



VENTURA PORT DISTRICT BOARD OF PORT COMMISSIONERS

Jim Friedman, Chairman
Everard Ashworth, Vice Chairman
Bruce E. Smith, Commissioner
Gregory Carson, Commissioner
Nikos Valance, Commissioner

Oscar Peña, General Manager
Timothy Gosney, Legal Counsel
Jessica Rauch, Clerk of the Board

PORT COMMISSION AGENDA REGULAR MEETING JANUARY 27, 2016 AT 7:00PM VENTURA PORT DISTRICT OFFICE 1603 ANCHORS WAY DRIVE, VENTURA, CA

*A Closed Session of the Board will be held at **6:00PM** at the Four Points by Sheraton Hotel – **Schooner Room** 1050 Schooner Drive, Ventura, CA, to discuss the items on the Attachment to Agenda-Closed Session Conference with Legal Counsel.*

*The Board will convene in **Open Session** at the Port District Office located at 1603 Anchors Way Drive for its Regular Meeting at **7:00PM**.*

ADMINISTRATIVE AGENDA:

CALL TO ORDER: *By Chair Jim Friedman.*

PLEDGE OF ALLEGIANCE: *By Chair, Jim Friedman.*

ROLL CALL: *By the Clerk of the Board.*

ADOPTION OF AGENDA (5 minutes)

Consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to, or removed/continued from the Port Commission's agenda. Administrative Reports relating to this agenda and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the Port District's office located at 1603 Anchors Way Drive, Ventura, CA during business hours as well as on the District's website - www.venturaharbor.com (Public Notices). Each item on the agenda shall be deemed to include action by an appropriate motion, resolution or ordinance to take action on any item.

APPROVAL OF MINUTES

The Minutes of the January 13, 2016 workshop meeting will be considered for approval.

PUBLIC COMMUNICATIONS (3 minutes)

The Public Communications period is set aside to allow public testimony on items not on today's agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair.

CLOSED SESSION REPORT (3 minutes)

Closed Sessions are not open to the public pursuant to the Brown Act. Any reportable actions taken by the Commission during Closed Session will be announced at this time.

BOARD COMMUNICATIONS (5 minutes)

Port Commissioner's may present brief reports on port issues, such as seminars, meetings and literature that would be of interest to the public and/or Commission, as a whole. Port Commissioner's must provide a brief summary and disclose any contacts or meetings he or she may have had with any Port District Tenants.

DEPARTMENTAL STAFF REPORTS (10 minutes)

Ventura Port District Staff will give the Commission reports on their Department.

UPDATE OF HARBOR CHANNEL – Harbormaster, John Higgins (15 minutes)

GENERAL MANAGER REPORT (5 minutes)

The General Manager of the Ventura Port District will report on items of general interest to the Port Commission and members of the public.

LEGAL COUNSEL REPORT (5 minutes)

CONSENT AGENDA: (5 minutes)

Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of the Board or the public requests an opportunity to address any given item. Approval by the Board of Consent Items means that the recommendation is approved along with the terms set forth in the applicable staff reports.

A) Approval of Financial Statements and Checks for the month of November 2015

Recommended Action: Resolution No. 3292.

That the Board of Port Commissioners adopt Resolution No. 3292 accepting and approving the Financial Statements, Payroll and Regular Checks for expenses in November 2015.

B) Approval of New Retail Lease Agreement for Beach Break Surf Shop

Recommended Action: Motion.

That the Board of Port Commissioners approve by motion a new retail lease agreement for the premises located at 1575 Spinnaker Drive #108 consisting of 990 square feet between the Ventura Port District dba Ventura Harbor Village and Beach Break Surf Shop for a two-year term.

C) Approval of Three (3) Out of Town Travel Requests

Recommended Action: Motion.

That the Board of Port Commissioners approve by motion the Out of Town Travel Requests for Consultant, Richard Parsons, Commissioner Everard Ashworth, and Commissioner Greg Carson.

D) Notice of Completion for the Installation of a One Ton Derrick Crane

Recommended Action: Resolution No. 3293.

That the Board of Port Commissioners adopt Resolution No. 3293, accepting the work of Cushman Contracting Corporation for the installation of a one ton derrick crane and authorize staff to prepare and record a Notice of Completion with the Ventura County Recorder.

STANDARD AGENDA:

1) Approval of Fiscal Year 2014-2015 Audit

Recommended Action: Motion.

That the Board of Port Commissioners approve the acceptance of the Basic Financial Statements and Supplementary Information with Independent Auditor's Report for the Year Ended June 30, 2015, prepared by White Nelson Diehl Evans, LLP.

2) Approval of Resolution Authorizing First Amendments to the 2008 and 2009 Refunding Certificates of Participation

Recommended Action: Resolution No. 3294

That the Board of Port Commissioners adopt Resolution No. 3294, authorizing the execution and delivery of a First Amendment to the 2008 Installment Purchase Agreement, a First Amendment to the 2009 Installment Purchase Agreement and related matters in connection therewith.

At this time the Port Commission will adjourn and convene as the Board of Directors of the Ventura Port District Public Facilities Corporation.

Board of Directors of the Ventura Port District Public Facilities Corporation

AGENDA

I. Call to Order the Annual Meeting of the Ventura Port District Public Facilities Corporation

A. Election of Officers: President, Vice President, Secretary

B. Ratify the Minutes of the Meeting held January 22, 2014

C. Approval of Resolution Authorizing First Amendment to 2008 Installment Purchase Agreement
Recommended Action: Resolution No. 127.

That the Board of Directors of the Public Facilities Corporation adopt Resolution No. 127, authorizing the execution and delivery of a First Amendment to the 2008 Installment Purchase Agreement and related matters in connection therewith.

II. Adjourn the Annual Meeting of the Public Facilities Corporation

***Reconvene the Regular Meeting of the
Ventura Port District Board of Port Commissioners.***

3) Discussion Regarding Possible Refinancing of the District's Department of Boating and Waterways Loans

Recommended Action: Motion.

That the Board of Port Commissioners authorize the General Manager to begin discussions with Brandis Tallman LLC for the purpose of refinancing the District's two consolidated loans with the Department of Boating and Waterways.

4) Approval of Mid-Year Budget Adjustments for Fiscal Year 2015 – 2016

Recommended Action: Resolution No. 3295.

That the Board of Port Commissioners adopt Resolution No. 3295 authorizing the Mid-Year Budget Adjustments for Fiscal Year 2015 - 2016.

5) Update on Emergency Conditions at 1691 Spinnaker Drive

Recommended Action: 4/5ths vote.

That the Board of Port Commissioners determine by a four-fifths vote that there is a need to continue the emergency action adopted by the Board on January 13, 2016 to award a contract to Letner

Roofing Company to replace the tile roof system on 1691 Spinnaker Drive without giving notice for bids to let a contract.

REQUEST FOR FUTURE AGENDA ITEMS

ADJOURNMENT

*This agenda was posted on Friday, January 22, 2016 at 5:00 p.m.
at the Port District Office and on the Internet - www.venturaharbor.com (Port Commission).*

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*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Ventura Port District at (805) 642-8538. Notification 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)*

**ATTACHMENT TO PORT COMMISSION AGENDA
CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL**

WEDNESDAY, JANUARY 27, 2016

1. Conference with Real Property Negotiators - Per Government Code Section 54956.8:

- | | |
|----------------------|--|
| a) Property: | 1575 Spinnaker Drive #108 |
| Negotiating Parties: | Oscar Pena, Brian Pendleton, Timothy Gosney |
| Under Negotiation: | Beach Break Surf Shop New Retail Lease |
| | |
| b) Property: | 1363 Spinnaker Drive, Parcels 2 & 3 |
| Negotiating Parties: | Oscar Peña, Brian Pendleton, Timothy Gosney |
| Under Negotiation: | Ventura Isle Marina Lease Assignment |

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

APPROVAL OF THE JANUARY 13, 2016 MINUTES



Minutes of Workshop Meeting of the Ventura Port District Board of Port Commissioners Held January 13, 2016

The Workshop Meeting of the Ventura Board of Port Commissioners was called to order by Chairman Jim Friedman at 11:03AM at the Ventura Port District Office located 1603 Anchors Way Drive, Ventura, CA 93001.

Commissioners Present:

Jim Friedman, Chair
Everard Ashworth, Vice Chair arrived at 11:05
Gregory L. Carson
Bruce E. Smith
Nikos Valance

Commissioners Absent:

None

Port District Staff:

Oscar Peña, General Manager
Brian Pendleton, Business Operations Manager
Joe Gonzalez, Facilities Manager
Frank Locklear, Marina Manager
Robin Baer, Property Manager
Jennifer Talt-Lundin, Marketing Manager
John Higgins, Harbormaster
Gloria Adkins, Accounting Manager
Jessica Rauch, Clerk of the Board

Legal Counsel:

Chris Chan

AGENDA

CALL TO ORDER: By Chairman Jim Friedman at 11:03AM.

PLEDGE OF ALLEGIANCE: By Chairman Jim Friedman.

ROLL CALL: All Commissioners were present. Commissioner Ashworth arrived at 11:05AM.

ADOPTION OF AGENDA

ACTON: Commissioner Carson moved, seconded by Commissioner Smith and carried by a vote of 4-0 to adopt the January 13, 2016 agenda.

APPROVAL OF MINUTES

The Minutes of December 9, 2015 regular meeting were considered as follows:

ACTION: Commissioner Smith moved, seconded by Commissioner Carson and carried by a vote of 5-0 to approve the minutes of the December 9, 2015 regular meeting, with the addition of the following sentence to Consent Item A's action:
"The credit card summaries for October 2015 were not included in this packet, but will be in the packet for January 27, 2016."

PUBLIC COMMUNICATIONS: Lynn Mikelatos, owner of The Greek Mediterranean Steak & Seafood, was happy to announce that the new canopy is up and looking great and that they are proceeding with improving the bar area.

BOARD COMMUNICATIONS: Commissioner Ashworth updated the Commission on the Ventura Shellfish Enterprise and reported on the meeting he attended with Commissioner Carson and Colonel Gibbs from the Army Corps. He reported that he visited with some tenants in the harbor and spoke about procurement and thanked staff for a great Parade of Lights. Commissioner Carson also thanked staff for a great Parade of Lights and reported on the meeting he attended with Commissioner Carson and Colonel Gibbs from the Army Corps.

STAFF COMMUNICATIONS: General Manager, Oscar Peña thanked staff for a great December and updated the Commission on the Sondermann Ring Project. Mr. Peña also reported on a meeting with Colonel Gibbs from the Army Corps of Engineers and a second meeting that will be held with Brigadier General Mark Toy next week. Property Manager, Robin Baer reported that Harbor Wind and Kite is now vacant and staff has started marketing the space for lease. Marketing Manager, Jennifer Talt-Lundin reported on the great turn out for Parade of Lights and on the upcoming Tall Ships event. Harbormaster, John Higgins updated the Commission on the fishing boat incident and on the effects of the latest storm on the beaches.

EMERGENCY ACTION ITEM:

1. Existence of Dangerous Condition at 1691 Spinnaker Drive

Recommended Action: Resolution No. 3291 by 4/5ths Vote.

That the Board of Port Commissioners adopt Resolution No. 3291, making certain findings as set forth in such Resolution, including, without limitation, the following:

- a) The roofing system of the building located at 1691 Spinnaker poses an immediate threat to public health and safety and to the District's real property as a result of falling clay roof tiles due to corrosion to the galvanized nails securing such tiles to the roofing system; and
- b) Based on substantial evidence, the Board finds that the roofing system has created an emergency situation that will not allow a delay resulting from an informal or formal bid process under the UPCCA, and that it is necessary for the Board to take action to engage a contractor to replace the roofing system without first utilizing the bid process required under the UPCCA to respond to the emergency; and
- c) The Board authorizes the General Manager pursuant to Section 22035 and 22050 of the Public Contract Code to engage Letner Roofing Company to commence the immediate removal of the tile roofing system on the building located at 1691 Spinnaker Drive and the installation of a replacement tile roofing system utilizing the Tremco Roofing system for a total cost (materials and labor included) not to exceed \$120,000.00.

ACTION: Commissioner Smith moved, seconded by Commissioner Valance and carried by a vote of 5-0 to adopt Resolution No. 3291, making certain findings as set forth in such Resolution, including, without limitation, the following:

- a) The roofing system of the building located at 1691 Spinnaker poses an immediate threat to public health and safety and to the District's real property as a result of falling clay roof tiles due to corrosion to the galvanized nails securing such tiles to the roofing system; and
- b) Based on substantial evidence, the Board finds that the roofing system has created an emergency situation that will not allow a delay resulting from an informal or formal bid process under the UPCCA, and that it is

necessary for the Board to take action to engage a contractor to replace the roofing system without first utilizing the bid process required under the UPCCA to respond to the emergency; and

- c) The Board authorizes the General Manager pursuant to Section 22035 and 22050 of the Public Contract Code to engage Letner Roofing Company to commence the immediate removal of the tile roofing system on the building located at 1691 Spinnaker Drive and the installation of a replacement tile roofing system utilizing the Tremco Roofing system for a total cost (materials and labor included) not to exceed \$120,000.00.

WORKSHOP ITEMS:

1. Parking Management Program

Recommended Action: Motion.

That the Board of Port Commissioners approve an adjustment to the 2015 - 2016 annual budget in the amount of \$22,450 to fund professional services with Associated Transportation Engineers for parking survey and development of updated parking management program policies for Commission consideration.

ACTION: Commissioner Valance moved, seconded by Commissioner Smith and carried by a vote of 5-0 to authorize staff to continue with the development of a parking management program and to consider the budget adjustment during the mid-year budget presentation. The Commission thought this presentation and the parking surveys were very helpful and that staff should move forward with the development of a parking management program.

Public Comment: Sam Sadove, owner of Ventura Harbor Marine Association, thought it a good idea to have a firm like ATE look at a parking management plan. He deals with the same problem with sportfishing excursion parking. Michael Wagner, owner of Andria's Seafood, is all for doing a serious parking study and management plan. Alex Brodie, owner of Island Packers, asked if there was a way to incorporate how much revenue each vehicle brings into the harbor. Island Packers uses permits for overnight customers, could start using permits for day use as well. Lynn Mikelatos, owner of The Greek Mediterranean Steak & Seafood, commented that there is definitely a parking problem at the Harbor and peak time for her is 2PM. She suggested angled parking for a short term solution and a possible structure in front of the lawn area for a long-term solution.

2. Proposed Hotel at Ventura Harbor

Recommended Action: None.

That the Board of Port Commissioners provide direction to staff regarding Brighton Hotel Group's expressed interest in building a new hotel at Ventura Harbor.

ACTION: The Commission directed staff to development a Request for Proposals (RFP) not limited to a specific use for both parcels 5 and 8. The Commission wants it specified in the RFP that there needs to be a visitor serving aspect to the proposal. However, staff should discuss the potential development of the parcels with SRP and determined that such development would not significantly impact the completion of the SRP project.

ADJOURN TO CLOSED SESSION AT 1:07PM

RECONVENE PUBLIC SESSION AT 1:20PM

CLOSED SESSION REPORT: Mr. Chan stated that the Board met in closed session; discussed and reviewed all items on the closed session agenda. Staff was given instructions as to how to proceed as appropriate and there was no action taken that is reportable under The Brown Act.

REQUEST FOR FUTURE AGENDA ITEMS: Commissioner Valance asked the Commission if Gary Young could make a presentation about his proposed events/sports center located on the corner of Olivos and Harbor and the Commission agreed, just so long that he knows this is only an informational item and the Commission will not be taking position on the topic.

ADJOURNMENT: The meeting was adjourned at 1:33PM.

Secretary

JANUARY 27, 2016
BOARD OF PORT COMMISSIONERS

DEPARTMENTAL STAFF REPORTS

DREDGING – ORAL REPORT WILL BE GIVEN DAY OF MEETING

FACILITIES - INCLUDED

HARBORMASTER – ORAL REPORT WILL BE GIVEN DAY OF MEETING

MARINA - INCLUDED

MARKETING - INCLUDED

PROPERTY MANAGEMENT - INCLUDED

VENTURA PORT DISTRICT
DEPARTMENTAL STAFF REPORT

Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Joe A. Gonzalez, Facilities Manager
SUBJECT: Facilities Report

I. Maintenance

- 1) Two new vinyl windows have been installed in Building 1567 Suite 105.
- 2) 1691 Men's restroom faucet was replaced.
- 3) Removed several areas of Graffiti on the west side, sidewalk brick wall.
- 4) 1583 Women's restroom faucet was repaired.
- 5) Monthly inspection on all fire extinguishers located at 1603 admin building, dry storage, and all VPD vehicles were performed.
- 6) VPD Shop compressor was serviced.
- 7) Launch ramp boating washing facilities coin machine was serviced.
- 8) Maintenance vehicles 41, 43, 44, 25, 26, 28, 42, 45, 46, 47 were serviced.
- 9) 11 exterior light bulbs were replaced on exterior Village Buildings.
- 10) One urinal was repaired in 1575 men's restroom.
- 11) Serviced blower system on the Admin building.
- 12) Minor repairs were done to the lighting fixtures, due to vandalism, in 1449 restroom.
- 13) Harbor patrol vehicle H-10 was serviced.
- 14) Hand dryer at men's' restroom was repaired.
- 15) New stop sign at 1431 parking lot exit and Harbor Cove parking lot east side exit was installed.
- 16) Harbor Cove restroom #1 faucet was replaced.

II. Landscaping

- 1) Trimmed several trees throughout the launch ramp parking lot.
- 2) Three low voltage planter lights were repaired adjacent to building 1559.
- 3) Performed irrigation testing's on all planters for any water waste.
- 4) Main irrigation line at 1449 was repaired.
- 5) Low voltage lighting for the Admin landscaping was worked on; two light bulbs were replaced.
- 6) Six low voltage lights were replaced at 1567.
- 7) Inspected building 1559's low voltage lighting; replaced two light bulbs.

III. Marina

- 1) Replaced cleat on H-Dock #19.
- 2) Replaced light bulbs on the following H-Dock pedestals: 14, 16, 17, 19, 20, and 21.
- 3) New fiberglass door was put in on E-Dock top of gangway trash receptacle.
- 4) New 24" cleat was installed at the end of the fish pier.
- 5) New 50-amp outlet was installed on Pedestal 26 of D-Dock.
- 6) Monthly service was performed on the Fish Pier Crane.
- 7) The up and down switch was replaced on hoist #1.
- 8) 8 light bulbs were replaced on E-Dock pedestal #6.
- 9) Dockmasters vehicle was serviced.
- 10) Monthly inspection was performed on all Village Marina Gangway's.
- 11) Replaced light bulb on G-Dock pedestal #9.
- 12) Monthly inspection was performed on all Marina, Docks, and fish pier fire extinguishers.
- 13) Two new piling caps were installed on D-Dock #2.

IV. Marketing

- 1) Assisted the Marketing Department by setting up tables, banners, reserving parking stalls, etc. for 12 events from December 9, 2015 through December 29, 2015.

V. Construction Projects;

- 1) 1691 Elevator Modernization - ThyssenKrupp has started the elevator modernization and is expected to be completed by mid-February.

VENTURA PORT DISTRICT
DEPARTMENTAL STAFF REPORT

Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Frank Locklear, Marina Manager
SUBJECT: Marina Report

I. Fish Pier

The new jib crane continues to operate flawlessly and praised by the local fishermen.

The fish pier deck has developed several small areas of surface deterioration in previously repaired sections. Richard Parsons was advised and will investigate the situation further.

II. Market Squid Offloading

December and January landings of market squid were minimum and sporadic. Other West coast harbors continue to suffer and did no better. Currently 60% of the current season squid quota remains uncaught. Industry hopes for productive landings in December and January have not been realized. If the squid arrives, the abrupt development of additional shoaling on the North side of the harbor entrance will hinder the departure and arrivals of any seine vessels attempting to land squid at Ventura Harbor.

III. Ventura Harbor Village Marina Occupancy

Ventura Harbor Village slip occupancy exceeded 90% during the month of December and to date. Squid seiners and their accompanying light boats have remained in the harbor in anticipation of productive landings of market squid. The shoaling of the harbor entrance and lack of West Coast squid landings will result in the departure of some of these vessels in order to return to their home ports.

TO: Board of Port Commissioners
FROM: Jennifer Talt Lundin, Marketing Manager
SUBJECT: December 2015/ January 2016 Marketing Report

Advertising & Promotions

Parade of Lights & Winter Wonderland

- 39th Annual Parade of Lights “Surf, Sand & Santa- Celebrating 150 Years of Ventura” had 27 boats on Friday night and 34 boats on Saturday night
- Parade winners featured in The Log Newspaper article and Ventura Breeze ad
- People’s Choice Award Facebook album received 2,129 Likes and 214 shares
- Hosted Miss California on Parade of Lights Special Olympians boat with lead sponsor Four Points By Sheraton
- Even with rainy conditions, Winter Wonderland was well attended with vendor booths at full capacity, creating good foot traffic for holiday shopping
- Winter Wonderland experienced higher vendor income over previous year
- Coastal Cone reported a record breaking Parade of Lights sales

Tall Ships Visit Promotion

- Worked with Marina staff to determine dock availability
- Banner ads on Harbor web sites & Ventura County West web site
- 2,500 Rack Cards (including distribution at San Diego Adventure & Travel Show, local schools, Visitor’s Center and hotels)
- 100 11x17 posters, 22x28 posters with Tall Ships information
- Radio commercials on KHAY 100.7 and KVTM 1590
- Street banners for Tall Ships
- Print ads in: Ventura County Star, Santa Barbara Family Life, Happenings Magazine, Santa Clarita Signal, Ventura Breeze, Carpinteria Coastal View News, Valley Scene Magazine (Total Circ. 420,604)

- Collected Tall Ships welcome amenities from Harbor tenants
- “Send a Postcard to A Friend”/Tall Ships Information Booth on 1/16 & 1/17
- Generated Tall Ships survey to collect visitor data
- Hosted Tall Ships Crew at Milano’s on 1/19 for Welcome Dinner

Tall Ships Early Departure Communications

- Created video with Captain Steinke to inform customers about move
- Re-designed to incorporate a Tall Ships update page on Harbor websites
- Distributed Update Press Release for relocation
- Posted on social media to direct to Update information
- Produced street banners for relocation information
- Redesigned and modified print and radio advertisements
- Decision to continue Tall Ships contest through 2/8

Ventura Harbor Focused Advertising

- Shop & Dine Seaside ad in 805 Living Magazine Jan/Feb Issue (60,000 circ.) and 12/24 Valley Scene Magazine double issue (300,000 circ.)
- Warm Yourself Seaside ads in Ventura Breeze (11,000 circ.) and Santa Clarita Signal (15,000 circ.)
- In discussions with The Log Newspaper for digital and print advertising package

Press/Media

- Print, online, TV Parade of Lights coverage generated over 1 million combined circ. in the following: AAA, Conejo 365, Ventura County Star, Ventura Breeze, KEYT online, KEYT Channel 3 News, Santa Barbara Family Life, The Log Newspaper, Southern California Life, Examiner.com, Happenings Magazine, VCReporter, LA Parent
- 1,700 media outlets received the following press releases via Somerville Associates:
Ventura Harbor Tall Ships Visit and January Media Wavelengths press release

- 12/24 The Log feature article on Ventura Harbor was direct result of media invite by Sommerville Associates (50,000 circ.)
- 1/4 Ventura County Star article focused on live entertainment at Ventura Harbor (47,604 circ.)
- 1/6 LA Times Travel Section- online and full page Travel Section feature in conjunction with Ventura County West media visit with Julie Kessler (673,171 circ.) Print ad value of \$50,000
- 1/6 Ventura Breeze Tall Ships front page photo and caption (11,000 circ.)
- 1/8 Ventura County Star Tall ships article with photographs (47,604 circ.)
- 1/19 Ventura County Star Tall Ships article with photographs (47,604 circ.) Ad value of \$5,000
- 1/20 Ventura Breeze Tall Ships front page photo and caption (11,000 circ.)
- 1/20 Santa Clarita Signal Tall Ships article(15,000 circ.)

Outreach/Tourism

- Parade of Lights Boater's Brunch on 12/20 emphasized City of Ventura's 150th Anniversary. Council member Cheryl Heitmann attended & helped distribute awards
- Central Coast Tourism Council's quarterly board meeting on 1/22
- Hosted Kylie Robertson of Robertson Solutions Public Relations on 1/14, contracted with Central Coast Tourism, for a personalized tour and Channel Islands film
- Ventura Harbor and Channel Islands focused postcards distributed at San Diego Adventure & Travel Show on 1/16 & 1/17

Social Media Highlights



#VenturaHarbor

- Top 3 Ventura Harbor Facebook Posts:
10.5K Reach/710 Clicks/611 Likes 12/14
Parade of Lights
33.5K Reach/1425 Clicks/ 3, 556 Likes 12/22
Harbor Sunset
23K Reach/ 7,397 Views /1,531 Likes
1/15 *Tall Ships Video*
- December Ventura Harbor Social Media Channels:
Increase of followers- 769 Facebook (5.8 %),

279 Instagram (10%), and 128 Twitter (4%)

- #TallShipsVentura Instagram photography contest to promote Ventura Harbor
- Coastal Living Magazine- National publication. 12/2 itinerary in partnership with Ventura County West journalist visit resulted in 2 Coastal Living Instagram posts to 105K followers
 - Floating Xmas Tree 1,778 Likes & Santa Cruz Island 1,306 Likes

Upcoming Events/Current Promotions

- Outreached to Harbor tenants for 2016 Ventura Harbor Events Calendar
- Warm Yourself Seaside: chowders, soups, cocktails
- 4 Fun Ways to Get Wet: dive, whales, surf, boats
- Cottontail Day- 3/19 with rain date of 3/26
- Ventura Harbor Art Day- 4/16

Onsite Event Rentals

- Provided Wedgewood Banquet Center with current beach conditions
- Meeting with Ventura County Film liaison regarding attendance at 2016 Film Location Conference and strategies to increase filming revenue

Communications

- Met with Harbor Village Gallery, Ventura County Potters' Guild, Tina O' Brien Gallery & Studio, and the December Store & More in regards to 4/16 Art Day and interest in March is Mermaid Madness to focus on product and visitation
- Regular updates with Andy Fernandez in regards to opening of Copa Cubana
- Attended Ventura Visitors and Convention Bureau Partners Meeting on 1/20
- Pirate Days date survey sent to tenants for feedback
- Met with owner of Beach Break Surf Shop to discuss winter promotion and focus on surf products
- Met with Kevin Clerici, Executive Director of Downtown Organization, on 1/25 for discussion of Downtown-Harbor Trolley Urban Trail

Tall Ships Update
January 21, 2016

Dear Commissioners,

It is with saddened hearts that we bid bon voyage to the historical Tall Ships earlier than anticipated. Their visit to Ventura Harbor was scheduled for 25 days (their longest stay to date in Ventura Harbor) and until February 8. The Marketing team works 7-8 months in advance to secure dates and length of stay, and we had requested the longer stay in 2016 along with the visit first to Ventura Harbor – which the Historical Seaport gladly agreed to.

First week of November, the Marketing team works diligently on promotional efforts for the Tall Ship visit, and has developed a successful marketing campaign to alert Ventura County residents and visitors as well as those in surrounding communities to come to Ventura Harbor to view, photograph and sail with the Tall Ships as well as dine, shop, play and entertain seaside. The Tall Ships attract thousands of visitors over their stay. Much of this publicity was already launched in December and early January and has been distributed or published, so there will continue to be visitors looking for them here in our Harbor. We are making every effort to inform the public and provide strong customer service to visitors to our Harbor who will be looking for the Tall Ships.

We contacted the Ventura Visitors and Convention Bureau, Oxnard Convention and Visitors Bureau, California Welcome Center and the Public Information Officer at the City of Ventura to give an update on relocation. We have created a Tall Ship Update feature on our web sites and social media, produced relocation signage, alerted our partners, but will continue the Instagram Photo Contest to post up Tall Ship images past and present through Feb. 8 with prizes.

The crew and the captains have again told us that Ventura Harbor is a “favorite” port along the West Coast, they so much appreciate the warm welcome that Ventura Harbor businesses give to the Tall Ships, the attention to the marketing efforts to invite and inform the public, and the reception they also receive from the community for their Tall Ship programs –Ventura is definitely one of their most successful ports. The crew was also very disappointed that they were leaving the Ventura Harbor and the environment here. Working with the Tall Ships Captains, we gave a box of Village Map & Guides to be distributed to patrons to promote visitation back to Ventura Harbor.

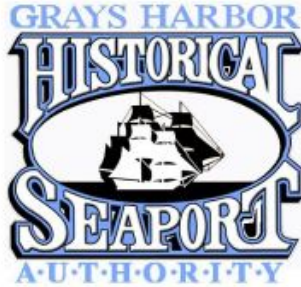
We have invited them to return to Ventura Harbor if the dredge is able to clear a safe channel, on President’s Day weekend Feb. 12 – 15 and if their programming and scheduling allows. We thank all the Harbor tenants for your generosity to host the Tall Ships in Ventura Harbor – they will definitely be back in 2017.

Please see attached materials.

Best,

Jennifer Talt Lundin

Marketing Manager



Jennifer Talt Lundin
Marketing Manager
Ventura Port District
1603 Anchors Way Drive
Ventura, CA 93001

Dear Jennifer:

I'd like to again express my sincere thanks for the support of you and your team for the visit of Lady Washington and Hawaiian Chieftain, this year and in past years. Ventura Harbor is one of our favorite ports to visit, in part due to your significant investment in advertising and promotion. As a non-profit with an educational mission, we do not have the resources to conduct these kinds of campaigns. We consider your support vital to our success.

You may recall that we welcome your staff, board, and volunteers on a brief excursion aboard our ships as a thank-you from us. Despite the fact that we had to depart early due to bar conditions, we would be happy to host you again during our Oxnard stay. If this still interests you, please contact me as soon as possible to make the arrangements.

Thanks again.

Yours sincerely,

Joseph G. Follansbee
Communications Director

Lady Washington, Hawaiian Chieftain Add New Evening Sails To 2016 Ventura Visit

A movie star tall ship and her companion have returned to Ventura this winter for more than three weeks of sailing adventures, cannon battles, and educational programs for young people. The brig Lady Washington, the official ship of the state of Washington, and the topsail ketch Hawaiian Chieftain are at Ventura Harbor Village through February 8, 2016. Both ships are U.S. Coast Guard-inspected passenger vessels.

New for the Ventura stop are three Evening Sails on three Wednesdays: January 20, January 27, and February 3. These 4 p.m. to 6 p.m. excursions are opportunities for individuals and families unable to sail on the weekends to enjoy an educational and relaxing experience on an authentic tall ship. Passengers are encouraged to help raise a sail, learn a sea shanty, or just soak up an ocean sunset. Tickets are value-priced at \$35 each.

The Ventura stop also includes our popular Battle Sails, which are three-hour recreations of a typical 18th century cannon duel between two tall ships with real cannon, real gunpowder, but no cannon balls. Tickets are \$75 adults, \$67 seniors (62+), students with ID, and active military, and \$39 children 12 and under. Adventure Sails are family-oriented experiences with a chance to help raise a sail, learn a sea shanty, or take the helm of a real tall ship, conditions permitting. Tickets for all excursions are available online at www.historicalseaport.org or by calling 800-200-5239.

The ships will also open for self-guided walk-on tours. No reservations are required. For a detailed schedule of all sailings and walk-on tours, visit the Public Sail Schedule at www.historicalseaport.org.


Lady Washington and Hawaiian Chieftain are taking reservations from public and private schools, home-school groups, and service organizations for weekday educational programs. The programs feature three learning stations: "Life of a Sailor," "Navigation," and "Early Trade." Each station focuses on the early exploration of the west coast by the original Lady Washington and similar vessels. For details and pricing, call 800-200-5239 or visit the Education Programs page at www.historicalseaport.org.

Launched in 1989, Lady Washington has appeared in several motion pictures and television programs, including the 2003 Pirates of the Caribbean: The Curse of the Black Pearl. Hawaiian Chieftain, launched in 1988, specializes in hands-on education programs for 4th, 5th, and 6th graders. For education program booking information, visit <http://historicalseaport.org> or call 800-200-5239.



TALL SHIPS


VENTURA HARBOR





Lady Washington & Hawaiian Chieftain
 BATTLE SAILS • ADVENTURE SAILS • DOCKSIDE TOURS • SEASIDE DINING

TICKET SALES AT HISTORICALSEAPORT.ORG OR CALL 800-200-5239

VISIT VENTURA HARBOR VILLAGE
 FOR TALL SHIP INFO & WEATHER-RELATED UPDATES



WARM YOURSELF SEASIDE

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Become a Penny Free Business! See page 8

f FREE

VENTURA BREEZE

Your Hometown Paper

Vol. 9, No. 8 Published Every Other Wednesday Established 2007 January 20 - February 2, 2016

One thousand people kept from homelessness by the Homeless Prevention Fund

by Jill Forman

Over 20,000 individuals in the City of Ventura have household incomes that leave no room for emergencies.



On Saturday, January 16, the Tall Ships had their grand arrival as they sailed into the Ventura Harbor for their three weeks of sailing adventures, cannon battles, and educational programs for young people. The brig Lady Washington and the topsail ketch Hawaiian Chieftain are scheduled to stay in Ventura Harbor until February 8. Photos by John Ferritto.



Alex Brunk was a 2015 scholarship winner who received \$3,500 from the VPOA.

Dee Dowell Memorial Scholarship Award



For Teacher of the Month see page 7

f FREE

VENTURA BREEZE

Your Hometown Paper

Vol. 9, No. 7 Published Every Other Wednesday Established 2007 January 6 - January 19, 2016



Fahey joined CMHS in 2012 as Clinical Quality Coordinator.

CMHS promotes Cynthia Fahey to VP of Patient Care Services



3. These 4 p.m. to 6 p.m. excursions are opportunities for individuals and families - who are unable to sail on the weekends - to enjoy an educational and relaxing experience on an authentic tall ship. Passengers are encouraged to help raise a sail, learn a sea shanty, or just soak up an ocean sunset. Tickets are \$35 each.

The Ventura stop also includes the popular Battle Sails, which are three hour recreations of a typical 18th century cannon duel between two tall ships using real cannons, and gunpowder, but no cannon balls. Tickets are \$75 for adults, and \$67 for seniors (62+). Students with ID, active military, and children 12 and under are \$39.

Photo by John Ferritto

A movie star tall ship and her companion return to Ventura this winter for more than three weeks of sailing adventures, cannon battles, and educational programs for young people. The brig Lady Washington and the topsail ketch Hawaiian Chieftain are scheduled to sail into Ventura Harbor Village January 15 and stay until February 8.

New this year are three Evening Sails on Wednesday January 20, January 27, and February 3.



Olivas Links is an award-winning 18-hole golf facility.

PGA Tour pre-qualifying tournaments to be held in Ventura

The Olivas Links will play host to pre-qualifying tournaments for both of the upcoming PGA Tour tournaments in the Southern California region.

Continued on page 20

Exploring scholar ships

■ Vessels offer hands-on history lessons

By Alicia Doyle
Special to The Star

The Lady Washington, the official ship of the state of Washington, which made an appearance in "Pirates of the Caribbean: The Curse of the Black Pearl," will arrive in Ventura on Jan. 15.

The tall ship, along with the topsail ketch Hawaiian Chieftain, will be open for self-guided tours and educational programs at Ventura Harbor Village through Feb. 8. The ships will stage weekend battle sails, which are three-hour re-creations of an 18th-century cannon duel with cannons and real gunpowder, but no cannonballs.

For the first time on the tall ships' annual visit, sunset cruises are being offered.

The ships have visited Ventura for more than five years, said Joe Follansbee, communications director for the Grays Harbor Historical Seaport Authority, a nonprofit that owns and operates the ships.

"Our ultimate goal is fulfilling our mission of promoting and preserving America's maritime history and heritage," said Follansbee, noting that the nonprofit specializes in hands-on history experiences for young people.



CONTRIBUTED PHOTO/TON AREL/COASTAL IMAGES

See SHIPS, 2B For the first time sunset cruises will be available when the Hawaiian Chieftain (left) and the Lady Washington visit Ventura.

IF YOU GO

What: Tall ships

When: Jan. 15 through Feb. 8

Where: Ventura Harbor Village, 1583 Spinnaker Drive in Ventura

Sunset cruises: 4-6 p.m. Jan. 20 and 27 and Feb. 3 for \$35 per person

Battle sails: Three-hour sails Saturdays and Sundays at \$75 for adults; \$67 for seniors 62 and older, students with ID and active military members; and \$39 for children 12 and younger

Information: Visit <http://historicalseaport.org>, or call 800-200-5239 to purchase tickets for an excursion or book an educational program.

SHIPS from 1B

"During our time in Ventura, we'll host a number of school groups during the week for one-hour and three-hour programs."

The Lady Washington is a wood-hulled replica of a vessel built in Boston that sailed around Cape Horn in 1787 into the Pacific Ocean, Follansbee said.

"It was one of the first two U.S.-flagged vessels to visit the West Coast of North America," Follansbee said. "The ship was on a trading mission for furs to the future province of British Columbia. The ship later sailed to Hawaii, Hong Kong and Japan."

The modern replica was launched in 1989 to celebrate Washington State's centennial. It has appeared in motion pictures and television shows, including "Star Trek: Generations," "Once Upon a Time" and "Revolution."

The Hawaiian Chieftain, built in 1988 in Lahaina, Hawaii, is a steel-hulled interpretation of a typical early 19th-century coastal trading vessel, Follansbee said.

Three sunset cruises are being offered this year.

"We realized many of our fans cannot sail with us on the weekends due to work or family obligations," Follansbee said. "We've created the late-afternoon excursion to accommodate their needs. Guests will have a wonderful sailing experience and enjoy a spectacular California sunset on the water."

Additionally, reservations are being taken from public and private schools, home school groups and service organizations for weekday educational programs on the ships. The Adventure Sails programs feature three learning stations: "Life of a Sailor," "Navigation" and "Early Trade," with each station focusing on the

early exploration of the West Coast by the original Lady Washington and similar vessels.

"Ventura is one of our favorite stops during our fall and winter tour of California ports," Follansbee said. "We receive an enthusiastic welcome from locals and support from Ventura-area communities."

The tall ships are unique in the way they encourage visitors to come aboard and actively explore and learn, said Lauren Yuncker, marketing and events coordinator for the Ventura Port District.

"By partnering with Grays Harbor Historical Seaport, we facilitate opportunities for local children and their families to learn about maritime history," Yuncker said. "It's not every day that one can sail aboard an authentic tall ship, so we appreciate making this a possibility for Ventura County residents as well as those from Los Angeles, Santa Barbara and beyond."

Dan Harding Photography



Instagram Contest #TallShipsVentura Entries



Banner Ads on Website



VENTURA PORT DISTRICT
DEPARTMENTAL STAFF REPORT

Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Robin Baer, Property Manager
SUBJECT: Property Report

I. Tenant Improvements Underway

- 1) *Wild Local Seafood Co.* - 1559 Spinnaker Drive, #105 – This project had some major setbacks at the beginning, but is now in full force. This project is almost complete, waiting on final approval from the City and obtain occupancy permit. Once received, remainder of equipment will be installed. Estimated opening date is February 2016.
- 2) *The 805 Bar & Grilled Cheese and Copa Cubana* - 1575 Spinnaker Drive, #102 – The tenant has not completed improvements to the Copa Cubana space. Staff is in communication with the tenant to monitor when completion will occur. The liquor license was approved by the City on January 13, 2016.
- 3) *Milano's Italian Restaurant* – 1575 Spinnaker Drive, #100 – The new designs and drawings for the bar have been approved by the Ventura County Health Department. Construction has begun in the interior patio; the outside patio fireplace is in construction and the interior bar build out is the next phase. Estimated remodeling shall be completed by first quarter in 2016.
- 4) *The Greek Mediterranean Steak & Seafood* – 1583 Spinnaker Drive #101 – The refurbished patio cover has been completed. We are working on a new redesign of existing bar area to open up out to the patio area. The contractor is working with the tenant's budget, phases and timeline. Once that is completed, we can move forward on completing final designs and project a start date for construction. Estimated completion by second quarter of 2016.
- 5) *Barefoot Boutique* – 1575 Spinnaker Drive, #106A&B – Drawings for expansion were approved by the City of Ventura. We are moving forward with contractor to setup a meeting to discuss the timeline, transition and completion date. Estimated completion first quarter in 2016.
- 6) *Harbor Wind & Kite* – 1575 Spinnaker Drive, #107 – This tenant recently vacated the premises. We have highlighted this space on multiple web advertising locations. We are also evaluating the option of splitting the space into two smaller spaces.

II. Leasing

- 1) *December Store & More* – 1559 Spinnaker Drive, #103 -- Seasonal Holiday store through January 2016. They will be selling Holiday items and other special gifts. All these items are handmade by local Ventura artists.
- 2) *Tina O'Brien Fine Art* – 1559 Spinnaker Drive, #106 – This tenant has been a month to month tenant with a percentage rent structure since 2011. The tenant has decided to sign a full lease for one year that will have a base rent, cams, promo fee and percentage rent. This change will provide additional revenue to the Port District.
- 3) *Island Creations* – 1591 Spinnaker Drive, #113 -- This new tenant is relocating from Southern California. Ms. Hawthorne has had multiple different entities (i.e Juice Bar, Retail, etc.). She will be opening up a Caribbean themed retail store that will consist of a variety of clothing that represents island attire (sundresses, sandals, handmade jewelry, reggae, hippie, etc.). Estimated opening date is March 2016.
- 4) Created a leasing packet, which can be printed or found on the website.
- 5) Posting ads online and in publications.
- 6) Overview of FY2015/2016 leasing strategy goals:
 - Obtain monthly, quarterly and annual data from real estate organizations and sources;
 - Procured Co-star for real estate analytics;
 - Decrease vacancies consistent with (or better than) regional averages in each leasing category and Harbor Village as a whole;
 - Convert existing month-to-month tenancies to term tenancies with existing and/or new tenants with established annual rent escalators;

- Increase annual rental revenue to VPD at (or above) consumer price index;
 - Attendance and participation with real estate, trade shows, webinars and networking events and others as applicable;
 - Annual memberships with leasing, real estate and development organizations;
 - Visit prospective tenant locations and meet with business owners.
- 5) We will be attending the Southern California ICSC Idea Exchange in Los Angeles in January 2016. During this event we will be hosting a Networking table to promote the Ventura Harbor Village and leasing opportunities.

III. Occupancy level at Harbor Village

CATEGORY	Harbor Vacancy Sq Ft	Harbor Vacancy %	Harbor Available Sq Ft	Harbor Available %	City * Vacancy %	City * Available %
Office	0	0%	0	0%	21.1%	23.2%
Retail	1216	6%	3163	16%	7.7%	11.6%
Restaurant	1,537	4.80%	1,537	4.80%	7.5%	12.8%

*Based on comparable square footage

IV. November and December Sales Report

The attached summaries provide sales for three categories: restaurants, retail and charters. The reports compare the monthly sales for 2015 and 2014. They also include year-to-date comparisons.

The year-to-date sales for November 2015 were up 6.31% and sales for December 2015 were up 6.11% from the same time last year. This increase was due to retail, charters and restaurants.

Attachments

Attachment 1 – November Tenant Sales
Attachment 2 – December Tenant Sales

ATTACHMENT 1

Ventura Harbor Village Tenant Sales Summary

Month of
November-2015

	<u>Nov-2015</u>	<u>Nov-2014</u>	<u>% Change</u>
Restaurants	\$ 868,374	\$ 852,393	1.87%
Retail	\$ 157,578	\$ 170,166	-7.40%
Charters	\$ 303,770	\$ 274,750	10.56%
Total	\$ 1,329,722	\$ 1,297,309	2.50%

Year-to-date through November 2014

	<u>Nov-2014</u>	<u>Nov-2014</u>	<u>% Change</u>
Restaurants	\$ 13,669,378	\$ 13,027,120	4.93%
Retail	\$ 2,782,908	\$ 2,627,985	5.90%
Charters	\$ 5,433,826	\$ 4,931,617	10.18%
Total	\$ 21,886,112	\$ 20,586,722	6.31%

ATTACHMENT 2

Ventura Harbor Village Tenant Sales Summary

Month of
December-2015

	<u>Dec-2015</u>	<u>Dec-2014</u>	<u>% Change</u>
Restaurants	\$ 945,418	\$ 876,733	7.83%
Retail	\$ 192,167	\$ 192,537	-0.19%
Charters	\$ 222,688	\$ 251,278	-11.38%
Total	\$ 1,360,273	\$ 1,320,548	3.01%

Year-to-date through December 2015

	<u>Dec-2015</u>	<u>Dec-2014</u>	<u>% Change</u>
Restaurants	\$ 14,614,795	\$ 13,903,855	5.11%
Retail	\$ 2,975,075	\$ 2,820,523	5.48%
Charters	\$ 5,656,514	\$ 5,182,895	9.14%
Total	\$ 23,246,384	\$ 21,907,273	6.11%

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

CONSENT AGENDA ITEM A

APPROVAL OF FINANCIAL STATEMENTS AND CHECKS

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

CONSENT AGENDA ITEM A
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Gloria Adkins, Accounting Manager
SUBJECT: Approval of Financial Statements and Checks

RECOMMENDATION:

That the Board of Port Commissioners adopt Resolution No. 3292 to:

- a) Accept the following financial statements: November 2015; and
- b) Review the payroll and regular checks for November 2015

SUMMARY:

Attached for the Board's review are the financial statements for the fiscal period ending November 30, 2015 and the regular accounts payable checks for the month of November 2015.

BACKGROUND:

The November 2015 financial statements consist of Statement of Revenue and Expenses, Budget Analysis, Balance Sheet, Cash Flow Statement, Distribution of Cash, Comparison of Lease Rent, and a Three Year Comparative Statement of Revenue and Expenses. The Supplementary Notes (the Notes) are not in this financial packet. The Notes will be included in the December 2015 financial statement packet, and if approved, will reflect the mid-year budget adjustments for the fiscal year 2015-16 Budget.

Disbursements

The accounts payable check register for November 2015 is located after all the financial statement documents as Attachment 3. The register includes a brief description of the purpose for each check.

Also attached are the details reflecting the charges made through the District's Chase Bank credit cards for October 2015 (Attachment 4). Details reflecting the charges made through the District's credit cards for November 2015 were not available at the time of writing this report and will be presented at the February 24th Board meeting.

I have explained some of the major accounts payable check expenditures below. (Regular payments such as monthly service contracts, utilities, legal services, etc. are not shown below as they are recurring each month.):

November 2015 -

- Thermal Alliance was paid \$8,000 on 11/05/15 as a down payment for the new HVAC unit for the Greek Restaurant as per their tenant lease agreement.
- Letner Roofing Co. was paid \$313,924 on 11/18/15 for a progress payment for the roof renovation project in the Village.
- Fugro West Inc. was paid \$9,500 on 11/19/2015 for the surveying and mapping of the harbor as required for dredging purposes.
- Wild Local Seafood was paid \$14,500 on 11/19/15 for tenant improvements as per his tenant lease agreement.

Payroll Disbursements

The District has 26 bi-weekly pay periods per year; ten months of the year will have two regular payroll periods and two months will have three regular pay periods. The payroll of \$130,841 for November 2015 reflects two regular pay periods.

FISCAL IMPACT:

The Statement of Income and Expenses reflects a decrease of \$662,232 in the 'Change in Net Position' for the period ending 11/30/2015. This cumulative decrease in financial position is directly related to two factors; the interest expense being paid out on the annual debt service payments in July and the increase in accessibility improvement expenses from July through November. Historically, the 'Change in Net Position' has cumulatively improved as normal operations continue each month. The current year reflects expenses that were not present in prior years.

ATTACHMENTS:

Attachment 1 – Resolution No. 3292

Attachment 2 – Statement of Income Expenses – Period Ended November 30, 2015

Attachment 3 – Accounts Payable Check Register for November 2015

Attachment 4 – Chase Credit Card Charges October 2015



RESOLUTION NO. 3292

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE
VENTURA PORT DISTRICT CONSENTING TO THE ACCEPTANCE OF THE
FINANCIAL STATEMENT AND APPROVAL OF CHECKS**

BE IT RESOLVED by the Board of Port Commissioners of the Ventura Port District, that:

- A. The Financial Statements for November 2015;
- B. The following Checks are hereby reviewed:
 - 1) Payroll Checks #9023-9034 and direct deposits inclusive in the amount of \$130,841 for November 2015 salaries.
 - 2) Regular Checks #42969-43102 in the amount of \$503,791 for October 2015 expenditures.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Port Commissioners of the Ventura Port District held on January 27, 2016, Resolution No. 3292 was adopted by the following vote:

AYES:
NOES:
Abstain:
Absent:

Attest:

Chairman

Secretary

(Seal)



ATTACHMENT 2

Ventura Port District Statement of Income and Expenses For the Period Ended November 30, 2015

	<----- Current period ----->			<----- Year-to-Date ----->		
	Budget	Activity	Favorable (Unfavorable)	Budget	Activity	Favorable (Unfavorable)
OPERATING REVENUES						
Parcel Lease Income	\$ 240,300	\$ 244,403	\$ 4,103	\$ 1,225,500	\$ 1,249,655	\$ 24,155
Dry Storage Income	8,100	9,631	1,531	40,500	44,894	4,394
Fisherman's Storage	6,340	5,762	(578)	32,120	28,811	(3,309)
Parking Income	3,000	2,571	(429)	35,000	43,475	8,475
Miscellaneous Income/Rentals	3,900	3,621	(279)	25,700	24,865	(835)
Village Income						
Harbor Village Lease Income	188,000	191,557	3,557	1,052,000	1,062,249	10,249
Commercial Fishing	33,800	17,740	(16,060)	130,000	102,676	(27,324)
Miscellaneous Income	520	245	(275)	2,400	2,160	(240)
Harbor Event Fees	2,400	2,957	557	20,100	23,482	3,382
Marketing Booth/Vendor Income	10	117	107	3,480	6,458	2,978
Co-Op Advert/Sponsorship	500	0	(500)	2,900	3,000	100
Merchants Promo Fund	7,000	7,289	289	35,000	35,901	901
Slip Rentals	75,000	73,290	(1,710)	375,000	365,420	(9,580)
Dock Electrical Income	3,000	3,347	347	12,000	11,936	(64)
C A M Income	25,000	25,274	274	123,000	123,805	805
Total Oper. Revenues	\$ 596,870	\$ 587,804	\$ (9,066)	\$ 3,114,700	\$ 3,128,787	\$ 14,087
OPERATING EXPENSES						
Personnel Expenses						
Salaries & Wages						
Regular Salaries	\$ 162,334	\$ 155,231	\$ 7,103	\$ 892,916	\$ 848,430	\$ 44,486
Part-time Help	5,960	5,874	86	32,710	30,052	2,658
Overtime Pay	0	165	(165)	13,905	18,739	(4,834)
Holiday Pay	0	0	0	10,000	6,340	3,660
Total Salaries & Wages	\$ 168,294	\$ 161,270	\$ 7,024	\$ 949,531	\$ 903,561	\$ 45,970
Other personnel expenses						
Retirement Contributions/Exp	\$ 40,772	\$ 39,480	\$ 1,292	\$ 216,228	\$ 206,805	\$ 9,423
Payroll Taxes	3,060	2,665	395	18,310	16,234	2,076
Worker's Comp Ins.	30,040	30,040	0	150,200	150,200	0
OPEB Liability	10,325	10,315	10	51,625	51,575	50
Medical & Life Ins.	22,213	20,574	1,639	111,065	102,908	8,157
Optional Benefit Plan	16,090	15,415	675	80,450	81,009	(559)
Uniforms & Tool Allowances	2,272	2,563	(291)	14,040	14,914	(874)
Total - Other Personnel Expenses	\$ 124,772	\$ 121,052	\$ 3,720	\$ 641,918	\$ 623,645	\$ 18,273
Total Personnel Expenses	\$ 293,066	\$ 282,322	\$ 10,744	\$ 1,591,449	\$ 1,527,206	\$ 64,243

ATTACHMENT 2

Ventura Port District Statement of Income and Expenses For the Period Ended November 30, 2015

	<----- Current period ----->			<----- Year-to-Date ----->		
	Budget	Activity	Favorable (Unfavorable)	Budget	Activity	Favorable (Unfavorable)
General Expenses						
Advertising	\$ 500	\$ 438	\$ 62	\$ 2,500	\$ 1,029	\$ 1,471
Advertising-Leasing & Real Estate	1,400	1,000	400	7,200	4,052	3,148
Auto Mileage & Allowance	1,125	744	381	5,625	4,005	1,620
Auto/Boat Equip & Maint	11,293	9,595	1,698	57,615	36,054	21,561
Bad Debt	0	0	0	0	425	(425)
Bank Fees & Other Misc	1,300	850	450	6,400	4,326	2,074
Building Maintenance	18,180	8,961	9,219	115,700	30,279	85,421
Bldg Maint-Tenant Improvmnts	110,000	30,967	79,033	248,500	158,560	89,940
Accessibility Improvements	20,000	41,307	(21,307)	300,000	287,010	12,990
Communications	3,600	4,369	(769)	18,000	21,218	(3,218)
Conferences & Training	7,750	905	6,845	27,250	7,956	19,294
Dock Maint. & Repair	3,500	2,830	670	19,500	8,095	11,405
Village Enhancements	3,000	0	3,000	15,000	0	15,000
Equipment Rental	555	1,082	(527)	3,605	3,693	(88)
General Insurance	26,500	26,500	0	132,500	132,500	0
Grounds Maintenance	16,505	5,629	10,876	44,635	33,302	11,333
General Harbor Maintenance	0	0	0	2,000	0	2,000
Janitorial Supplies	4,000	2,891	1,109	26,875	18,816	8,059
Land/Building Rental Expense	6,340	5,762	578	32,120	29,122	2,998
Marketing & Promotions	13,338	19,191	(5,853)	111,850	99,380	12,470
Memberships & Subscriptions	1,650	1,956	(306)	17,925	17,636	289
Office Supplies & Equipment	3,450	2,295	1,155	16,650	14,637	2,013
Computer Equip & Supplies	500	0	500	5,950	5,207	743
Operating Supplies	4,060	766	3,294	24,600	15,376	9,224
Other Equipment & Repairs	3,395	2,943	452	17,035	24,899	(7,864)
Professional Services - Legal	15,000	25,523	(10,523)	93,000	136,681	(43,681)
Professional/Outside Services	33,083	20,729	12,354	201,417	162,502	38,915
Utilities	20,705	19,228	1,477	159,875	135,679	24,196
Dredging Related Expenses	15,285	23,388	(8,103)	107,525	80,521	27,004
Total General Expenses	\$ 346,014	\$ 259,849	\$ 86,165	\$ 1,820,852	\$ 1,472,960	\$ 347,892
Total Operating Expenses	\$ 639,080	\$ 542,171	\$ 96,909	\$ 3,412,301	\$ 3,000,166	\$ 412,135
Oper. Income(Loss) Before Deprec.	\$ (42,210)	\$ 45,633	\$ 87,843	\$ (297,601)	\$ 128,621	\$ 426,222
Depreciation	\$ 80,100	\$ 80,052	\$ 48	\$ 400,500	\$ 400,258	\$ 242
Operating Income (Loss)	\$ (122,310)	\$ (34,419)	\$ 87,891	\$ (698,101)	\$ (271,637)	\$ 426,464

ATTACHMENT 2

Ventura Port District Statement of Income and Expenses For the Period Ended November 30, 2015

	<----- Current period ----->			<----- Year-to-Date ----->		
	Budget	Activity	Favorable (Unfavorable)	Budget	Activity	Favorable (Unfavorable)
NON-OPERATING REVENUES						
General						
Investment Income (Loss)	\$ 6,800	\$ 6,750	\$ (50)	\$ 14,300	\$ 15,915	\$ 1,615
Tax Income	<u>2,500</u>	<u>10</u>	<u>(2,490)</u>	<u>30,000</u>	<u>29,037</u>	<u>(963)</u>
Total General Non-Oper. Income	\$ 9,300	\$ 6,760	\$ (2,540)	\$ 44,300	\$ 44,952	\$ 652
Special Funding						
DBAW Grants-Launch Ramp	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Special Funding	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL NON-OPER. REVENUES	<u>\$ 9,300</u>	<u>\$ 6,760</u>	<u>\$ (2,540)</u>	<u>\$ 44,300</u>	<u>\$ 44,952</u>	<u>\$ 652</u>
NON-OPERATING EXPENSES						
Interest Expense	\$ 1,440	\$ 1,437	\$ 3	\$ 438,200	\$ 435,547	\$ 2,653
Total Non-Oper. Expenses	\$ 1,440	\$ 1,437	\$ 3	\$ 438,200	\$ 435,547	\$ 2,653
Non-Operationing Income (Loss)	<u>\$ 7,860</u>	<u>\$ 5,323</u>	<u>\$ (2,537)</u>	<u>\$ (393,900)</u>	<u>\$ (390,595)</u>	<u>\$ 3,305</u>
CHANGES IN NET POSITION	<u><u>\$ (114,450)</u></u>	<u><u>\$ (29,096)</u></u>	<u><u>\$ 85,354</u></u>	<u><u>\$ (1,092,001)</u></u>	<u><u>\$ (662,232)</u></u>	<u><u>\$ 429,769</u></u>

Northampton District 2
Budget Analysis
58% Remaining For the Period Ended November 30, 2015

	Current Annual Budget	Current YTD Activity	Remaining Budget	% Remaining
INCOME				
Operating Income				
Parcel Lease Income	3,190,000	1,249,655	1,940,345	61
Dry Storage Income	97,000	44,894	52,106	54
Fisherman's Storage	76,500	28,811	47,689	62
Parking Income	65,000	43,475	21,525	33
Miscellaneous Income/Rentals	61,500	24,865	36,635	60
Village Income				
Harbor Village Lease Income	2,330,000	1,062,249	1,267,751	54
Commercial Fishing	250,000	102,676	147,324	59
Miscellaneous Income	6,000	2,160	3,840	64
Harbor Event Fees	40,500	23,482	17,018	42
Marketing Booth/Vendor Income	10,000	6,458	3,542	35
Co-Op Advert/Sponsorship	16,500	3,000	13,500	82
Merchants Promo Fund	90,000	35,901	54,099	60
Slip Rentals	900,000	365,420	534,580	59
Dock Electrical Income	26,000	11,936	14,064	54
C A M Income	300,000	123,805	176,195	59
Total Operating Income	\$ 7,459,000	\$ 3,128,787	\$ 4,330,213	58 %
Non-operating Income				
Investment Income	30,000	15,915	14,085	47
Tax Income	1,030,000	29,037	1,000,963	97
DBAW Grants-Misc	15,500	0	15,500	100
DBAW Grant-Equipment	59,500	0	59,500	100
Total Non-Operating Income	\$ 1,135,000	\$ 44,952	\$ 1,090,048	96 %
TOTAL INCOME	\$ 8,594,000	\$ 3,173,739	\$ 5,420,261	63 %
EXPENSES				
Personnel Expenses				
Salaries & Wages	2,283,500	903,560	1,379,940	60
Retirement Contributions	514,000	206,805	307,195	60
Payroll Taxes	44,500	16,234	28,266	64
Worker's Comp Ins.	360,500	150,200	210,300	58
OPEB Liability	123,922	51,575	72,347	58
Medical & Life Ins.	266,500	102,908	163,592	61
Optional Benefit Plan	193,000	81,009	111,991	58
Uniforms & Tool Allowances	30,000	14,914	15,086	50
Total Personnel Expenses	\$ 3,815,922	\$ 1,527,205	\$ 2,288,717	60 %

Antioch District 2
Budget Analysis
58% Remaining For the Period Ended November 30, 2015

	Current Annual Budget	Current YTD Activity	Remaining Budget	% Remaining
General Expenses				
Advertising	27,000	5,081	21,919	81
Auto Mileage & Allowance	13,500	4,005	9,495	70
Auto/Boat Equip & Maint	201,500	36,054	165,446	82
Bad Debt	25,000	425	24,575	98
Bank Fees & Other Misc	15,500	4,326	11,174	72
Building Maintenance	243,000	30,279	212,721	88
Bldg Maint-Tenant Improvments	285,000	158,560	126,440	44
Accessibility Improvements	405,000	287,010	117,990	29
Communications	43,000	21,218	21,782	51
Conferences & Training	59,500	7,956	51,544	87
Dock Maint. & Repair	49,000	8,095	40,905	83
Village Enhancements	35,000	0	35,000	100
Equipment Rental	14,500	3,693	10,807	75
General Insurance	318,000	132,500	185,500	58
Grounds Maintenance	111,000	33,302	77,698	70
General Harbor Maintenance	4,000	0	4,000	100
Janitorial Supplies	60,500	18,816	41,684	69
Land/Building Rental Expense	76,500	29,122	47,378	62
Marketing & Promotions	291,500	99,380	192,120	66
Memberships & Subscriptions	21,500	17,636	3,864	18
Office Supplies & Equipment	38,000	14,637	23,363	61
Computer Equip & Supplies	12,500	5,207	7,293	58
Operating Supplies	54,500	15,376	39,124	72
Other Equipment & Repairs	41,000	24,899	16,101	39
Professional Services - Legal	150,000	136,681	13,319	9
Professional/Outside Services	387,000	162,502	224,498	58
Utilities	411,500	135,679	275,821	67
Dredging Related Expenses	<u>260,000</u>	<u>80,521</u>	<u>179,479</u>	<u>69</u>
Total General Expenses	\$ 3,654,000	\$ 1,472,960	\$ 2,181,040	60 %
Non-operating Expenses				
Interest Expense	<u>648,560</u>	<u>435,547</u>	<u>213,013</u>	<u>33</u>
Total Non-Oper. Expenses	\$ 648,560	\$ 435,547	\$ 213,013	33 %
TOTAL EXPENSES	\$ 8,118,482	\$ 3,435,712	\$ 4,682,770	58 %

**Antelope Valley District
Water Company
Budget Analysis
58% Remaining For the Period Ended November 30, 2015**

	Current Annual Budget	Current YTD Activity	Budget Funds Remaining
CAPITAL IMPROVEMENT PROJECTS/EQUIPMENT			
Automotive	\$ 40,000	\$ 0	\$ 40,000
Assets -Fish Pier Crane/Hoist	102,000	90,165	11,835
Building Improve-Replace Window	90,000	0	90,000
Parking Lot Repairs	100,000	83,059	16,941
Assets Village roof system	630,000	346,968	283,032
Assets-Vlg Parkinglot Trash Enclos	0	1,314	(1,314)
Assets-Village Painting	500,000	0	500,000
Assets-HVAC 1431 NPS Building	35,000	0	35,000
Assets-1691 Elevator Refurbish	98,000	37,446	60,554
Village Landscaping	0	4,848	(4,848)
VHV Marina Part G&H Docks	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Capital Improvements	\$ 1,645,000	\$ 563,800	\$ 1,081,200

ATTACHMENT 2

Ventura Port District Balance Sheet For the Period Ended November 30, 2015

CURRENT ASSETS

Cash in Banks	2,027,127
Accounts Receivable	775,855
Notes Receivable	1,800
Taxes Receivable	50,542
Interest Receivable	5,158
Prepaid Expenses	191,450
Inventory of supplies	35,245
TOTAL CURRENT ASSETS	<u>\$3,087,177</u>

RESTRICTED ASSETS

Cash - Dredging	3,025,584
Cash - Improvement	3,305,350
Cash - Fisheries Complex	25,068
TOTAL RESTRICTED ASSETS	<u>\$6,356,002</u>

FIXED ASSETS

Land	2,342,629
Harbor Improvements	33,477,694
Equipment	1,504,333
	<u>37,324,656</u>
Accumulated depreciation	<u>(14,759,588)</u>
NET FIXED ASSETS	<u>\$22,565,068</u>

OTHER ASSETS

Investments-Unrestricted Reserves	1,499,235
TOTAL OTHER ASSETS	<u>\$1,499,235</u>

TOTAL ASSETS \$33,507,482

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refundings	216,931
Deferred amount on pension plan	347,852
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$564,783</u>

**TOTAL ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

\$34,072,265

CURRENT LIABILITIES

Accounts Payable	362,065
Accrued Interest	373,390
Current Portion LT Debt	639,912
Current Portion OPEB Liability	11,856
Accrued Payroll	37,961
Employee Compensated Absences	230,666
TOTAL CURRENT LIABILITIES	<u>\$1,655,850</u>

LONG TERM DEBT

ltd - Notes Payable	13,018,637
TOTAL LONG TERM DEBT	<u>\$13,018,637</u>

OTHER LIABILITIES

OPEB Liability LT	445,349
Net Pension Liability	2,578,020
Unearned Revenue	183,500
Security Deposits	169,189
TOTAL OTHER LIABILITIES	<u>\$3,376,058</u>

TOTAL LIABILITIES \$18,050,545

EQUITY

Contributed Capital	4,632,128
Retained Earnings-Reserved	645,536
Retained Earnings- Unreserved	10,722,661
Current Year Retained Earnings	(662,232)
TOTAL EQUITY	<u>\$15,338,093</u>

DEFERRED INFLOW OF RESOURCES

Deferred amount from pension plan	683,627
TOTAL DEFERRED INFLOW OF RESOURCES	<u>\$683,627</u>

**TOTAL LIABILITIES, EQUITY, AND
DEFERRED INFLOW OF RESOURCES**

\$34,072,265

ATTACHMENT 2

Ventura Port District Cashflow Statement As of November 30, 2015

Enterprise Fund

Operating Income	3,128,787
Non-Operating Income	44,952
Total Income	<u>\$ 3,173,739</u>
Operating Expenses	3,400,424
Non-Operating Expenses	435,547
Total Expenses	<u>\$ 3,835,971</u>
Change in Net Position-Accrual Basis	\$ (662,232)
Cashflows for Capital and Financing Activities:	
Principle paid on debt	(639,912)
Deferred amount on refundings	7,185
Acquisitions/Retirements of Capital Assets	(563,800)
Net Cash provided (used) by Capital & Financing	<u>\$ (1,196,527)</u>
Operating Income Adjustments:	
Depreciation	400,258
(Increase)decrease in receivables	63,158
(Increase)decrease in prepaid Items	162,866
Increase(decrease) in payables	246,789
Increase(decrease) in unearned revenue	(72,277)
Increase (decrease) in tenant deposits	5,425
Net Cash provided by Operating Activities	<u>\$ 806,219</u>
NET Increase (Decrease) in Cash	\$ (1,052,540)
Add: Beginning Cash 7/1/15	\$ 10,934,904
Ending Cash at 11/30/15	\$ 9,882,364

Monthly Report
(Unaudited)

ATTACHMENT 2

Ventura Port District Distribution of Cash as of November 30, 2015

<u>Enterprise Fund</u>	Current Balance
<u>Cash</u>	
Cash on Hand (undeposited)	1,324
Cash in Checking (Wells Fargo Bank)	139,306
Cash in County Treasury	<u>16,664</u>
Total Cash Available for Normal Operations	\$ 157,294
 <u>Investments Unrestricted Reserves</u>	
Local Agency Investment Fund (LAIF)	1,863,082
Stifel Nicolaus	<u>1,505,986</u>
Total Investments Unrestricted Reserves	\$ 3,369,068
 <u>Dredging Reserves</u>	
Local Agency Investment Fund (LAIF)	<u>3,025,584</u>
Total Dredging Reserves	\$ 3,025,584
 <u>Capital Improvement Reserves</u>	
Local Agency Investment Fund (LAIF)	<u>3,305,350</u>
Total Capital Improvement Reserves	\$ 3,305,350
 <u>Fisheries Complex Reserves</u>	
Local Agency Investment Fund (LAIF)	<u>25,068</u>
Total Fisheries Complex Reserves	\$ 25,068
 TOTAL CASH AND INVESTMENTS	 <u>\$ 9,882,364</u>

ATTACHMENT 2

Ventura Port District Comparison of Lease Rent

	Year to Date Ended <u>11/30/2015</u>	Year to Date Ended <u>11/30/2014</u>	Increase (Decrease)	
Parcel Leases				
Ventura Harbor Marine Assoc	91,401	75,456	15,945	21%
Dave's Fuel Dock	6,542	5,032	1,510	30%
Sheraton 4 Points-Harbortown	213,820	199,228	14,592	7%
Harbortown Point	4,773	3,647	1,126	31%
Oceans West Marina	119,870	117,790	2,080	2%
Ventura Isle Marina	287,456	273,762	13,694	5%
Ventura Marina Mobile Park	180,841	178,436	2,405	1%
Ventura West Marina	205,289	205,462	(173)	0%
Ventura Yacht Club	49,503	48,532	971	2%
Vta Harbor Boatyard	60,161	61,950	(1,789)	-3%
Sonderman Ring	30,000	30,000	0	0%
Total Parcel Lease	<u>1,249,655</u>	<u>1,199,295</u>	<u>50,360</u>	4%
Fees & Reimbursements	<u>-</u>	<u>2,287</u>	<u>(2,287)</u>	
Total Parcel Leases	1,249,655	1,201,582	48,073	4%
Ventura Harbor Village				
Retail Rents	187,772	200,651	(12,879)	-6%
Restaurant Rents	435,431	415,987	19,444	5%
Office Rents	245,280	233,158	12,122	5%
Charters	193,766	184,826	8,940	5%
Total Village	<u>1,062,249</u>	<u>1,034,622</u>	<u>27,627</u>	3%
Commercial Fishing	102,676	137,410	(34,734)	-25%
TOTAL	2,414,580	2,373,614	40,966	2%

Monthly Report
(Unaudited)

ATTACHMENT 2

Ventura Port District Three Year Comparative For the Month and Year to Date

	MONTH OF NOVEMBER			YEAR TO DATE 11/30			% change FY14-15 to Current Yr
	2013-14	2014-15	Current	2013-14	2014-15	Current	
<u>Operating Income</u>							
Parcel Leases	211,525	217,708	244,403	1,149,841	1,201,582	1,249,655	4%
Dry Storage	7,705	7,084	9,631	39,263	35,205	44,894	28%
Other Operating	37,372	13,735	11,954	105,889	84,891	97,151	14%
Harbor Village Leases	172,205	180,116	191,557	1,005,533	1,034,622	1,062,249	3%
Commercial Fishing	5,767	30,830	17,740	230,313	137,410	102,676	-25%
Slips	74,996	72,287	73,290	389,550	353,724	365,420	3%
CAM	24,525	22,602	25,274	118,818	121,953	123,805	2%
Marketing	7,020	7,134	7,289	33,980	37,180	35,901	-3%
Electrical Slips	3,054	3,063	3,347	11,410	10,972	11,936	9%
Other Operating	5,129	2,081	3,319	34,608	36,711	35,100	-4%
Total Operating Income	549,298	556,640	587,804	3,119,205	3,054,250	3,128,787	2%
<u>Operating Expenses</u>							
Harbor Patrol	95,337	72,650	89,413	398,174	495,102	526,252	6%
Maintenance	83,978	89,604	131,896	550,837	452,519	774,462	71%
Administration	156,265	154,977	147,429	680,953	768,288	801,082	4%
Marina	57,951	35,852	50,101	297,919	258,136	267,328	4%
C A M	63,542	49,300	64,935	298,889	316,266	365,091	15%
Marketing	33,785	33,354	35,009	170,456	182,593	185,430	2%
Dredging	34,644	14,675	23,388	92,459	73,940	80,521	9%
Total Operating Expenses	525,502	450,412	542,171	2,489,687	2,546,844	3,000,166	18%
<u>NET OPERATING INCOME</u>	23,796	106,228	45,633	629,518	507,406	128,621	-75%
<u>Non-operating Income</u>							
Interest	260	274	6,750	31,318	2,999	15,915	
Taxes	29,629	1,816	10	55,024	28,414	29,037	2%
Other	-	-	-	-	17,914	-	
Total Non-operating Income	29,889	2,090	6,760	86,342	49,327	44,952	-9%
<u>Non-Operating Expenses</u>							
Depreciation	75,111	82,161	80,052	372,864	407,301	400,258	
Debt Service	1,437	1,437	1,437	466,083	451,170	435,547	
Other	-	-	-	-	-	-	
Total Non-operating Expenses	76,548	83,598	81,489	838,947	858,471	835,805	-3%
<u>NET NON-OPER. INCOME</u>	(46,659)	(81,508)	(74,729)	(752,605)	(809,144)	(790,853)	
TOTAL INCOME (LOSS)	(22,863)	24,720	(29,096)	(123,087)	(301,738)	(662,232)	119%

Monthly Report
(Unaudited)

ATTACHMENT 3

Accounts Payable Check Register - November 2015

Ventura Port District
Wells Fargo Checking

1/13/2016

<u>Check</u>	<u>Date</u>	<u>Payee</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Voided Amount</u>
42969	11/5/2015	1045	ADT Security Services	National Park Service security service	179.85	
42970	11/5/2015	1060	AFLAC	Salary reduction benefit	487.35	
42971	11/5/2015	1154	Alejandra's Nursery	Refurbish landscaping around 1449 Bldg - Andrias	2,515.50	
42972	11/5/2015	1178	American Office Products	Office supplies	174.46	
42973	11/5/2015	1440	Beacon Marine Chandlery Inc	Dock repair parts	98.94	
42974	11/5/2015	1492	Big Brand Tire Company	Maintenance vehicle tires	375.66	
42975	11/5/2015	1625	Byrd Locksmithing Inc.	Lock repairs 1583 Bldg electrical room - Village	90.00	
42976	11/5/2015	1663	Burons Preferred Pumping Inc.	Inspections/repairs Village grease traps	1,800.00	
42977	11/5/2015	1725	CED (Consolidated Electrical Distrib)	Replacement lighting parcel 19A parking lot	1,874.45	
42978	11/5/2015	1740	CSMFO (Calif Society Municipal Finance Officers)	Accounting annual membership	110.00	
42979	11/5/2015	1762	Canon Financial Services	Copier lease for VPD HDQ and Marketing office	795.50	
42980	11/5/2015	1915	Cintas Corp	Uniform rental/cleaning, door mats, rags	763.88	
42981	11/5/2015	1925	City Of S. Buenaventura	Trash service	100.00	
42982	11/5/2015	2153	D West Graphics	Business cards	75.25	
42983	11/5/2015	2202	Dave's Marine Fuel Service	Fuel for Patrol boats	3,375.92	
42984	11/5/2015	2284	Department of Motor Vehicles	Annual registration for mobile pressure washers	50.00	
42985	11/5/2015	2331	Dial Security Inc	Dockmaster/security coverage	900.00	
42986	11/5/2015	2440	Martin' s Double R Towing	Relocate two vehicles in Village parking lot	170.00	
42987	11/5/2015	2604	E.J. Harrison & Sons Inc.	Trash service	403.94	
42988	11/5/2015	2751	Empire Cleaning Supply	Janitorial supplies	1,477.74	
42989	11/5/2015	2980	Fausset Printing, LLC	Marketing-Event cards	25.00	
42990	11/5/2015	2983	Federal Express Corporation	Postage	26.00	
42991	11/5/2015	2986	Ferguson Enterprises Inc.	Plumbing repair parts	84.83	
42992	11/5/2015	3490	Grainger Inc.	Miscellaneous operating supplies	1,454.89	
42993	11/5/2015	3752	HLI Systems	Website service/maintenance	150.00	
42994	11/5/2015	4057	Health & Human Resource Center	Employee Assistance Program (EAP)	177.14	
42995	11/5/2015	4247	Jani-King of CA Inc.	Janitorial Service in Village	4,965.56	
42996	11/5/2015	4418	Jonathan Stanger	Marketing Village entertainment	500.00	
42997	11/5/2015	5016	Lowe's	Miscellaneous operating supplies	1,026.24	
42998	11/5/2015	5050	MailFinance	VPD Office postage machine rental - quarterly	403.12	
42999	11/5/2015	5190	Matilija Water	Reverse osmosis water system October	45.00	
43000	11/5/2015	5210	McCormix Corp.	Fuel for maintenance vehicles	870.35	
43001	11/5/2015	5213	McMaster-Carr	Operating supplies	87.40	
43002	11/5/2015	5505	Muzicraft Inc.	Ambient music in Village - Nov	329.50	

ATTACHMENT 3

Accounts Payable Check Register - November 2015

Ventura Port District
Wells Fargo Checking

1/13/2016

<u>Check</u>	<u>Date</u>	<u>Payee</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Voided Amount</u>
43003	11/5/2015	5625	ReadyRefresh	Bottled water service	140.09	
43004	11/5/2015	6178	PERS Long Term Care Program	Salary reduction benefit	164.98	
43005	11/5/2015	6283	Petty Cash Fund	Replenish petty cash fund	406.45	
43006	11/5/2015	6440	Port Supply	Patrol boat batteries and parts	921.57	
43007	11/5/2015	6865	Rasmussen & Associates Inc	Village roof renovation project services	3,367.50	
43008	11/5/2015	7240	AT&T	Elevator emergency phone service	574.60	
43009	11/5/2015	7434	Southern Calif. Edison	Utilities	2,127.31	
43010	11/5/2015	7572	Standard Insurance Company	Group Term Life/Long-term Disability - October	3,152.84	
43011	11/5/2015	7761	The Gas Company	Utilities	249.64	
43012	11/5/2015	8204	VACCO	Service/inspection District headquarters HAVC unit	734.05	
43013	11/5/2015	8239	Ventura County Reporter	Marketing Event/Harbor advertising	975.00	
43014	11/5/2015	8250	Ventura Visitors & Convention	Rent for space in VVC building	232.50	
43015	11/5/2015	8251	Ventura Water ** Voided **	Check stub used to list invoices		-
43016	11/5/2015	8251	Ventura Water	Utilities	32,472.27	
43017	11/5/2015	8254	Ventura Harbor Storage Ent LLC	Fishermen's storage/net repair area/possessory taxes	311.13	
43018	11/5/2015	8258	Ventura County Env. Health	Marketing event permitting	372.00	
43019	11/5/2015	8263	Ventura Pest Control	Village service	335.00	
43020	11/5/2015	8267	Ventura Harbor Marina & Yacht	Patrol boat parts	68.69	
43021	11/5/2015	8453	Virtual Pacific Networks	IT Services	3,122.00	
43022	11/5/2015	8500	Warren Takahashi	Marketing Village entertainment	300.00	
43023	11/5/2015	12300	AT&T Business Services	Fiber/Wi-Fi services VPD HDQ	1,388.34	
43024	11/5/2015	12945	Assurant Employee Benefits	Dental Insurance Premiums	1,139.55	
43025	11/5/2015	20200	CoStar Realty Information, Inc	Leasing marketing data software	1,458.00	
43026	11/5/2015	24351	Dog Waste Depot	Operating supplies - mutt mits	213.15	
43027	11/5/2015	42471	JaniTek Cleaning Solutions	Janitorial service for National Park Service Offices	991.43	
43028	11/5/2015	48470	Lauren Yuncker	Mileage and travel reimbursement ---- personal phone reimb	50.00	
43029	11/5/2015	72267	Safechecks	Printing accounts payable check stock	426.43	
43030	11/5/2015	74343	Sommerville Associates	Marketing services	2,000.00	
43031	11/5/2015	77751	The Salty Suites	Marketing Village entertainment	300.00	
43032	11/5/2015	77812	Thermal Alliance	Deposit on HVAC unit for Greek Restaurant TI	8,000.00	
43033	11/5/2015	PM OneTime	Hall Stratton	Refund key deposit	25.00	
43034	11/5/2015	PM OneTime	HECTOR ROMO	Refund key deposit	25.00	
43035	11/5/2015	PM OneTime	Rob Flinn	Refund dry storage fees	40.00	
43036	11/18/2015	7762	The Home Depot	Operating supplies	466.64	

ATTACHMENT 3

Accounts Payable Check Register - November 2015

Ventura Port District
Wells Fargo Checking

1/13/2016

<u>Check</u>	<u>Date</u>	<u>Payee</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Voided Amount</u>
43037	11/18/2015	48911	Letner Roofing Co.	Progress payment on Village roofing project	313,924.50	
43038	11/18/2015	4852	Lagerlof Senecal Gosney	Legal services	23,978.25	
43039	11/19/2015	1037	Acorn Newspapers	Marketing Event/Harbor advertising	213.15	
43040	11/19/2015	1058	Advantage Telecom Inc	District phone system/internet	1,343.98	
43041	11/19/2015	1178	American Office Products	Office supplies	208.79	
43042	11/19/2015	1182	American Builders Supply	Refurbish landscaping around 1449 Bldg - Andrias	215.07	
43043	11/19/2015	1294	Associated Transportation Engi	Traffic study	3,550.00	
43044	11/19/2015	1625	Byrd Locksmithing Inc.	Lock repairs 1591 Bldg tenant improvements - Village	130.00	
43045	11/19/2015	1674	Card Integrators	District ID cards	134.06	
43046	11/19/2015	1676	Carquest Auto Parts	Parts/repairs to maintenance vehicles	135.33	
43047	11/19/2015	1679	Carpi, Clay & Smith	Washington lobbyist - October	5,000.00	
43048	11/19/2015	1915	Cintas Corp	Uniform rental/cleaning, door mats, rags	750.60	
43049	11/19/2015	2093	Cumulus Broadcasting Inc.	Marketing radio advertising	600.00	
43050	11/19/2015	2099	Custom Embroidery	Dockmaster uniforms	178.41	
43051	11/19/2015	2100	CyberCopy Inc.	Digital scanning & printing of blueprints	118.79	
43052	11/19/2015	2331	Dial Security Inc	Dockmaster/security coverage	800.00	
43053	11/19/2015	2446	DocuProducts	Copier maintenance fees	281.98	
43054	11/19/2015	2537	Dunn Edwards	Operating supplies	47.42	
43055	11/19/2015	2751	Empire Cleaning Supply	Janitorial supplies	2,615.63	
43056	11/19/2015	2935	Farmer Bros. Co	Coffee supplies	396.87	
43057	11/19/2015	2936	Fast Signs	Accessibiltiy signage	67.19	
43058	11/19/2015	2980	Fausset Printing, LLC	Marketing-Event cards	48.00	
43059	11/19/2015	3200	Fugro West Inc.	Multibeam survey, data processing, mapping of harbor	9,500.00	
43060	11/19/2015	3490	Grainger Inc.	Miscellaneous operating supplies	147.84	
43061	11/19/2015	3492	Green Thumb International	Landscaping equipments replacement	501.15	
43062	11/19/2015	3609	Hathaway Perrett Webster Inc.	Legal services	2,276.50	
43063	11/19/2015	3752	HLI Systems	Website maintenance	410.00	
43064	11/19/2015	4089	Intelligent Products	Operating supplies - mutt mits	1,105.07	
43065	11/19/2015	4295	Jensen Design & Survey Inc.	Parking lot accessibility services	1,398.75	
43066	11/19/2015	4410	John Higgins	Port Harbormaster Conference expense reimbursement	1,028.86	
43067	11/19/2015	4742	Kratos Construction	TI 1583 office suite and Village dock electrical repairs	3,600.00	
43068	11/19/2015	4956	Lisa Kelly	Seasonal décor refurbishing	830.00	
43069	11/19/2015	5210	McCormix Corp.	Fuel for maintenance vehicles	602.06	
43070	11/19/2015	5505	Muzicraft Inc.	Ambient music in Village - Dec	329.50	

ATTACHMENT 3

Accounts Payable Check Register - November 2015

Ventura Port District
Wells Fargo Checking

1/13/2016

<u>Check</u>	<u>Date</u>	<u>Payee</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Voided Amount</u>
43071	11/19/2015	6040	On Duty Uniforms & Equipm	Uniforms	29.03	
43072	11/19/2015	6178	PERS Long Term Care Program	Salary reduction benefit	164.98	
43073	11/19/2015	6201	Pamela Griffin	Wellness program instructor	160.00	
43074	11/19/2015	6361	Pitney Bowes	Postage meter lease/Vlg office	34.63	
43075	11/19/2015	6440	Port Supply	Patrol boat operating supplies	692.44	
43076	11/19/2015	6442	Poster Compliance Center	Annual subscription payroll poster requirements	370.88	
43077	11/19/2015	6470	LegalShield	Salary reduction benefit	166.40	
43078	11/19/2015	7230	Sage	Accounting software annual maintenance program	3,775.00	
43079	11/19/2015	7291	Security Plus Door Company	Lock replacement/repair 1431 Bldg Nat Park Service	563.63	
43080	11/19/2015	7294	Service-Pro Fire Protection	Elevator alarm safety inspection	170.00	
43081	11/19/2015	7410	Smith Pipe & Supply Inc.	Plumbing repair parts	288.85	
43082	11/19/2015	7719	Teamsters Local No. 186	Union dues for Dockmasters	217.00	
43083	11/19/2015	7761	The Gas Company	Utilities	203.96	
43084	11/19/2015	7768	ThyssenKrupp Elevator Corp	Elevator repairs	642.54	
43085	11/19/2015	8086	United Rentals	Landscape tool rental	140.48	
43086	11/19/2015	8235	Ventura Chamber Of Commerce	Marketing annual membership	780.00	
43087	11/19/2015	8244	Ventura Harbor Storage	Fishermen's storage/net repair area	5,762.10	
43088	11/19/2015	8260	Verizon Wireless	Cell phones/services	128.80	
43089	11/19/2015	8260	Verizon Wireless	Cell phones/services	961.42	
43090	11/19/2015	8531	Whisenhunt Communication	Public relations services	240.00	
43091	11/19/2015	8542	William P. Hummer	Reimbursement of training and operating supplies	165.24	
43092	11/19/2015	8620	XCEL Hawaii, Inc	Patrol uniforms	681.77	
43093	11/19/2015	17684	California State Disbursement	Employee deduction plan	634.14	
43094	11/19/2015	40525	Impact Sciences, Inc	Study associated with the mermaid statue for parcel 8	580.00	
43095	11/19/2015	42471	JaniTek Cleaning Solutions	Janitorial service for National Park Service Offices/special	101.44	
43096	11/19/2015	47391	Kristen Beinke	Marketing photography	459.00	
43097	11/19/2015	51731	Marcos Ramos Painting	Repair/paint two staircases at Village & paint curbs	1,175.00	
43098	11/19/2015	82322	Ventura County Economic Dev.	Marketing annual membership	400.00	
43099	11/19/2015	85401	Wild Local Seafood Co,	Tenant Improvement as per lease	14,500.00	
43100	11/19/2015	Deposits	Bertha Malone	Refund event deposit	250.00	
43101	11/19/2015	Deposits	Brandy Haggard	Refund event deposit	250.00	
43102	11/19/2015	One time	Don Greene	Refund parking citation	120.00	
Bank Account Totals					503,791.11	

ATTACHMENT 4

Ventura Port District Chase Business Credit Card Charges October 2015

Chase Credit Card holders

Oscar Pena, General Manager
Brian Pendleton, Business Operations Manager
Jessica Rauch, Administrative Assistant/Clerk
Robin Baer, Property Manager
Joe Gonzalez, Facilities Manager
Frank Locklear, Marina Manager
Jennifer Talt-Lundin, Marketing Manager
John Higgins, Harbormaster

<u>Staff/Consultant</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Description</u>	<u>Amount</u>
Oscar Pena	10/8/2015	SMARTNFINAL39010103901	Business meal	VSE Grant - 10/9 mtg	14.97
Oscar Pena	10/13/2015	PETE'S BREAKFAST HOUSE	Business meal	Meeting with Commissioner Ashworth	37.59
Oscar Pena	10/28/2015	BROPHY BROS RESTAURANT	Business meal	Meeting with Commissioner Carson	50.27
Oscar Pena	10/10/2015	TRADER JOE'S #218 QPS	Misc Exp	Commissioner Carson get well present	49.55
Oscar Pena	10/10/2015	MICHAELS STORES 4800	Misc Exp	Commissioner Carson get well present	25.22
Total General Manager's Expenses					177.60
Brian Pendleton	10/28/2015	FOUR POINTS BY SHERATON	Business meal	VPD Board meeting - Closed Session	147.74
Total Business Operations Manager's Expenses					147.74
Jessica Rauch	10/8/2015	SMARTNFINAL39010103901	Business meal	VSE Grant - Lunch 10/9 mtg	53.41
Jessica Rauch	10/9/2015	SQ *VENTURA SANDWICH COMP	Business meal	VSE Grant - Lunch 10/9 mtg	185.44
Jessica Rauch	10/13/2015	VONS Store00021642	Business meal	VPD Board meeting - Closed Session	40.27
Jessica Rauch	10/30/2015	ICSC	Conference	Webinar for Leasing	20.00
Jessica Rauch	10/26/2015	ICSC	Membership	Ops Man. ICSC 3 yr membership	135.00
Jessica Rauch	10/26/2015	URBAN LAND INSTITUTE	Membership	Ops Man. ULI annual membership	220.00
Jessica Rauch	10/22/2015	EVENTBRITE	Misc Exp	Refunded to card	(75.00)
Total Administrative Assistant's Expenses					579.12

ATTACHMENT 4

<u>Staff/Consultant</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Description</u>	<u>Amount</u>
Robin Baer	10/14/2015	LOOPNET INC	Leasing Advertising	Website leasing advertisement	111.00
Robin Baer	10/27/2015	LOOPNET INC	Leasing Advertising	Website leasing advertisement	159.95
Robin Baer	10/14/2015	PIERPONT INN	Misc Exp	Hotel room during roof construction	201.98
Robin Baer	10/23/2015	ASTRO-REP.COM 8554155213	Personal error	Refunded to card	(47.00)
Robin Baer	10/23/2015	ASTRO-REP.COM 8554155213	Personal error	Refunded to card	(65.00)
Total Property Manager's Expenses					360.93
Joe Gonzalez	Oct2015	No activity			
Total Facilities Manager's Expenses					-
Frank Locklear	10/8/2015	GOTOCITRIX.COM	Office supplies	Go To Meeting Teleconference Account (Monthly)	49.00
Frank Locklear	10/7/2015	BEST BUY MHT 00001180	Office supplies	Go To Meeting Teleconference Video Camera	107.98
Frank Locklear	10/7/2015	FRY'S ELECTRONICS # 44	Office supplies	Go To Meeting Teleconference Audio/Visual cable	37.71
Total Marina Manager's Expenses					194.69
Jennifer Lundin	10/2/2015	FEDEXOFFICE 00050039	Advertising	Event Posters for October	70.14
Jennifer Lundin	10/13/2015	STU*SHINDIGZ DECORATIO	Advertising	October Event Banners	76.23
Jennifer Lundin	10/14/2015	CTC*CONSTANTCONTACT.COM	Advertising	Harbor Views Mailing List	20.00
Jennifer Lundin	10/20/2015	FS *AngelCam	Advertising	Web Site CAM - Front of Harbor	20.00
Jennifer Lundin	10/21/2015	MAILCHIMP	Advertising	Enewsletter host	75.00
Jennifer Lundin	10/24/2015	FEDEXOFFICE 00050039	Advertising	Event Posters for October	58.24
Jennifer Lundin	10/28/2015	BOATYARD CAFE INC	Advertising	150th Trolley Ridership Promo	21.50
Jennifer Lundin	10/31/2015	FACEBK *7GU5H8SSY2	Advertising	Paid Ad boosts	108.25
Jennifer Lundin	10/16/2015	CALIFORNIA TRAVEL ASSOCI	Conference	Cal Travel Summit	499.00
Jennifer Lundin	10/16/2015	GILROY WELCOME CENTER	Conference	CCTC Workshop	25.00
Jennifer Lundin	10/13/2015	CVS/PHARMACY #09235	Event Production	Halloween Décor on Sale	86.39
Jennifer Lundin	10/20/2015	SPIRIT HALLOWEEN 60205	Event Production	Halloween Décor	10.74
Jennifer Lundin	10/21/2015	GREAT PACIFIC PUMPKINS	Event Production	October Event Décor- Carousel Stage	142.00
Jennifer Lundin	10/21/2015	TARGET 00023986	Event Production	Candy for Safe Trick or Treat	60.18
Jennifer Lundin	10/22/2015	SALZERS RECORDS	Event Production	Halloween CD for Safe Trick or Treat	8.59
Jennifer Lundin	10/22/2015	TARGET 00023986	Event Production	Clothepins for HOWL O WEEN	2.25
Jennifer Lundin	10/23/2015	VONS Store00024315	Event Production	Candy for Trick or Treat/Supplies	118.24
Jennifer Lundin	10/24/2015	HATS UNLIMITED	Event Production	Gift for 1st Place for Pet Costume	25.00
Jennifer Lundin	10/30/2015	GREEK AT THE HARBOR IN	Event Production	Entertainment on Halloween	50.00
Jennifer Lundin	10/24/2015	OFFICE DEPOT #931	Office supplies	Office supply	8.59
Jennifer Lundin	11/2/2015	RALPHS #0680	Office supplies	Office supply	4.18
Total Marketing Manager's Expenses					1,489.52

ATTACHMENT 4

<u>Staff/Consultant</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Description</u>	<u>Amount</u>
John Higgins	10/26/2015	MILANOS ITALIAN RESTAURAN	Business Lunch	Business Lunch	22.59
John Higgins	10/27/2015	PAYPAL *BOATUSFOUND	Conference/Training	Online Weather Course	24.95
John Higgins	11/1/2015	PAYPAL *BOATUSFOUND	Conference/Training	Online Weather Course	24.95
John Higgins	10/16/2015	ADY*Evernote	Office supplies	Online Business Organizer	49.99
John Higgins	10/14/2015	COLUMBIA SPORTSWEAR 411	Uniforms	Rain Jackets - Patrol	314.53
John Higgins	11/2/2015	COVERKING	Vehicle Maintenance	Both Truck Replacement Covers	473.42
Total Harbormaster's Expenses					910.43
					<u>\$ 3,860.03</u>

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

CONSENT AGENDA ITEM B

APPROVAL OF BEACH BREAK SURF SHOP NEW LEASE

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

CONSENT AGENDA ITEM B
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Robin Baer, Property Manager
SUBJECT: Approval of New Retail Lease Agreement for Beach Break Surf Shop
1575 Spinnaker Drive #108

RECOMMENDATION:

That the Board of Port Commissioners approve by motion a new retail lease agreement for the premises located at 1575 Spinnaker Drive #108 consisting of 990 square feet between the Ventura Port District dba Ventura Harbor Village and Beach Break Surf Shop for a two-year term.

BACKGROUND:

Beach Break Surf Shop has been a tenant since 2006. They are happy to be a part of the Ventura Harbor Village and look forward to continued tenancy. We have re-negotiated with the tenant who will now be signing a two-year term lease.

FISCAL IMPACT:

This new lease reflects current market rental rates for retail space in the complex. The lease will have yearly step increases.

We look forward to continued success with this tenant. Staff recommends the Board's approval of the new lease transaction.

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

CONSENT AGENDA ITEM C

APPROVAL OF OUT OF TOWN TRAVEL REQUESTS

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

CONSENT AGENDA ITEM C
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Oscar F. Peña, General Manager
SUBJECT: Out of Town Travel Requests

RECOMMENDATION:

That the Board of Port Commissioners approve by motion the following out of town travel request:

- A) Consultant, Richard Parsons travel to Washington, D.C. to participate in the CMANC meeting on March 14-18, 2016. This benefits the District by allowing Mr. Parsons to meet with representatives of other California Ports and Harbors and participate in discussions with the U.S. Army Corps of Engineers about the refining of navigation goals for California and develop the implementation strategy for those goals. Estimated cost for the travel is as follows:

Registration	\$400.00
Transportation	\$600.00
Meals	\$600.00
Mileage	\$ 95.33
Miscellaneous-Parking, etc.	<u>\$200.00</u>
TOTAL	\$1,895.33

- B) Commissioner, Greg Carson travel to Washington, D.C. to participate in the CMANC meeting on March 14-18, 2016. This benefits the District by allowing Mr. Carson to meet with representatives of other California Ports and Harbors and participate in discussions with the U.S. Army Corps of Engineers about the refining of navigation goals for California and develop the implementation strategy for those goals. Estimated cost for the travel is as follows:

Registration	\$ 400.00
Transportation	\$1,000.00
Lodging	\$ 2,000.00
Meals	\$ 600.00
Mileage	\$ 77.05
Miscellaneous-Parking, etc.	<u>\$ 200.00</u>
TOTAL	\$4,277.05

- C) Commissioner, Everard Ashworth travel to Washington, D.C. to participate in the CMANC meeting on March 14-18, 2016. This benefits the District by allowing Mr. Carson to meet with representatives of other California Ports and Harbors and participate in discussions with the U.S. Army Corps of Engineers about the refining of navigation goals for California and develop the implementation strategy for those goals. Estimated cost for the travel is as follows:

Registration	\$ 400.00
Lodging	\$1,600.00
Meals	\$ 600.00
Mileage	\$ 71.87
Miscellaneous-Parking, etc.	<u>\$ 200.00</u>
TOTAL	\$2,871.87

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

CONSENT AGENDA ITEM D

NOTICE OF COMPLETION FOR INSTALLATION

OF ONE TON DERRICK CRANE

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

CONSENT AGENDA ITEM D
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Richard Parsons, Project Manager
SUBJECT: Notice of Completion for the Installation of a One Ton Derrick Crane

RECOMMENDATION:

That the Board of Port Commissioners adopt Resolution No. 3293, accepting the work of Cushman Contracting Corporation for the installation of a one ton derrick crane and authorize staff to prepare and record a Notice of Completion with the Ventura County Recorder.

SUMMARY:

On January 28, 2015, the Ventura Port District entered into a contract with Cushman Contracting Corporation to furnish and install a one ton derrick crane as manufactured by Allied Products, Inc. All contract work was completed on October 21, 2015 at a final cost of \$119,575.00.

ATTACHMENTS:

Attachment 1 - Resolution No. 3293
Attachment 2 - Notice of Completion



RESOLUTION NO. 3293

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS
OF THE VENTURA PORT DISTRICT
ACCEPTING THE WORK OF CUSHMAN CONTRACTING CORPORATION
UNDER CONTRACT FOR THE INSTALLATION OF A ONE TON DERRICK CRANE**

WHEREAS, Oscar F. Peña, General Manager of the Ventura Port District, advised the Board of Port Commissioners of said District that the work of Cushman Contracting Corporation on the project entitled "Ventura Port District Ventura Harbor Furnish & Install One Ton Deck Crane on Fish Pier Deck" described in the Agreement between Cushman Contracting Corporation and the Ventura Port District, hereinafter referred to as "District", dated January 28, 2015, has been completed and recommends that said work be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners DETERMINES and ORDERS as follows:

1. Said work is hereby accepted.
2. Pursuant to the conditions and specifications of the Agreement and upon the recommendation of the General Manager, Cushman Contracting Corporation is released from the obligations under said contract, except as to the conditions of the performance bond, required guarantees and correction of faulty work after payment.
3. The General Manager of the District is hereby directed to execute on behalf of the District and cause to execute on behalf of the District and be recorded in the office of the Ventura County Recorder a Notice of Completion of said work.
4. The General Manager is hereby directed to send a copy of this Resolution to Cushman Contracting Corporation as the District's Notice of Acceptance of said work.

PASSED, APPROVED and ADOPTED this 27th day of January 2016.

Attest:

Chairman

Secretary
(Seal)



ATTACHMENT 1

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF SAN BUENAVENTURA)

I, Oscar Peña, Secretary of the Ventura Port District, a public corporation, do hereby certify that the above and foregoing Resolution No. 3293 was duly passed and adopted by the Board of Port Commissioners of said District at a regular meeting thereof held on the 27th day of January 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 27th day of January 2016.

Secretary

(Seal)

ATTACHMENT 2

RECORDING REQUESTED BY:
Ventura Port District

AND WHEN RECORDED MAIL TO:
Ventura Port District
1603 Anchors Way Drive
Ventura, CA 93001-4229

NOTICE OF COMPLETION

(Notice pursuant to Civil Code Section 3093, must be recorded within 10 days after completion)

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is an agent of the owner of the interest stated below.
2. The full name of the owner is Ventura Port District, a public benefit corporation and independent special district organized and existing under the laws of the State of California.
3. The full address of the owner is 1603 Anchors Way Drive, Ventura, CA 93001-4229.
4. The nature of the interest or estate is: fee simple.
5. The full name and full addresses of all co-owners who hold any title or interest with the above-named owner in the property are: Not applicable; there are no co-owners.
6. A work of improvement on the property hereinafter described was completed October 21, 2015.
7. The work accomplished consisted of the furnishing and installation of a one ton derrick crane as manufactured by Allied Products, Inc.
8. The name of the contractor for the installation of a one ton derrick crane is Cushman Contracting Corporation pursuant to a contract, dated January 28, 2015.
9. The property on which said work of improvement was completed is in the City of San Buenaventura, County of Ventura, State of California, and is described as the Ventura Port Fish Pier Deck.

Ventura Port District

Date: _____

By: _____
Oscar F. Peña, General Manager

VERIFICATION

I, the undersigned, say that I am the General Manager of the declarant of the foregoing completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, at Ventura, California.

Oscar F. Peña, General Manager

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

STANDARD AGENDA ITEM No. 1

APPROVAL OF FISCAL YEAR 2014-2015 AUDIT

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 1
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Gloria Adkins, Accounting Manager
SUBJECT: Approval of Fiscal Year 2014 - 2015 Audit

RECOMMENDATION:

That the Board of Port Commissioners approve the acceptance of the Basic Financial Statements and Supplementary Information with Independent Auditor's Report for the Year Ended June 30, 2015, prepared by White Nelson Diehl Evans, LLP.

SUMMARY:

Attached for the Board's review and acceptance is the annual audit of the District's financial statements for fiscal year ending June 30, 2015.

The District is required to obtain an annual audit of the District's financial statements and a review of internal controls. Staff just completed the fifth year of the joint contract with the City of Ventura to be included in their professional services agreement with White Nelson Diehl Evans LLP (WNDE). Joint venture contracts with the City for audit services have significantly reduced the District's audit fees over the past 10 years. The fee for the fiscal year 2015 audit was \$14,154. The fiscal year 2015 audit is the final year of the current contract.

Staff worked with Commissioner Ashworth during the audit process. He participated in conference calls with the auditor's and reviewed the draft audit reports. Robert Callahan, partner with WNDE, will present information to the Board and answer any inquiries you may have.

FINDINGS:

Mr. Callanan reported that the District's financial statements present fairly, in all material respects, the respective financial position of the District as of June 30, 2015. The audit for FY14-15 represents only one year because it was necessary to restate the beginning net position. In previous years, two years are represented in the audits. The beginning net position was restated as a result of the implementation of Government Accounting Standard Board (GASB) Statement No. 68, 'Accounting and Financial Reporting for Pensions' and GASB Statement No. 71, 'Pension Transitions for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68'.

Mr. Callanan also reported that they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

I would like to thank Commissioner Ashworth for his time and input during this audit process.

ATTACHMENTS:

Attachment 1 – Final 2015 Audit Exit Letter
Attachment 2 – Final 2015 Financial Audit

The Board of Port Commissioners
of the Ventura Port District
Ventura, California

We have audited the financial statements of Ventura Port District for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 31, 2015 and in our letter on planning matters dated July 31, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As discussed in Notes 1D and 4 to the financial statements, the District has recorded the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the cost-sharing defined benefit pension plan due to the adoption of Governmental Accounting Standards Board's (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68.*" The adoption of these standards required retrospective application resulting in a \$2,934,153 reduction of previously reported net position. No other accounting policies were adopted and the application of other existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the financial statements were:

- a. The estimate of the fair market value of investments is based on market values obtained from outside sources.
- b. The estimate of the allowance for doubtful accounts receivable is based on historical trends.
- c. The estimated useful lives of capital assets used for depreciation purposes are based on industry standards.
- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plan with CalPERS are based on actuarial valuations provided by CalPERS.
- e. The annual required contribution and actuarial accrued liability for the District's other post-employment benefit plan are based on actuarial assumptions and methods prepared by a third-party consultant.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reported in Note 3C regarding the District's defined benefit pension plans, Note 3D regarding the District's other postemployment healthcare benefits plan and Note 4 regarding the restatement of net position due to the implementation of GASB Statement Numbers 68 and 71.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Significant Audit Findings (Continued)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 19, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, the schedule of proportionate share of the net pension liability and the schedule of contributions for the defined benefit pension plans, and the schedule of funding progress for other postemployment healthcare benefits, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Port Commissioners and management of the Ventura Port District and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Irvine, California
January 19, 2016

VENTURA PORT DISTRICT
FINANCIAL STATEMENTS
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
JUNE 30, 2015

ATTACHMENT 2

ATTACHMENT 2
VENTURA PORT DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Port Commissioners
of the Ventura Port District
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Ventura Port District (the District), which comprise the statements of net position as of June 30, 2015 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ventura Port District as of June 30, 2015 and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Emphasis of Matter

As discussed in Notes 1D and 4 to the financial statements, the District adopted Governmental Accounting Standards Board's Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68.*" The adoption of these standards required retrospective application resulting in a \$2,934,153 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matter*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, and the schedule of funding progress - other postemployment healthcare benefits, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

White Nelson Nick Evans LLP

Irvine, California
January 19, 2016

ATTACHMENT 2
VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS
(UNAUDITED)

June 30, 2015

It is our pleasure to submit the Ventura Port District's (District) Management's Discussion and Analysis (MD&A) for the fiscal year ending June 30, 2015. This report was prepared pursuant to the guidelines set forth by the Government Accounting Standards Board (GASB) and sets forth an overview of the District's financial activities and performance for the fiscal years ended June 30, 2015 and 2014. This analysis should be read in conjunction with the audited financial statements that follow this section.

District staff prepared this financial report in conjunction with an unqualified opinion issued by the independent audit firm White, Nelson, Diehl, Evans LLP. This report consists of management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

District Structure and Leadership

The Ventura Port District was established in April 1952 for the purpose of acquiring, constructing and operating a commercial and recreational boat harbor now known as the Ventura Harbor. The port was formed as per Sections 6200 to 6372 of the Harbor and Navigation Code of the State of California. The District's legal boundaries encompass all of the City of San Buenaventura as well as some small areas outside the City limits. Construction was completed and Ventura Harbor commenced operations in June 1963.

Other than the 2.74 acre site owned by the Department of Interior, National Park Service, the District is the sole landowner within this multiple use harbor, with current property holdings of approximately 152 acres of land and 122 acres of water area, initially developed in the early 1960s. The harbor is home to many diverse businesses such as marinas for recreational and commercial vessels, commercial fishing offloading facilities, boat charters, a mobile home park, two hotels, a time share, a public launch ramp, two fuel stations, two full service boatyards, and a mixed use commercial development center.

The District is governed by a five-member Board of Port Commissioners, appointed by the City Council of the City of San Buenaventura, serving four-year terms without compensation.

Mission Statement

The Ventura Port District, home to Channel Islands National Park, provides a safe and navigable harbor and a seaside destination that benefits residents, visitors, fishermen and boaters to enjoy Ventura Harbor's exceptional facilities, events and services.

ATTACHMENT 2
VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Financial Highlights

The District provides public services such as Harbor Patrol and a public launch ramp, which are traditionally associated with a port district. In addition, the District offers long term ground leases (50 years) on certain parcels for private use and is the owner/operator of Ventura Harbor Village, a 32.67 acre commercial, office and marina complex located in the harbor.

- The District's net position for June 30, 2015 increased 0.8% to \$16,000,325 over the June 30, 2014 restated net position.
- Total revenues decreased 18.6% to \$8,279,976 during the fiscal year.
- Total expenses increased 2.7% to \$8,160,775 during the fiscal year.

Overview of the basic financial statements

The District's basic financial statements are comprised of two components: Financial statements and notes to the financial statements. Comparative financial statements have not been presented for the year ended June 30, 2015 due to the implementation of Government Accounting Standards Board (GASB) Statement Nos. 68 and 71 which required a prior year adjustment to the fiscal year 2014 net position. The financial statements consist of the following:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

The District's activities are accounted for in an enterprise fund. Enterprise funds are operated in a manner similar to private business in that the majority of the District's revenues are generated through leases, fees and services to the public. These revenues are used to cover all operations, financing and infrastructure needs in the harbor.

This report also includes supplementary information in addition to the basic financial statements.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). The difference between the District's assets and its liabilities is reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recognized on the accrual basis.

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VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Statement of Net Position

The following condensed financial information provides an overview of the District's financial position as of June 30, 2015 and 2014.

Summary of Net Position
June 30, 2015 and June 30, 2014

	<u>2015</u>	<u>2014 *</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Assets:				
Current assets	\$ 9,080,956	\$ 8,491,323	\$ 589,633	6.9%
Restricted assets	3,025,024	3,013,607	11,417	0.4%
Capital assets, net	22,401,525	23,519,674	(1,118,149)	-4.8%
Total assets	<u>34,507,505</u>	<u>35,024,604</u>	<u>(517,099)</u>	-1.5%
Deferred outflows of resources	550,294	241,353	308,941	128.0%
Total assets and deferred outflows	<u>35,057,799</u>	<u>35,265,957</u>	<u>(208,158)</u>	-0.6%
Liabilities:				
Current & other liabilities	4,736,971	2,152,219	2,584,752	120.1%
Long-term debt obligations	13,658,548	14,298,461	(639,913)	-4.5%
Total liabilities	<u>18,395,519</u>	<u>16,450,680</u>	<u>1,944,839</u>	11.8%
Deferred inflows of resources	661,955	-	661,955	100.0%
Total liabilities and deferred inflows	<u>19,057,474</u>	<u>16,450,680</u>	<u>2,606,794</u>	15.8%
Net Position:				
Invested in capital assets, net of related debt	8,327,179	8,846,260	(519,081)	-5.9%
Restricted assets	3,025,024	3,013,607	11,417	0.4%
Unrestricted assets	4,648,122	6,955,410	(2,307,288)	-33.2%
Total net position	<u>\$ 16,000,325</u>	<u>\$ 18,815,277</u>	<u>\$ (2,814,952)</u>	-15.0%

* Not adjusted for implementation of GASB Statements No. 68 and No. 71

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VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Statement of Net Position (Continued)

The District's net position at June 30, 2015 is \$16,000,325. This is an increase of \$119,201 over the June 30, 2014 restated net position of \$15,881,124.

The June 30, 2014 net position was restated to \$15,881,124 due to the implementation of GASB's Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB's Statement No. 71, "Pension Transition for contributions made subsequent to the measurement date, an Amendment of GASB Statement No. 68", as discussed in more detail in Notes 1D and 4 to the financial statements. This implementation resulted in a \$2,934,153 reduction in the June 30, 2014 net position.

Key changes in the statement of net position are as follows:

Current Assets increased \$589,633 for fiscal year 2015 due to normal operations for the year.

The capital assets in fiscal year 2015 decreased by \$1,118,149. This was the net effect of infrastructure renovations offset by asset retirements and the annual amortization of the depreciation expenses. The capital assets are discussed in more detail later in this report.

Deferred outflows of resources increased by \$308,941. This increase was the net effect of expensing the annual amortization on the deferred amounts on bond refunding and the implementation of GASB Statements Nos. 68 and 71 regarding reporting for pensions as discussed in more detail in Note 1E of the financial statements.

The current & other liabilities increased by \$2,584,752 in fiscal year 2015 to \$4,736,971. This is due primarily to the recording of pension liability as result of the implementing of GASB Statements Nos. 68 and 71 as noted above.

Long-term debt obligations decreased by \$639,913 in fiscal year 2015 to \$13,658,548. This is due to principal payments on the outstanding debt.

Deferred inflows of resources increased by \$661,955. This increase was also due to the implementation of GASB Statements Nos. 68 and 71 regarding reporting for pensions as discussed in more detail in Note 1E.

Assets that are invested in capital assets, net of related debt, represent land, land improvements, construction in progress, harbor improvements, leasehold improvements, buildings, and equipment as reduced by the related debt service. The District uses these assets to provide facilities and services to the public.

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VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Statement of Net Position (Continued)

The capital assets, net of related debt, decreased by \$519,081. This decrease is the net effect of the decrease in capital assets as explained previously (the net effect of infrastructure renovations offset by asset retirements and the annual amortization of the depreciation expenses) being reduced by the annual principal payment on the related debt which in-turn reduced the amount of debt being netted against the capital assets.

Restricted assets are subject to external restrictions on how they may be used. As of June 30, 2015, there is \$3,000,000 restricted for dredging activity as required by the Ellison Judgment and a balance of \$25,024 in the restricted fisheries improvement reserve.

The restricted assets increased \$11,417 primarily due to an increase in the fisheries improvement reserve. During fiscal year 2015, a lease was negotiated which required the tenant to begin paying into a fisheries improvement reserve fund up to a maximum of \$100,000 during the term of the lease. These funds are restricted by the terms of the lease to be used for repairs and upkeep to the fish offloading complex areas, including the fish pier.

Unrestricted assets may be used to meet the District's on-going obligations.

ATTACHMENT 2
VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Statements of Revenues, Expenses and Changes in Net Position

The following tables summarize the District's operations for fiscal years 2015 and 2014:

**Summary of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2015 and June 30, 2014**

	<u>2015</u>	<u>2014 *</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Revenues:				
Operating revenues	\$ 7,142,043	\$ 7,144,259	\$ (2,216)	0.0%
Non-operating revenues	1,137,933	3,021,873	(1,883,940)	-62.3%
Total Revenues	<u>8,279,976</u>	<u>10,166,132</u>	<u>(1,886,156)</u>	-18.6%
Expenses:				
Operating expenses				
before depreciation	6,326,968	6,260,177	66,791	1.1%
Depreciation	986,294	951,435	34,859	3.7%
Non-operating expenses	847,513	731,103	116,410	15.9%
Total Expenses	<u>8,160,775</u>	<u>7,942,715</u>	<u>218,060</u>	2.7%
Change in Net Position	<u>119,201</u>	<u>2,223,417</u>	<u>(2,104,216)</u>	-94.6%
Net Position, Beginning of Year	18,815,277	16,591,860	2,223,417	13.4%
Prior period adjustment	<u>(2,934,153)</u>	-	<u>(2,934,153)</u>	0.0%
Net Position, Beginning of Year, as Restated	<u>15,881,124</u>	<u>16,591,860</u>	<u>(710,736)</u>	-4.3%
Net Position, End of Year	<u>\$ 16,000,325</u>	<u>\$ 18,815,277</u>	<u>\$ (2,814,952)</u>	-15.0%

* Not adjusted for implementation of GASB Statements No. 68 and No. 71

Revenues

Total revenues decreased 18.6% in fiscal year 2015 to \$8,279,976. This represents a \$1,886,156 decrease from fiscal year 2014 revenue of \$10,166,132. This change occurred primarily in the non-operating category due to the receipt of \$1.9 million in grant funds in 2014 for the renovation of the harbor launch ramp facilities that was not repeated in 2015. The construction that qualified for grant reimbursement was completed in 2014. The grant income received in fiscal year 2015 was approximately \$45,000. The operating revenue category reflects virtually no change from one year to the other. The lease revenues did increase \$61,000 over 2014 however that increase was offset by a decrease of \$63,000 in fisheries income. The fisheries income was down due to a non-productive squid season during fiscal year 2015.

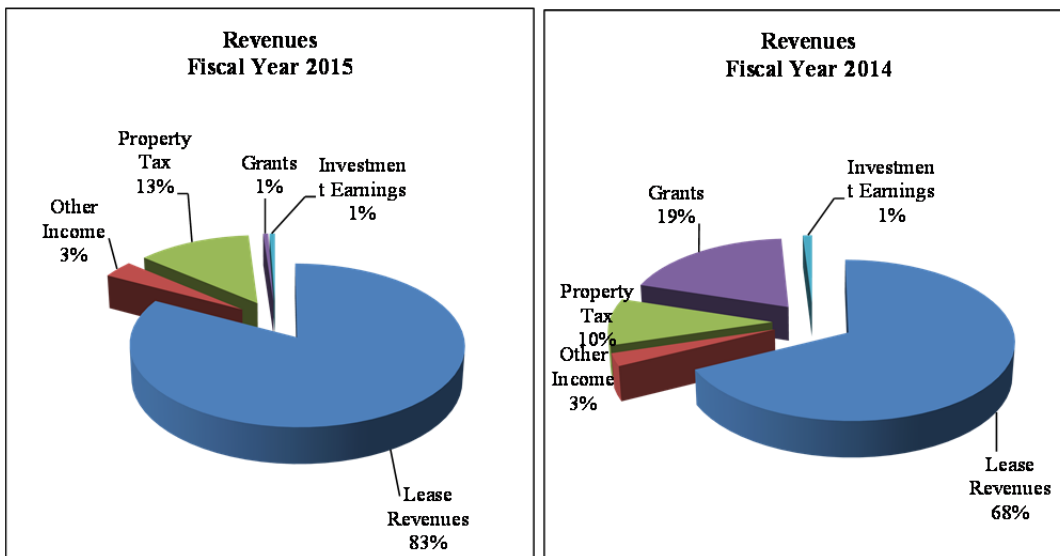
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VENTURA PORT DISTRICT**

**MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)**

June 30, 2015

Revenues (Continued)

The following two charts show a comparison of revenues by source. Lease revenues are by far the most significant source of revenues for the District, generally followed by property tax revenues. In the 2015 chart below it appears as if the lease revenues increased as the percentage increased to 83%. In actuality, the amount of grant revenues decreased from 19% (\$1.9 million) in 2014 to 1% (\$46,000) in 2015. This reduction in grant revenues shifts the percentage allocation so that it appears the lease revenues increased even though they were about the same as the previous year.



Expenses

The expenses for fiscal year 2015 increased by \$218,060 to \$8,160,775. This represents a 2.7% increase over the fiscal year 2014 expenses of \$7,942,715. The increase is primarily attributed to several main factors:

- Increase of \$110,000 in workers compensation insurance due to historical and new claims.
- Increase of \$130,000 in general liability insurance due to new claims.
- Decrease of \$49,000 in part-time wages due to reduced shift coverage in 2015.
- Decrease of \$64,000 in repairs and maintenance. In 2014, \$50,000 was spent to trim palm trees in the harbor that will not be necessary again for approximately five years. Therefore in 2015 it was not necessary to spend those funds.
- Decrease of \$30,000 in administrative expenses primarily due to reduced budget spending.
- Increase of \$116,000 in non-operating expenses due to a \$144,000 increase in net loss on the disposal of assets offset by the decrease of \$28,000 in interest expense as debt is reduced annually.

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VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Supplementary Information

The supplementary information section provides further detail for selected components of the basic financial statements.

Capital Assets and Debt Administration

Capital Assets

The District's capital assets, net of accumulated depreciation totaled \$22,401,525 on June 30, 2015. This is \$1,118,149 less than the June 30, 2014 balance of \$23,519,674. This decrease is due to the net effect of new infrastructure improvements and equipment purchases offset by asset dispositions and the current year's depreciation expense.

The capital assets include land, harbor, building and leasehold improvements, equipment and construction in progress. The following tables show the change in capital assets for fiscal years 2015 and 2014.

Capital Assets, Net
Years Ended June 30, 2015 and June 30, 2014

	2015	2014	Increase/ (Decrease)	%
	<hr/>	<hr/>	<hr/>	<hr/>
Land & Land Improvements	\$ 12,247,331	\$ 12,247,331	\$ -	0.0%
Buildings & Improvements	23,022,816	22,901,534	121,282	0.5%
Equipment	1,414,168	1,877,127	(462,959)	-24.7%
Construction in Progress	76,540	208,257	(131,717)	-63.2%
	<hr/>	<hr/>	<hr/>	<hr/>
	36,760,855	37,234,249	(473,394)	-1.3%
Less: Accumulated depreciation	(14,359,330)	(13,714,575)	(644,755)	4.7%
Total capital assets	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 22,401,525	\$ 23,519,674	\$ (1,118,149)	-4.8%

ATTACHMENT 2
VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Capital Assets (Continued)

Major projects and equipment purchased in fiscal year 2015 were:

- Renovated parking access and parking lot lighting for the launch ramp facility. The launch ramp itself was replaced in 2014.
- Installed infrastructure for access to fiber optics for Ventura Harbor Village tenants.
- Began roof renovations for aged Ventura Harbor Village buildings. This project will span over several years to minimize disruption to tenant businesses.
- Upgraded sound system for the public board meeting room.

Major dispositions in fiscal year 2015 were:

- Equipment-sale of a 150 ton Marine Travelift to the Ventura Harbor Boatyard.
- Infrastructure architectural design plans that will not be completed due to financial constraints.

There were no significant capital commitments to report at June 30, 2015. Additional information on the District's capital assets can be found in Note 2(c) of the basic financial statements.

ATTACHMENT 2
VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Debt Administration

The District's long-term debt balance at June 30, 2015 is \$14,298,460. This is a decrease of \$616,307 over the June 30, 2014 balance of \$14,914,767. The decrease is due to the paying down of principal on the outstanding debt.

The following tables summarize the changes in the District's long-term debt obligations as of June 2015 and 2014:

	Summary of Long-term Debt			
	June 30, 2015 and June 30, 2014			
	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Increase/ (decrease)</u>	<u>%</u>
Refinance certificates of participation Series '08	\$ 7,655,000	\$ 8,090,000	\$ (435,000)	-5.4%
Refinance certificates of participation Series '09	1,911,900	2,015,300	(103,400)	-5.1%
Notes payable	<u>4,731,560</u>	<u>4,809,467</u>	<u>(77,907)</u>	-1.6%
Total long-term debt	<u>\$ 14,298,460</u>	<u>\$ 14,914,767</u>	<u>\$ (616,307)</u>	-4.1%

Additional information on the District's long-term debt can be found in Note 2(e) of the basic financial statements.

Economic Outlook

The District was involved in a claim related to the American Disabilities Act. This claim involved accessibility improvements at the Ventura Harbor Village which is under control of the District. A remediation plan has been approved by the Plaintiff's counsel and the claim was settled for \$45,000 (including damages and attorney's fees). The District is in the process of developing a transition plan that will describe the process by which the facilities were evaluated and prioritized for accessibility improvements throughout the harbor. These improvements will be made within the next five years at a cost of approximately \$2 million.

The District is in the process of resetting the interest rate for the 2008 and 2009 Certificates of Participation (COPs). This process will be completed by 2/28/16 and the net savings at the lower interest rate will be approximately \$675,000. This will improve the District's fiscal position but there may be out-of-pocket expenses of \$135,000 to complete the transaction. These expenses have been factored into the net savings. There are enough unrestricted reserves to pay this proposed out-of-pocket expense.

ATTACHMENT 2
VENTURA PORT DISTRICT

MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)

June 30, 2015

Economic Outlook (Continued)

The District is also taking steps to refinance the \$4.8 million in loans with the Division of Boating & Waterways. The interest rate is currently 4.5% and the potential new rate could be as low as 3.5%. The net savings by reducing the term of the loans and the interest rate is approximately \$484,000. We anticipate this refinancing to reach a successful conclusion by 5/31/2016.

The operating revenues are currently flat; however, we anticipate the developer Sondermann Ring Partners (SRP) to exercise its option and execute a 50 year ground lease before 6/30/16. This will generate a new source of revenue to the District in the amount of \$300,000 per year. SRP is currently applying for a grading permit, must present information to the District about its prospective lender and upon District approval will begin construction. The construction will take 36 months; however, the project will over time increase the District's rental revenue to approximately \$1.2 million per year upon completion and stabilization of the project. This project will spur economic development throughout the harbor as a result of the 300 apartment units, 23,000 sq. ft. of commercial space and 140 slip recreational Marina associated with the project.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Accounting Manager, at (805) 642-8538 or 1603 Anchors Way Drive, Ventura, CA 93001.

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ATTACHMENT 2
VENTURA PORT DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents	\$ 6,416,391
Restricted cash and cash equivalents	3,025,024
Investments	1,493,490
Accounts receivable, net	338,147
Due from other governments	352,164
Other receivables	91,202
Prepaid expenses	354,316
Inventories	35,246
TOTAL CURRENT ASSETS	<u>12,105,980</u>

NONCURRENT ASSETS:

Capital assets not being depreciated	12,323,871
Capital assets being depreciated (net of accumulated depreciation)	10,077,654
TOTAL NONCURRENT ASSETS	<u>22,401,525</u>

TOTAL ASSETS	<u>34,507,505</u>
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DEFERRED OUTFLOWS OF RESOURCES:

Deferred amounts on refundings	224,114
Deferred amounts from pension plans	326,180
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>550,294</u>

LIABILITIES:

CURRENT LIABILITIES:

Accounts payable	154,694
Interest payable	373,390
Accrued liabilities	45,238
Unearned revenue	140,777
Security deposits	163,764
Current portion of compensated absences	155,998
Current portion of long-term debt obligations	639,912
TOTAL CURRENT LIABILITIES	<u>1,673,773</u>

NONCURRENT LIABILITIES:

Compensated absences	74,668
Net OPEB obligation	410,510
Net pension liability	2,578,020
Noncurrent portion of long-term debt obligations	13,658,548
TOTAL NONCURRENT LIABILITIES	<u>16,721,746</u>

TOTAL LIABILITIES	<u>18,395,519</u>
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DEFERRED INFLOWS OF RESOURCES:

Deferred amounts from pension plans	661,955
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NET POSITION:

Net investment in capital assets	8,327,179
Restricted for dredging	3,000,000
Restricted for fisheries complex	25,024
Unrestricted	4,648,122
TOTAL NET POSITION	<u>\$ 16,000,325</u>

See accompanying notes to basic financial statements.

ATTACHMENT 2
VENTURA PORT DISTRICT

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

For the year ended June 30, 2015

OPERATING REVENUES:

Leases:	
General	\$ 4,622,034
Harbor Village slips	888,259
Fishing	236,383
Boat yard	306,186
Charter	358,826
Tenant reimbursements	359,506
Dry storage	83,787
Other	287,062
TOTAL OPERATING REVENUES	<u>7,142,043</u>

OPERATING EXPENSES:

Administration	174,971
Salaries and benefits	3,463,871
Merchant promotion	262,666
Professional services	550,134
Depreciation	986,294
Repairs and maintenance	814,825
Harbor dredging	220,721
Utilities	343,957
Insurance	273,447
Other	222,376
TOTAL OPERATING EXPENSES	<u>7,313,262</u>

OPERATING LOSS	<u>(171,219)</u>
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NONOPERATING REVENUES (EXPENSES):

Taxes	1,042,761
Investment income	49,345
Intergovernmental grants	45,827
Loss on disposition of capital assets	(184,074)
Interest expense	(663,439)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>290,420</u>

CHANGES IN NET POSITION	119,201
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NET POSITION - BEGINNING OF YEAR , AS RESTATED	<u>15,881,124</u>
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NET POSITION - END OF YEAR	<u><u>\$ 16,000,325</u></u>
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See accompanying notes to basic financial statements.

ATTACHMENT 2
VENTURA PORT DISTRICT

STATEMENT OF CASH FLOWS

For the year ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from tenants	\$ 6,879,208
Cash received from others	265,372
Cash paid to employees	(3,425,824)
Cash paid for goods and services	<u>(3,083,769)</u>

**NET CASH PROVIDED BY
OPERATING ACTIVITIES**

634,987

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES:**

Taxes received	1,040,712
Receipts from other governments	<u>1,646,126</u>

**NET CASH PROVIDED BY NONCAPITAL
FINANCING ACTIVITIES**

2,686,838

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES:**

Proceeds from the sale of capital assets	150,000
Acquisition and construction of capital assets	(202,219)
Payments on long-term debt	(616,306)
Interest payments on related debt	<u>(623,430)</u>

**NET CASH USED BY CAPITAL AND
RELATED FINANCING ACTIVITIES**

(1,291,955)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	<u>32,419</u>
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NET CASH PROVIDED BY INVESTING ACTIVITIES

32,419

**NET INCREASE IN CASH
AND CASH EQUIVALENTS**

2,062,289

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR

7,379,126

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 9,441,415

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO STATEMENT OF NET POSITION:**

Cash and cash equivalents	\$ 6,416,391
Restricted cash and cash equivalents	<u>3,025,024</u>
	<u><u>\$ 9,441,415</u></u>

See accompanying notes to basic financial statements.

(Continued)

ATTACHMENT 2
VENTURA PORT DISTRICT

STATEMENT OF CASH FLOWS
(CONTINUED)

For the year ended June 30, 2015

**RECONCILIATION OF OPERATING LOSS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating loss	<u>\$ (171,219)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	986,294
Amortization of deferred amounts from pension plans	(166,345)
Changes in operating assets and liabilities:	
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(5,080)
Other receivables	(21,689)
Prepaid expenses	(90,189)
Inventories	(3,127)
Deferred amounts from pension plans	(34,495)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(2,881)
Accrued liabilities	(118,686)
Unearned revenue	29,306
Security deposits	9,183
Compensated absences	(19,090)
Net OPEB obligation	62,523
Net pension liability	(677,231)
Deferred amounts from pension plans	<u>857,713</u>
 Total adjustments	 <u>806,206</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u><u>\$ 634,987</u></u>

NONCASH CAPITAL AND FINANCING ACTIVITIES:

Amortization on deferred amount on debt refunding	<u><u>\$ 17,239</u></u>
 Retirement of capital assets	 <u><u>\$ 196,988</u></u>

NONCASH INVESTING ACTIVITIES:

Unrealized loss on investments	<u><u>\$ 7,170</u></u>
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See accompanying notes to basic financial statements.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity:

The Ventura Port District (District) was organized under Sections 6200 to 6372 of the Harbor and Navigation Code of the State of California on April 15, 1952, for the purpose of acquiring, constructing and operating a small boat harbor now known as Ventura Harbor. The District is governed by a board of five commissioners appointed by the City Council of the City of San Buenaventura. They serve for a term of four years without compensation. The Board of Port Commissioners appoints legal counsel, an auditor, and a general manager to implement Board policies and direct operational aspects of the harbor.

The District receives a pro-rata share of the general tax levy from the County of Ventura. The District also has the power of eminent domain.

The accounting policies of the Ventura Port District conform to generally accepted accounting principles as applicable to governmental units.

The financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. A blended component unit, although a legally separate entity is, in substance, part of the District's operations and data from this unit is combined with data of the District. The blended component unit has a June 30 year end. The District had no discretely presented component units. The following entity is reported as a blended component unit.

The Ventura Port District Public Facilities Corporation (Corporation) was formed and organized in 1992 as a non-profit public benefit corporation pursuant to the laws of the State of California. The District's Board of Port Commissioners acts as the governing board of the Corporation. The Corporation was formed for the purpose of financing and owning certain improvements on land leased from the District consisting of a portion of a multiple use center and marina, commonly referred to as "Ventura Harbor Village". Separate financial statements are not prepared for the Corporation.

B. Basis of Presentation:

The basic financial statements (i.e. Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows) report information on all of the activities of the District.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Continued):

The District's activities are accounted for in an enterprise fund. An enterprise fund is a proprietary-type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The District applies all Governmental Accounting Standards Board (GASB) pronouncements.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

C. Measurement Focus and Basis of Accounting:

"Measurement focus" is a term used to describe *which* transactions are recorded within the various financial statements. "Basis of accounting" refers to *when* transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus", and the "accrual basis of accounting". Under the economic measurement focus all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus and Basis of Accounting (Continued):

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the District are lease revenues. Operating expenses include costs of providing services in relation to the leased properties, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then use unrestricted resources as needed.

D. New Accounting Pronouncements:

Current Year Standards

In fiscal year 2014-2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*". These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit pension plans, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accounting changes adopted to conform to the provisions of these statements should be applied retroactively. The result of the implementation of these standards decreased the net position at July 1, 2014 by \$2,934,153.

GASB Statement No. 69 - "*Government Combinations and Disposals of Government Operations*" was required to be implemented in the current fiscal year and did not impact the District.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. New Accounting Pronouncements (Continued):

Pending Accounting Standards

GASB has issued the following statement which may impact the District's financial reporting requirement in the future.

- GASB 72 - *"Fair Value Measurement and Application"*, effective for periods beginning after June 15, 2015.
- GASB 73 - *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*, effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, effective for periods beginning after June 15, 2016.
- GASB 75 - *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, effective for periods beginning after June 15, 2017.
- GASB 76 - *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*, effective for periods beginning after June 15, 2015.

E. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting in this category. The first item is a deferred outflow related to amounts on refunding which resulted from the difference in the carrying value of refunded debt and its reacquisition price. This item is deferred and amortized over the life of the refunding debt. The second item is a deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2013 (the beginning of the measurement period ended June 30, 2014), which is 3.8 years.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

E. Deferred Outflows/Inflows of Resources (Continued):

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is a deferred inflow related to pensions for the change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2013 (the beginning of the measurement period ended June 30, 2014), which is 3.8 years. The second item is a deferred inflow related to pensions resulting from the net differences between projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

F. Assets, Liabilities and Net Position:

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the District considers cash on hand and in bank, money market funds, as well as cash held and invested by the County Treasurer, and the pooled funds held by the State of California - Local Agency Investment Fund (LAIF), which are readily convertible to known amounts of cash, to be cash and cash equivalents.

Cash and cash equivalents, as reported in the Statements of Cash Flows, include both restricted and unrestricted amounts.

Investments

Investments are stated at fair value generally based on quoted market prices. Statutes authorize the District to invest in obligations of the U.S. Government, U.S. Government Sponsored Agency Securities, state and local governmental agencies, negotiable certificates of deposit, bankers' acceptances, commercial paper, reverse repurchase agreements, and a variety of other investment instruments subject to certain portfolio percentage limitations, which are allowable under the California Government Code § 53600 et seq.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Assets, Liabilities and Net Position (Continued):

Accounts Receivable

The District grants unsecured credit to its customers. Bad debts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and a review of past due accounts.

Inventories

Inventories consist primarily of materials and supplies used in the general maintenance of vehicles, boats and leased land. They are valued at cost using the first-in, first-out method.

Capital Assets

The District defines capital assets as tangible property having a minimum value of \$5,000 (\$10,000 for buildings, improvements and infrastructure) that has a life expectancy longer than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Depreciation has been provided over estimated useful lives using the straight line method. The estimated useful lives are as follows:

Harbor improvements	5 - 50 years
Leasehold improvements	5 - 50 years
Buildings and structures	5 - 50 years
Boats	3 - 10 years
Trucks	3 - 10 years
Equipment	3 - 10 years
Signs	5 years

Property Taxes Receivables

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on a July 1 to June 30 fiscal year. Taxes are due in two installments on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes for the District. Tax revenues are recognized by the District in the year levied. Property tax receivables are adjusted to their net realizable values by deducting any estimated uncollectible amounts reported to the District.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Assets, Liabilities and Net Position (Continued):

Compensated Absences

The District employees earn vacation and sick leave in accordance with the personnel policies of the District. The liability for vested vacation and sick leave is recorded as an expense when earned.

Net Position

In the Statement of Net Position, net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or judgment. At June 30, 2015, the Restricted Assets are \$3,046,003 of which, \$3,020,979, is restricted for dredging of the harbor by a court judgment against the District in 1979.
- Unrestricted - This category represents assets of the District not restricted for any project or other purpose.

G. Operating Leases:

The District leases parcels of land within the harbor. The lessees develop the parcels and pay rent to the District. The leases are primarily for a period of 3 - 50 years.

Most of the lease agreements provide for future minimum lease payments with additional rentals contingent upon sales volumes of the lessees. Future minimum lease payments are subject to periodic renegotiation.

The rent paid to the District by each lessee is the greater of the established minimum annual rent for each parcel or rent computed as a percentage of the lessee's gross revenues. The level of income received by the District is dependent upon the success of the businesses operating in the Ventura Harbor.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. DETAILED NOTES:

A. Cash and Investments:

Cash and Investments

Cash and investments as of June 30, 2015 are reported in the Statements of Net Position as follows:

Cash and cash equivalents	\$ 6,416,391
Restricted cash and cash equivalents	3,025,024
Investments	<u>1,493,490</u>
 Total cash and investments	 <u>\$ 10,934,905</u>

Cash and investments as of June 30, 2015 consisted of the following:

Demand accounts (bank balance)	\$ 222,196
Less outstanding checks	<u>(54,640)</u>
Book balance	167,556
Petty cash	<u>1,324</u>
Total deposits and petty cash	<u>168,880</u>

Investments:

State of California Local Agency Investment Fund	9,255,926
U.S. Government Sponsored Agency Securities	1,493,490
Ventura County Treasury Pool	<u>16,609</u>
Total investments	<u>10,766,025</u>

Total cash and investments	<u>\$ 10,934,905</u>
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ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

A. Cash and Investments (Continued):

Restricted Cash and Cash Equivalents

A portion of cash and cash equivalents as of June 30, 2015 are considered to be restricted for the following purposes.

Dredging pursuant to settlement agreement	\$ 3,020,979
Facility maintenance pursuant to lease agreement	<u>25,024</u>
Total	<u>\$ 3,046,003</u>

Investments Authorized by the California Government Code and the District's Investment Policy

The District's investment policy authorizes investment in all investments authorized under provisions of California Government Code Section 53601. The District's investment policy is not more restrictive than the California Government Code.

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio *	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	None
State of California Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	5%
CD Placement Service	5 years	30%	None
Bankers Acceptances	180 days	40%	30%
Repurchase Agreements	1 year	None	None
Commercial Paper	270 days	25%	10%
Medium-term Notes	5 years	30%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%

* - Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

A. Cash and Investments (Continued):

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the

The District's investments by maturity at June 30, 2015 are as follows:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 24 Months	25 - 60 Months	
LAIF	\$ 9,255,926	\$ -	\$ -	\$ 9,255,926
United States Government Sponsored				
Agency Securities (1)	-	-	1,493,490	1,493,490
Ventura County Treasury Pool	16,609	-	-	16,609
	<u>\$ 9,272,535</u>	<u>\$ -</u>	<u>\$ 1,493,490</u>	<u>\$ 10,766,025</u>

(1) All securities have call features by the issuer that are available at June 30, 2015.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that all issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. The District's U.S. Government Sponsored Agency Securities had ratings, by Standard and Poors, of AA+ at June 30, 2015. The Ventura County Treasury Pool had a Standard and Poors rating of AA+ at June 30, 2015.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District's investment in the following U.S. Government Sponsored Agency Securities represents investments in one issuer that are 5% or more of the District's total investments:

Federal National Mortgage Association securities	\$ 1,493,490	13.87%
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ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

A. Cash and Investments (Continued):

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, all of the District's deposits with financial institutions were covered by federal depository insurance limits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District and are held by either the counterparty, or the counterparty's trust department or agent but not in the District's name. At June 30, 2015, the District does not have any investments that are exposed to custodial credit risk.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

B. Accounts Receivable, Net:

As of June 30, 2015 accounts receivable net, consists primarily of lease receivables of \$357,026 with an allowance for uncollectible accounts of \$18,879.

C. Capital Assets:

A summary of changes in the capital assets for the year ended June 30, 2015 is as follows:

	Balance at <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2015</u>
Capital assets, not being depreciated:				
Land	\$ 2,342,629	\$ -	\$ -	\$ 2,342,629
Land improvements	9,904,702	-	-	9,904,702
Construction in progress	<u>208,257</u>	<u>65,270</u>	<u>(196,987)</u>	<u>76,540</u>
 Total capital assets, not being depreciated	 <u>12,455,588</u>	 <u>65,270</u>	 <u>(196,987)</u>	 <u>12,323,871</u>
Capital assets, being depreciated:				
Buildings and structures	16,519,329	121,284	-	16,640,613
Equipment	1,877,128	15,666	(478,626)	1,414,168
Harbor improvements	4,637,166	-	-	4,637,166
Leasehold improvements	<u>1,745,037</u>	<u>-</u>	<u>-</u>	<u>1,745,037</u>
 Total capital assets, being depreciated	 24,778,660	 136,950	 (478,626)	 24,436,984
Less accumulated depreciation	<u>(13,714,574)</u>	<u>(986,294)</u>	<u>341,538</u>	<u>(14,359,330)</u>
 Total capital assets, being depreciated, net	 <u>11,064,086</u>	 <u>(849,344)</u>	 <u>(137,088)</u>	 <u>10,077,654</u>
 Total capital assets, net	 <u>\$ 23,519,674</u>	 <u>\$ (784,074)</u>	 <u>\$ (334,075)</u>	 <u>\$ 22,401,525</u>

Depreciation expense was \$986,294 for the year ended June 30, 2015.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

D. Unearned Revenue:

Unearned revenue represents lease rent amounts to be credited to future years rent per the terms of leases executed between lessees and the District. Unearned revenue totaled \$140,777 for the year ended June 30, 2015.

E. Long-Term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
2008 Refunding certificates of participation	\$ 8,090,000	\$ -	\$ (435,000)	\$ 7,655,000	\$ 450,000
2009 Refunding certificates of participation	2,015,300	-	(103,400)	1,911,900	108,500
Notes payable	4,809,467	-	(77,907)	4,731,560	81,412
Net OPEB obligation (Note 3D)	347,987	62,523	-	410,510	-
Compensated absences	<u>249,756</u>	<u>348,067</u>	<u>(367,157)</u>	<u>230,666</u>	<u>155,998</u>
Total	<u>\$ 15,512,510</u>	<u>\$ 410,590</u>	<u>\$ (983,464)</u>	<u>\$ 14,939,636</u>	<u>\$ 795,910</u>

2008 Refunding Certificates of Participation

On June 25, 2008, the District issued \$10 million Refunding Certificates of Participation Series 2008 with an average interest rate of 4.43 percent to advance partial refund \$10.805 million of outstanding Series 1998 bonds with an average interest rate of 6.375 percent. The defeased Series 1998 bonds have been paid in full. The certificates are also subject to prepayment on or after August 1, 2015 at prices ranging from 101% to 100%.

The annual debt service requirements on these Certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 450,000	\$ 329,149	\$ 779,149
2017	470,000	308,771	778,771
2018	490,000	287,507	777,507
2019	510,000	265,357	775,357
2020	535,000	242,210	777,210
2021 - 2025	3,040,000	826,638	3,866,638
2026 - 2028	<u>2,160,000</u>	<u>146,190</u>	<u>2,306,190</u>
Totals	<u>\$ 7,655,000</u>	<u>\$ 2,405,822</u>	<u>\$ 10,060,822</u>

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

E. Long-Term Liabilities (Continued):

2009 Refunding Certificates of Participation

On March 12, 2009, the District issued \$2,477,200 Refunding Certificates of Participation Series 2009 with an average interest rate of 4.80 percent to advance refund \$2,565,000 of outstanding Series 1998 bonds with an average interest rate of 6.375 percent. The defeased Series 1998 bonds have been paid in full.

The annual debt service requirements on these Certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 108,500	\$ 89,167	\$ 197,667
2017	113,800	83,832	197,632
2018	119,400	78,235	197,635
2019	125,300	72,362	197,662
2020	131,500	66,199	197,699
2021 - 2025	761,000	227,400	988,400
2026 - 2028	<u>552,400</u>	<u>40,618</u>	<u>593,018</u>
Totals	<u>\$ 1,911,900</u>	<u>\$ 657,813</u>	<u>\$ 2,569,713</u>

Debt Service Coverage on Certificates of Participation

The 2008 and 2009 Certificates are secured by the District's pledge of all Net Revenues. Net Revenue is defined as all operating and nonoperating revenue except for grant revenue less all operating and nonoperating expenses excluding depreciation and interest. A comparison of pledged Net Revenues to current year debt service as of June 30, 2015 is as follows:

Net Revenues	\$ 1,715,177
Debt Services - Current Year	981,405

The District exceeds the debt service coverage requirements for the 2008 and 2009 Certificates.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

E. Long-Term Liabilities (Continued):

Notes Payable

The Ventura Port District has two notes payable to the State of California Department of Boating and Waterways. The loans are to be used for construction of the Ventura Harbor under provisions of the Small Craft Harbor Construction Loan and Operation Contract and are secured by the gross revenues originating from fees and rentals charged and received for services, facilities and leaseholds within the Ventura Harbor subordinate to the Certificates of Participations' debt service payments. As of June 30, 2015 the principal balance of the first note is \$3,528,955 and is payable annually on August 1 each year at 4.50% interest over 50 years. As of June 30, 2015 the principal balance of the second note is \$1,202,605 and is payable annually on August 1 each year at 4.50% interest over 30 years.

The following is a schedule of the payments due on the first note payable as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 45,813	\$ 158,803	\$ 204,616
2017	47,875	156,741	204,616
2018	50,029	154,587	204,616
2019	52,280	152,336	204,616
2020	54,633	149,983	204,616
2021 - 2025	312,330	710,750	1,023,080
2026 - 2030	389,220	633,860	1,023,080
2031 - 2035	485,040	538,040	1,023,080
2036 - 2040	604,448	418,632	1,023,080
2041 - 2045	753,252	269,828	1,023,080
2046 - 2049	<u>734,035</u>	<u>84,393</u>	<u>818,428</u>
Totals	<u>\$ 3,528,955</u>	<u>\$ 3,427,953</u>	<u>\$ 6,956,908</u>

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

2. DETAILED NOTES (CONTINUED):

E. Long-Term Liabilities (Continued):

Notes Payable (Continued)

The following is a schedule of the payments due on the second note payable as of June 30, 2015:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 35,599	\$ 54,117	\$ 89,716
2017	37,201	52,515	89,716
2018	38,875	50,841	89,716
2019	40,624	49,092	89,716
2020	42,452	47,264	89,716
2021 - 2025	242,694	205,886	448,580
2026 - 2030	302,441	146,139	448,580
2031 - 2035	376,897	71,683	448,580
2036	85,822	3,862	89,684
Totals	<u>\$ 1,202,605</u>	<u>\$ 681,399</u>	<u>\$ 1,884,004</u>

3. OTHER INFORMATION:

A. Operating Leases:

The District receives the majority of its operating revenues in the form of rent payments from lessees of the parcels of land in Ventura Harbor. The period of these non-cancellable leases could range from 3-50 years.

Future minimum rent payments due to the District for the next five years are as follows:

Year Ending June 30,	Amount
2016	\$ 2,859,591
2017	2,500,738
2018	2,317,350
2019	2,131,697
2020	2,087,868
	<u>\$ 11,897,244</u>

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

A. Operating Leases (Continued):

The net carrying value of related assets under the leases is \$4,415,229 for the year ended June 30, 2015.

Rental income of \$6,842,373 for the year ended June 30, 2015 includes contingent rental income of \$1,906,187.

B. Dredging Reserve:

As the result of a litigation settlement during the year ended June 30, 1979, the District is required to maintain a \$3,000,000 reserve to be utilized to maintain the channel from the open sea to the Ventura Keys. Should the reserve fall below \$3,000,000, the District is required to budget and fund annually 25% of total operating revenue of the prior year until such time as the reserve balance reaches \$3 million again.

The District maintains a separate, restricted, general ledger cash account for dredging related expenses. As of June 30, 2015 this account had a balance of \$3,000,000.

C. Pension Plans:

1). General Information about the Pension Plans:

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety (police) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

1). General Information about the Pension Plans (Continued):

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2% @55	2% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	17.23%	6.25%

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2% @55	2% @57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	2.0% to 2.7%
Required employee contribution rates	7.00%	9.50%
Required employer contribution rates	12.39%	9.50%

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

1). General Information about the Pension Plans (Continued):

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

As of June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 2,082,353
Safety	495,667
Total Net Pension Liability	<u>\$ 2,578,020</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

The District's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2013	70.20%	75.72%
Proportion - June 30, 2014	77.27%	83.08%
Change - Increase (Decrease)	7.07%	7.36%

For the year ended June 30, 2015, the District recognized pension expense of \$305,823. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 326,180	\$ -
Differences between actual and expected experience	-	-
Change in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(8,009)
Net differences between projected and actual earnings on plan investments	-	(653,946)
Total	<u>\$ 326,180</u>	<u>\$ (661,955)</u>

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

\$326,180 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
<u>2016</u>	\$ (166,345)
2017	(166,345)
2018	(165,774)
2019	(163,491)

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Actuarial Assumptions

The June 30, 2013 and June 30, 2014 total pension liabilities were determined using the following actuarial methods and assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	(3)	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as a change in our methodology occurs.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

C. Pension Plans (Continued):

2). Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 3,297,685	\$ 888,085
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 2,085,353	\$ 495,667
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 1,073,743	\$ 172,331

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

3). Payable to the Pension Plans:

At June 30, 2015, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

D. Other Postemployment Healthcare Benefits:

Plan Description

Ventura Port District administers a multiple-employer defined benefit healthcare plan (the Plan). The Plan provides medical healthcare insurance for eligible retirees and their spouses through the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employee' Medical and Hospital Care Act (PEMHCA). The benefit contribution has been long-standing and approved by the Board of Port Commissioners on June 23, 1999. No dental, vision, or life insurance benefits are provided. Currently there are 8 retired employees and 33 active employees participating in the Plan.

Funding Policy

There is no statutory requirement for the District to pre-fund its OPEB obligation. The District has currently chosen to pay plan benefits on a pay-as-you-go basis and does not maintain a trust fund for its other postemployment benefits. There are no employee contributions. The District's fixed dollar benefit contribution cannot be less than the PEMHCA minimum for PEMHCA actives and retirees. As of June 30, 2015 the District's pays \$122 per month for each retiree participating in the PEMCHA plan. For fiscal year 2014-15, the District paid \$9,286 directly to CalPERS for the District's health premium contributions under PEMHCA for retiree medical healthcare plan post employment benefits.

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2015, the components of the District's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the District's net OPEB obligation to the plan are as follows. The Alternative Measurement Method under GASB No. 45 was used to calculate the actuarial obligation since the District has fewer than 100 plan members.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

D. Other Postemployment Healthcare Benefits (Continued):

Annual OPEB Cost and Net OPEB Obligation (Continued)

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Healthcare Benefits Plan:

Annual required contribution (ARC)	\$ 77,047
Interest on net OPEB obligation	17,399
Adjustment to ARC	<u>(22,637)</u>
Annual OPEB cost (expense)	71,809
Actual contributions made (pay-as-you-go)	<u>(9,286)</u>
Increase in net OPEB obligation	62,523
Net OPEB Obligation - July 1, 2014	<u>347,987</u>
Net OPEB Obligation - June 30, 2015	<u><u>\$ 410,510</u></u>

The District's annual ARC, the percentage of ARC contributed to the plan, and the net OPEB obligation for the years ended June 30, 2015, 2014 and 2013 were as follows:

Fiscal Year	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
6/30/15	\$ 77,047	12.05%	\$ 410,510
6/30/14	77,047	9.88%	347,987
6/30/13	77,047	8.84%	278,555

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, the date of the latest actuarial review, was as follows:

Actuarial accrued liabilities (AAL)	\$ 1,077,067
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liabilities (UAAL)	<u><u>\$ 1,077,067</u></u>
Funded ratio	0.00%
Covered payroll (active plan members)	\$ 2,029,162
UAAL as a percentage of covered payroll	53.08%

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

D. Other Postemployment Healthcare Benefits (Continued):

Funded Status and Funding Progress (Continued)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of the benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations. The July 1, 2012 actuarial valuation was used to determine the ARC for fiscal year 2015.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 60, or at the first subsequent year in which the member would qualify for benefits.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the 1994 GAM Male and Female Mortality Tables published by the Society of Actuaries.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

D. Other Postemployment Healthcare Benefits (Continued):

Actuarial Methods and Assumptions (Continued)

Turnover - Non-group-specific age-based turnover data from the Alternative Measurement Method formulas, Table 1, paragraph 35 of GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for the purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 7 percent initially, reduced to an ultimate rate of 5 percent after two years, was used.

Health insurance premiums - Health insurance premiums under the CalPERS Public Employees Medical and Hospital Care Act were used as the basis for calculation of the present value of total benefits to be paid.

Medical inflation rate - The typical medical inflation assumption of -1 was based on historical averages.

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 5 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was twenty-eight years.

E. Related Party Transactions:

The City of Ventura provides utility services to the District for water and sewage. The cost for these services for the year ended June 30, 2015 was \$159,637.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

F. Liability, Property and Workers' Compensation Protection:

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Ventura Port District is a member of the California Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Insurance Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors which operates through a nine-member Executive Committee.

Self-Insurance Programs of the Insurance Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

F. Liability, Property and Workers' Compensation Protection (Continued):

Self-Insurance Programs of the Insurance Authority (Continued)

Liability - In the liability program, claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15, the Insurance Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Insurance Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claim for subsidence losses have a sub-limit of \$30 million per occurrence.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

F. Liability, Property and Workers' Compensation Protection (Continued):

Self-Insurance Programs of the Insurance Authority (Continued)

Workers' Compensation - The District also participates in the workers' compensation pool administered by the Insurance Authority. In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Insurance Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance - The District participates in the pollution legal liability insurance program which is available through the Insurance Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the District. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Insurance Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Insurance Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance - The District participates in the all-risk property protection program of the Insurance Authority. This insurance protection is underwritten by several insurance companies. The District's property is currently insured according to a schedule of covered property submitted by the District to the Insurance Authority. The District's property currently has all-risk property insurance protection in the amount of \$19,612,113. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance, which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

ATTACHMENT 2
VENTURA PORT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015

3. OTHER INFORMATION (CONTINUED):

F. Liability, Property and Workers' Compensation Protection (Continued):

Purchased Insurance (Continued)

Crime Insurance - The District purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Insurance Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability Insurance - The District further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on District property. The insurance premium is paid by the tenant user and is paid to the District according to a schedule. The District then pays for the insurance. The insurance is arranged by the Insurance Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were no significant reductions in pooled or insured liability coverage in the fiscal year 2014-15.

G. Commitments:

The District is developing a strategy (short/long term) that will improve the accessibility of the Ventura Harbor Village for all tenants and customers. The District has budgeted \$250,000 in the financial year 2014-2015 for such improvements.

4. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS:

The implementation of GASB Statement Numbers 68 and 71 requires reporting the net pension liability of the District's defined benefit pension plan in the financial statements and is applied retroactively by restating the net position as of the beginning of the fiscal year. The implementation of GASB Numbers 68 and 71 resulted in a reduction of net position by \$2,934,153 as of July 1, 2014.

5. SUBSEQUENT EVENTS:

Events occurring after June 30, 2015 have been evaluated for possible adjustments to the financial statements or disclosure as of January 19, 2016, which is the date these financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

ATTACHMENT 2
VENTURA PORT DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

	<u>2015</u>
Plan's proportion of the net pension liability	0.04143%
Plan's proportionate share of the net pension liability	\$ 2,578,020
Plan's covered - employee payroll	\$ 2,106,485
Plan's proportionate share of the net pension liability as a percentage of its covered - employee payroll	122.38%
Plan's proportionate share of the fiduciary net position as a percentage of the proportionate share of the Plan's total pension liability	78.68%
Plan's proportionate share of aggregate employer contributions	\$ 260,330

Notes to Schedule:

Changes in Benefit Terms:

None

Changes in Assumptions:

None

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

ATTACHMENT 2
VENTURA PORT DISTRICT

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLANS

Last Ten Fiscal Years*

	2015
Contractually required contribution (actuarially determined)	\$ 326,180
Contributions in relation to the actuarially determined contributions	<u>(326,180)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$ 2,106,485
Contributions as a percentage of covered - employee payroll	15.48%

Notes to Schedule:

1) Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age normal cost method
Amortization method	Level percentage of payroll, closed
Average remaining period	19 years (Misc 2%@55), 13 years (Safety 2%@55)
Asset valuation method	15-year smoothed market
Discount rate	7.50% (net of administrative expenses)
Projected salary increases	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Retirement age	50 years (Misc and Safety 2%@55), 50 years (Safety 2%@57) and 52 years (Misc 2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

Contribution rate-Misc 2%@62 Risk Pool 6.25% of reportable compensation

2) Changes in Benefit Terms:

None

3) Changes in Assumptions:

None

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

ATTACHMENT 2
VENTURA PORT DISTRICT

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

For the year ended June 30, 2015

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (AVA) (b)	Unfunded AAL (UAAL) (a) - (b)	Funded Ratio (b)/(a)	Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
7/1/2009	\$ 476,265	\$ -	\$ 476,265	0.00%	\$ 1,826,203	26.08%
7/1/2012	\$ 629,594	\$ -	\$ 629,594	0.00%	\$ 1,978,368	31.82%
7/1/2015	\$ 1,077,067	\$ -	\$ 1,077,067	0.00%	\$ 2,029,162	53.08%

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Port Commissioners
of the Ventura Port District
Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Ventura Port District (the District) as of and for the year ended June 30, 2015, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Dick Evans LLP

Irvine, California
January 19, 2016

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

STANDARD AGENDA ITEM NO. 2

**APPROVAL OF RESOLUTION AUTHORIZING FIRST
AMENDMENTS TO THE 2008 AND 2009 REFUNDING
CERTIFICATES OF PARTICIPATION**

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 2
Meeting Date: January 27, 2016**

TO: Board of Port Commissioners
FROM: Oscar Peña, General Manager
SUBJECT: Approval of Resolution Authorizing First Amendments to the 2008 and 2009 Refunding Certificates of Participation

RECOMMENDATION:

That the Board of Port Commissioners adopt Resolution No. 3294, authorizing the execution and delivery of a First Amendment to the 2008 Installment Purchase Agreement, a First Amendment to the 2009 Installment Purchase Agreement and related matters in connection therewith.

BACKGROUND:

In 2008 and 2009, Brandis Tallman LLC ("BTLLC"), as Placement Agent, assisted the District in refunding its 1998 Certificates of Participation ("COPs") at a lower interest rate than the initial issuance. The 2008 Refunding COPs have an interest rate of 4.43% and the 2009 Refunding COPs have an interest rate of 4.80%. In October of 2015, BTLLC performed a Rate Reset analysis for the District's outstanding 2008 and 2009 Refunding COPs. The reset rate was estimated at 3.00% on October 29th.

On November 18, 2015, the Board authorized the General Manager to enter into an Agreement for Placement Agent Services with BTLLC for the 2016 Rate Reset of the 2008 and 2009 Refunding COPs. BTLLC then worked with the District and the lender to lock-in a rate. On December 8, 2015 the rate was locked at 3.20%. Pre-payment terms were also reset so that pre-payment can occur February 1, 2021 through January 31, 2024 at a 1% premium, and on February 1, 2024 and thereafter at a 0% premium.

In early January, 2016, the financing team and the District determined that, for simplicity given the subordinated loans the District has outstanding with the Department of Boating and Waterways ("DBAW"), the loan amount for the Rate Reset should not increase. Simply, the rate would reset to a lower rate on the same amount of principal outstanding. Therefore, the District would pay the costs of issuance of the Rate Reset upfront/out-of-pocket (approximately \$45,000) rather than roll the costs of issuance into a new principal balance, and the District could either pay the Rate Reset premium upfront/out-of-pocket (approximately \$90,100) or roll it into a little higher interest rate (3.35%). The total net debt service results are about the same.

Resetting the 2008 and 2009 Refunding COP's interest rates generates total net savings of approximately \$674,000. Net present value savings are about \$540,000 or 6.00%. A summary of numbers is attached herewith. The current balance of the COPs is \$9,008,400 and the maturity date is August 1, 2027. The maturity date and current balance would not change with the Rate Reset.

ALTERNATIVE:

Reject staff's recommendation and do not amend the 2008 and 2009 Installment Purchase Agreements at this time.

FISCAL IMPACT:

Based on the interest rate that was locked-in on December 8th, the Ventura Port District would save an estimated \$674,000 in total interest rate savings. The estimated net present value

savings are 6.00% of the prior COPs. The benchmark for municipalities to move forward on a rate reset or refinancing is 3% net present value savings.

ATTACHMENTS:

Attachment 1 – Resolution No. 3294

Attachment 2 – First Amendment to the 2008 Installment Purchase Agreement

Attachment 3 – First Amendment to the 2009 Installment Purchase Agreement

Attachment 4 – Summary of Numerical Options



RESOLUTION NO. 3294

RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE VENTURA PORT DISTRICT APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO 2008 INSTALLMENT PURCHASE AGREEMENT, A FIRST AMENDMENT TO 2009 INSTALLMENT PURCHASE AGREEMENT AND RELATED MATTERS IN CONNECTION THEREWITH

WHEREAS, the Ventura Port District (the "District") entered into an Installment Purchase Agreement, dated as of June 1, 2008 (the "2008 Installment Purchase Agreement") with the Municipal Finance Corporation (the "Corporation") and the Ventura Port District Public Facilities Corporation, relating to the execution and delivery of the \$10,000,000 Ventura Port District Refunding Certificates of Participation Series 2008 (the "2008 Certificates") by the Ventura Port District (the "District") and delivery to the Corporation of the 2008 Certificates;

WHEREAS, the Corporation has agreed to lower the interest rate paid by the District with respect to the 2008 Certificates from 4.43% to 3.20% in exchange for revised prepayment terms, all as set forth in a First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (the "2008 First Amendment") relating to the 2008 Certificates;

WHEREAS, the District entered into an Installment Purchase Agreement, dated as of March 1, 2009 (the "2009 Installment Purchase Agreement" and, together with the 2008 Installment Purchase Agreement, the "Installment Purchase Agreements") with the Corporation, relating to the execution and delivery of the \$2,477,200 Ventura Port District Refunding Certificates of Participation Series 2009 (the "2009 Certificates") by the District and delivery to the Corporation of the 2009 Certificates; and

WHEREAS, the Corporation has agreed to lower the interest rate paid by the District with respect to the 2009 Certificates from 4.80% to 3.20% in exchange for revised prepayment terms, all as set forth in a First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (the "2009 First Amendment" and, together with the 2008 First Amendment, the "First Amendments"), relating to the 2009 Certificates;

NOW, THEREFORE, THE BOARD OF PORT COMMISSIONERS OF THE VENTURA PORT DISTRICT (THE "BOARD") DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The recitals hereto are true and correct.



ATTACHMENT 1

Section 2. The District hereby approves the First Amendments, substantially in the forms presented to this Board and on file with the District Clerk, with such revisions, amendments and completions as shall be approved by the General Manager or any member of the Board, or their respective designee(s) (each, a "Responsible Officer"), with the advice of special counsel to the District, such approval to be conclusively evidenced by the execution and delivery of each First Amendment.

Section 3. The Responsible Officers, and each of them acting singly, and any other officer of the District, are hereby authorized and directed to execute and deliver any and all other documents, certificates and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the First Amendments, the Installment Purchase Agreements and this Resolution, including receiving the 2008 Certificates and the 2009 Certificates from the Corporation for cancellation in exchange for new Certificates of Participation, the forms of which are set forth in Exhibit B to the 2008 First Amendment and in Exhibit B to the 2009 First Amendment, respectively. All actions heretofore taken by any General Manager or any other Responsible Officer or agent of the District with respect to the 2008 Certificates, the 2009 Certificates, the Installment Purchase Agreements, the First Amendments or in connection with or related to any of the agreements referenced herein or therein, are hereby approved, confirmed and ratified in all respects.

Section 4. The District Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the District Clerk pursuant to this Resolution may be performed by a Deputy District Clerk with the same force and effect as if performed by the District Clerk hereunder.

Passed, approved and adopted this 27th day of January 2016.

Chairman

Attest:

Secretary

(Seal)

ATTACHMENT 1

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

I hereby certify that the foregoing Resolution No. 3294 was duly adopted by the Board of Port Commissioners of the Ventura Port District at a meeting thereof held on January 27, 2016 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Chairman

Attest:

Secretary

Norton Rose Fulbright US LLP – Draft 1/15/15

**FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT
(2008 Certificates)**

This FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT, made and entered into as of February 1, 2016 (this “First Amendment”), by and between the VENTURA PORT DISTRICT, a port district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”), the VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the “Facilities Corporation”) and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the parties hereto entered into an Installment Purchase Agreement, dated as of June 1, 2008 (the “Installment Purchase Agreement”), relating to the \$10,000,000 Ventura Port District Refunding Certificates of Participation Series 2008 (the “2008 Certificates”);

WHEREAS, the parties desire to amend the Installment Purchase Agreement pursuant to Section 11.14 thereof for the purposes set forth in this First Amendment;

WHEREAS, the parties hereto have duly authorized the execution and delivery of this First Amendment and new Certificates of Participation to replace the 2008 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, in consideration of these premises and of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

AMENDMENTS

Section 1.01. Amendment to Section 7.01(b). Section 7.01(b) of the Installment Purchase Agreement is hereby amended and restated in full as follows:

- (b) The Purchaser may prepay the Series 2008 Installment Payments as a whole or in part in the order of payment date as determined by the Purchaser (or in the event the Purchaser has not determined the order of payment date, in

ATTACHMENT 2

inverse order of maturity) on any Business Day on and after February 1, 2021, at the following Prepayment Prices, together with accrued interest thereon to the date of prepayment.

<u>Prepayment Date</u> <u>(Dates Inclusive)</u>	<u>Prepayment Price</u>
February 1, 2021 to January 31, 2024	101%
February 1, 2024	100

Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 1.02. Amendment to Section 10.05. Section 10.05 of the Installment Purchase Agreement is hereby amended and restated in part to delete reference to 4.43% and replace such number with 3.20%.

Section 1.03. Amendment to Section 11.10. Section 11.10 of the Installment Purchase Agreement is hereby amended and restated in part as follows:

If to the Corporation:	Municipal Finance Corporation 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361 Telephone: (805) 267-7140 Facsimile: (805) 267-7142 Attention: Bill Morton
------------------------	---

Section 1.04. Replacement of Exhibit A. Exhibit A to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit A, attached hereto.

Section 1.05. Replacement of Exhibit B. Exhibit B to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit B, attached hereto.

ARTICLE II.

MISCELLANEOUS

Section 2.01. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

Section 2.02. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ATTACHMENT 2

IN WITNESS WHEREOF, the parties hereto have executed and attested this First Amendment by their officers thereunto duly authorized as of the day and year first written above.

VENTURA PORT DISTRICT

By: _____
Title: General Manager

ATTEST:

Secretary

MUNICIPAL FINANCE CORPORATION

By: _____
Title: President

ACKNOWLEDGED:

VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION

By: _____
Title: Chief Financial Officer

ATTACHMENT 2

EXHIBIT A

PURCHASE PRICE AND INSTALLMENT PAYMENT SCHEDULE

(February __, 2016)

1. The original principal amount of payments to be made by the Purchaser hereunder was \$10,000,000. The remaining principal amount of payments to be made by the Purchaser hereunder is \$_____.

2. The outstanding installment payments of principal and interest are payable in the amounts and on the Series 2008 Installment Payment Dates as follows:

<u>Interest Payment Dates</u> ⁽¹⁾	<u>Amount Attributable to Remaining Principal</u>	<u>Amount Attributable to Interest</u>
08/01/2016		
02/01/2017		
08/01/2017		
02/01/2018		
08/01/2018		
02/01/2019		
08/01/2019		
02/01/2020		
08/01/2020		
02/01/2021		
08/01/2021		
02/01/2022		
08/01/2022		
02/01/2023		
08/01/2023		
02/01/2024		
08/01/2024		
02/01/2025		
08/01/2025		
02/01/2026		
08/01/2026		
02/01/2027		
08/01/2027		
Total:		

⁽¹⁾ Series 2008 Installment Payment Date means each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

ATTACHMENT 2

EXHIBIT B

[FORM OF REPLACEMENT CERTIFICATE OF PARTICIPATION]

VENTURA PORT DISTRICT
REFUNDING CERTIFICATE OF PARTICIPATION,
SERIES 2008
(Representing Proportionate Interests in
Installment Payments to be Made by
the Ventura Port District)

Evidencing an Interest of the Owner Hereof
in Installment Payments to be Made by the

VENTURA PORT DISTRICT

Pursuant to the Installment Purchase Agreement With the
Municipal Finance Corporation

**THIS CERTIFICATE MAY ONLY BE REGISTERED IN THE NAME OF,
OR TRANSFERRED TO, AN "APPROVED INSTITUTIONAL BUYER"
AS DEFINED IN THE INSTALLMENT PURCHASE AGREEMENT
THAT HAS EXECUTED AND DELIVERED AN INVESTOR LETTER.**

No. R-2008-1A

\$_____

INTEREST
RATE
3.20%

DATED
DATE
February __, 2016

MATURITY
DATE
August 1, 2027

ORIGINAL PRINCIPAL AMOUNT: TEN MILLION DOLLARS (\$10,000,000.00)

OUTSTANDING PRINCIPAL AMOUNT: _____ (\$_____)

THIS IS TO CERTIFY that the Owner (specified above) of this Refunding Certificate of Participation Series 2008 (herein called the "Certificate") is the owner of an undivided interest in the right to receive certain Series 2008 Installment Payments (the "Installment Payments") under that certain Installment Purchase Agreement, dated as of June 1, as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (together, the "Installment Purchase Agreement"), by and between the Municipal Finance Corporation (the "Corporation") and the Ventura Port District (the "Purchaser"). Originally Ten Million Dollars (\$10,000,000.00) aggregate principal amount of Certificates were executed and delivered. The outstanding aggregate principal amount of Certificates is _____ (\$_____).

The Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Agreement, on the Certificate Payment Date (specified above) the Principal Amount (specified above) representing a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date, and to receive an interest component on such

69545107.3

B-1

ATTACHMENT 2

principal component at the interest rate per annum specified above, from the Interest Payment Date (as hereinafter defined) preceding the date of execution hereof, unless such date of execution is after a Record Date (as hereinafter defined) and on or before the succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date, or unless such date of execution is on or before the first Record Date, in which case interest shall be payable from the date this Certificate is executed and delivered; provided, however, that if, as shown by the records of the Purchaser, interest represented by this Certificate shall be in default, Certificates executed in exchange for this Certificate surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to this Certificate, or, if no interest has been paid or duly provided for with respect to this Certificate, from the date this Certificate is executed and delivered. Interest with respect to this Certificate shall be paid on August 1 and February 1 of each year (each, an "Interest Payment Date"), to and including the Certificate Payment Date set forth above or the date of prior prepayment hereof. The principal and Prepayment Price with respect hereto are payable in lawful money of the United States of America upon presentation and surrender at the office of the Corporation. Interest with respect hereto is payable by check of the Purchaser mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date") at the address shown on the registration books maintained by the Purchaser on behalf of the Corporation or, upon the request of an owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the continental United States designated by such owner in writing to the Purchaser prior to the Record Date except in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owner in whose name this Certificate is registered at the close of business on a special record date as determined by the Purchaser.

This Certificate has been executed pursuant to the terms of the Installment Purchase Agreement, and reference is made to the Installment Purchase Agreement and any and all amendments thereto for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates are payable from Installment Payments and other moneys on deposit in the funds and accounts created under the Installment Purchase Agreement. All Net Revenues (as such term is defined in the Installment Purchase Agreement) are irrevocably pledged to secure the payment of the Installment Payments and the Net Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of Net Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. Such pledge constitutes a lien on Net Revenues and, subject to application of Net Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund and other funds and amounts created under the Installment Purchase Agreement for the payment of the Installment Payments and all other Contracts and Bonds (as such terms are defined in the Installment Purchase Agreement) in accordance with the terms of the Installment Purchase Agreement. The obligation of the Purchaser to make Installment Payments is a special obligation of the Purchaser

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ATTACHMENT 2

payable solely from such Net Revenues, the Revenue Fund and other funds described in the Installment Purchase Agreement and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The Purchaser has covenanted not to issue evidences of indebtedness or incur other obligations which are payable from and secured by a pledge of and lien on Net Revenues senior to the pledge of and lien on Net Revenues of the Installment Payments. The Purchaser may at any time execute any Contract the installment payments under which, or issue any Bonds the payments of which, as the case may be, are on a parity with the Installment Payments and which are secured by a pledge of or lien on the Net Revenues in accordance with the Installment Purchase Agreement.

The Certificates are authorized to be executed and delivered in Authorized Denominations. Subject to the limitations and conditions and upon payment of the taxes or charges, if any, Certificates may be exchanged by the Purchaser for a like aggregate principal amount of Certificates of the same Certificate Payment Date and interest rate of other Authorized Denominations.

This Certificate is transferable only in accordance with the Installment Purchase Agreement to Approved Institutional Buyers that have executed and delivered an Investor Letter.

The Certificates shall be subject to prepayment prior to their respective stated maturities, as a whole or in part as provided in the Installment Purchase Agreement.

The Corporation has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Installment Purchase Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

ATTACHMENT 2

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Corporation, all as of the date set forth below.

Execution date:

MUNICIPAL FINANCE CORPORATION

February __, 2016

By _____
President

By _____
Secretary

ATTACHMENT 2

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate register of the Purchaser with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a commercial bank or trust company or a member of the New York Stock Exchange.

Norton Rose Fulbright US LLP – Draft 1/15/15

**FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT
(2008 Certificates)**

This FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT, made and entered into as of February 1, 2016 (this “First Amendment”), by and between the VENTURA PORT DISTRICT, a port district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”), the VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the “Facilities Corporation”) and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the parties hereto entered into an Installment Purchase Agreement, dated as of June 1, 2008 (the “Installment Purchase Agreement”), relating to the \$10,000,000 Ventura Port District Refunding Certificates of Participation Series 2008 (the “2008 Certificates”);

WHEREAS, the parties desire to amend the Installment Purchase Agreement pursuant to Section 11.14 thereof for the purposes set forth in this First Amendment;

WHEREAS, the parties hereto have duly authorized the execution and delivery of this First Amendment and new Certificates of Participation to replace the 2008 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, in consideration of these premises and of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

AMENDMENTS

Section 1.01. Amendment to Section 7.01(b). Section 7.01(b) of the Installment Purchase Agreement is hereby amended and restated in full as follows:

- (b) The Purchaser may prepay the Series 2008 Installment Payments as a whole or in part in the order of payment date as determined by the Purchaser (or in the event the Purchaser has not determined the order of payment date, in

ATTACHMENT 2

inverse order of maturity) on any Business Day on and after February 1, 2021, at the following Prepayment Prices, together with accrued interest thereon to the date of prepayment.

Prepayment Date (Dates Inclusive)	<u>Prepayment Price</u>
February 1, 2021 to January 31, 2024	101%
February 1, 2024	100

Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 1.02. Amendment to Section 10.05. Section 10.05 of the Installment Purchase Agreement is hereby amended and restated in part to delete reference to 4.43% and replace such number with 3.20%.

Section 1.03. Amendment to Section 11.10. Section 11.10 of the Installment Purchase Agreement is hereby amended and restated in part as follows:

If to the Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Telephone: (805) 267-7140
Facsimile: (805) 267-7142
Attention: Bill Morton

Section 1.04. Replacement of Exhibit A. Exhibit A to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit A, attached hereto.

Section 1.05. Replacement of Exhibit B. Exhibit B to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit B, attached hereto.

ARTICLE II.

MISCELLANEOUS

Section 2.01. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

Section 2.02. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ATTACHMENT 2

IN WITNESS WHEREOF, the parties hereto have executed and attested this First Amendment by their officers thereunto duly authorized as of the day and year first written above.

VENTURA PORT DISTRICT

By: _____

Title: General Manager

ATTEST:

Secretary

MUNICIPAL FINANCE CORPORATION

By: _____

Title: President

ACKNOWLEDGED:

VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION

By: _____

Title: Chief Financial Officer

ATTACHMENT 2

EXHIBIT A

PURCHASE PRICE AND INSTALLMENT PAYMENT SCHEDULE

(February __, 2016)

1. The original principal amount of payments to be made by the Purchaser hereunder was \$10,000,000. The remaining principal amount of payments to be made by the Purchaser hereunder is \$_____.

2. The outstanding installment payments of principal and interest are payable in the amounts and on the Series 2008 Installment Payment Dates as follows:

<u>Interest Payment Dates⁽¹⁾</u>	<u>Amount Attributable to Remaining Principal</u>	<u>Amount Attributable to Interest</u>
08/01/2016		
02/01/2017		
08/01/2017		
02/01/2018		
08/01/2018		
02/01/2019		
08/01/2019		
02/01/2020		
08/01/2020		
02/01/2021		
08/01/2021		
02/01/2022		
08/01/2022		
02/01/2023		
08/01/2023		
02/01/2024		
08/01/2024		
02/01/2025		
08/01/2025		
02/01/2026		
08/01/2026		
02/01/2027		
08/01/2027		
Total:		

⁽¹⁾ Series 2008 Installment Payment Date means each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

ATTACHMENT 2

EXHIBIT B

[FORM OF REPLACEMENT CERTIFICATE OF PARTICIPATION]

~~VENTURA PORT DISTRICT~~ VENTURA PORT DISTRICT

REFUNDING CERTIFICATE OF PARTICIPATION,
SERIES 2008

(Representing Proportionate Interests in
Installment Payments to be Made by
the Ventura Port District)

Evidencing an Interest of the Owner Hereof
in Installment Payments to be Made by the

~~VENTURA PORT DISTRICT~~

VENTURA PORT DISTRICT

Pursuant to the Installment Purchase Agreement With the
Municipal Finance Corporation

**THIS CERTIFICATE MAY ONLY BE REGISTERED IN THE NAME OF,
OR TRANSFERRED TO, AN "APPROVED INSTITUTIONAL BUYER"
AS DEFINED IN THE INSTALLMENT PURCHASE AGREEMENT THAT
HAS EXECUTED AND DELIVERED AN INVESTOR LETTER.**

No. R-2008-1A

\$_____

INTEREST
RATE
3.20%

DATED
DATE
February __, 2016

MATURITY
DATE
August 1, 2027

ORIGINAL PRINCIPAL AMOUNT: TEN MILLION DOLLARS (\$10,000,000.00)

OUTSTANDING PRINCIPAL AMOUNT: _____ (\$_____)

THIS IS TO CERTIFY that the Owner (specified above) of this Refunding Certificate of Participation Series 2008 (herein called the "Certificate") is the owner of an undivided interest in the right to receive certain Series 2008 Installment Payments (the "Installment Payments") under that certain Installment Purchase Agreement, dated as of June 1, as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (together, the "Installment Purchase Agreement"), by and between the Municipal Finance Corporation (the "Corporation") and the Ventura Port District (the "Purchaser"). Originally Ten Million Dollars (\$10,000,000.00) aggregate principal amount of Certificates were executed and delivered. The outstanding aggregate principal amount of Certificates is _____ (\$_____).

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ATTACHMENT 2

The Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Agreement, on the Certificate Payment Date (specified above) the Principal Amount (specified above) representing a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date, and to receive an interest component on such principal component at the interest rate per annum specified above, from the Interest Payment Date (as hereinafter defined) preceding the date of execution hereof, unless such date of execution is after a Record Date (as hereinafter defined) and on or before the succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date, or unless such date of execution is on or before the first Record Date, in which case interest shall be payable from the date this Certificate is executed and delivered; provided, however, that if, as shown by the records of the Purchaser, interest represented by this Certificate shall be in default, Certificates executed in exchange for this Certificate surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to this Certificate, or, if no interest has been paid or duly provided for with respect to this Certificate, from the date this Certificate is executed and delivered. Interest with respect to this Certificate shall be paid on August 1 and February 1 of each year (each, an "Interest Payment Date"), to and including the Certificate Payment Date set forth above or the date of prior prepayment hereof. The principal and Prepayment Price with respect hereto are payable in lawful money of the United States of America upon presentation and surrender at the office of the Corporation. Interest with respect hereto is payable by check of the Purchaser mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date") at the address shown on the registration books maintained by the Purchaser on behalf of the Corporation or, upon the request of an owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the continental United States designated by such owner in writing to the Purchaser prior to the Record Date except in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owner in whose name this Certificate is registered at the close of business on a special record date as determined by the Purchaser.

This Certificate has been executed pursuant to the terms of the Installment Purchase Agreement, and reference is made to the Installment Purchase Agreement and any and all amendments thereto for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates are payable from Installment Payments and other moneys on deposit in the funds and accounts created under the Installment Purchase Agreement. All Net Revenues (as such term is defined in the Installment Purchase Agreement) are irrevocably pledged to secure the payment of the Installment Payments and the Net Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of Net Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. Such pledge constitutes a lien on Net Revenues and, subject to application of Net Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund and other funds and

69545107.2 [69545107.3](#)

ATTACHMENT 2

amounts created under the Installment Purchase Agreement for the payment of the Installment Payments and all other Contracts and Bonds (as such terms are defined in the Installment Purchase Agreement) in accordance with the terms of the Installment Purchase Agreement. The obligation of the Purchaser to make Installment Payments is a special obligation of the Purchaser payable solely from such Net Revenues, the Revenue Fund and other funds described in the Installment Purchase Agreement and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The Purchaser has covenanted not to issue evidences of indebtedness or incur other obligations which are payable from and secured by a pledge of and lien on Net Revenues senior to the pledge of and lien on Net Revenues of the Installment Payments. The Purchaser may at any time execute any Contract the installment payments under which, or issue any Bonds the payments of which, as the case may be, are on a parity with the Installment Payments and which are secured by a pledge of or lien on the Net Revenues in accordance with the Installment Purchase Agreement.

The Certificates are authorized to be executed and delivered in Authorized Denominations. Subject to the limitations and conditions and upon payment of the taxes or charges, if any, Certificates may be exchanged by the Purchaser for a like aggregate principal amount of Certificates of the same Certificate Payment Date and interest rate of other Authorized Denominations.

This Certificate is transferable only in accordance with the Installment Purchase Agreement to Approved Institutional Buyers that have executed and delivered an Investor Letter.

The Certificates shall be subject to prepayment prior to their respective stated maturities, as a whole or in part as provided in the Installment Purchase Agreement.

The Corporation has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Installment Purchase Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

ATTACHMENT 2

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Corporation, all as of the date set forth below.

Execution date:

MUNICIPAL FINANCE CORPORATION

February __, 2016

By _____
President

By _____
Secretary

ATTACHMENT 2

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate register of the Purchaser with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a commercial bank or trust company or a member of the New York Stock Exchange.

ATTACHMENT 2

Document comparison by Workshare Compare on Friday, January 15, 2016
2:36:37 PM

Input:	
Document 1 ID	interwovenSite://US_DMS/US2006/69545107/2
Description	#69545107v2<US2006> - First Amendment to Installment Purchase Agreement Ventura Port 2008 Refunding COPs
Document 2 ID	interwovenSite://US_DMS/US2006/69545107/3
Description	#69545107v3<US2006> - First Amendment to Installment Purchase Agreement Ventura Port 2008 Refunding COPs
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	9
Deletions	5
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	14

Norton Rose Fulbright US LLP – Draft 1/15/15

**FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT
(2009 Certificates)**

This FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT, made and entered into as of February 1, 2016 (this “First Amendment”), by and between the VENTURA PORT DISTRICT, a port district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”) and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the parties hereto entered into an Installment Purchase Agreement, dated as of March 1, 2009 (the “Installment Purchase Agreement”), relating to the \$2,477,200 Ventura Port District Refunding Certificates of Participation Series 2009 (the “2009 Certificates”);

WHEREAS, the parties desire to amend the Installment Purchase Agreement pursuant to Section 11.14 thereof for the purposes set forth in this First Amendment;

WHEREAS, the parties hereto have duly authorized the execution and delivery of this First Amendment and new Certificates of Participation to replace the 2009 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, in consideration of these premises and of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

AMENDMENTS

Section 1.01. Amendment to Section 7.01(b). Section 7.01(b) of the Installment Purchase Agreement is hereby amended and restated in full as follows:

- (b) The Purchaser may prepay the Series 2009 Installment Payments as a whole or in part in the order of payment date as determined by the Purchaser (or in the event the Purchaser has not determined the order of payment date, in inverse order of maturity) on any Business Day on and after February 1, 2021, at

ATTACHMENT 3

the following Prepayment Prices, together with accrued interest thereon to the date of prepayment.

<u>Prepayment Date</u> <u>(Dates Inclusive)</u>	<u>Prepayment Price</u>
February 1, 2021 to January 31, 2024	101%
February 1, 2024	100

Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 1.02. Amendment to Section 10.05. Section 10.05 of the Installment Purchase Agreement is hereby amended and restated in part to delete reference to 4.80% and replace such number with 3.20%.

Section 1.03. Amendment to Section 11.10. Section 11.10 of the Installment Purchase Agreement is hereby amended and restated in part as follows:

If to the Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Telephone: (805) 267-7140
Facsimile: (805) 267-7142
Attention: Bill Morton

Section 1.04. Replacement of Exhibit A. Exhibit A to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit A, attached hereto.

Section 1.05. Replacement of Exhibit B. Exhibit B to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit B, attached hereto.

ARTICLE II.

MISCELLANEOUS

Section 2.01. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

Section 2.02. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ATTACHMENT 3

IN WITNESS WHEREOF, the parties hereto have executed and attested this First Amendment by their officers thereunto duly authorized as of the day and year first written above.

VENTURA PORT DISTRICT

By: _____

Title: General Manager

ATTEST:

Secretary

MUNICIPAL FINANCE CORPORATION

By: _____

Title: President

ATTACHMENT 3

EXHIBIT A

PURCHASE PRICE AND INSTALLMENT PAYMENT SCHEDULE

(February __, 2016)

1. The original principal amount of payments to be made by the Purchaser hereunder was \$2,477,200. The remaining principal amount of payments to be made by the Purchaser hereunder is \$_____.

2. The outstanding installment payments of principal and interest are payable in the amounts and on the Series 2009 Installment Payment Dates as follows:

<u>Interest Payment Dates</u> ⁽¹⁾	<u>Amount Attributable to Remaining Principal</u>	<u>Amount Attributable to Interest</u>
08/01/2016		
02/01/2017		
08/01/2017		
02/01/2018		
08/01/2018		
02/01/2019		
08/01/2019		
02/01/2020		
08/01/2020		
02/01/2021		
08/01/2021		
02/01/2022		
08/01/2022		
02/01/2023		
08/01/2023		
02/01/2024		
08/01/2024		
02/01/2025		
08/01/2025		
02/01/2026		
08/01/2026		
02/01/2027		
08/01/2027		
Total:		

⁽¹⁾ Series 2009 Installment Payment Date means each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

ATTACHMENT 3

EXHIBIT B

[FORM OF REPLACEMENT CERTIFICATE OF PARTICIPATION]

VENTURA PORT DISTRICT
REFUNDING CERTIFICATE OF PARTICIPATION,
SERIES 2009
(Representing Proportionate Interests in
Installment Payments to be Made by
the Ventura Port District)

Evidencing an Interest of the Owner Hereof
in Installment Payments to be Made by the

VENTURA PORT DISTRICT

Pursuant to the Installment Purchase Agreement With the
Municipal Finance Corporation

**THIS CERTIFICATE MAY ONLY BE REGISTERED IN THE NAME OF,
OR TRANSFERRED TO, AN "APPROVED INSTITUTIONAL BUYER"
AS DEFINED IN THE INSTALLMENT PURCHASE AGREEMENT
THAT HAS EXECUTED AND DELIVERED AN INVESTOR LETTER.**

No. R-2009-1A

\$_____

INTEREST
RATE
3.20%

DATED
DATE
February __, 2016

MATURITY
DATE
August 1, 2027

ORIGINAL PRINCIPAL AMOUNT: TWO MILLION FOUR HUNDRED SEVENTY SEVEN
THOUSAND TWO HUNDRED DOLLARS (\$2,477,200.00)

OUTSTANDING PRINCIPAL AMOUNT: _____ (\$_____)

THIS IS TO CERTIFY that the Owner (specified above) of this Refunding Certificate of Participation Series 2009 (herein called the "Certificate") is the owner of an undivided interest in the right to receive certain Series 2009 Installment Payments (the "Installment Payments") under that certain Installment Purchase Agreement, dated as of March 1, 2009, as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (together, the "Installment Purchase Agreement"), by and between the Municipal Finance Corporation (the "Corporation") and the Ventura Port District (the "Purchaser"). Originally Two Million Four Hundred Seventy Seven Thousand Two Hundred Dollars (\$2,477,200.00) aggregate principal amount of Certificates were executed and delivered. The outstanding aggregate principal amount of Certificates is _____ (\$_____).

ATTACHMENT 3

The Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Agreement, on the Certificate Payment Date (specified above) the Principal Amount (specified above) representing a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date, and to receive an interest component on such principal component at the interest rate per annum specified above, from the Interest Payment Date (as hereinafter defined) preceding the date of execution hereof, unless such date of execution is after a Record Date (as hereinafter defined) and on or before the succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date, or unless such date of execution is on or before the first Record Date, in which case interest shall be payable from the date this Certificate is executed and delivered; provided, however, that if, as shown by the records of the Purchaser, interest represented by this Certificate shall be in default, Certificates executed in exchange for this Certificate surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to this Certificate, or, if no interest has been paid or duly provided for with respect to this Certificate, from the date this Certificate is executed and delivered. Interest with respect to this Certificate shall be paid on August 1 and February 1 of each year (each, an "Interest Payment Date"), to and including the Certificate Payment Date set forth above or the date of prior prepayment hereof. The principal and Prepayment Price with respect hereto are payable in lawful money of the United States of America upon presentation and surrender at the office of the Corporation. Interest with respect hereto is payable by check of the Purchaser mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date") at the address shown on the registration books maintained by the Purchaser on behalf of the Corporation or, upon the request of an owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the continental United States designated by such owner in writing to the Purchaser prior to the Record Date except in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owner in whose name this Certificate is registered at the close of business on a special record date as determined by the Purchaser.

This Certificate has been executed pursuant to the terms of the Installment Purchase Agreement, and reference is made to the Installment Purchase Agreement and any and all amendments thereto for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates are payable from Installment Payments and other moneys on deposit in the funds and accounts created under the Installment Purchase Agreement. All Net Revenues (as such term is defined in the Installment Purchase Agreement) are irrevocably pledged to secure the payment of the Installment Payments and the Net Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of Net Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. Such pledge constitutes a lien on Net Revenues and, subject to application of Net Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund and other funds and

69485688.2

ATTACHMENT 3

amounts created under the Installment Purchase Agreement for the payment of the Installment Payments and all other Contracts and Bonds (as such terms are defined in the Installment Purchase Agreement) in accordance with the terms of the Installment Purchase Agreement. The obligation of the Purchaser to make Installment Payments is a special obligation of the Purchaser payable solely from such Net Revenues, the Revenue Fund and other funds described in the Installment Purchase Agreement and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The Purchaser has covenanted not to issue evidences of indebtedness or incur other obligations which are payable from and secured by a pledge of and lien on Net Revenues senior to the pledge of and lien on Net Revenues of the Installment Payments. The Purchaser may at any time execute any Contract the installment payments under which, or issue any Bonds the payments of which, as the case may be, are on a parity with the Installment Payments and which are secured by a pledge of or lien on the Net Revenues in accordance with the Installment Purchase Agreement.

The Certificates are authorized to be executed and delivered in Authorized Denominations. Subject to the limitations and conditions and upon payment of the taxes or charges, if any, Certificates may be exchanged by the Purchaser for a like aggregate principal amount of Certificates of the same Certificate Payment Date and interest rate of other Authorized Denominations.

This Certificate is transferable only in accordance with the Installment Purchase Agreement to Approved Institutional Buyers that have executed and delivered an Investor Letter.

The Certificates shall be subject to prepayment prior to their respective stated maturities, as a whole or in part as provided in the Installment Purchase Agreement.

The Corporation has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Installment Purchase Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

ATTACHMENT 3

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Corporation, all as of the date set forth below.

Execution date:

MUNICIPAL FINANCE CORPORATION

February __, 2016

By _____
President

By _____
Secretary

ATTACHMENT 3

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate register of the Purchaser with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a commercial bank or trust company or a member of the New York Stock Exchange.

ATTACHMENT 4

Ventura Port District

2016 Rate Reset (2008 & 2009 COPs)

Summary of Analyses Since October of 2015

1/13/2016

	Rate Locked			Upfront Payment of Costs (1)	
	18-Nov-15	8-Dec-15	6-Jan-16	Option 1 7-Jan-16	Option 2 7-Jan-16
Interest Rate	3.00% (Estimated)	3.20% (Locked)		3.20%	3.35% (3)
Loan Amount					
Principal Remaining on Prior Loan	9,008,400	9,008,400		9,008,400	9,008,400
Premium to Reset Rate (Rolled into New Loan)	90,100	90,100	Financing team	-	- (3)
Costs of Issuance (Rolled into New Loan)	49,500	45,500	suggests no	-	-
New Loan Amount	9,148,000	9,144,000	increase in	9,008,400	9,008,400
			principal amount		
Total Cost of Loan & Savings			for simplicity		
Total Debt Service (Princ. & Int. on New Loan)	10,923,000	11,006,000	with DBAW	10,843,000	10,935,000
Premium to Reset Rate (Paid Upfront)	-	-		90,100	- (3)
Costs of Issuance (Paid Upfront)	-	-		45,500	45,500
Total Payments on New Loan	10,923,000	11,006,000		10,978,600	10,980,500
Total Debt Payments on Prior Loan (2)	11,704,000	11,654,000		11,654,000	11,654,000
Total Savings	781,000	648,000		675,400	673,500
Average Fiscal Year Debt Service & Savings					
Average FY Debt Service on Prior Loan	971,000	971,000		971,000	971,000
Average FY Debt Service on New Loan	907,000	917,000		904,000	911,000
Average Fiscal Year Savings	64,000	54,000		67,000	60,000
Approx. Number of Years of Savings	12.20	12.00		10.00	11.20
Net Present Value Savings					
Net Present Value Savings	652,000	534,000		534,000	543,000
Net Present Value Savings %	7.24%	5.93%		5.93%	6.03%

(1) Under Option 1, the District would recoup the upfront cost of \$135,600 after 2 years of the new loan. Under Option 2, the District would recoup the upfront cost of \$45,500 after the first 10 months of the new loan.

(2) The dated date of the reset was estimated as December 16, 2015 in November, and February 1, 2016 in subsequent analysis. Therefore, the total debt payments on the prior loan changed.

(3) Premium is not required to be paid upfront or in new loan amount, but rather the interest rate is increased to cover the cost of the premium. Total debt payments are about the same.

JANUARY 27, 2016
BOARD OF DIRECTORS
PUBLIC FACILITIES CORPORATION

APPROVAL OF THE JANUARY 22, 2014 MINUTES

AND

**APPROVAL OF RESOLUTION AUTHORIZING FIRST AMENDMENT
TO 2008 INSTALLMENT PURCHASE AGREEMENT**

**MINUTES OF THE ANNUAL MEETING
OF THE VENTURA PORT DISTRICT
PUBLIC FACILITIES CORPORATION
HELD ON JANUARY 22, 2014**

At 9:45 p.m., Vice President Friedman called to order the Annual Meeting of the Ventura Port District Public Facilities Corporation. The meeting was held in the offices of the Ventura Port District located at 1603 Anchors Way Drive, Ventura, California.

ROLL CALL

Present:	Jim Friedman, Vice President Everard Ashworth, Director Bruce Smith, Director
Absent:	Gregory Carson, President, Robert Bravo, Director
Also Present:	Oscar Peña, Chief Financial Officer Timothy J. Gosney, Legal Counsel

Mr. Gosney advised the Board that the Ventura Port District Public Facilities Corporation is a free standing corporation and the members of the Corporation are the same as the Board of Port Commissioners. The Public Facilities Corporation was created when the District took back a portion of the leasehold interest in Harbor Village. According to the By-Laws of the Corporation, there must be an annual meeting of the Board of Directors for the purpose of selection of Directors and Officers, and the transaction of any other business.

APPROVAL OF MINUTES

Director Ashworth moved for ratification of the minutes of the meeting held March 27, 2013. Director Smith made a second and the motion carried 3-0.

ADJOURNMENT

There were no further items for discussion and at 9:55 p.m., Vice President Friedman declared the meeting of the Ventura Port District Public Facilities Corporation adjourned.

Everard Ashworth, Secretary

**VENTURA PORT DISTRICT
PUBLIC FACILITIES CORPORATION
BOARD COMMUNICATION**

AGENDA ITEM C
Meeting Date: January 27, 2016

TO: Board of Directors of the Public Facilities Corporation
FROM: Oscar Peña, General Manager
SUBJECT: Approval of Resolution Authorizing First Amendment to the 2008 Installment Purchase Agreement

RECOMMENDATION:

That the Board of Directors of the Public Facilities Corporation adopt Resolution No. 127, authorizing the execution and delivery of a First Amendment to the 2008 Installment Purchase Agreement and related matters in connection therewith.

BACKGROUND:

In 2008 and 2009, Brandis Tallman LLC ("BTLLC"), as Placement Agent, assisted the District in refunding its 1998 Certificates of Participation ("COPs") at a lower interest rate than the initial issuance. The 2008 Refunding COPs were issued using the District's Public Facilities Corporation and have an interest rate of 4.43%. The 2009 Refunding COPs were issued using Municipal Finance Corporation and have an interest rate of 4.80%. In October of 2015, BTLLC performed a Rate Reset analysis for the District's outstanding 2008 and 2009 Refunding COPs. The reset rate was estimated at 3.00% on October 29th.

On November 18, 2015, the Board authorized the General Manager to enter into an Agreement for Placement Agent Services with BTLLC for the 2016 Rate Reset of the 2008 and 2009 Refunding COPs. BTLLC then worked with the District and the lender to lock-in a rate. On December 8, 2015 the rate was locked at 3.20%. Pre-payment terms were also reset so that pre-payment can occur February 1, 2021 through January 31, 2024 at a 1% premium, and on February 1, 2024 and thereafter at a 0% premium.

In early January, 2016, the financing team and the District determined that, for simplicity given the subordinated loans the District has outstanding with the Department of Boating and Waterways ("DBAW"), the loan amount for the Rate Reset should not increase. Simply, the rate would reset to a lower rate on the same amount of principal outstanding. Therefore, the District would pay the costs of issuance of the Rate Reset upfront/out-of-pocket (approximately \$45,000) rather than roll the costs of issuance into a new principal balance, and the District could either pay the Rate Reset premium upfront/out-of-pocket (approximately \$90,100) or roll it into a little higher interest rate (3.35%). The total net debt service results are about the same.

Resetting the 2008 and 2009 Refunding COP's interest rates generates total net savings of approximately \$674,000. Net present value savings are about \$540,000 or 6.00%. A summary of numbers is attached herewith. The current balance of the COPs is \$9,008,400 and the maturity date is August 1, 2027. The maturity date and current balance would not change with the Rate Reset.

ALTERNATIVE:

Reject staff's recommendation and do not amend the 2008 Installment Purchase Agreement at this time.

FISCAL IMPACT:

Based on the interest rate that was locked-in on December 8th, the Ventura Port District would save an estimated \$674,000 in total interest rate savings. The estimated net present value savings are 6.00% of the prior COPs. The benchmark for municipalities to move forward on a rate reset or refinancing is 3% net present value savings.

ATTACHMENTS:

Attachment 1 – Financing Corporation Resolution No. 127

Attachment 2 – First Amendment to the 2008 Installment Purchase Agreement

Attachment 4 – Summary of Numerical Options



RESOLUTION NO. 127

RESOLUTION OF THE BOARD OF DIRECTORS OF VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO 2008 INSTALLMENT PURCHASE AGREEMENT AND RELATED MATTERS IN CONNECTION THEREWITH

WHEREAS, the Ventura Port District (the "District") entered into an Installment Purchase Agreement, dated as of June 1, 2008 (the "2008 Installment Purchase Agreement") with the Municipal Finance Corporation (the "Corporation") and the Ventura Port District Public Facilities Corporation (the "Facilities Corporation"), relating to the execution and delivery of the \$10,000,000 Ventura Port District Refunding Certificates of Participation Series 2008 (the "2008 Certificates") by the Ventura Port District (the "District") and delivery to the Corporation of the 2008 Certificates;

WHEREAS, the Corporation has agreed to lower the interest rate paid by the District with respect to the 2008 Certificates from 4.43% to 3.20% in exchange for revised prepayment terms, all as set forth in a First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (the "2008 First Amendment") relating to the 2008 Certificates;

WHEREAS, the Facilities Corporation desires to assist the District by executing the 2008 First Amendment;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION (THE "BOARD") DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals hereto are true and correct.

SECTION 2. The Board hereby approves the First Amendment, substantially in the form presented to this Board and on file with the Clerk, with such revisions, amendments and completions as shall be approved by the President or Vice President of the Board, or the Chief Financial Officer, and the Secretary or any Assistant Secretary of the Board, and each of their respective designees (each, a "Responsible Officer"), with the advice of special counsel to the Facilities Corporation, such approval to be conclusively evidenced by the execution and delivery of the First Amendment.



ATTACHMENT 1

SECTION 3. The Responsible Officers, and each of them, and any other officer of the Corporation, acting singly be, and each of them hereby are, authorized and directed to execute and deliver all other documents, certificates and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the 2008 First Amendment.

SECTION 4. This resolution shall take effect immediately.

I certify that the foregoing resolution was adopted by the Board of Directors of the Ventura Port District Public Facilities Corporation at a meeting held January 27, 2016.

Name: _____
Title: _____

Attest:

Secretary of the Board
of Directors

Motion carried by the following vote:

AYES:

NOES:

ABSENT:

Norton Rose Fulbright US LLP – Draft 1/15/15

**FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT
(2008 Certificates)**

This FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT, made and entered into as of February 1, 2016 (this “First Amendment”), by and between the VENTURA PORT DISTRICT, a port district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”), the VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the “Facilities Corporation”) and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the parties hereto entered into an Installment Purchase Agreement, dated as of June 1, 2008 (the “Installment Purchase Agreement”), relating to the \$10,000,000 Ventura Port District Refunding Certificates of Participation Series 2008 (the “2008 Certificates”);

WHEREAS, the parties desire to amend the Installment Purchase Agreement pursuant to Section 11.14 thereof for the purposes set forth in this First Amendment;

WHEREAS, the parties hereto have duly authorized the execution and delivery of this First Amendment and new Certificates of Participation to replace the 2008 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, in consideration of these premises and of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

AMENDMENTS

Section 1.01. Amendment to Section 7.01(b). Section 7.01(b) of the Installment Purchase Agreement is hereby amended and restated in full as follows:

- (b) The Purchaser may prepay the Series 2008 Installment Payments as a whole or in part in the order of payment date as determined by the Purchaser (or in the event the Purchaser has not determined the order of payment date, in

ATTACHMENT 2

inverse order of maturity) on any Business Day on and after February 1, 2021, at the following Prepayment Prices, together with accrued interest thereon to the date of prepayment.

<u>Prepayment Date</u> <u>(Dates Inclusive)</u>	<u>Prepayment Price</u>
February 1, 2021 to January 31, 2024	101%
February 1, 2024	100

Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 1.02. Amendment to Section 10.05. Section 10.05 of the Installment Purchase Agreement is hereby amended and restated in part to delete reference to 4.43% and replace such number with 3.20%.

Section 1.03. Amendment to Section 11.10. Section 11.10 of the Installment Purchase Agreement is hereby amended and restated in part as follows:

If to the Corporation:	Municipal Finance Corporation 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361 Telephone: (805) 267-7140 Facsimile: (805) 267-7142 Attention: Bill Morton
------------------------	---

Section 1.04. Replacement of Exhibit A. Exhibit A to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit A, attached hereto.

Section 1.05. Replacement of Exhibit B. Exhibit B to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit B, attached hereto.

ARTICLE II.

MISCELLANEOUS

Section 2.01. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

Section 2.02. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ATTACHMENT 2

IN WITNESS WHEREOF, the parties hereto have executed and attested this First Amendment by their officers thereunto duly authorized as of the day and year first written above.

VENTURA PORT DISTRICT

By: _____

Title: General Manager

ATTEST:

Secretary

MUNICIPAL FINANCE CORPORATION

By: _____

Title: President

ACKNOWLEDGED:

VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION

By: _____

Title: Chief Financial Officer

ATTACHMENT 2

EXHIBIT A

PURCHASE PRICE AND INSTALLMENT PAYMENT SCHEDULE

(February __, 2016)

1. The original principal amount of payments to be made by the Purchaser hereunder was \$10,000,000. The remaining principal amount of payments to be made by the Purchaser hereunder is \$_____.

2. The outstanding installment payments of principal and interest are payable in the amounts and on the Series 2008 Installment Payment Dates as follows:

<u>Interest Payment Dates</u> ⁽¹⁾	<u>Amount Attributable to Remaining Principal</u>	<u>Amount Attributable to Interest</u>
08/01/2016		
02/01/2017		
08/01/2017		
02/01/2018		
08/01/2018		
02/01/2019		
08/01/2019		
02/01/2020		
08/01/2020		
02/01/2021		
08/01/2021		
02/01/2022		
08/01/2022		
02/01/2023		
08/01/2023		
02/01/2024		
08/01/2024		
02/01/2025		
08/01/2025		
02/01/2026		
08/01/2026		
02/01/2027		
08/01/2027		
Total:		

⁽¹⁾ Series 2008 Installment Payment Date means each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

ATTACHMENT 2

EXHIBIT B

[FORM OF REPLACEMENT CERTIFICATE OF PARTICIPATION]

VENTURA PORT DISTRICT
REFUNDING CERTIFICATE OF PARTICIPATION,
SERIES 2008
(Representing Proportionate Interests in
Installment Payments to be Made by
the Ventura Port District)

Evidencing an Interest of the Owner Hereof
in Installment Payments to be Made by the

VENTURA PORT DISTRICT

Pursuant to the Installment Purchase Agreement With the
Municipal Finance Corporation

**THIS CERTIFICATE MAY ONLY BE REGISTERED IN THE NAME OF,
OR TRANSFERRED TO, AN "APPROVED INSTITUTIONAL BUYER"
AS DEFINED IN THE INSTALLMENT PURCHASE AGREEMENT
THAT HAS EXECUTED AND DELIVERED AN INVESTOR LETTER.**

No. R-2008-1A

\$_____

INTEREST
RATE
3.20%

DATED
DATE
February __, 2016

MATURITY
DATE
August 1, 2027

ORIGINAL PRINCIPAL AMOUNT: TEN MILLION DOLLARS (\$10,000,000.00)

OUTSTANDING PRINCIPAL AMOUNT: _____ (\$_____)

THIS IS TO CERTIFY that the Owner (specified above) of this Refunding Certificate of Participation Series 2008 (herein called the "Certificate") is the owner of an undivided interest in the right to receive certain Series 2008 Installment Payments (the "Installment Payments") under that certain Installment Purchase Agreement, dated as of June 1, as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (together, the "Installment Purchase Agreement"), by and between the Municipal Finance Corporation (the "Corporation") and the Ventura Port District (the "Purchaser"). Originally Ten Million Dollars (\$10,000,000.00) aggregate principal amount of Certificates were executed and delivered. The outstanding aggregate principal amount of Certificates is _____ (\$_____).

The Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Agreement, on the Certificate Payment Date (specified above) the Principal Amount (specified above) representing a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date, and to receive an interest component on such

ATTACHMENT 2

principal component at the interest rate per annum specified above, from the Interest Payment Date (as hereinafter defined) preceding the date of execution hereof, unless such date of execution is after a Record Date (as hereinafter defined) and on or before the succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date, or unless such date of execution is on or before the first Record Date, in which case interest shall be payable from the date this Certificate is executed and delivered; provided, however, that if, as shown by the records of the Purchaser, interest represented by this Certificate shall be in default, Certificates executed in exchange for this Certificate surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to this Certificate, or, if no interest has been paid or duly provided for with respect to this Certificate, from the date this Certificate is executed and delivered. Interest with respect to this Certificate shall be paid on August 1 and February 1 of each year (each, an "Interest Payment Date"), to and including the Certificate Payment Date set forth above or the date of prior prepayment hereof. The principal and Prepayment Price with respect hereto are payable in lawful money of the United States of America upon presentation and surrender at the office of the Corporation. Interest with respect hereto is payable by check of the Purchaser mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date") at the address shown on the registration books maintained by the Purchaser on behalf of the Corporation or, upon the request of an owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the continental United States designated by such owner in writing to the Purchaser prior to the Record Date except in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owner in whose name this Certificate is registered at the close of business on a special record date as determined by the Purchaser.

This Certificate has been executed pursuant to the terms of the Installment Purchase Agreement, and reference is made to the Installment Purchase Agreement and any and all amendments thereto for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates are payable from Installment Payments and other moneys on deposit in the funds and accounts created under the Installment Purchase Agreement. All Net Revenues (as such term is defined in the Installment Purchase Agreement) are irrevocably pledged to secure the payment of the Installment Payments and the Net Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of Net Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. Such pledge constitutes a lien on Net Revenues and, subject to application of Net Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund and other funds and amounts created under the Installment Purchase Agreement for the payment of the Installment Payments and all other Contracts and Bonds (as such terms are defined in the Installment Purchase Agreement) in accordance with the terms of the Installment Purchase Agreement. The obligation of the Purchaser to make Installment Payments is a special obligation of the Purchaser

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ATTACHMENT 2

payable solely from such Net Revenues, the Revenue Fund and other funds described in the Installment Purchase Agreement and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The Purchaser has covenanted not to issue evidences of indebtedness or incur other obligations which are payable from and secured by a pledge of and lien on Net Revenues senior to the pledge of and lien on Net Revenues of the Installment Payments. The Purchaser may at any time execute any Contract the installment payments under which, or issue any Bonds the payments of which, as the case may be, are on a parity with the Installment Payments and which are secured by a pledge of or lien on the Net Revenues in accordance with the Installment Purchase Agreement.

The Certificates are authorized to be executed and delivered in Authorized Denominations. Subject to the limitations and conditions and upon payment of the taxes or charges, if any, Certificates may be exchanged by the Purchaser for a like aggregate principal amount of Certificates of the same Certificate Payment Date and interest rate of other Authorized Denominations.

This Certificate is transferable only in accordance with the Installment Purchase Agreement to Approved Institutional Buyers that have executed and delivered an Investor Letter.

The Certificates shall be subject to prepayment prior to their respective stated maturities, as a whole or in part as provided in the Installment Purchase Agreement.

The Corporation has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Installment Purchase Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

ATTACHMENT 2

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Corporation, all as of the date set forth below.

Execution date:

MUNICIPAL FINANCE CORPORATION

February __, 2016

By _____
President

By _____
Secretary

ATTACHMENT 2

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate register of the Purchaser with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a commercial bank or trust company or a member of the New York Stock Exchange.

Norton Rose Fulbright US LLP – Draft 1/15/15

**FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT
(2008 Certificates)**

This FIRST AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT, made and entered into as of February 1, 2016 (this “First Amendment”), by and between the VENTURA PORT DISTRICT, a port district duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”), the VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the “Facilities Corporation”) and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the parties hereto entered into an Installment Purchase Agreement, dated as of June 1, 2008 (the “Installment Purchase Agreement”), relating to the \$10,000,000 Ventura Port District Refunding Certificates of Participation Series 2008 (the “2008 Certificates”);

WHEREAS, the parties desire to amend the Installment Purchase Agreement pursuant to Section 11.14 thereof for the purposes set forth in this First Amendment;

WHEREAS, the parties hereto have duly authorized the execution and delivery of this First Amendment and new Certificates of Participation to replace the 2008 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, in consideration of these premises and of the mutual agreements and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I.

AMENDMENTS

Section 1.01. Amendment to Section 7.01(b). Section 7.01(b) of the Installment Purchase Agreement is hereby amended and restated in full as follows:

- (b) The Purchaser may prepay the Series 2008 Installment Payments as a whole or in part in the order of payment date as determined by the Purchaser (or in the event the Purchaser has not determined the order of payment date, in

ATTACHMENT 2

inverse order of maturity) on any Business Day on and after February 1, 2021, at the following Prepayment Prices, together with accrued interest thereon to the date of prepayment.

Prepayment Date (Dates Inclusive)	<u>Prepayment Price</u>
February 1, 2021 to January 31, 2024	101%
February 1, 2024	100

Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 1.02. Amendment to Section 10.05. Section 10.05 of the Installment Purchase Agreement is hereby amended and restated in part to delete reference to 4.43% and replace such number with 3.20%.

Section 1.03. Amendment to Section 11.10. Section 11.10 of the Installment Purchase Agreement is hereby amended and restated in part as follows:

If to the Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Telephone: (805) 267-7140
Facsimile: (805) 267-7142
Attention: Bill Morton

Section 1.04. Replacement of Exhibit A. Exhibit A to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit A, attached hereto.

Section 1.05. Replacement of Exhibit B. Exhibit B to the Installment Purchase Agreement is hereby deleted and replaced with Exhibit B, attached hereto.

ARTICLE II.

MISCELLANEOUS

Section 2.01. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

Section 2.02. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ATTACHMENT 2

IN WITNESS WHEREOF, the parties hereto have executed and attested this First Amendment by their officers thereunto duly authorized as of the day and year first written above.

VENTURA PORT DISTRICT

By: _____

Title: General Manager

ATTEST:

Secretary

MUNICIPAL FINANCE CORPORATION

By: _____

Title: President

ACKNOWLEDGED:

VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION

By: _____

Title: Chief Financial Officer

ATTACHMENT 2

EXHIBIT A

PURCHASE PRICE AND INSTALLMENT PAYMENT SCHEDULE

(February __, 2016)

1. The original principal amount of payments to be made by the Purchaser hereunder was \$10,000,000. The remaining principal amount of payments to be made by the Purchaser hereunder is \$_____.

2. The outstanding installment payments of principal and interest are payable in the amounts and on the Series 2008 Installment Payment Dates as follows:

<u>Interest Payment Dates⁽¹⁾</u>	<u>Amount Attributable to Remaining Principal</u>	<u>Amount Attributable to Interest</u>
08/01/2016		
02/01/2017		
08/01/2017		
02/01/2018		
08/01/2018		
02/01/2019		
08/01/2019		
02/01/2020		
08/01/2020		
02/01/2021		
08/01/2021		
02/01/2022		
08/01/2022		
02/01/2023		
08/01/2023		
02/01/2024		
08/01/2024		
02/01/2025		
08/01/2025		
02/01/2026		
08/01/2026		
02/01/2027		
08/01/2027		
Total:		

⁽¹⁾ Series 2008 Installment Payment Date means each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

ATTACHMENT 2

EXHIBIT B

[FORM OF REPLACEMENT CERTIFICATE OF PARTICIPATION]

~~VENTURA PORT DISTRICT~~ VENTURA PORT DISTRICT

REFUNDING CERTIFICATE OF PARTICIPATION,
SERIES 2008

(Representing Proportionate Interests in
Installment Payments to be Made by
the Ventura Port District)

Evidencing an Interest of the Owner Hereof
in Installment Payments to be Made by the

~~VENTURA PORT DISTRICT~~

VENTURA PORT DISTRICT

Pursuant to the Installment Purchase Agreement With the
Municipal Finance Corporation

**THIS CERTIFICATE MAY ONLY BE REGISTERED IN THE NAME OF,
OR TRANSFERRED TO, AN "APPROVED INSTITUTIONAL BUYER"
AS DEFINED IN THE INSTALLMENT PURCHASE AGREEMENT THAT
HAS EXECUTED AND DELIVERED AN INVESTOR LETTER.**

No. R-2008-1A

\$_____

INTEREST
RATE
3.20%

DATED
DATE
February __, 2016

MATURITY
DATE
August 1, 2027

ORIGINAL PRINCIPAL AMOUNT: TEN MILLION DOLLARS (\$10,000,000.00)

OUTSTANDING PRINCIPAL AMOUNT: _____ (\$_____)

THIS IS TO CERTIFY that the Owner (specified above) of this Refunding Certificate of Participation Series 2008 (herein called the "Certificate") is the owner of an undivided interest in the right to receive certain Series 2008 Installment Payments (the "Installment Payments") under that certain Installment Purchase Agreement, dated as of June 1, as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (together, the "Installment Purchase Agreement"), by and between the Municipal Finance Corporation (the "Corporation") and the Ventura Port District (the "Purchaser"). Originally Ten Million Dollars (\$10,000,000.00) aggregate principal amount of Certificates were executed and delivered. The outstanding aggregate principal amount of Certificates is _____ (\$_____).

~~69545107.2~~ 69545107.3

ATTACHMENT 2

The Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Agreement, on the Certificate Payment Date (specified above) the Principal Amount (specified above) representing a portion of the Installment Payments designated as principal coming due on the Certificate Payment Date, and to receive an interest component on such principal component at the interest rate per annum specified above, from the Interest Payment Date (as hereinafter defined) preceding the date of execution hereof, unless such date of execution is after a Record Date (as hereinafter defined) and on or before the succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date, or unless such date of execution is on or before the first Record Date, in which case interest shall be payable from the date this Certificate is executed and delivered; provided, however, that if, as shown by the records of the Purchaser, interest represented by this Certificate shall be in default, Certificates executed in exchange for this Certificate surrendered for transfer or exchange shall represent interest from the last date to which interest has been paid in full or duly provided for with respect to this Certificate, or, if no interest has been paid or duly provided for with respect to this Certificate, from the date this Certificate is executed and delivered. Interest with respect to this Certificate shall be paid on August 1 and February 1 of each year (each, an "Interest Payment Date"), to and including the Certificate Payment Date set forth above or the date of prior prepayment hereof. The principal and Prepayment Price with respect hereto are payable in lawful money of the United States of America upon presentation and surrender at the office of the Corporation. Interest with respect hereto is payable by check of the Purchaser mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date") at the address shown on the registration books maintained by the Purchaser on behalf of the Corporation or, upon the request of an owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the continental United States designated by such owner in writing to the Purchaser prior to the Record Date except in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owner in whose name this Certificate is registered at the close of business on a special record date as determined by the Purchaser.

This Certificate has been executed pursuant to the terms of the Installment Purchase Agreement, and reference is made to the Installment Purchase Agreement and any and all amendments thereto for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates are payable from Installment Payments and other moneys on deposit in the funds and accounts created under the Installment Purchase Agreement. All Net Revenues (as such term is defined in the Installment Purchase Agreement) are irrevocably pledged to secure the payment of the Installment Payments and the Net Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of Net Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. Such pledge constitutes a lien on Net Revenues and, subject to application of Net Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund and other funds and

69545107.2 [69545107.3](#)

ATTACHMENT 2

amounts created under the Installment Purchase Agreement for the payment of the Installment Payments and all other Contracts and Bonds (as such terms are defined in the Installment Purchase Agreement) in accordance with the terms of the Installment Purchase Agreement. The obligation of the Purchaser to make Installment Payments is a special obligation of the Purchaser payable solely from such Net Revenues, the Revenue Fund and other funds described in the Installment Purchase Agreement and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The Purchaser has covenanted not to issue evidences of indebtedness or incur other obligations which are payable from and secured by a pledge of and lien on Net Revenues senior to the pledge of and lien on Net Revenues of the Installment Payments. The Purchaser may at any time execute any Contract the installment payments under which, or issue any Bonds the payments of which, as the case may be, are on a parity with the Installment Payments and which are secured by a pledge of or lien on the Net Revenues in accordance with the Installment Purchase Agreement.

The Certificates are authorized to be executed and delivered in Authorized Denominations. Subject to the limitations and conditions and upon payment of the taxes or charges, if any, Certificates may be exchanged by the Purchaser for a like aggregate principal amount of Certificates of the same Certificate Payment Date and interest rate of other Authorized Denominations.

This Certificate is transferable only in accordance with the Installment Purchase Agreement to Approved Institutional Buyers that have executed and delivered an Investor Letter.

The Certificates shall be subject to prepayment prior to their respective stated maturities, as a whole or in part as provided in the Installment Purchase Agreement.

The Corporation has certified that all acts, conditions and things required by the Constitution and statutes of the State of California and the Installment Purchase Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

ATTACHMENT 2

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized officer of the Corporation, all as of the date set forth below.

Execution date:

MUNICIPAL FINANCE CORPORATION

February __, 2016

By _____
President

By _____
Secretary

ATTACHMENT 2

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate register of the Purchaser with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a commercial bank or trust company or a member of the New York Stock Exchange.

ATTACHMENT 2

Document comparison by Workshare Compare on Friday, January 15, 2016
2:36:37 PM

Input:	
Document 1 ID	interwovenSite://US_DMS/US2006/69545107/2
Description	#69545107v2<US2006> - First Amendment to Installment Purchase Agreement Ventura Port 2008 Refunding COPs
Document 2 ID	interwovenSite://US_DMS/US2006/69545107/3
Description	#69545107v3<US2006> - First Amendment to Installment Purchase Agreement Ventura Port 2008 Refunding COPs
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
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Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	9
Deletions	5
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	14

ATTACHMENT 3

Ventura Port District

2016 Rate Reset (2008 & 2009 COPs)

Summary of Analyses Since October of 2015

1/13/2016

	Rate Locked			Upfront Payment of Costs (1)	
	18-Nov-15	8-Dec-15	6-Jan-16	Option 1 7-Jan-16	Option 2 7-Jan-16
Interest Rate	3.00% (Estimated)	3.20% (Locked)		3.20%	3.35% (3)
Loan Amount					
Principal Remaining on Prior Loan	9,008,400	9,008,400		9,008,400	9,008,400
Premium to Reset Rate (Rolled into New Loan)	90,100	90,100	Financing team	-	- (3)
Costs of Issuance (Rolled into New Loan)	49,500	45,500	suggests no	-	-
New Loan Amount	9,148,000	9,144,000	increase in	9,008,400	9,008,400
			principal amount		
Total Cost of Loan & Savings			for simplicity		
Total Debt Service (Princ. & Int. on New Loan)	10,923,000	11,006,000	with DBAW	10,843,000	10,935,000
Premium to Reset Rate (Paid Upfront)	-	-		90,100	- (3)
Costs of Issuance (Paid Upfront)	-	-		45,500	45,500
Total Payments on New Loan	10,923,000	11,006,000		10,978,600	10,980,500
Total Debt Payments on Prior Loan (2)	11,704,000	11,654,000		11,654,000	11,654,000
Total Savings	781,000	648,000		675,400	673,500
Average Fiscal Year Debt Service & Savings					
Average FY Debt Service on Prior Loan	971,000	971,000		971,000	971,000
Average FY Debt Service on New Loan	907,000	917,000		904,000	911,000
Average Fiscal Year Savings	64,000	54,000		67,000	60,000
Approx. Number of Years of Savings	12.20	12.00		10.00	11.20
Net Present Value Savings					
Net Present Value Savings	652,000	534,000		534,000	543,000
Net Present Value Savings %	7.24%	5.93%		5.93%	6.03%

(1) Under Option 1, the District would recoup the upfront cost of \$135,600 after 2 years of the new loan. Under Option 2, the District would recoup the upfront cost of \$45,500 after the first 10 months of the new loan.

(2) The dated date of the reset was estimated as December 16, 2015 in November, and February 1, 2016 in subsequent analysis. Therefore, the total debt payments on the prior loan changed.

(3) Premium is not required to be paid upfront or in new loan amount, but rather the interest rate is increased to cover the cost of the premium. Total debt payments are about the same.

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

STANDARD AGENDA ITEM NO. 3

**DISCUSSION REGARDING POSSIBLE REFUNDING
OF THE DISTRICT'S DBAW LOANS**

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 3
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Oscar Peña, General Manager
SUBJECT: Discussion Regarding Possible Refinancing of the District's Department of Boating and Waterways Loans

RECOMMENDATION:

That the Board of Port Commissioners authorize the General Manager to begin discussions with Brandis Tallman LLC for the purpose of refinancing the District's two consolidated loans with the Department of Boating and Waterways.

BACKGROUND:

In 1998, and again in 2005, the District entered into loans with the Department of Boating and Waterways ("DBAW") in order to consolidate certain outstanding obligations and to construct a detached breakwater, rehabilitate docks and gangways, and repair rock slope protection and concrete promenades. The 1998 Loan was in the original principal amount of \$10,156,374.48 with a final maturity of August 1, 2048 and an interest rate of 4.50%. The 2005 Loan was in the original principal amount of \$1,500,000 with a final maturity of August 1, 2035 and an interest rate of 4.50%. Currently, the 1998 Loan has approximately \$3.483 million outstanding and the 2005 Loan has approximately \$1.167 million outstanding. Collectively, the 1998 and 2005 Loans are referred to herein as the "DBAW Loans".

Because lower interest rates could be achieved today, the District and Brandis Tallman LLC ("BTLLC") have been reviewing options for refinancing the DBAW Loans. In order to determine if sufficient savings exist, BTLLC prepared three different scenarios. All three scenarios, summarized below, have lower interest rates and shorter maturities than the outstanding DBAW Loans:

Scenario 1 - 20 Year Private Placement at an estimated all-in interest rate of 3.63%. Due to the shortening of term, there is a debt service cost of about \$44,000 per year for the first 20 years and savings thereafter. Total savings are approximately \$1.790 million.

Scenario 2 - 20 Year Public Offering at an estimated all-in interest rate of 3.71%. Due to the shortening of term, there is a debt service cost of about \$70,000 per year for the first 20 years and savings thereafter. Total savings are approximately \$1.261 million.

Scenario 3 - 30 Year Public Offering at an estimated all-in interest rate of 4.03%. Due to the shortening of term, there is a debt service cost of about \$14,000 per year for the first 30 years and savings thereafter. Total savings are approximately \$30,000.

A full savings summary is attached herewith.

In addition to the economic benefit of refinancing the DBAW Loans, the District would achieve streamlined administrative benefits and would not need to seek approval from DBAW for any future financing needs.

ALTERNATIVE:

Reject staff's recommendation and do not further consider refinancing the DBAW Loans at this time.

FISCAL IMPACT:

Depending on the structure and final interest rates at the time of pricing, total savings of \$1 million or more could be achieved.

ATTACHMENTS:

Attachment 1 – Savings Summary

ATTACHMENT 1

**Ventura Port District
Department of Boating and Waterways (1998 Loan and 2000 Loan)
Summary of Refunding Results as of December 28, 2015**

	<i>Private Placement (20-Year Term)</i>	<i>Public Offering (20-Year Term)</i>	<i>Public Offering (30-Year Term)</i>
PRIVATE PLACEMENT			
2016 DBAW Loans Payoff	4,773,959 (payoff on 2-3-2016)	4,791,397 (payoff on 3-3-2016)	4,791,397 (payoff on 3-3-2016)
Cost of Issuance (1)	56,725	153,646	151,573
New Reserve Fund	N/A	367,052	310,548
Net Original Issue Discount/(Premium)	N/A	(57,095)	6,482
Par Amount (New Loan Amount)	4,830,684	5,255,000	5,260,000
Arbitrage Yield	3.50%	3.38%	3.77%
All-In True Interest Cost	3.63%	3.71%	4.03%
Final Maturity	2/1/2036	8/1/2035	8/1/2046
TOTAL DEBT SERVICE			
Prior Debt Service	8,546,581	8,546,581	8,546,581
New Debt Service	6,755,922	7,285,155	8,516,934
Total Debt Service Savings	1,790,659	1,261,426	29,646
Net Present Value Savings	484,480	467,832 (2)	218,559 (2)
Net Present Value Savings %	10.42%	10.06%	4.70%
AVERAGE FISCAL YEAR DEBT SERVICE			
Prior Fiscal Year 2017 through 2036	294,332	294,332	294,332
Prior Fiscal Year 2037 through 2049	204,616	204,616	204,616
New Fiscal Year Debt Service	337,796	364,258	283,898
AVERAGE FISCAL YEAR SAVINGS/(COST)			
FYE 2017 through FYE 2036	(43,465)	(69,927)	(14,076)
FYE 2037 through FYE 2047	204,616	204,616	(8,911)
FYE 2048 through FYE 2049	204,616	204,616	204,616

(1) Includes (as applicable) bond counsel, disclosure counsel, underwriter's discount, placement agent, CDIA, COI custodian, trustee, rating, and miscellaneous/rounding.

(2) Net present value includes cash funded reserve plus interest earnings.

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

STANDARD AGENDA ITEM NO. 4

**APPROVAL OF MID-YEAR BUDGET ADJUSTMENTS
FOR FISCAL YEAR 2015 - 2016**

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 4
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Gloria Adkins, Accounting Manager
SUBJECT: Approve by Resolution Mid-Year Budget Adjustments for Fiscal Year 2015-16

RECOMMENDATION:

That the Board of Port Commissioners adopt Resolution No. 3295 authorizing the Mid-Year Budget Adjustments for Fiscal Year 2015 - 2016.

BACKGROUND:

The District's fiscal year extends from July 1 through June 30. The operating budget is an essential component of the management planning and control process. This budget process is required by the Governmental Accounting Standards Board, which has jurisdiction over special districts. The concept of fiscal accountability requires that a government agency justify its actions in the context of budgetary restrictions on the use of resources.

The General Manager in collaboration with the Accounting Manager and all Department Managers evaluate the income and expense categories of the budget at mid-year to determine where adjustments may be necessary. Following this analysis, appropriate adjustments are made to the budget and recommended to the Board for approval.

As a result of this process, cash flows from normal operations are projected at \$447,400 for the year. This is \$188,600 less than anticipated in the original Fiscal Year 2015 - 2016 budget. This information will be discussed in greater detail at the meeting. The unrestricted cash balance is projected to be \$6,140,000 at June 30, 2016.

Operating Revenue

It is recommended that operating revenues be reduced by \$95,000, bringing the operating revenue to \$7,394,000 for the year. The areas where there were reductions in operating revenues include retail, fish offloading fees and the projected revenues from the Sondermann Ring Partners (SRP). Unfortunately, SRP was unable to exercise the option and execute the ground lease as previously projected. Parcel lease income as increased \$85,000 which is attributed primarily to Ventura Harbor Marine Associates and the hotels in the harbor. There was also an increase in office occupancy at Harbor Village.

Operating Expenditures

An operating expense increase of \$58,000 is recommended. The majority of this increase is due to an increase in professional services, legal services, and dredging requirements in the inner harbor.

Capital Improvements

The total expenditures for Capital Improvement Projects will be decreased by \$313,000. Attachment 3 is an adjusted capital improvement projects schedule for Fiscal Year 2015 - 2016. The changes in the capital improvements projects for Fiscal Year 2015 - 2016 are explained below:

- Village Buildings 16 – we have added \$120,000 for the emergency roof repairs for building 1691 Spinnaker Drive (the Island Packers building).
- Village Buildings 20 – the HVAC system for the National Park Service building at 1431 Spinnaker is being deferred for further analysis (\$35,000).

- Village Buildings 23 – the painting of the Ventura Harbor Village complex is being deferred to FY2016-2017 (\$500,000).
- Fisheries 38 – a derrick crane has been installed on the fish pier at a cost of \$102,000.

CONCLUSION:

The proposed changes will enable the District to continue to offer a high level of services to the public. We are hopeful that the revenues will continue to increase as occupancy levels at Harbor Village improve and the potential of SRP exercising their option and executing the ground lease by the end of the fiscal year. This could provide an additional \$300,000 in the next fiscal year. Additionally, the Board and staff have focused their efforts on capital and infrastructure improvements such as accessible improvements at Harbor Village and inner harbor dredging in the sub-channel adjacent to the Port District headquarters.

As the overall economy improves, there will be more resources available to reinvest into the harbor and Harbor Village. The District continues to strive to offer a first-class harbor for visitors and residents alike.

ATTACHMENTS:

Attachment 1 – Resolution No. 3295 to adopt Mid-Year Budget Adjustments Fiscal Year 2015-2016

Attachment 2 – Mid-Year Budget Adjustments for Fiscal Year 2015-2016

Attachment 3 – Mid-Year Capital Improvement Projects Adjustments for Fiscal Year 2015-2016

Attachment 4 – Mid-Year Budget Adjustment by Department

ATTACHMENT 1



RESOLUTION NO. 3295

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS
OF THE VENTURA PORT DISTRICT ADJUSTING THE
2015-16 FISCAL YEAR BUDGET**

BE IT RESOLVED by the Board of Port Commissioners of the Ventura Port District, that the following budget adjustments be made to the 2015 - 2016 Fiscal Year Budget:

ENTERPRISE FUND

OPERATING REVENUE:

1. Increase Parcel Lease Income by \$85,000
2. Decrease SRP Lease Rent by \$180,000
3. Increase Misc. Income/Rentals by \$10,000
4. Add Reimbursement from City of Ventura of \$30,000
5. Decrease Harbor Village Retail by \$25,000
6. Increase Harbor Village Offices by \$25,000
7. Decrease Harbor Village Fish Offloading by \$35,000
8. Decrease Harbor Village CAM Income by \$5,000

OPERATING EXPENDITURES:

Personnel Expenses (including Harbor Patrol)

1. Increase Wages by \$31,000
2. Decrease Workers Comp by \$189,500
3. Decrease Medical & Life Insurance by \$4,000
4. Increase Optional Benefit Plans by \$1,000
5. Decrease Retirement Contributions by \$7,500

General Expenses (including Harbor Patrol)

1. Increase Uniforms by \$5,000
2. Increase Equipment Rental by \$4,000
3. Decrease General Liability Insurance by \$58,000
4. Increase Operating Supplies & Expenses by \$15,000
5. Increase Other Equipment & Repairs by \$5,000
6. Increase Prof. Services-Auditing by \$5,000
7. Increase Prof. Services-Legal by \$95,000
8. Increase Prof. Services-General by \$21,000
9. Increase Dredging Related Expenses by \$75,000

NON-OPERATING REVENUE

1. Increase Property Taxes by \$40,000



ATTACHMENT 1

NON-OPERATING and OTHER EXPENDITURES

2. Add Cost of Issuance/Rate Resetting Premium of \$135,600

IMPROVEMENTS:

1. Increase Accessibility Enhancements by \$395,000
2. Decrease Capital Improvements by \$313,000

PASSED, APPROVED AND ADOPTED by the Board of Port Commissioners, this 27th day of January 2016.

Chairman

ATTEST:

Secretary

(Seal)

ATTACHMENT 1

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF SAN BUENAVENTURA)

I, Oscar Pena, Secretary of the Ventura Port District, a public corporation, do hereby certify that the above and foregoing Resolution No. 3295 was duly passed and adopted by the Board of Port Commissioners of said District at a regular meeting thereof held on the 27th day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 27th day of January 2016.

(Seal)

Secretary

ATTACHMENT 2

VENTURA PORT DISTRICT ANNUAL MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2015-16 1/27/2016

	Actual 2013-14	Actual 2014-15	Budget 2014-15	Budget 2015-16	Proposed Adjustment	Mid-Year Budget 2015-16	Comments
OPERATING REVENUE							
Parcel Lease Income	2,892,663	2,945,857	2,990,000	2,950,000	85,000	3,035,000	Revenue from VHMA is up 21% over last year thru November, Sheraton is up 7%
SRP Lease Rent	60,000	60,000	60,000	240,000	(180,000)	60,000	SRP in final permitting stages
Dry Storage Income	89,472	83,787	80,000	97,000	-	97,000	
Commercial Fishermen's Storage	63,167	69,453	70,000	76,500	-	76,500	
Parking Income	55,877	62,895	55,000	65,000	-	65,000	
Misc. Income/Rentals	172,361	126,805	109,000	91,500	10,000	101,500	Extend HBE contract 19A usage
Reimbursement from City of Ventura				-	30,000	30,000	Keys stub channel dredging projection
Harbor Village Lease Income							
Retail	445,324	450,752	425,000	435,000	(25,000)	410,000	Reduced due to recent vacancies
Restaurant	895,802	912,900	870,000	965,000	-	965,000	
Offices	548,550	558,711	555,000	580,000	25,000	605,000	Increased occupancy levels
Charters	344,208	358,826	355,000	350,000	-	350,000	
Commercial Fishing	62,422	70,337	70,000	95,000	-	95,000	
Fish Offloading	237,335	166,045	150,000	155,000	(35,000)	120,000	Reduced due to sluggish squid season
Harbor Village Misc. Income	13,317	3,754	6,000	6,000	-	6,000	
Booth/Vendor Income	9,968	11,800	9,500	10,000	-	10,000	
Sponsorships	14,210	17,225	16,500	16,500	-	16,500	
Harbor Event Permits	37,777	43,754	33,000	40,500	-	40,500	
Harbor Village Marina Slip Rentals	934,143	888,259	876,000	926,000	-	926,000	
Harbor Village CAM Income	287,044	273,628	270,000	300,000	(5,000)	295,000	Reduced due to recent vacancies
Harbor Village Merchants Promo Dues	83,405	85,878	80,000	90,000	-	90,000	
TOTAL OPERATING REVENUE	7,247,045	7,190,666	7,080,000	7,489,000	(95,000)	7,394,000	
% change from previous years actual	4%	-1%	-2%	4%		3%	
OPERATING EXPENDITURES							
<u>Personnel Expenses</u>							
Total Wages*	1,597,943	1,561,080	1,584,500	1,640,500	-	1,640,500	
<u>Other Personnel Expenses</u>							
Payroll Taxes	28,639	24,616	27,500	29,500	-	29,500	
Workers Comp Insurance	75,951	121,803	123,000	141,500	(78,500)	63,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Medical & Life Insurance	208,996	212,998	221,500	231,500	(7,500)	224,000	Changes in Employees benefit choices
Optional Benefit Plans	146,986	144,013	146,000	146,000	3,000	149,000	Changes in Employees benefit choices
Retirement Contributions	343,830	346,096	368,500	395,500	(6,000)	389,500	Allocate early payment discount
Totals Other Personnel Exp	804,402	849,526	886,500	944,000	(89,000)	855,000	
Total Personnel Expenses	2,402,345	2,410,606	2,471,000	2,584,500	(89,000)	2,495,500	
% change from previous years actual	6%	0%	3%	7%		4%	

* Note - All changes to wages are contingent upon the successful implementation of the SRP ground lease

ATTACHMENT 2

FY15-16 Mid-Year Budget Continued, 1/27/2016

	Actual 2013-14	Actual 2014-15	Budget 2014-15	Budget 2015-16	Proposed Adjustment	Mid-Year Budget 2015-16	Comments
<u>General Expenses</u>							
Advertising (Public notices)	10,182	10,360	12,000	6,000	-	6,000	
Leasing / Real Estate	-	-	-	17,000	-	17,000	
Port District Open House	5,460	550	5,000	4,000	-	4,000	
Auto Mileage & Allowance	12,036	12,013	15,000	13,500	-	13,500	
Auto/Boat Equip & Maint.	27,416	26,096	34,000	34,500	-	34,500	
Bad Debt	41,174	24,375	36,000	25,000	-	25,000	
Bank Fees & Other Misc.	13,455	10,226	15,000	15,000	-	15,000	
Building Maintenance	274,022	167,222	229,000	243,000	-	243,000	
Communications	29,310	42,402	41,000	43,000	-	43,000	
Conferences, Meetings & Training	39,398	27,846	42,500	41,500	-	41,500	
Dock & Fish Pier Maint. & Repairs	16,971	43,165	59,000	49,000	-	49,000	
Equipment Rental	12,984	10,924	22,000	14,500	4,000	18,500	Beach shoring due to foul weather
Village Enhancements	35,039	19,560	50,000	35,000	-	35,000	
General Harbor Maintenance	-	4,668	5,000	4,000	-	4,000	
General Liability Insurance	141,886	273,447	274,500	318,000	(58,000)	260,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Grounds Maintenance	166,442	85,758	155,500	111,000	-	111,000	
Janitorial Supplies	39,917	41,082	52,000	60,500	-	60,500	
Land/Building Rental Expense	64,156	69,453	70,000	76,500	-	76,500	
Memberships & Subscriptions	20,186	19,305	21,000	21,500	-	21,500	
Office Computer Equip & Related	26,297	19,726	24,000	20,500	-	20,500	
Office Supplies & Equipment	35,872	25,297	51,500	30,000	-	30,000	
Operating Supplies	27,540	23,644	34,500	34,000	-	34,000	
Other Equipment & Repairs	39,949	35,491	41,500	41,000	5,000	46,000	Mobile pressure washer repairs
Professional Serv. - Auditing	13,458	13,483	15,000	15,000	5,000	20,000	One tenant audit
Professional Serv. - Legal	220,789	228,847	240,000	150,000	95,000	245,000	Potential litigations; investigations; VSE Fisheries; capital improvement projects; bid packets; monthly reporting
Professional/Outside Services	295,555	291,577	363,500	283,500	21,000	304,500	Environmental studies; parking studies; VSE Fisheries
Prof. Serv/Downtown Trolley Partnership	24,000	24,000	25,000	24,000	-	24,000	
Uniforms & Tool Allowances	11,089	12,974	15,500	17,000	-	17,000	
Utilities and Trash	348,012	344,204	383,000	411,500	-	411,500	
Dredging Related Expenses	243,534	227,706	260,000	260,000	75,000	335,000	Stub channel dredging includes City property
Total General Expenses	2,236,129	2,135,401	2,592,000	2,419,000	147,000	2,566,000	
% change from previous years actual	5%	-5%	16%	13%		20%	
<u>Marketing & Promotional Expenses</u>							
Advertising	136,688	131,070	131,000	134,500	-	134,500	
Graphic Design/Ad Production	19,900	20,700	20,000	22,000	-	22,000	
Event Banners	1,492	641	1,000	1,500	-	1,500	
Maps/Rack Cards/Harbor Brochures	14,465	17,667	20,000	16,500	-	16,500	
Certified Rack	2,528	2,447	2,500	2,500	-	2,500	
Tourism Outreach and Partnership	6,144	3,552	9,000	9,000	-	9,000	
Entertainment-Live Music	18,932	21,181	23,000	23,000	-	23,000	
Event Production	52,443	56,684	60,000	63,500	-	63,500	

ATTACHMENT 2

FY15-16 Mid-Year Budget Continued, 1/27/2016

	Actual 2013-14	Actual 2014-15	Budget 2014-15	Budget 2015-16	Proposed Adjustment	Mid-Year Budget 2015-16	Comments
Operating Expenditures, Marketing & Promotional Expenses Continued							
Equipment Rental-Copier Village Office	5,323	5,068	6,000	5,000	-	5,000	
Content Marketing/Website Social Media	13,658	13,762	18,500	13,600	-	13,600	
Miscellaneous	72	75	500	400	-	400	
Total Marketing & Promotional Expenses	271,645	272,847	291,500	291,500	-	291,500	
% change from previous years actual	20%	0%	7%	7%		7%	
TOTAL OPERATING EXPENDITURES	4,910,119	4,818,854	5,354,500	5,295,000	58,000	5,353,000	
% change from previous years actual	7%	-2%	9%	10%		11%	

Operating Cash Flows In (Out)	2,336,926	2,371,812	1,725,500	2,194,000	(153,000)	2,041,000
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NON-OPERATING and OTHER EXPENDITURES

Harbor Patrol expenses not funded by property taxes	116,053	142,124	218,000	268,000	(100,000)	168,000	
Cost of Issuance/Rate resetting premium	-	-	-	-	135,600	135,600	COP's rate reset
COP's Interest Payment	474,339	450,213	455,000	435,000	-	435,000	
DBAW Loan#1 Interest Payment \$4m	160,934	158,977	160,000	160,000	-	160,000	
DBAW Loan#2 Interest Payment \$1.5m	55,767	54,250	55,000	55,000	-	55,000	
Principle Payments on bonds/loans	588,151	616,306	620,000	640,000	-	640,000	
TOTAL NON-OPER. EXPENDITURES	1,395,244	1,421,870	1,508,000	1,558,000	35,600	1,593,600	

Annual Cash Flows In (Out) from normal operations before any Improvements	941,682	949,942	217,500	636,000	(188,600)	447,400
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Building Tenant Improvements	140,681	163,911	230,000	285,000	-	285,000	See Attached Schedule
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Accessibility Improvements	-	117,768	265,000	405,000	395,000	800,000	RRM Plans for next phase of path of travel thru Village \$60k and Misc Improvements \$50k; Misc improvements to restrooms \$10k (Spinnaker RR 1575, 1691 & downstairs 1559); Improvement Plans to restrooms \$25k (Spinnaker Restrooms at 1567, 1583 & 1591); DAC \$10k; Parking lot improvements \$250k (plans by Jensen); ADDED Phase 2 Construction
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Capital Improvements Projects	2,301,090	202,220	1,581,000	1,543,000	(313,000)	1,230,000	See Attached Schedule
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Annual Cash Flows In (out) after Improvements	(1,500,089)	466,043	(1,858,500)	(1,597,000)	(270,600)	(1,867,600)
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Improvements funded through Unrestricted Improvement Reserve Fund	-	(466,043)	1,858,500	1,597,000	270,600	1,867,600
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Projected Unrestricted Reserve Balance	\$ 6,116,000	\$ 4,070,000	\$ 5,900,000	\$ 5,840,000
Delay in receipt of grant reimbursement funds ¹	1,584,000	1,630,000	300,000	300,000
Adjusted Unrestricted Reserve Balance	\$ 7,700,000	\$ 5,700,000	\$ 6,200,000	\$ 6,140,000

Note:

¹ Division of Boating & Waterways (DBW) has reimbursed the District for \$1.5 million of funds requested for the launch ramp construction. DBW held back a retention and is still reviewing a couple of the charges.

ATTACHMENT 2

FY15-16 Mid-Year Budget Continued, 1/27/2016

Harbor Patrol Department Expenses funded from Property Taxes and Assessments collected by the County of Ventura

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Proposed Adjustment</u>	<u>Mid-Year Budget 2015-16</u>	<u>Comments</u>
Property Taxes and Assessments from County	989,720	1,042,763	1,010,000	1,030,000	40,000	1,070,000	Attributed to County tax assessment roll 10/2015
<u>Harbor Patrol Personnel Expenses</u>							
Total Wages	616,718	604,676	626,500	643,000	31,000	674,000	Coverage dangerous conditions summer/winter El Nino
Payroll Taxes	12,556	10,761	15,000	15,000	-	15,000	
Workers Comp Insurance	127,603	192,000	192,000	219,000	(111,000)	108,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Medical & Life Insurance	52,940	54,578	59,000	47,000	3,500	50,500	Changes in Employees benefit choices
Optional Benefit Plans	43,428	47,089	50,000	47,000	(2,000)	45,000	Changes in Employees benefit choices
Retirement Contributions	92,615	91,264	95,000	118,500	(1,500)	117,000	Allocate early payment discount
Total Harbor Patrol Personnel Exp	945,860	1,000,368	1,037,500	1,089,500	(80,000)	1,009,500	
% change from previous year actual	12%	6%	10%	9%		1%	
<u>Harbor Patrol Other Expenses</u>							
Uniforms	7,691	25,021	31,000	13,000	5,000	18,000	Replacement foul weather gear
Oil & Fuel Expense	28,297	26,201	34,000	34,000	-	34,000	
Operating Supplies & Expense	14,322	10,510	21,000	21,000	15,000	36,000	Purchase FCC license, a repeater. radios and other misc gear
Boat Maintenance	82,659	85,363	60,000	65,000	-	65,000	
Auto Equip & Maint.	8,248	6,463	5,000	8,500	-	8,500	
Conferences & Training	3,585	6,235	3,500	4,000	-	4,000	
Summer Lifeguard Services	15,111	24,726	32,000	59,000	-	59,000	
Professional Services	-	-	4,000	4,000	-	4,000	
Total Harbor Patrol Other Expenses	159,913	184,519	190,500	208,500	20,000	228,500	
% change from previous year actual	52%	15%	19%	13%		24%	
Total Harbor Patrol Expenses	1,105,773	1,184,887	1,228,000	1,298,000	(60,000)	1,238,000	
	16%	7%	11%	10%		4%	
Expenditures remaining after Property Tax Revenues were applied are funded from Operating Revenues	(116,053)	(142,124)	(218,000)	(268,000)	100,000	(168,000)	

ATTACHMENT 2

FY15-16 Mid-Year Budget Continued, 1/27/2016

Expenditures funded by Grants and Special Funding

	<u>Actual</u> <u>2013-14</u>	<u>Actual</u> <u>2014-15</u>	<u>Budget</u> <u>2014-15</u>	<u>Budget</u> <u>2015-16</u>	<u>Proposed</u> <u>Adjustment</u>	Mid-Year <u>Budget</u> <u>2015-16</u>	<u>Comments</u>
<u>Grants and Special Funding</u>							
DBAW Grants-abandon vessel & vessel turn-in	-	10,563	13,500	5,500	-	5,500	
DBAW Grants-Boat Equipment	34,419	-	49,500	59,500	-	59,500	
DBAW Grant-Training Expense Reimburseme	694	-	6,000	10,000	-	10,000	
DBAW Grants-Launch Ramp Slope	1,894,253	21,881	167,000	-	-	-	
TOTAL GRANTS & SPECIAL FUNDING	1,929,366	32,444	236,000	75,000	-	75,000	

<u>Projects, Equipment and Training Expenses</u>							
Vessel Salvage-Abandoned and Turn-in	-	10,563	13,500	5,500	-	5,500	
Boat Engines & Equipment for new boat	34,419	-	49,500	59,500	-	59,500	
Harbor Patrol Training	694	-	6,000	10,000	-	10,000	
Renovate Launch Ramp Slope	1,894,253	21,881	167,000	-	-	-	
TOTAL PROJECTS & EQUIPMENT	1,929,366	32,444	236,000	75,000	-	75,000	

ATTACHMENT 3

Capital Improvement and Maintenance Projects Summary of Five Year Projection

Item #	Project Location/Description	Actual to Date Fiscal Yr 15-16	Fiscal Yr 15-16	Fiscal Yr 16-17	Fiscal Yr 17-18	Fiscal Yr 18-19	Fiscal Yr 19-20
Buildings 8	National Park Serv Bldg - refurbish chair elevator					15,000	
Buildings 9	Harbor Village Bldgs - refurbish elevators	37,445	98,000	105,000	125,000		
Buildings 13	Harbor Village Bldgs - maintain/replace vinyl windows		90,000				
Buildings 15	Harbor Village Bldgs-replace/repair roofs/tiles/gutters	445,595	630,000	400,000	900,000		
Buildings 16	Emergency Repair declared-Harbor Village Bldgs-1691 Spinnaker		120,000				
Buildings 20	National Park Serv Bldg-1431 Bldg-HVAC system--Removed \$35,000		-				
Buildings 22	National Park Serv Bldg - 1691 Bldg - HVAC system						100,000
Buildings 23	Harbor Village Bldgs - paint all exterior walls/trim/facades deferred to FY16-17		-	500,000			
Buildings 30	Harbor Village - repair/replace existing restaurant decking				100,000		
Buildings 31	Harbor Village - Fiber Optic installation						
Dry Stor 34	Dry Storage Lot - replace/repair fencing						20,000
Fisheries 36	Fish Pier - resurface as needed			370,000			
Fisheries 38	Fish Pier Crane - replace - crane on order/install June2015	90,165	102,000				
Headqrtrs 39	District Headquarter - replace two maintenance vehicles		40,000				
Headqrtrs 40	District Headquarters - renovate/inspect HVAC system						20,000
Headqrtrs 44	District Headquarters - emergency generator						70,000
Landscape 48	Harbor Village-landscape/hardscape - project terminated						
Marina 56	Vlg Marina - upgrade to electrical meters servicing dock C-project terminated						
Marina 58	Vlg Marina-replacement docks D,G&H with concrete docks-deferred to FY15-16		50,000	3,000,000			
Parklots 60	Harbor - all parking lots - repair as needed/slurry coating	83,059	100,000	820,000			
Parklots 61	Harbor Village Parking Lot-construct trash enclosure-project terminated						
Grounds 1	Port District Office - purchase/install permanent flag pole						
Total Capital Improvement and Maintenance Projects		656,264	1,230,000	5,195,000	1,125,000	15,000	210,000
Less anticipated financing from a third party source for Dock Construction				(3,000,000)			
TOTAL CAPITAL IMPROVEMENT PLAN LESS FINANCING		656,264	1,230,000	2,195,000	1,125,000	15,000	210,000

ATTACHMENT 4

VENTURA PORT DISTRICT MID-YEAR BUDGET ADJUSTMENTS BY DEPARTMENT FISCAL YEAR 2015-16

1/27/2016

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
OPERATING REVENUE							
Parcel Lease Income	2,892,663	2,945,857	2,990,000	2,950,000	85,000	3,035,000	Revenue from VHMA is up 21% over last year thru November, Sheraton is up 7%
SRP Lease Rent	60,000	60,000	60,000	240,000	(180,000)	60,000	SRP in final permitting stages
Dry Storage Income	89,472	83,787	80,000	97,000		97,000	
Commercial Fishermen's Storage	63,167	69,453	70,000	76,500		76,500	
Boat Washdown Income	3,560	5,030	3,000	4,500		4,500	
Commercial ID's Income	7,065	7,395	7,000	6,000		6,000	
Parking Income	55,877	62,895	55,000	65,000		65,000	
Sales of Services & Supplies	8,431	3,891	15,000	5,000		5,000	
Misc. Rentals	50,517	61,144	59,000	46,000	10,000	56,000	HBE Corp \$3k/mo contract extended; Category includes Venco Pipeline \$25k; Misc \$6k
Investment Income	102,788	49,345	25,000	30,000		30,000	
Reimbursement from City of Ventura					30,000	30,000	Keys stub channel dredging projection
Harbor Village Lease Income							
Retail	445,324	450,752	425,000	435,000	(25,000)	410,000	Reduced due to recent vacancies
Restaurant	895,802	912,900	870,000	965,000		965,000	
Offices	548,550	558,711	555,000	580,000	25,000	605,000	Increased occupancy levels
Charters	344,208	358,826	355,000	350,000		350,000	
Comm Fish	62,422	70,337	70,000	95,000		95,000	
Fish Offloading	237,335	166,045	150,000	155,000	(35,000)	120,000	Reduced due to sluggish squid season
Tenant Late Charges	7,960	647	1,000	1,000		1,000	
Vending Machines/Misc Sales	5,357	3,107	5,000	5,000		5,000	
Booth/vendor income	9,968	11,800	9,500	10,000		10,000	
Sponsorships/Co-Op Advertising	14,210	17,225	16,500	16,500		16,500	
Harbor Event Permit Fees	37,777	43,754	33,000	40,500		40,500	
Marina Slip Rentals	902,222	855,686	850,000	900,000		900,000	
Marina Electrical Income	31,921	32,573	26,000	26,000		26,000	
CAM Income	287,044	273,628	270,000	300,000	(5,000)	295,000	Reduced due to recent vacancies
Merchants Promotion Dues	83,405	85,878	80,000	90,000		90,000	
TOTAL OPERATING REVENUE	7,247,045	7,190,666	7,080,000	7,489,000	(95,000)	7,394,000	
Increase / -Decrease over prev year	4%	-1%		4%		3%	

ATTACHMENT 4

	Actual 2013-14	Actual 2014-15	Budget 2014-15	Budget 2015-16	Adjustment	MidYear Budget 2015-16	Comments
OPERATING EXPENDITURES BY DEPARTMENT							
<u>Maintenance Personnel Expenses</u>							
Regular Salaries	265,587	251,576	250,000	260,500		260,500	
Overtime Pay	3,609	2,319	6,000	4,500		4,500	
Holiday Pay	1,692	1,114	2,000	2,000		2,000	
Payroll Taxes	5,897	4,523	4,500	5,500		5,500	
Workers Comp Insurance	24,231	37,500	37,500	43,500	(25,500)	18,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Medical & Life Insurance	44,493	38,261	39,500	41,500		41,500	
Employee Optional Benefits	29,354	24,370	24,000	24,000		24,000	
Retirement Contributions	61,612	62,461	64,000	70,000	(1,000)	69,000	Adjustment for early payment discount
Total Maintenance Personnel Expenses	436,475	422,124	427,500	451,500	(26,500)	425,000	
Increase / -Decrease over prev year	13%	-3%		7%		1%	
<u>Maintenance Other Expenses</u>							
Uniforms	3,939	4,124	6,000	6,500		6,500	
Oil & Fuel Expense	8,385	5,843	11,000	10,000		10,000	
Operating Supplies	20,176	19,729	22,500	22,000		22,000	
Janitorial Supplies	8,349	12,325	18,500	25,000		25,000	
Equipment Rental	2,978	3,828	10,500	6,000	4,000	10,000	Beach shoring due to foul weather
Auto Maintenance	11,231	11,658	15,500	15,000		15,000	
Building Maintenance	264,280	158,851	180,000	184,000		184,000	
Grounds Maintenance	126,395	46,403	100,000	67,500		67,500	
Village Enhancements	35,039	19,560	50,000	35,000		35,000	
Seasonal Decorations	21,347	21,845	26,000	26,000		26,000	
Harbor Maintenance	-	4,668	5,000	4,000		4,000	
Docks Maint. & Repairs	825	7,099	8,000	7,000		7,000	
Equipment & Repairs	33,047	31,295	35,000	35,000	5,000	40,000	Includes: elevators inspections & repairs; building fire sprinklers inspections & repairs; repairs/replacement of small tools & equipment/ Repairs to mobile pressure washers
Conferences & Training	3,050	4,736	6,000	5,000		5,000	
Utilities-Electrical	66,406	50,007	60,000	65,000		65,000	
Utilities-Gas	1,659	1,701	2,500	2,000		2,000	
Utilities-Water	30,703	32,808	36,000	40,000		40,000	
Trash Disposal	16,567	16,534	20,000	20,000		20,000	
Outside Services	31,715	47,964	40,000	82,000		82,000	
Total Maintenance Other Expense	686,091	500,978	652,500	657,000	9,000	666,000	
Increase / -Decrease over prev year	10%	-27%		31%			
Total Maintenance	1,122,566	923,102	1,080,000	1,108,500	(17,500)	1,091,000	
Increase / -Decrease over prev year	11%	-18%		20%		18%	

ATTACHMENT 4

	Actual 2013-14	Actual 2014-15	Budget 2014-15	Budget 2015-16	Adjustment	MidYear Budget 2015-16	Comments
Administration & General Personnel Exp							
Regular Salaries	613,093	595,438	605,000	635,000		635,000	
Overtime Pay	3,568	557	3,500	2,500		2,500	
Holiday Pay	(398)	-	-	-		-	
Payroll Taxes	7,494	7,628	7,500	7,500		7,500	
Workers Comp Insurance	4,576	7,103	8,500	9,000	(5,000)	4,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Medical & Life Insurance	63,066	60,711	64,500	64,500	(7,500)	57,000	Changes in Employees benefit choices
OPEB Benefits	8,676	9,286	8,500	12,000		12,000	
Employee Optional Benefits	45,277	45,420	46,000	46,000	3,000	49,000	Changes in Employees benefit choices
Retirement Contributions	147,294	148,267	154,000	172,000	(2,500)	169,500	Adjustment for early payment discount
Total Admin. & General Personnel Exp	892,646	874,410	897,500	948,500	(12,000)	936,500	
Increase / -Decrease over prev year	3%	-2%		8%		7%	
General & Administration Other Expenses							
Advertising (public notices)	10,182	10,360	12,000	6,000		6,000	
Leasing / Real Estate	-	-	-	17,000		17,000	
Port District Open House	5,460	550	5,000	4,000		4,000	
Telephone/WiFi Communications	29,310	42,402	41,000	43,000		43,000	
Rental Expense	64,156	69,453	70,000	76,500		76,500	
General Insurance	66,083	131,331	131,500	153,000	(28,000)	125,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Memberships	12,332	13,335	14,500	14,300		14,300	
Memberships-LAFCO Contrb.	6,500	5,009	5,000	5,700		5,700	
Subscriptions	1,354	961	1,500	1,500		1,500	
Office Supplies & Equipment	31,449	21,208	45,000	25,000		25,000	
Office Computer Equipment	18,527	17,298	21,000	12,500		12,500	
Security cameras/installs/maintenance	7,770	2,428	3,000	8,000		8,000	
Postage & Express	4,423	4,089	6,500	5,000		5,000	
Equipment Rental	10,006	7,096	11,500	8,500		8,500	
Auto Mileage & Allowance	12,036	12,013	15,000	13,500		13,500	
Conferences & Meetings	35,581	22,552	35,000	33,000		33,000	
Professional Services - Auditing & Accounti	13,458	13,483	15,000	15,000	5,000	20,000	One tenant audit
Professional Services - Legal	220,789	228,847	240,000	150,000	95,000	245,000	Potential litigations; investigations; VSE Fisheries; capital improvement projects; bid packets; monthly reporting
Professional Services - All others	175,645	145,671	223,500	100,000	21,000	121,000	Environmental studies; VSE Fisheries; parking studies
Trolley services to stop in Harbor	24,000	24,000	25,000	24,000		24,000	
Bad Debt/Uncollectable accounts	41,174	24,375	36,000	25,000		25,000	
Bank Fees & Other Misc.	13,455	10,226	15,000	15,000		15,000	
Total Admin. & General Other Expenses	803,690	806,687	972,000	755,500	93,000	848,500	
Increase / -Decrease over prev year	19%	0%	21%	-6%		5%	
Total Admin & General Exp	1,696,336	1,681,097	1,869,500	1,704,000	81,000	1,785,000	
Increase / -Decrease over prev year	10%	-1%		1%		6%	

ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
<u>Harbor Village Marina Personnel Expenses</u>							
Regular Salaries	229,055	213,401	225,000	232,500		232,500	
Part-time Pay	22,824	9,992	20,000	12,500		12,500	
Overtime Pay	6,603	4,736	4,500	6,000		6,000	
Holiday Pay	5,569	5,565	6,000	8,500		8,500	
Payroll Taxes	5,002	3,862	5,500	5,500		5,500	
Workers Comp Insurance	19,366	37,700	37,500	43,500	(25,500)	18,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Group Medical Insurance	37,707	44,019	46,000	47,500		47,500	
Employee Optional Benefits	33,851	28,800	29,000	29,000		29,000	
Retirement Contributions	55,004	54,377	56,500	62,500	(1,000)	61,500	Adjustment for early payment discount
Total Marina Expenses Personnel	414,981	402,452	430,000	447,500	(26,500)	421,000	
Increase / -Decrease over prev year	-1%	-4%		11%		5%	
<u>Harbor Village Marina Other Expenses</u>							
Uniforms	2,720	3,379	5,000	5,000		5,000	
Fuel expense	138	262	1,000	1,000		1,000	
General Insurance	34,446	34,446	35,000	35,000	-	35,000	
Operating Supplies	5,248	3,119	9,000	9,000		9,000	
Janitorial Supplies	5,601	8,216	7,500	7,500		7,500	
Other Equipment Repairs	1,206	-	1,500	1,500		1,500	
Building Maintenance	-	-	4,000	4,000		4,000	
Grounds Maintenance	5,621	5,778	19,500	8,000		8,000	
Dock Maint. & Repairs	2,672	15,266	30,000	30,000		30,000	
Fish Pier Repairs	13,474	20,800	21,000	12,000		12,000	
Conferences & Training	767	558	1,500	3,500		3,500	
Utilities-Electrical	58,222	65,011	65,000	70,000		70,000	
Utilities-Gas	4,924	5,127	8,000	8,000		8,000	
Utilities-Water	50,824	40,963	49,000	55,000		55,000	
Trash Disposal	12,332	12,960	14,500	14,500		14,500	
Professional/Outside Services	30,872	46,288	45,000	47,500		47,500	
Misc. Expense	-	-	500	500		500	
Total Marina Other Expenses	229,067	262,173	317,000	312,000	-	312,000	
Increase / -Decrease over prev year	-22%	14%	38%	19%		19%	
Total Marina Expenses	644,048	664,625	747,000	759,500	(26,500)	733,000	
Increase / -Decrease over prev year	-10%	3%		14%		10%	

ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
<u>Harbor Village Common Area Maintenance (CAM) Personnel Expenses</u>							
Regular Salaries	290,562	310,381	295,000	308,000		308,000	
Part-time Pay	-	-	-	-		-	
Overtime Pay	3,751	6,095	5,000	5,500		5,500	
Holiday Pay	3,398	4,192	4,000	5,000		5,000	
Payroll Taxes	5,780	4,642	6,000	6,500		6,500	
Workers Comp Insurance	26,640	37,700	37,500	43,500	(21,500)	22,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Group Medical Insurance	41,196	51,138	53,000	56,000		56,000	
Employee Optional Benefits	30,097	33,231	34,000	34,000		34,000	
Retirement Contributions	53,401	57,748	59,000	65,000	(1,000)	64,000	Adjustment for early payment discount
Total C.A.M. Personel Expenses	454,825	505,127	493,500	523,500	(22,500)	501,000	
Increase / -Decrease over prev year	12%	11%	9%	4%		-1%	
<u>Harbor Village Common Area Maintenance (CAM) Other Expenses</u>							
Uniforms	4,430	5,471	4,500	5,500		5,500	
Oil & Fuel Expense	7,662	8,333	6,500	8,500		8,500	
General Insurance	41,357	107,670	108,000	130,000	(30,000)	100,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Operating Supplies	2,116	796	2,500	2,500		2,500	
Janitorial Supplies	25,967	20,541	26,000	28,000		28,000	
Building Maintenance	9,742	8,371	45,000	55,000		55,000	
Grounds Maintenance	13,079	11,732	10,000	9,500		9,500	
Equipment & Repairs	5,696	4,196	5,000	4,500		4,500	
Utilities-Electrical	38,955	35,028	40,000	45,000		45,000	
Utilities-Water	53,318	74,086	72,000	75,000		75,000	
Trash Collection	14,102	9,979	16,000	17,000		17,000	
Professional/Outside Services	57,323	51,654	55,000	54,000		54,000	
Total C.A.M. Other Expenses	273,747	337,857	390,500	434,500	(30,000)	404,500	
Increase / -Decrease over prev year	3%	23%	43%	29%		20%	
Total CAM Expenses	728,572	842,984	884,000	958,000	(52,500)	905,500	
Increase / -Decrease over prev year	8%	16%		14%		7%	

ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
<u>Harbor Village Marketing Personnel Expenses</u>							
Regular Salaries	112,084	125,876	125,000	126,500		126,500	
Part-time Pay	36,270	28,200	31,000	29,000		29,000	
Overtime Pay	884	1,599	2,000	2,000		2,000	
Holiday Pay	(208)	39	500	500		500	
Payroll Taxes	4,466	3,961	4,000	4,500		4,500	
Workers Comp Insurance	1,138	1,800	2,000	2,000	(1,000)	1,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Medical & Life Insurance	13,858	9,583	10,000	10,000		10,000	
Employee Optional Benefits	8,407	12,192	13,000	13,000		13,000	
Retirement Contributions	26,519	23,243	35,000	26,000	(500)	25,500	Adjustment for early payment discount
Total Marketing Personnel Expenses	203,418	206,493	222,500	213,500	(1,500)	212,000	
Increase / -Decrease over prev year	7%	2%	9%	3%		3%	
<u>Harbor Marketing Other Expenses</u>							
Advertising	136,688	131,070	131,000	134,500		134,500	
Graphic Design/Ad Production	19,900	20,700	20,000	22,000		22,000	
Event Banners	1,492	641	1,000	1,500		1,500	
Maps/Rack Cards/Harbor Brochures	14,465	17,667	20,000	16,500		16,500	
Certified Rack	2,528	2,447	2,500	2,500		2,500	
Tourism Outreach and Partnership	6,144	3,552	9,000	9,000		9,000	
Entertainment-live music	18,932	21,181	23,000	23,000		23,000	
Event Production	52,443	56,684	60,000	63,500		63,500	
Equipment Rental-Copier Lease	5,323	5,068	6,000	5,000		5,000	
Content Marketing/Website Social Media	13,658	13,762	18,500	13,600		13,600	
Miscellaneous	72	75	500	400		400	
Total Marketing Other Expenses	271,645	272,847	291,500	291,500	-	291,500	
Increase / -Decrease over prev year	20%	0%	7%	7%		7%	
Total Marketing Expenses	475,063	479,340	514,000	505,000	(1,500)	503,500	
Increase / -Decrease over prev year	14%	1%	8%	5%		5%	
Total Operating Exp. Before Dredging	4,666,585	4,591,148	5,094,500	5,035,000	(17,000)	5,018,000	
Increase / -Decrease over prev year	7%	-2%	9%	10%		9%	

ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
<u>Harbor Dredging and Related Expenses</u>							
Inner Harbor Maintenance Dredging	-	-	-	-	75,000	75,000	Stub channel dredging includes City property
Dredging & Project Management Prof. Serv	106,757	106,656	110,000	110,000	-	110,000	Consultants breakdown of services provided - Dredging 40% Project Management 40% General Support 20%
Washington Lobbyist Prof Serv	60,000	60,339	60,000	60,000	-	60,000	
Dredg. Regulatory Require.	69,836	53,726	80,000	80,000	-	80,000	
Dredging Conferences	5,813	6,357	9,000	9,000	-	9,000	
Dredging Misc. Expenses	1,128	628	1,000	1,000	-	1,000	
Total Harbor Dredging Expenses	243,534	227,706	260,000	260,000	75,000	335,000	
TOTAL OPERATING EXPENDITURES	4,910,119	4,818,854	5,354,500	5,295,000	58,000	5,353,000	
Increase / -Decrease over prev year	7%	-2%	9%	10%		11%	
Operating Cash Flows In (Out)	2,336,926	2,371,812	1,725,500	2,194,000	(153,000)	2,041,000	The operating expenses for the Harbor Patrol Dept have been separated out to properly reflect the Property Tax revenue used to cover these expenses

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ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
NON-OPERATING and OTHER EXPENDITURES							
Harbor Patrol exp. not funded by prop. taxes	116,053	142,124	218,000	268,000	(100,000)	168,000	
Launch ramp expenses not funded by grant	-	-	-	-		-	
Cost of Issuance/Premium for rate resetting	-	-	-	-	135,600	135,600	COP's rate reset
COP's Interest Payment	474,339	450,213	455,000	435,000		435,000	
DBAW Loan #1 Interest Payment \$4m	160,934	158,977	160,000	160,000		160,000	
DBAW Loan #2 Interest Payment \$1.5m	55,767	54,250	55,000	55,000		55,000	
Principle Payments on bonds/loans	588,151	616,306	620,000	640,000		640,000	
TOTAL NON-OPER. EXPENDITURES	1,395,244	1,421,870	1,508,000	1,558,000	35,600	1,593,600	
Annual Cash Flows In (Out) from normal operations before any Improvements	941,682	949,942	217,500	636,000	(188,600)	447,400	
Building Tenant Improvement's	140,681	163,911	230,000	285,000		285,000	See attached Tenant Improvement Schedule
Accessibility Improvements	-	117,768	265,000	405,000	395,000	800,000	RRM Plans for next phase of path of travel thru Village \$60k and Misc Improvements \$50k; Misc improvements to restrooms \$10k (Spinnaker RR 1575, 1691 & downstairs 1559); Improvement Plans to restrooms \$25k (Spinnaker Restrooms at 1567, 1583 & 1591); DAC \$10k; Parking lot improvements \$250k (plans by Jensen); ADDED Phase 2 Construction
Capitla Improvement Projects	2,301,090	202,220	1,581,000	1,543,000	(313,000)	1,230,000	See attached Capital Improvement Schedule
Annual Cash Flows In (Out) after Improvements	(1,500,089)	466,043	(1,858,500)	(1,597,000)	(270,600)	(1,867,600)	
Unrestricted Reserve Balance	5,627,000	7,500,000	5,700,000	6,200,000			

ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
Harbor Patrol Department Expenses funded from Property Taxes and Assessments collected by the County of Ventura							
Property Taxes & Assessments Revenue	989,720	1,042,763	1,010,000	1,030,000	40,000	1,070,000	Attributed to County tax assessment 10/2015
		5%		-1%		3%	
<u>Harbor Patrol Personnel Expenses</u>							
Regular Salaries	505,289	534,089	535,000	548,000		548,000	
Part-time Pay	63,550	22,882	36,000	36,000		36,000	
Overtime Pay	30,293	30,049	35,000	35,000	31,000	66,000	Coverage dangerous conditions summer/winter El Nino
Holiday Pay	17,586	17,656	20,500	24,000		24,000	
Payroll Taxes & Unemployment	12,556	10,761	15,000	15,000		15,000	
Workers Comp Insurance	127,603	192,000	192,000	219,000	(111,000)	108,000	Attributed to the annual JPIA Retro Deposit Cost Analysis
Medical & Life Insurance	52,940	54,578	59,000	47,000	3,500	50,500	Changes in Employees benefit choices
Employee Optional Benefits	43,428	47,089	50,000	47,000	(2,000)	45,000	Changes in Employees benefit choices
Retirement Contributions	92,615	91,264	95,000	118,500	(1,500)	117,000	Adjustment for early payment discount
Total Harbor Patrol Personnel Exp	945,860	1,000,368	1,037,500	1,089,500	(80,000)	1,009,500	
Increase / -Decrease over prev year		12%	6%	10%	9%	1%	
<u>Harbor Patrol Other Expenses</u>							
Uniforms	7,691	25,021	31,000	13,000	5,000	18,000	Replacement foul weather gear
Oil & Fuel Expense	28,297	26,201	34,000	34,000		34,000	
Operating Supplies & Expense	14,322	10,510	21,000	21,000	15,000	36,000	Purchase FCC license, a repeater. radios and other misc gear
Boat Maintenance	82,659	85,363	60,000	65,000		65,000	
Auto Equip & Maint.	8,248	6,463	5,000	8,500		8,500	
Conferences & Training	3,585	6,235	3,500	4,000		4,000	
Summer Lifeguard Services	15,111	24,726	32,000	59,000		59,000	
Professional Services	-	-	4,000	4,000		4,000	
Total Harbor Patrol Other Expenses	159,913	184,519	190,500	208,500	20,000	228,500	
Increase / -Decrease over prev year		52%		13%		24%	
Total Harbor Patrol Expenses	1,105,773	1,184,887	1,228,000	1,298,000	(60,000)	1,238,000	
Increase / -Decrease over prev year		16%	7%	11%	10%	4%	
Expenditures remaining after Property Tax Revenues were applied	(116,053)	(142,124)	(218,000)	(268,000)	100,000	(168,000)	Remaining expenditures are funded from Operating Revenues

ATTACHMENT 4

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2014-15</u>	<u>Budget 2015-16</u>	<u>Adjustment</u>	<u>MidYear Budget 2015-16</u>	<u>Comments</u>
Expenditures funded by Grants and Special Funding							
<u>Grants and Special Funding</u>							
DBAW Grants-abandon vessel&vessel turn	-	10,563	13,500	5,500	-	5,500	
DBAW Grants-Boating Equipment	34,419	-	49,500	59,500	-	59,500	
DBAW Grant-Training Expense Reimb	694	-	6,000	10,000	-	10,000	
DBAW Grants-LaunchRamp	1,894,253	21,881	167,000	-	-	-	
TOTAL GRANTS & SPECIAL FUNDING	1,929,366	32,444	236,000	75,000	-	75,000	
<u>Projects, Equipment and Training Expenses</u>							
Vessel Salvage-Abandoned and Turn-in	-	10,563	13,500	5,500	-	5,500	
Boat Equipment	34,419	-	49,500	59,500	-	59,500	
Harbor Patrol Training	694	-	6,000	10,000	-	10,000	
Renovate LaunchRamp	1,894,253	21,881	167,000	-	-	-	
TOTAL PROJECTS & EQUIPMENT	1,929,366	32,444	236,000	75,000	-	75,000	

JANUARY 27, 2016

BOARD OF PORT COMMISSIONERS

STANDARD AGENDA ITEM NO. 5

UPDATE ON EMERGENCY CONDITIONS

AT 1691 SPINNAKER DRIVE

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 5
Meeting Date: January 27, 2016

TO: Board of Port Commissioners
FROM: Richard Parsons, Consultant
SUBJECT: Update on Emergency Condition at 1691 Spinnaker Drive

RECOMMENDATION:

That the Board of Port Commissioners determine by a four-fifths vote that there is a need to continue the emergency action adopted by the Board on January 13, 2016 to award a contract to Letner Roofing Company to replace the tile roof system on 1691 Spinnaker Drive without giving notice for bids to let a contract.

SUMMARY:

The dangerous condition at 1691 Spinnaker Drive still exists. Staff is currently putting together a purchase order with Letner Roofing Company for emergency tile roof work, which should be in place the week of January 25th.