current usage activity and rates.
- The MTA work order for parking and enforcement is planned to decrease by 5% in FY 2024-25 despite a proposed MOU expansion to meter off-street Port parking lots because the prior year's budget included extensive, one-time upgrades of existing meter hardware. Additionally, the Port is in the process of securing a \$200K grant from the Metropolitan Transportation Commission (MTC) to offset a portion of the startup costs. In the subsequent year, the budget is expected to decrease further by 17% as the start-up costs diminish.
- Two new work orders are proposed:
  - Previously budgeted under Planning & Environment, City Real Estate provides ongoing appraisal services and will also provide broker services to support the re-leasing of vacant spaces, previously budgeted under Professional Services.
  - The Treasurer and Tax Collector's Bureau of Delinquent Revenue will provide collection support to resolve outstanding accounts that have remained past due since the pandemic.

## 5. CAPITAL EXPENSES

For more than a decade, the Port of San Francisco has used its ten-year Capital Plan to guide its capital investments. The Capital Plan helps to educate the public and policymakers about the magnitude of the Port's capital needs, as well as the limited resources available to address them. The FY 2023-24 to FY 2032-33 Capital Plan identifies a \$2.24 billion state of good repair (SOGR) investment need, \$1.65 billion of which is currently unfunded.

To facilitate strategic analysis and bridge the gap between the distant ten-year time span of the Capital Plan and the immediacy of the two-year capital budget, the Port develops a Five-Year Capital Improvement Program (CIP). Unlike the ten-year Capital Plan, which identifies the Port's total capital needs regardless of available funding, the five-year CIP program-specific projects according to the amount of capital funding staff estimates will be available over the next five years. The CIP also allows staff to consider the time span necessary to conceive, design, and deliver capital projects. The CIP lays out the Port's vision for addressing as many of the needs identified in the Capital Plan as possible, given limited resources.

The first two years of the five-year CIP are included in the biennial FY 2024-25 and FY 2025-26 budget. The biennial budget appropriates Port capital funds only, not General Obligation Bonds for the Waterfront Resilience Program that will be subject to a separate, future approval by the Port Commission.

### 5a. The Five-Year Capital Improvement Program and Biennial Capital Budget

The Port's Finance staff began the development of the CIP by soliciting capital requests from all Port divisions. Project forms included information about the project scope, schedule, budget, return on investment, safety improvements, and the relationship to the Port's mission. A committee consisting of the deputy director from each Port division, plus analytical support from Finance and the Project Management Office, ranked the projects against one another using the following principles:

- Honor Prior Commitments: the project was funded in a previous Capital Budget and additional funds are needed to complete the project due to expanded scope, a new cost estimate, or bids that came in over the approved budget.
- Address Priority Health and Safety Needs: the project is legally mandated, or failure to complete the scope puts the Port in imminent jeopardy of being legally mandated to do the work.
- Meet Imminent Leasing Needs: the project is required to prepare a Port facility for a tenant, per an existing or pending lease agreement.
- Strategic Investment: the investment will generate sufficient revenue in the future to justify postponing other capital improvements.
- Leverage Port Funds with Outside Sources: the project will be partially or fully funded by non-Port funding sources.

Table 5a-1 below provides an overview of the sources of funds available in the Five-Year CIP. These funds include net operating income from Port operations, contributions from development partners, and General Obligation Bond proceeds for the Waterfront Resilience



Program. Table 5a-2 shows the uses of those funds over five years, and the proposed biennial capital budget (the first two years of the Five-Year CIP). **For a full description and schedule for each project, please see the CIP in Attachment II.**

**Table 5a-1: Sources of Capital Funds (\$millions)**

	Next Biennial Cycle		Following Biennial Cycle		Outyear	Total	Percent
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29		
Port Harbor Fund	\$12.0	14.9	14.7	13.9	12.8	68.3	9%
State Stimulus Fund	11.7	0.0	0.0	0.0	0.0	11.7	2%
Grants	0.1	0.0	0.0	0.0	0.0	0.1	0%
South Beach Harbor Fund	1.5	1.6	1.6	1.6	1.6	8.0	1%
<b>Port Capital Expenses</b>	<b>\$25.3</b>	<b>\$16.5</b>	<b>\$16.3</b>	<b>\$15.5</b>	<b>\$14.5</b>	<b>\$88.1</b>	<b>12%</b>
Development Projects	10.2	10.8	11.5	12.2	13.0	57.8	8%
Development Capital Contribution	16.5	0.0	0.0	0.0	0.0	16.5	2%
<b>Total Capital Expenses</b>	<b>\$52.0</b>	<b>\$27.3</b>	<b>\$27.8</b>	<b>\$27.8</b>	<b>\$27.5</b>	<b>\$162.4</b>	<b>23%</b>
General Obligation Bonds	9.2	69.5	226.2	161.3	92.2	558.4	77%
<b>Total Capital Contributions</b>	<b>\$61.2</b>	<b>\$96.8</b>	<b>\$254.0</b>	<b>\$189.1</b>	<b>\$119.7</b>	<b>\$720.9</b>	<b>100%</b>

**Table 5a-2: Uses of Capital Funds (\$millions)**

	Next Biennial Cycle		Following Biennial Cycle		Outyear	Total
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
<i>Southern</i>						
Pier 70 Shipyard Shoreline and Sediment Remediation	0.5	-	-	-	-	0.5
Pier 70 Shipyard Uplands	1.0	-	-	-	-	1.0
Pier 80 Electrification Design	0.8	-	-	-	-	0.8
Southern Waterfront Beautification Fund	2.2	1.5	1.1	1.1	1.1	7.0
<b>Southern Subtotal</b>	<b>\$4.5</b>	<b>\$1.5</b>			<b>\$1.1</b>	<b>\$9.3</b>
<i>South Beach Harbor (SBH)</i>						
South Beach Harbor	1.5	1.6	1.6	1.6	1.6	8.0
<b>South Beach Harbor (SBH) Subtotal</b>	<b>\$1.5</b>	<b>\$1.6</b>			<b>\$1.6</b>	<b>\$8.0</b>
<i>Northeast</i>						
Beltline Building ADA Access Improvements	2.6	-	-	-	-	2.6
Pier 09 FIRPA Repairs Roof and Roof Deck	3.1	-	-	-	-	3.1
Pier 09 SoGR and EQ Safety Pre-Design Improvements	-	2.7	-	-	-	2.7
Pier 29.5 Office Rehab	0.5	-	-	-	-	0.5
Pier 33 Bulkhead and Shed Repairs	0.9	1.3	-	-	-	2.2
<b>Northeast Subtotal</b>	<b>\$7.1</b>	<b>\$3.9</b>			<b>\$0.0</b>	<b>\$11.1</b>
<i>Fisherman's Wharf</i>						
FW Stormwater Drainage and Sewer Improvement	0.7	-	-	-	-	0.7
Hyde Street Harbor Fuel Pipeline Release	0.0	0.3	0.3	0.3	0.3	1.0
Pier 45 Shed B and D FIRPA 0-1 year Repairs	4.8	-	-	-	-	4.8
Pier 47 Substructure Repairs	0.9	-	-	-	-	0.9
Wharf J-11 Settlement	-	0.8	-	-	-	0.8
<b>Fisherman's Wharf Subtotal</b>	<b>\$6.3</b>	<b>\$1.1</b>			<b>\$0.3</b>	<b>\$8.1</b>
<i>Portwide</i>						
Facility Assessment Program	1.1	0.7	1.1	0.6	1.3	4.8
Maintenance Dredging and Sediment Sampling	-	-	4.9	4.0	4.0	12.9
Pile Repair Crew	-	-	-	0.4	1.0	1.4
Port Security Grant - FY2021	0.2	-	-	-	-	0.2
Portwide Ownership Project	1.1	0.7	-	-	-	1.7
Project Contingency	0.8	3.2	3.6	3.9	1.5	13.0
Project Management Office	0.5	0.6	0.6	0.6	0.6	2.9
Stormwater Full Trash Capture	0.5	0.7	0.7	0.7	0.7	3.3
Waterfront Resilience Program (Port)	1.7	2.6	2.5	2.3	2.3	11.4
<b>Portwide Subtotal</b>	<b>\$5.8</b>	<b>\$8.4</b>	<b>\$13.3</b>	<b>\$12.6</b>	<b>\$11.5</b>	<b>\$51.6</b>
<b>Port Capital Expenses Total</b>	<b>\$25.3</b>	<b>\$16.5</b>	<b>\$16.3</b>	<b>\$15.5</b>	<b>\$14.5</b>	<b>\$88.1</b>
<i>Waterfront Development Projects<sup>a</sup></i>						
Development Projects	10.2	10.8	11.5	12.2	13.0	57.8
Development Capital Contribution	16.5	0.0	0.0	0.0	0.0	16.5
<b>Total Capital Expenses</b>	<b>\$52.0</b>	<b>\$27.3</b>	<b>\$27.8</b>	<b>\$27.8</b>	<b>\$27.5</b>	<b>\$162.4</b>
Waterfront Resilience Program (Bond)	9.2	69.5	226.2	161.3	92.2	558.4
<b>Total Capital Contributions</b>	<b>\$61.2</b>	<b>\$96.8</b>	<b>\$254.0</b>	<b>\$189.1</b>	<b>\$119.7</b>	<b>\$720.9</b>

<sup>a</sup>Waterfront Development Projects currently has \$21.5 million appropriated and unspent because of shifting market conditions. The biennial budget includes \$21 million in Development Project funds and a \$16.5 million Capital Contribution to the Mission Rock project. Because of the already appropriated amount, only \$16 million will need to be appropriated in this budget cycle.

**5b. Southern Waterfront Beautification Fund**

The Southern Waterfront Beautification Fund is a set aside of rent generated in the Southern Waterfront to provide resources to reinvest in that community. Due to staff error, no funds were set aside from FY 2018-19 or FY 2019-20, and a significant past due balance of \$6.25 million accrued. The Port has been paying down that balance since FY 2020-21 and, as shown in Table 5b-1 below, this past due amount will be paid off in FY 2025-26 by the proposed budget.

**Table 5b-1: Southern Waterfront Beautification Fund Past Due Balance (\$thousands)**

SW Beautification Fund		Biennial Cycle					
		Actuals	Actuals	Actuals	Estimated	Estimated	Estimated
Overview of Amounts Due and Paid to Fund <sup>a</sup>		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Amount Due	Past Due from Prior Year	6,254.0	5,261.3	4,146.1	2,908.3	1,555.3	397.3
	Due from Current Yr Rent	1,007.2	884.8	984.2	869.0	1,042.0	1,073.0
	<b>Total Due</b>	<b>7,261.3</b>	<b>6,146.1</b>	<b>5,130.3</b>	<b>3,777.3</b>	<b>2,597.3</b>	<b>1,470.3</b>
- Amount Paid	Rent Paid	1,007.2	884.8	984.2	869.0	1,042.1	1,073.0
	Transbay Cable Paid	-	-	-	-	-	-
	Past Due Paid	992.8	1,115.2	1,237.8	1,353.0	1,157.9	397.3
	<b>Total Paid</b>	<b>2,000.0</b>	<b>2,000.0</b>	<b>2,222.0</b>	<b>2,222.0</b>	<b>2,200.0</b>	<b>1,470.3</b>
<b>= Past Due Amount</b>		<b>5,261.3</b>	<b>4,146.1</b>	<b>2,908.3</b>	<b>1,555.3</b>	<b>397.3</b>	<b>-</b>

Expenditures from the fund are not shown in the table above (details on appropriations and expenditures are provided in Attachment IV). Planned expenditures were presented to the Commission at the January 23, 2024 meeting under Item 11A.

**5c. Waterfront Resilience Program**

The Waterfront Resilience Program (WRP) is a major effort to improve the Port’s 7.5-mile Embarcadero shoreline to provide increased resilience to earthquakes and sea-level rise. WRP has made significant progress and is currently advancing work on two fronts.

1. Early Embarcadero Projects: Port staff has identified 29 potential projects to address immediate life safety needs along the waterfront and is working to select 5-10 projects to advance into the design phase.
2. USACE Resilience: Port staff has partnered with the United States Army Corps of Engineers (USACE) to develop a long-term sea-level rise adaptation strategy. Details of WRP’s work with USACE are separately provided in Item 10 of the February 6, 2024 Port Commission agenda.

The CIP shown in Table 5a-2 above includes a total of \$569.8 million for WRP costs including \$11.4 million from Port funds and \$558.4 million from General Obligation Bonds. This funding is based on current cost estimates that are highly uncertain given the early status of the program and are likely to change significantly as our work with USACE advances and specific projects move into higher levels of design completion.

Table 5c.-1 below shows the financial status of the project as of December 31, 2023. For a spending plan for the deliverables forecasted during the biennial budget period, see Attachment VI. This spending plan represents current estimates of costs and uses for the biennial budget period based on very early planning and conceptual design; however, these estimates are expected to change significantly as project phasing and design work advances.

**Table 5c-1: WRP Financial Status (\$thousands)**

	Approved Budget	Forecasted Budget	Appropriated Budget	Spent / Encumbered	Pending Transactions	Remaining Balance	Planned Appropriations
Program Management	27,160	123,896	30,000	22,604	4,356	3,040	93,896
Communications & Engagement	3,300	8,566	7,000	6,276	605	119	1,566
Planning	24,380	31,845	31,000	25,850	2,113	3,037	845
Embarcadero Early Projects							
Preliminary Design	20,700	10,000	9,500	6,390	3,496	(386)	500
Detailed Design	48,140	45,000	15,000			15,000	30,000
Construction / Construction Management	367,920	442,000				-	442,000
USACE Resilience	8,400	10,000	9,000	6,787	27	2,186	1,000
<b>Total</b>	<b>500,000</b>	<b>671,307</b>	<b>101,500</b>	<b>67,907</b>	<b>10,597</b>	<b>22,996</b>	<b>569,807</b>

Funding sources for WRP over the CIP period include Port funds, which are appropriated in biennial budget cycles, and General Obligation Bonds, which are appropriated at the time of bond issuance approval. Therefore, only the Port’s contribution to WRP is included in the proposed biennial budget for FY 2024-25 and FY 2025-26.

The proposed budget also includes the following capital positions, which are funded by the overall WRP budget and do not impact Port operating expenses:

- New 0933 Manager V will serve as Permitting Director for the Waterfront Resilience projects in the pipeline.
- A downward substitution from a 5211 Engineer/Architect/Landscape Architect Senior and an upward substitution from a 5218 Structural Engineer for two 5504 Project Manager II positions needed to advance individual projects.

**6. REQUIRED RESERVES**

The Port Commission has adopted two policies relevant to the proposed budget:

1. Capital investment must equal or exceed 25% of operating revenues, and
2. Operating reserves must equal or exceed 50% of operating expenses.

As a result of the economic crisis caused by the COVID-19 pandemic and the compression on net operating income available for capital investment illustrated in Figure 2b-1, the proposed FY 2024-25 and FY 2025-26 budget fails the 25% investment requirement, with 14% investment averaged across both years of the biennial budget (including redirected stimulus funding). Finance staff is analyzing the current utility of this policy and may have recommendations for changes when we return next year with the 10-year capital plan.

Port Commission policy also requires that the Port maintain an operating reserve of at least 50% of annual expenses. Fund balance, which serves as the Port’s operating reserve is estimated to have \$177.7 million at the beginning of the biennial budget period, or approximately 143% of annual operating expenses of \$123.9 million in FY 2024-25.

**7. CONCLUSION**

While revenues have rebounded to pre-pandemic levels, the financial pressures created by

the COVID-19 pandemic are substantial and ongoing. The proposed biennial budget and CIP reflect those pressures but still provide for mission-critical services and targeted investments in recovery and equity.

Prepared by: Yvonne Collins, Capital Budget Manager,  
Finance and Administration

Maksim Zherebin, Sr. Waterfront Budget Analyst,  
Finance and Administration

Karolina Bufka, Development Finance Manager,  
Finance and Administration

Helen Balawejder, San Francisco Fellow,  
Waterfront Resilience Program

For: Nate Cruz, Deputy Director,  
Finance and Administration

Attachments:

- I. Position Changes
- II. Five-year Capital Improvement Program
- III. Capital Financial Status Report as of December 31, 2023
- IV. Southern Waterfront Beautification Fund Appropriations and Expenditures
- V. 2021 Homeland Security Grant Agreement
- VI. WRP Spending Plan

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 24-14**

- WHEREAS, In November 2009, the voters of San Francisco approved Proposition A which amended Section 9.100 of the San Francisco Charter to require the City to adopt a new rolling two-year budget cycle; and
- WHEREAS, On November 1, 2011, under File No. 11-1009, “Resolution adopting a fixed two-year budgetary cycle for the Airport, the Port, and the Public Utilities Commission, defining terms, and setting deadlines,” the Board of Supervisors determined that the Port must adopt a fixed biennial budget; and
- WHEREAS, Port Commission staff has developed a Fiscal Years 2024-25 and 2023-26 Biennial Operating and Capital Budget (“Biennial Budget”) as described in detail in the staff report accompanying this Resolution; and
- WHEREAS, The proposed Biennial Budget includes projected operating revenues of \$137.3 million in Fiscal Year 2024-25 and \$143.3 million in Fiscal Year 2025-26; and
- WHEREAS, Revenues have returned to pre-pandemic levels sooner than anticipated, allowing for the one-time re-allocation of \$11.7 million in ARPA funds in Fiscal Year 2024-25 from the operating budget to the capital budget; and
- WHEREAS, The proposed Biennial Budget includes estimated South Beach Harbor revenues of \$5.7 million in Fiscal Year 2024-25 and \$5.9 million in Fiscal Year 2025-26; and
- WHEREAS, The proposed Biennial Budget includes projected operating expenses of \$124.9 million in Fiscal Year 2024-25 and \$128.3 million in Fiscal Year 2025-26; and
- WHEREAS, The proposed Biennial Budget includes projected capital expenditures of \$35.5 million in Fiscal Year 2024-25 and \$27.3 million in Fiscal Year 2025-26; and
- WHEREAS, The proposed Biennial Budget includes \$118,314 in grant funding from the Port Security Grant Program, as administered by the U.S. Department of Homeland Security (“DHS”), in Fiscal Year 2024-25; and
- WHEREAS, The DHS grant is proposed to fund training, CCTV refresh, and remote CCTV access, as described in detail in the staff report accompanying this Resolution; and, now therefore, be it
- WHEREAS, Staff recommends that the Port Commission approve the revised Biennial

Budget; and

- WHEREAS, The proposed Biennial Budget must also be approved by Mayor London Breed and the Board of Supervisors;
- RESOLVED, That the Port Commission hereby approves the Fiscal Year 2024-25 and Fiscal Year 2025-26 Biennial Budget as proposed by staff; and be it further
- RESOLVED, That the Port Commission hereby authorizes the Executive Director to make such changes to the Biennial Budget that the Executive Director deems to be in the Port's best interest; and, be it further
- RESOLVED, That after the Biennial Budget has been approved by Mayor London Breed and the Board of Supervisors, staff is directed to return to the Port Commission to report on, and receive Port Commission approval for any material changes to the Biennial Operating Budget; and, be it further
- RESOLVED, That the Port Commission hereby approves the award of grant funding from the Department of Homeland Security for the project.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 27, 2024.***

DocuSigned by:  
  
Secretary  
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February 27, 2023

Mrs. Patrice McMillian  
FEMA Port Security Grant Program

RE: Grant Award Number – EMW-2021-PU-00148

Dear Mrs. McMillian,

I would like to respectfully request an extension for this grant due to several extenuating circumstances. As you know I am the new security manager for the Port of San Francisco. Upon my arrival, I was tasked with bringing all the PSGP Grants into compliance, requesting extensions, and completing progress reports. I have entering and requesting extensions for PSGP Grants for both 2019 and 2020 as you know.

The previous and longtime grant administrator, Mr. Ken Tashian passed away in May of 2021, effectively halting the Port's progress with grants. Since that time period, several persons have attempted to manage the grant process alongside their regular job duties. Unfortunately, due also to the Covid pandemic, and Ten Tashian's replacement leaving abruptly from the Port, the grants process was not managed well. As the new security manager for the Port my job description is specifically to manage the Ports PSGP Grants, which I'm prepared to do. I have answered the following questions for the above grant and request an extension to complete the grant.

***Was the request submitted at least 120 days prior to the end of the POP?***

Yes – The POP for this year's grant is 6/30/2024.

***Are there funds on hold?***

No - The funds are not on hold and are available to spend when the City of San Francisco procurement process is complete.

***Are contracts in place?***

No – Contracts are not in place as the City of San Francisco procurement process is taking place still.

***Has Environmental Planning and Historic Preservation approval been obtained?***

N/A

***Have there been drawdowns against the award?***

No – No drawdowns have taken place.

***Was there a compelling legal, policy, or operational challenge?***



Yes – There were several compelling challenges to the grant process including the death of the Ports grant manager in 2021, the Covid Pandemic, and the lack of progress from the grants managers replacement, who also left the Port recently.

***Was a plan for completion submitted as part of the extension request?***

Yes – The last authorized official for the Port, Jack Donohoe completed an amendment updating timelines for the project’s completion.

***Is the extension for longer than six (6) months?***

Yes – I respectfully request and extension for this grant for 12 additional months until the date of 6/30/2025. This will allow for the Port to complete the City of San Francisco’s procurement process, which includes, having the Office of Contract Administration start the bidding process, selecting a winning bidder, complete the projects and close out the project prior to the POP date. While this is a very ambitious deadline, I have spoken to all Port partners involved in this grant and collectively we believe that the POP deadline is achievable.

Thank you in advance for your time and attention to this very important matter and I look forward to working with you and FEMA to complete this Grant.

Sincerely,

Kyle Thomas  
Security and Disaster Preparedness Manager  
Port of San Francisco



**TO:** Angela Calvillo, Clerk of the Board of Supervisors

**FROM:** Kyle Thomas, Port of San Francisco

**DATE:** April 1, 2024

**SUBJECT:** Budget Breakdown - \$157,752 grant award including \$118,314 from the Department of Homeland Security's 2021 Port Security Grant Program and the Port's \$39,438 (25%) match.

### The Port's Grant Application

The Port was awarded \$118,314 in Federal funding as part of the 2021 Port Security Grant Program that when combined with the Port's \$39,438 match, will fund Emergency Preparedness and Response Training and CCTV Refresh including CCTV Remote Access. These funds will be used solely for equipment, contracts and if required, interdepartmental work orders. All funds must be expended prior to the end of the grant performance period, August 31, 2024. The Port has requested an extension to June 30, 2025.

Budget Category	Amount		
	Total	Fed	Non-Fed
A. Personnel	-	-	-
B. Fringe Benefits	-	-	-
C. Travel	-	-	-
D. Equipment	\$98,046	\$73,535	\$24,511
E. Supplies	-	-	-
F. Consultants/Contracts	\$59,706	\$44,779	\$14,927
G. Other	-	-	-
<b>Total Direct Costs</b>	<b>\$157,752</b>	<b>\$118,314</b>	<b>\$39,438</b>
H. Indirect Costs	-	-	-
<b>Federal Request</b>		\$118,314	
<b>Non-Federal Amount</b>			\$39,438
<b>Combined Total Project Costs</b>	<b>\$157,752</b>		

President, District 3  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Tel. No. 554-7450  
Fax No. 554-7454  
TDD/TTY No. 544-6546

**Aaron Peskin**

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**PRESIDENTIAL ACTION**

Date: 5/21/24

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

Transferring (Board Rule No 3.3)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

From: \_\_\_\_\_ Committee

To: \_\_\_\_\_ Committee

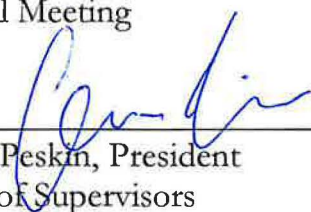
Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: Dorsey Replacing Supervisor: Peskin

For: 5/22/24 Budget & Appropriations Meeting  
(Date) (Committee)

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Temporary Assignment:  Partial  Full Meeting

  
\_\_\_\_\_  
Aaron Peskin, President  
Board of Supervisors

**TO:** Angela Calvillo, Clerk of the Board of Supervisors  
**FROM:** Kyle Thomas, Port of San Francisco  
**DATE:** April 1, 2024  
**SUBJECT:** Accept and Expend Resolution for FY 2021 Port Security Grant Program  
**GRANT TITLE:** Fiscal Year 2021 Port Security Grant Program

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Attached please find the original\* and 1 copy of each of the following:

Proposed grant resolution; original\* signed by Department, Mayor, Controller

Grant information form, including disability checklist

Grant budget

Grant application

Grant award letter from funding agency

Ethics Form 126 (if applicable)

Contracts, Leases/Agreements (if applicable)

Other (Explain):  
-Accept & Expend Resolution from Port Commission  
-Extension Request to FEMA

**Special Timeline Requirements:**

**Departmental representative to receive a copy of the adopted resolution:**

Name: Kyle Thomas

Phone: 415.274.0479

Interoffice Mail Address: Port of San Francisco, Pier 1

Certified copy required Yes

No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).



To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Anna Duning, Mayor's Budget Director  
Date: May 1, 2024  
Re: Mayor's May 1 FY 2024-25 and FY 2025-26 Budget Submission

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SAN FRANCISCO  
2024 MAY -1 AM 11:00  
BY [Signature]

Madam Clerk,

In accordance with City and County of San Francisco Administrative Code, Section 3.3, the Mayor's Office hereby submits the Mayor's proposed May 1 budget, corresponding legislation, and related materials for Fiscal Year (FY) 2024-25 and FY 2025-26.

In addition to the Mayor's Proposed FY 2024-25 and FY 2025-26 May 1 Budget Book, the following items are included in the Mayor's submission:

- The May 1 Proposed Annual Appropriation Ordinance (AAO) and Proposed Annual Salary Ordinance (ASO) for Selected Departments
- The Municipal Transportation Agency (MTA) Budget Memo
- The Public Utilities Commission (PUC) Capital Budgets and Borrowing Ordinances
- 8 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- An Interim Exception letter
- Memo to the Board President requesting for 30-day rule waivers on ordinances

Please note the following:

- Technical adjustments to the budget are being prepared, but are not submitted with this set of materials.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anna Duning".

Anna Duning  
Mayor's Budget Director

cc: Members of the Board of Supervisors  
Budget & Legislative Analyst's Office  
Controller

DEPT	Item	Description	Type of Legislation	File #
AIR	Continuing Prop J	General aviation security services, information booth and guest assistance, employee and public parking operations, and shuttle bus service	Ordinance	240460
BOA	Fee Change	Adjust BOA surcharges on fees imposed under the San Francisco Planning Code and Building Code	Ordinance	240456
DBI	Fee Change	Adjusts the fees for permits and services provided by the Department of Building Inspection pursuant to the 2023 Fee Study	Ordinance	240457
LIB	Recurring A&E	The Friends and Foundation of the San Francisco Public Library – Annual Grant Award	Resolution	240458
MTA	Continuing Prop J	Citations, paratransit, parking meter collections, security, towing, and transit shelter cleaning services	Ordinance	240460
PRT	Continuing Prop J	Security services at Port facilities	Ordinance	240460
PRT	Recurring Grants	Department of Homeland Security Port Security Grant Program (PSGP)	Resolution	240459
PUC	Continuing Prop J	Security services at PUC Wastewater Enterprise facilities	Ordinance	240460

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OFFICE OF THE MAYOR  
SAN FRANCISCO



LONDON N. BREED  
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors  
From: Anna Duning, Mayor's Budget Director  
Date: June 1, 2024  
Re: Accept and Expend Grant – Department of Homeland Security – 2021 Port Security Grant Program - \$118,314

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BOARD OF SUPERVISORS  
SAN FRANCISCO  
2024 MAY -1 AM 11:08  
BY [Signature]

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**Resolution authorizing the Port of San Francisco to accept and expend a grant award in the amount of \$118,314 from the Department of Homeland Security's 2021 Port Security Grant Program, including \$44,780 for Emergency Preparedness and Response Training, \$48,632 for CCTV Refresh, and \$24,902 for CCTV Remote Access for the period of September 1, 2021, through August 31, 2024.**

Should you have any questions, please contact Tom Paulino at 415-554-6153.