

B. OCEANSIDE SMALL CRAFT HARBOR DISTRICT

1.0 OVERVIEW

Oceanside Small Craft Harbor District (SCHD) is a dependent special district associated with the City of Oceanside. Formation proceedings were completed in January 1960 and done so under the promotion of Mayor Erwin Sklar to establish community access to additional public funding to construct and operate the planned development of the Oceanside Harbor. Formation proceedings were also focused on an Oceanside-only proposal after civic leaders declined an offer to join a



separate regional effort underway at the same time to form the Carlana Harbor District, which was tentatively envisioned to cover a 100-square mile area from Carlsbad to Solana Beach. While actual services are contained within the approximate 100-acre Oceanside Harbor complex, SCHD's overall jurisdictional boundary matches Oceanside and spans 42.2 square miles and covers nearly 27,000 acres.¹

Decision-making is governed by the Oceanside City Council with Councilmembers concurrently serving as the SCHD Board and holding regular joint meetings. The Board also utilizes Oceanside's nine-member Harbor and Beaches Advisory Committee to help inform decisions - including budget and capital improvements. Actual administrative services of SCHD are delegated to Oceanside's Harbor Division and its head - Harbor Manager Joseph Ravitch - within the Public Works Department. Budgeted staffing for the Harbor Division has stayed relatively flat and finished with 17.4 full-time equivalent positions at the end of the reporting period.²

¹ Consequently, and like Oceanside, nearly three-fourths of SCHD's jurisdictional boundary is under private ownership with one-third of this amount - or 5,303 acres and divided into 3,701 parcels - remaining entirely undeveloped without any assessed structures or improvements.

² An Oceanside Lifeguard Unit via the Fire Department now provides safety and patrol services to the Oceanside Harbor and ended the reporting period with a budget of 10.0 full-time positions.

SCHD operates as a limited-purpose agency under the Small Craft Harbor District Act and is one of three such agencies currently operating under this principal act in California. SCHD presently provides two active municipal functions tied to the Oceanside Harbor: (a) marina and (b) dredging. The marina is the principal activity and includes several connected classes marked by providing a municipal wharf, fishing pier, harbor basins (docks and slips), and beach and camping. The dredging function is limited and involves sponsoring channel clearing and beach replenishment classes and is done in an advisory capacity via coordination with the U.S. Army Corps. A third function – patrol and rescue – is also authorized but appears to have become inactive beginning in 2009 with Oceanside directly assuming these services.

Public-Facing Activities...

SCHD's core activities involve its marina function and operations of the Oceanside Harbor, which is 100 acres in size and headlined by accommodating 954 total boat slips at the end of the five-year report period.

With respect to financial standing, SCHD's actual yearly expense at the end of the five-year report period in 2022 tallies \$8.750 million. This ending amount lies below the average annual period expense tally of \$9.945 million and underlies the overall decrease trend of (39.0%). Nearly three-fourths of SCHD's actual annual expenses over the reporting period involve making two distinct payments to Oceanside covering staff support services and the lease of the Oceanside Harbor complex.³ Actual yearly revenue collected at the end of the reporting period tallies \$8.963 million with three-fifths generated from boat slip rentals. This most recent collection amount lies above the annual period average of \$8.314 million and underlies the overall increase trend of 16.3%. The total unassigned cash balance on hand at the end of the reporting period totals \$4.600 million and is equivalent to covering 6.3 months of recent actual operating expenses.⁴

Improving \$ Relationship...

SCHD's actual annual expenses over the five-year report period have exceeded actual annual revenues by (one-fifth). Trends, however, are improving over the reporting period with actual expenses decreasing by (39.0%) and actual revenues increasing by 16.3%.

³ The per capita expense has similarly changed during the reporting period from \$83 to \$50 or (39.7%).

⁴ SCHD audited net position at the reporting period's end totals \$14.931 million with the unrestricted portion at \$4.850 million.

LAFCO independently estimates the full-time resident population within the coterminous SCHD/Oceanside’s jurisdictional boundaries is 174,615 at the end of the five-year reporting period. This includes an estimated 151 live-aboard boat residents in the Harbor. The median household income among all SCHD/Oceanside residents is \$97,238 based on the current five-year period average, which lies above the countywide average of \$88,240. Residents are currently spending 27.7% of their household income on rent or mortgage payments. LAFCO estimates the adjusted housing cost to also include utilities equals 32.7% of household income. The average home value has separately increased by 59.2% from \$522,082 to \$831,328.⁵

151 Liveaboard Residents...

SCHD’s resident population mirrors Oceanside’s and totals 174,615 at the end of the five-year report period. Specific to the Oceanside Harbor, there are 86 live-abords slips with an estimated population of 151.

2.0 BACKGROUND

2.1 Community Development

Oceanside SCHD’s jurisdictional boundary purposefully parallels the City of Oceanside and a detailing of the shared community’s present-day development is provided as part of the City profile. Notwithstanding this reference, the development of SCHD’s core service area - Oceanside Harbor - dates back to the late 1940s with civic leaders proposing the creation of a man-made recreational harbor near the Beachlake Trailer Park at the shallow mouth of the San Luis Rey River. Mayor Erwin Sklar and the Chamber of Commerce served as leading proponents for the project with the latter producing marketing materials in support of developing a pleasure harbor to provide an attractive alternative to existing anchorages in Newport and San Diego.



⁵ The average home values in Oceanside during the five-year report period is based on Zillow analytics (www.zillow.com).

Marketing for the creation of the Oceanside Harbor advanced into the 1950s with local leaders taking several trips to Washington D.C. to solicit lawmakers to support the project. These efforts proved successful with the Department of Defense eventually agreeing by the end of the decade to make available approximately 70 acres from Camp Pendleton on the north side of the San Luis Rey River mouth for the project once it was determined there would be no interference with the Marine Corps' own Del Mar Harbor.

This created momentum for the project to secure another 30 acres on the south side of the San Luis Rey River mouth through a purchase agreement with Beachlake Trailer Park. At the same time, State legislation was added beginning in 1959 to allow cities and certain special districts to finance harbor improvements with revenue bond funds.

Early Development of Oceanside Harbor
Circa 1960s



Photo Credit: Visit Oceanside

2.2 Formation Proceedings

Oceanside SCHED's formation was sponsored by the City of Oceanside with the explicit intention of providing a separate and dedicated means for the community to fund, organize, and operate a planned pleasure harbor without encumbering City resources. Formation proceedings were also focused on an Oceanside-only proposal after civic leaders declined an offer to join a separate regional effort underway at the same time to form the Carlana Harbor District, which was expected to cover a 100-square mile area from Carlsbad to Solana Beach. (Voters proceeded to reject the formation of the Carlana Harbor District in October 1960.) Oceanside voters approved SCHED's formation in January 1960 along with an approximate \$4.5 million revenue bond to cover initial development.

2.3 Notable Post Formation Activities + Events

A summary of notable activities undertaken by Oceanside SCHD and/or affecting the District's jurisdictional boundary post-formation in 1960 are as follows.

1960s
SCHD holds its first meeting on February 11, 1960. Initial functions initiated by the Board with the adoption of its first budget include port, pier, and police.

SCHD receives a \$1.8 million grant from the Department of Defense in March 1960 as its contribution to the Oceanside Harbor project. (Grant mitigates beach erosion impacts associated with Camp Pendelton's jetty operations at Del Mar Harbor.) A separate \$1.0 million low-interest loan from the State is also awarded to SCHD at the same time.

Oceanside's first "Harbor Days" festival is held in September 1960. The annual festival starts at Del Mar Harbor (Camp Pendelton) and transitions to Oceanside Harbor and eventually becomes the community's largest event with attendance regularly reaching 50,000 to 80,000.

SCHD enters into a 50-year lease agreement with the City of Oceanside in November 1961 involving the Oceanside Harbor complex. The first six years of the lease involve SCHD making an annual payment of \$1 with the remainder set to equal 10% of the net revenue of the District.

1960s
Construction on the Oceanside Harbor complex is completed and opens to the public in June 1963. Initial development cost is nearly \$7.0 million and provides approximately 500 small craft slips.

Construction on a waterfront shopping center - initially cited as Lighthouse Village - along Oceanside Harbor commences in January 1964. The shopping center opens as the Harbor Village with an initial tenant anchor being the Harbor Light Restaurant.

The City of Oceanside completes construction on 1950 North Harbor Drive in 1965. The two-story building is leased to SCHD for subleasing, which has been occupied since construction by the Yacht Club.

1970s
The U.S. Coast Guard stations the 82-foot Point Hobart vessel at the Oceanside Harbor beginning in 1969 to patrol and perform search and rescue operations

covering the coastline north to Dana Point. (The Coast Guard decommissions Point Hobart in July 1999 with its replacement stationed in Monterey.)

SCHD adopts the "Oceanside Small Craft Harbor Precise Plan" in July 1979 to guide short (to 1985) and long-term (post-1985) planning of the Harbor.

The City of Oceanside completes construction on 315 Harbor Drive South in 1981. The two-story building is leased to SCHD for subleasing, which presently is occupied by Sea Center.

1980s

SCHD adopts its "Blue Book" in 1983 to provide rules and regulations for Harbor permittees and done so to curb illegal living aboard vessels and a rise in vessels in deteriorating condition. The most recent update to the Blue Book is approved in 2016.

San Diego LAFCO performs its first independent review of SCHD in conjunction with establishing a sphere of influence in January 1986. At the time of the action, LAFCO documents SCHD's core infrastructure consisting of a docking system with 915 boat-slips, two police rescue vessels, nine restrooms, and 1700 public parking spaces.

SCHD purchases a two-story hotel - Villa Marina and later Oceanside Marina Suites -located on District land at Harbor Village in May 1994 for \$1.1 million following the prior operator's filing for bankruptcy.

1990s

SCHD and the City of Oceanside agree to amend their lease agreement involving the Oceanside Harbor complex in May 2003. The amendment establishes a prescribed percentage of net revenue to be paid by SCHD less a minimum of \$250,000 through 2069. The percentage after 2016 is 10%.

2000s

SCHD no longer provides - at least not directly - patrol and rescue functions in line with its Harbor Patrol Unit merging into the City of Oceanside in July 2009.

2020s

Oceanside takes action in August 2022 to eliminate the Police Department's Harbor Unit and transition water patrols and rescue services to the Fire Department's Marine Safety Unit, which includes 24-hour coverage with one firefighter/paramedic and two lifeguards.

3.0 BOUNDARIES + RELATED CONSIDERATIONS

3.1 Jurisdictional Boundary

Oceanside SCHD’s jurisdictional boundary is coterminous with the City of Oceanside and spans 42.2 square miles and covers 26,991 acres. Slightly more than one-half of the SCHD jurisdictional boundary is land-locked and either adjacent to the Pacific Ocean or the Cities of Carlsbad and Vista. The remainder of the SCHD perimeter lies adjacent to unincorporated lands with one-half of this amount next to the United States Marine Corps Camp Pendleton. This leaves one-quarter of SCHD’s jurisdiction open to future expansion. The elevation ranges between (30) to 895 feet above sea level with the latter point recorded along Indian Trail Way in the South Morro Hills neighborhood. Key characteristics underlying the jurisdictional boundary follow in Table 3.1a with more details provided as part of the Oceanside profile.

Physical Footprint...
Oceanside SCHD’s jurisdictional boundary matches the City of Oceanside and spans 42 square miles or 26,991 acres.

Oceanside SCHD Jurisdictional Boundary Characteristics Table B - 3.1a Source: San Diego LAFCO	
Total Jurisdictional Size	26,991 acres
Total Jurisdictional Parcels and Acreage	62,771 parcels totaling 23,048 acres
... Publicly Owned Parcels and Acreage	688 parcels totaling 7,487 acres
... Privately Owned Parcels and Acreage	62,083 parcels totaling 19,505 acres
... Undeveloped, Privately-Owned Parcels and Acreage	3,741 parcels totaling 5,303 acres
Total Number of Registered Voters	102,066
Total Assessed Value (Land and Structures)	\$27.5 billion

SCHD’s jurisdictional boundary is shown on Map B-1 on the preceding page.

3.2 Sphere of Influence

Oceanside SCHD’s sphere of influence was established by San Diego LAFCO in January 1986 with subsequent updates performed in 2005, 2007, and 2013. The sphere is coterminous with the City of Oceanside’s sphere and categorized as a larger-than-agency designation with all of the jurisdictional lands

Limited Expansion Expectations...
LAFCO’s sphere of influence for Oceanside SCHD is purposefully aligned with the City of Oceanside and includes all jurisdictional lands plus one non-jurisdictional area near Sunset Drive and Busch Drive totaling 19.5 acres.

covered, plus certain non-jurisdictional territory. The non-jurisdictional territory within the sphere is limited and involves one contiguous 19.5-acre area located along the intersection of Sunset Drive and Busch Drive. No special study areas are assigned to the SCHED sphere by LAFCO.

Map No. B-1



4.0 DEMOGRAPHICS

4.1 Population and Housing

Oceanside SCHD’s total full-time resident population within its jurisdictional boundary is independently estimated by LAFCO at 174,615 at the end of the five-year report period. This amount represents 4.4% of the countywide population total. It is also estimated the full-time population in SCHD has risen overall by approximately 4.8% from 166,554 in 2010 and the associated census

Positive - Albeit Modest - Growth...

It is estimated there are 174,615 fulltime residents in Oceanside SCHD at the end of the report period with the average day addition of 1.4 new residents over the preceding 60 months. It is projected the fulltime population will increase, consistent with recent trends and reach 178,165 by 2027.

reset. This translates to an annual increase of 522 or 0.4%, which is one-fifth lower than the corresponding countywide growth rate of 0.6% over the same period. The current estimate produces a population density of 6.5 residents for every one acre and underlies the overall dense suburban character of the jurisdictional boundary. It is projected the current growth rate will continue into the near term and result in the full-time population reaching 178,165 by 2027 as reflected in Table B-4.1a.

Oceanside SCHD Resident Population					Annual Change
Factor	2010 Estimate	2018 Estimate	2022 Estimate	2027 Estimate	
Oceanside SCHD	166,554	172,004	174,615	178,165	0.4%
San Diego County	3,095,305	3,244,893	3,315,082	3,414,325	0.6%

Table B-4.1a | Source: Esri and San Diego LAFCO

It is separately estimated by LAFCO there are 68,147 residential housing units within Oceanside SCHD at the end of the five-year report period. This amount represents an overall increase of 3,905 - or 6.1% - since 2010 for an annual change of 325. The overall ratio of new residents to new housing during the reporting period is 1.61 to 1.0. This most recent ratio- notably - marks a significant improvement relative to the preceding five-year ratio of one housing unit for every 2.98 residents.

Housing to Population...

Oceanside SCHD experienced the average annual construction of 325 new housing units over the reporting period. This results in SCHD experiencing the addition of one new home for every 1.6 new residents, which marks a 37% improvement over the historical ratio of one unit for every 2.6 residents.

Additional characteristics underlying SCHD’s jurisdictional boundary follow in Table B-4.1b with additional details provided in the City of Oceanside profile.

Oceanside SCHD Housing Characteristics Table B-4.1b Source: Esri and San Diego LAFCO		
Factor	Oceanside SCHD	San Diego County
2010 Housing Units	64,242	1,164,781
2022 Housing Units	68,147	1,238,794
... % Change	6.1%	6.4%
Household Size (5-year average 2012-2016)	2.95	2.87
Household Size (5-year average 2017-2021)	2.98	2.81
... % Change	1.02%	(2.09%)
Monthly Housing Cost (5-year average 2012-2016)	\$1,805.11	\$1,578.00
Monthly Housing Cost (5-year average 2017-2021)	\$2,247.94	\$1,971.00
... % Change	24.53%	24.90%
2010 Vacancy Rate	8.0%	6.7%
2022 Vacancy Rate	6.5%	5.9%
... % Change	(19.3%)	(11.9%)

4.2 Age Distribution

The median age of residents in Oceanside SCHD is 38.6 based on the current five-year period average. This amount reflects an increase of 1.8% from 37.9 over the preceding five-year period. The current median age in SCHD also remains higher than the countywide average of 36.3. Additional age characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.3 Income Characteristics

The median household income in Oceanside SCHD is \$97,238 based on the current five-year period average. This amount shows households are receiving significantly more pay over the report period with the median income experiencing an overall increase of approximately 42.4% from the preceding period average of \$68,307; a difference that is more than double the corresponding change in inflation measured for the San Diego region over the same period.⁶ Additional income characteristics relevant to SCHD are provided in the City of Oceanside profile.

⁶ The inflation rate for the San Diego region via the consumer price index is 17.7% between June 2018 and July 2022.

4.4 Other Socioeconomic Indicators

Unemployment levels within Oceanside SCHD are comparatively low at 5.6% based on the current five-year period average. This amount is nearly one-sixth - or (15.2%) - below the corresponding countywide average rate of 6.6%. Unemployment levels - however - have increased by more than one-third - 33.4% - from the previous five-year average of 4.2%. Additional socioeconomic characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.5 Unhoused Needs and Capacities

Counts performed during the five-year review period show the average number of homeless within Oceanside SCHD has been 471. The total number of counted homeless at the end of the period totals 514 with 61.9% - or 318 - being unsheltered and residing in cars, public places, or the street. The remaining 196 homeless counted in SCHD at the end of the period are sheltered and reside in an emergency shelter, homeless shelter, or transitional housing. Additional homeless characteristics relevant to SCHD are provided in the City of Oceanside profile.

4.6 Environmental Justice

State law directs LAFCO to address several factors anytime the Commission considers jurisdictional changes, including environmental justice. This factor was added to statute beginning January 1, 2008, and defined to mean “the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.” LAFCO adopted a policy in 2022 to formally guide its consideration of environmental justice and this includes proactively incorporating the topic - and specifically pollution burdens and their associated economic impacts - in the Commission’s municipal service review program.

Consideration of environmental justice factors within Oceanside SCHD draw on staff analyzing data available from the California Environmental Protection Agency through its online assessment tool (CalEnviroScreen 4.0). Two percentile rankings for SCHD are generated within this analysis and based on a composite of all underlying census tracts.

Population Burdens + At-Risk Factors...

LAFCO’s consideration of environmental justice factors in Oceanside SCHD draws from the California Environmental Protection Agency and provides percentile rankings relative to all of California as it relates to (a) pollution burdens and (b) at-risk population characteristics.

These involve (a) pollution burdens (exposures and environmental effects) and (b) at risk population characteristics (sensitive populations and socioeconomic factors) and summarized below with additional details provided in the City of Oceanside profile.

- SCHD's composite **pollution burdens** ranking falls in the 41st percentile relative to the rest of California. The overall ranking separately falls slightly above the 38th percentile ranking for all of San Diego County. Three pollution burden measurements exceed the 50th percentile and are considered relatively high. These high measurements comprise two exposures involving (a) traffic impacts and (b) drinking water contaminants as well as (c) one environmental effect involving impaired water bodies. None of these three measurements exceeds the 66th percentile and its significance threshold.

A more micro-review of pollution burdens within SCHD's core service area - Oceanside Harbor - shows a composite ranking in the 21st percentile, which is substantively below the overall boundary ranking. However, within this core service area, five pollution burden measurements exceed the 66th percentile and considered significant by LAFCO and involve all of the following with descriptions drawn from the California EPA.

- Air Quality: Diesel Particulates (72nd percentile)
Exhaust from trucks, buses, trains, ships and other equipment with diesel engines contains a mixture of gases and solid particles and can become an exposure threat as diesel particulates. Diesel particulates can reach deep into the lung, where they can contribute to health problems including eye, throat and nose irritation, heart and lung disease, and lung cancer. Children and elderly are most sensitive to these effects.
- Drinking Water Contaminants (70th percentile)
Drinking water can become contaminated with chemicals or bacteria above regulatory standards via both natural and human sources and becomes an exposure threat. Natural sources include rocks, soil, wildlife and fires. Human sources include factories, sewage, and runoff from farms. A common natural contaminant involves arsenic, which occurs in some rocks and soil and can cause cancer. Nitrate from fertilizer or manure can commonly leach into groundwater and contaminate wells.

- Cleanup Sites (86th percentile)
Cleanup sites are designated places contaminated with hazardous chemicals that can move through the air or groundwater. People living near these sites have a greater potential to be exposed to chemicals from the sites than people living further away. Multiple cleanup sites are located nearby in Camp Pendleton.
- Groundwater Threats (90th percentile)
Hazardous chemicals are often stored in containers on land or in underground storage tanks. Leaks from these containers can contaminate soil and groundwater and pollute soil and groundwater. Common soil and groundwater pollutants include gasoline and diesel fuels at gas stations, as well as solvents, heavy metals and pesticides. Multiple threat sites are located nearby in Camp Pendleton.
- Impaired Water Bodies (92nd percentile)
Water bodies – like harbors – used for recreation and fishing are at higher risk for man-made pollutants and become impaired. These impairments can harm wildlife and humans via direct contact.
- SCHD’s composite **at-risk population** ranking falls in the 32nd percentile relative to the rest of California. The overall ranking separately falls below the 37th percentile ranking for all of San Diego County. One at-risk measurement exceeds the 50th percentile and is considered relatively high and involves (a) unemployment. This means a proportionally high number of people in Oceanside over 16 years old are out of work that are otherwise able to work and accordingly more susceptible to stress and its associated illnesses.⁷ None of the at-risk categories exceed the 66th percentile and its significance threshold. A more micro-review of at-risk populations within the Oceanside Harbor shows a composite ranking in the 12th percentile and well below the ranking for the overall SCHD boundary. None of the measurements exceed the 50th percentile.

A complete detailing of all population burdens and at-risk population rankings for Oceanside SCHD, Oceanside Harbor, and San Diego County follows.

⁷ Measurement excludes students, active duty, retirees, and people not looking for work.

Oceanside SCHD Pollution Burdens and Susceptible Population

Table A - 4.6a | Source: California Environmental Protection Agency and SD LAFCO

Factor	Oceanside SCHD	Oceanside SCHD Harbor Area Only ⁸	San Diego County
No. of Census Tracts	32	1	627
Pollution Burden			
... Average Percentile Relative to California	41.0	21.0	37.8
Exposures Air Quality - Ozone	35.0	30.0	42.2
Exposures Air Quality - Fine Particulate Matter:	40.4	50.0	43.1
Exposures Air Quality - Diesel Particulate Matter:	45.2	72.0	49.5
Exposures Pesticide Uses:	29.0	0.0	11.8
Exposures Toxic Releases:	14.8	15.0	32.1
Exposures Traffic Impacts:	53.7	0.0	48.4
Exposures Drinking Water Contaminants:	56.9	70.0	33.2
Exposures Lead Risk in Housing:	30.7	12.0	38.7
Effects Cleanup Sites:	31.6	86.0	24.2
Effects Groundwater Threats:	35.4	90.0	36.8
Effects Hazardous Waste:	44.9	36.0	44.9
Effects Impaired Water Bodies:	62.1	92.0	55.5
Effects Solid Waste Sites and Facilities:	30.4	0.0	27.4
Sensitive Population			
... Average Percentile Relative to California	31.9	12.0	36.8
Sensitive Population Asthma:	22.3	30.0	34.6
Sensitive Population Low Birth Weight:	35.2	12.0	44.5
Sensitive Population Cardiovascular Disease:	33.0	47.0	28.8
Socioeconomic Factor Education:	46.5	5.0	41.3
Socioeconomic Factor Linguistic Isolation:	29.7	3.0	37.8
Socioeconomic Factor Poverty:	47.3	27.0	45.5
Socioeconomic Factor Unemployment:	52.2	9.0	50.0
Socioeconomic Factor Housing Burden:	49.7	44.0	49.0

Additional analysis with respect to environmental justice factors within the Oceanside SCHD is provided in the agency profile for the City of Oceanside.

⁸ Census Tract 6073018300.

5.0 ORGANIZATION

5.1 Governance

Oceanside SCHD operates as a dependent special district under Division 8 of California’s Harbor and Navigation Code (Sections 7000 to 7340.). The principal act - Small Craft Harbor Act - is codified under Part 7 and established by the Legislature in 1959 to provide local communities the ability to create and/or manage portions of the Pacific Ocean or inland waters for public benefit and usage. It establishes eligibility for special districts created therein to provide a broad range of municipal harbor functions and ancillary classes. Materially, and as an alternative to the baseline standard of having an elected board, the principal act specifies when the territory included within any subject district lies entirely within a single city, the legislative body of such city shall be ex officio the board of directors of the district.⁹

SCHD is currently authorized by LAFCO to provide three broad municipal functions contemplated under its principal act - (a) marina and (b) dredging, and (c) patrol and rescue - along with ancillary classes as specified in Table 5.1a below as well as detailed in Section 6.0. However, while authorized to provide all three municipal functions, only SCHD’s marina and dredging functions are clearly active; the patrol and rescue function appears inactive with the City of Oceanside directly assuming these services since 2009.

Clarifying Oceanside SCHD’s Patrol and Rescue Function...

Oceanside SCHD’s patrol and rescue function appears to have become dormant beginning in 2009 but remains officially “active.” This dynamic suggests formal action should be taken to divest the function and in doing so remedy potential liability issues.

Oceanside SCHD Authorized Functions and Ancillary Classes Table B-5.1a Source: SD LAFCO + Harbor and Navigation Code	
Function	Ancillary Classes
Marina	Acquisition, Reconstruction, Repair, and Operation of Wharves, Docks, Boat Slips, Ferry Slips, Berths, Warehouses, Streets, Roads, Drives Parkways, Approaches, Aquatic Playgrounds, Beach Parks, Bathing Beaches, Other Recreation Facilities, Fueling, Loading, Shipping and Reshipping, and Sanitation.
Dredging	Acquisition, Reconstruction, Repair and Maintenance of Channels, Shipways, Anchorage Places, Jetties, Breakwaters, Bulkheads, Seawalls and Turning Basins.
Patrol and Rescue	Inactive (Unofficially)

⁹ Reference to Section 7046.

Consistent with the principal act, the Oceanside City Council serves as the Oceanside SCHED Board of Directors and holds concurrent meetings. The Board’s decision-making - materially - draws on the deliberations of the nine-member Harbor and Beaches Advisory Committee. The Committee meets six times a year on the third or fourth Monday of February, May, June, August, October, and November starting at 5:00 P.M. in the City Council Chambers. Summary minutes are prepared for all Committee meetings; audio and video recordings are not provided. A current listing of the Board and Committee follows in Tables B-5.1b and B-5.1c.

Oceanside SCHED - Current Board Roster			
Table B-5.1b Source: City of Oceanside			
Member	Position	Years on Council	Background
Esther Sanchez	Board President	22.5	Attorney (retired)
Ryan Keim	Deputy Board President	3.5	Police Officer
Eric Joyce	Board member	1	Educator
Rick Robinson	Board member	1	Fire Protection (retired)
Peter Weiss	Board member	4.5	Local Government (retired)
Average Experience: 6.5 Years			

Harbor and Beaches Advisory Committee			
Current Committee Roster			
Table B-5.1c Source: Oceanside SCHED			
Member	Position	Years on Board	Background
Liz Rhea	Chair	10	Consulting
Mark Mallaby	Committee Member	1	Corporate
Ernie Prieto	Committee Member	2	Non-Profit
Carolyn Krammer	Committee Member	7	Community Activist
James Gardner	Committee Member	10	Local Business Owner
Rusty Russell	Committee Member	n/a	n/a
Joe Yaglinski	Vice Chair	4	Live-Aboard
Les George	Committee Member	6	Public Safety
Vacant	n/a	n/a	n/a
Average Experience: 5.5 Years			

5.2 Administration

Oceanside SCHD appoints an at-will and full-time Harbor Manager to oversee all District functions. The current Harbor Manager - Joseph Ravitch - was appointed in May 2023. Ted Schiafone served as the Harbor Manager for the duration of the reporting period before taking a similar position with the City of Morro Bay. The total number of budgeted positions allocated to SCHD at the end of the report period is 17.4 full-time equivalent employees with more than one-half tied to maintenance positions. Overall, budgeted staffing for SCHD has remained constant over the preceding 60-month period. Budgeted staff levels and related categories follows in Table B-5.2a.

Oceanside SCHD Administration Office
1540 Harbor Dr S, Oceanside, CA 92054



Photo Credit: Google Maps

Oceanside SCHD Budgeted Staffing Levels Table B-5.2a Source: Oceanside SCHD				
Category	FY 2018	FY 2022	Average	Trend
Management	1.1	2.2	1.7	100.0%
Maintenance	11.2	11.2	11.2	0.0%
Administrative Support	5.0	4.0	4.5	(25.0%)
Total	17.3	17.4	17.4	0.6%

6.0 MUNICIPAL SERVICES

Oceanside SCHD currently provides two active municipal service functions as categorized by LAFCO - (a) marina and (b) dredging - within its approximate 100-acre service area encompassing the Oceanside Harbor. (A third authorized function - patrol and rescue - has been inactive since 2009 with the City of Oceanside assuming the services

Oceanside Harbor
Main Entrance via Harbor Drive



Photo Credit: Google Maps

directly.¹⁰⁾ A summary analysis of the two active service functions and their ancillary classes follows with respect to resources, capacities, demands, and performance during the five-year report period.

6.1 Marina Function + Ancillary Classes

Oceanside SCHED's marina function dates to its formation and represents the agency's primary service activity in terms of volume and comprises several distinct classes underlying the public-facing operations of the Oceanside Harbor. These classes are headlined by the construction, repair, and ongoing operation of a municipal wharf, fishing pier, harbor basins (docks and slips), beach and camping, streets and sidewalks, and parking. 100% of all budgeted costs during the reporting period have been expended on the marina function and related - albeit standalone - classes.

Public-Facing Function...

Oceanside SCHED's marina function and distinct classes serve as the agency's public-facing service and are marked by the ongoing operation (construction, repair, and amenities) of the Oceanside Harbor. 100% of all budgeted + actual resources during the reporting period have gone to this function.

Resources, Capacities + Related Demands

Oceanside SCHED's marina function operates as an enterprise and is organized to be fully self-sufficient via resources generated directly by marina users. Actual revenues generated during the five-year report period have annually averaged \$8.292 million. Actuals collected at the end of the reporting period tallies \$9.198 million and underlies a period change of 23.0% and is attributed to beginning to receive lease monies generated at the wharf. More than four-fifths of the average actual tally - or 82.7% - is drawn from monthly slip rentals. Actual expenses during the reporting period have annually averaged \$9.945 million. The final year tallies \$8.750 million and underlies a period change of (39.0%). Nearly two-thirds - or 64.9% - of actual expenses ties to paying rent to Oceanside, which in turn - among other items - covers staff support.

Self-Supporting Resources...

Oceanside SCHED's marina function is intended to be entirely self-funded with actual annual revenue averaging \$8.3 million during the five-year report period with 83% coming from boat slips. Actual annual expenses have averaged \$9.945 million with 65% covering staff support costs with the City of Oceanside and the assignment of 17.4 full-time-equivalent positions.

¹⁰ The City of Oceanside transitioned land and water-based public safety services within the SCHED at the end of the reporting period in 2022 from its Police Department via a dedicated Harbor Unit to the Fire Department via a dedicated Lifeguard Unit. A total of 10 positions within the Lifeguard Unit are assigned to the Harbor with coverage spanning 24 hours a day, seven days a week. Land and water public safety services include boat operations and towing, rescue swimmers, fire suppression, emergency medical services, hazardous materials response, and vessel inspections.

With respect to available capacities and demands underlying SCHD's marina function and the provision of a municipal wharf, fishing pier, berthing basins (docks and slips), launch ramp, beaching and camping, streets and sidewalks, and parking:

- Wharf:
SCHD maintains and operates a municipal wharf in coordination with Oceanside's Real Estate Division (Public Works Department) that frames the Oceanside Harbor complex. The wharf's leasable commercial spaces span approximately 350,000 square feet and are largely divided between four broad categories: recreation; marine services; food and beverage; and hotel. The largest lease at the end of the reporting period totals 90,544 square feet involving the Oceanside Marina Inn - Pacific Suites. Nearly all leases pay a uniform rental rate plus a percentage of net revenue. SCHD finished the reporting period with a 100% occupancy rate.

- Fishing Pier:
SCHD maintains an approximate 50-foot length municipal pier at the Oceanside Harbor. The pier was originally built in 1963 and most recently rebuilt in 1987. The L-shape pier is dedicated to recreational fishing and made of redwood planking that extends over shallow muddy waters with a wrap-around railing at 44 inches in height. It is located in the center of Oceanside Harbor overlooking the inlet to the Pacific Ocean and divides the north and south berthing basins. Up to a dozen anglers can use the pier at any given time with bass, jacksmelt, and opaleye being common catches. Fishing permits are not required.

- Berthing Basins (Boat Slips + Docks):
SCHD's basins are divided into two distinct berths - north and south - which were established as part of the original construction of the Oceanside Harbor in 1963. A third basin was tentatively planned by SCHD beginning in the late 1970s via expansion into the adjacent Del Mar Marina (Camp Pendleton) but has not materialized to date.¹¹ Additional details follow.
 - The combined number of boat slips in Oceanside Harbor totals 954 at the end of the reporting period. This amount has remained unchanged during the preceding 60 months. 890 boat slips are dedicated to permittees.

¹¹ The Del Mar Marina was constructed in 1942 as a wartime measure. It lies immediately upcoast from the SCHD boundary and designed to serve landing crafts as well as training operators of amphibious vehicles. These uses continue today.

- 64 boat slips are dedicated to wharf leases and guests. All slips are single with water and electric hook-ups included. Permittees are limited to staying overnight on their boards no more than three (3) times per week.
- All permittees consent to the Harbor Manager or their designee to have inspection access to help ensure vessels comply with SCHED rules and regulations, including seaworthiness and appearances. Permittees retain their permits after selling their registered vessel so long as they purchase and register a new vessel within 90 days. Permittees may also transfer permits with the prior approval of the Harbor Manager.
- All permittees pay monthly rent based on their slip size and number of vessel feet. Slip rents have increased uniformly by 11.1% over the reporting period with a typical offshore boat of 40 feet paying \$700.00 per month at the end of the period. A listing of rents follows in Table B-6.1a.

Oceanside SCHED's Boat Slip Monthly Per Foot Charges

Table B-6.1a | Source: Oceanside SCHED

Year	Slip Size 26'	Slip Size 34'	Slip Size 43'	Slip Size 51'
2018	14.40	15.70	15.70	15.70
2019	14.40	15.70	15.70	15.70
2020	15.30	16.70	16.70	16.70
2021	15.30	16.70	16.70	16.70
2022	16.00	17.50	17.50	17.50
Average	15.08	16.46	16.46	16.46

Postscript: SCHED's monthly rates were raised beginning in January 2024 approximately 18%.

- There are 26 total piling docks divided between 11 (A-J and Z) in the north basin and 15 (K-X) in the south basin. Both basins are accessed through locked gangways with each having sewer pump out stations. Both basins also have dedicated full bathrooms and laundry facilities that are accessible to permittees through electronic fobs. A fuel dock is located in the south basin.
- SCHED policies allow for a maximum of 10% of the available permitted boat slips to liveboards. The current number of liveboards at the end of the reporting period is 86 and has remained unchanged during the preceding 60 months. Eligibility is limited to vessels that are no less than 32 feet in length and occupied by owners and their immediate family members. Liveboards must have permanent toilets and holding tanks as well as

maintain records showing regular pump outs.

- Guest slips total 24 with an array of side ties and are available to the public on a first-come basis with a maximum stay of 30 days unless approved by the Harbor Manager.
- Both permittees and liveboards have remained at full capacity during the reporting period. Waiting list tallies follow in Tables B-6.1b and B-6.1c.

Oceanside SCHED's Boat Slip <u>Waiting Lists</u>						
Table B-6.1b Source: Oceanside SCHED						
Year	Slip Size 26'	Slip Size 34'	Slip Size 43'	Slip Size 51'	Other Sizes	TOTAL
2018	6	44	55	23	18	146
2019	17	73	72	19	19	200
2020	29	73	75	18	19	214
2021	63	72	92	20	19	266
2022	58	63	68	19	18	226
Average	34.6	65.0	72.4	19.8	18.6	210.4

Oceanside SCHED's Liveboards <u>Waiting Lists</u>						
Table B-6.1c Source: Oceanside SCHED						
Year	2018	2019	2020	2021	2022	Average
List A	13	11	10	11	11	11
List B	69	83	94	103	108	94
Total	82	94	104	114	119	103

- Launch Ramp:
SCHED maintains one municipal boat launch. The ramp includes four boarding floats that can accommodate up to six vessels at any one time. The ramp is part of the south basin off of North Pacific Street.¹² SCHED does not track launches.
- Beach + Camping:
SCHED maintains one municipal beach - Harbor Beach. The beach is approximately 0.5 miles in length and totals approximately 3.0 acres - making it the largest in Oceanside. The beach is open year-round and patrolled by three Oceanside lifeguard towers, which are typically staffed between Memorial Day and Labor Day. Onsite amenities include two covered picnic table areas, 10 fire

¹² Parking is available in the adjacent lot (11b) with the capacity to accommodate 110 auto/trailer spaces with daily fees between \$35 (May to September) and \$30 (October to April).

rings, and a children’s playground. Public restrooms are open 24-hours. Vehicle camping is available year-round and there is a five-night limit in any 30-day period. Tents, popouts, slide-outs, and awnings are not allowed.

- Streets and Sidewalks:

SCHD maintains approximately 2.0 miles of municipal right-of-way roads along Harbor Drive - North and South - as well as a short section of Pacific Street specific to cleaning and trash recovery SCHD similarly maintains approximately 2.8 miles of municipal sidewalks located along the periphery of the two berthing basins. Heavy usage during summer months occurs along Harbor Dive South and is associated with pedestrians using the free parking in Lot 1 and walking the 2,000-foot distance to Harbor Beach. Actual street and sidewalk repair is provided by Oceanside.

- Parking:

SCHD maintains 15 public parking lots collectively providing 1,690 total vehicle spaces. This total amount is divided between 413 reserved and 1,277 unreserved parking lot spaces. Reserved parking within the lots is largely dedicated to boat slip renters. Additional information follows in Table B-6.1d.

Oceanside SCHD’s Public Parking Capacities			
Table B-6.1d Source: Oceanside SCHD			
Lot	Reserved	Unreserved	Total
No. 1	23	427	450
No. 2	44	112	156
No. 3	43	119	162
No. 4	43	67	110
No. 5	71	87	158
No. 6	40	63	103
No. 7 (paid)	57	60	117
No. 8 - North + South	0	55	55
No. 9	0	24	24
No. 10 (paid)	0	51	51
No. 11 (paid)	0	35	35
No. 11 - A + B (paid)	0	178	178
No. 12 (paid)	0	91	91
TOTAL	413	1,277	1,690

Overall Performance: Measuring Capacities and Demands

Oceanside SCHED's primary municipal function - marina - encompasses several connected service classes underlying the day-to-day operations of the Oceanside Harbor. The marina function's organization as an enterprise fund creates an otherwise unique task for SCHED as a local governmental agency to generate retail-type revenues sufficient to continue to attract and retain business, most notably in the form of its primary income sources involving boat slips and commercial lessees. Although demands for these primary revenue generators have remained relatively steady through the five-year report period as measured by their respective waiting lists and vacancy rates, the outlook going forward appears less certain. This uncertainty ties to six decades of continued ocean and saltwater exposure to infrastructure paired with expanding usage marked by boat slips nearly doubling from 520 to 954. Decades of delayed and/or deferred maintenance have left core infrastructure increasingly vulnerable to breakdowns and/or failure.

Reconciliation on the Horizon...

Two things appear equally true with respect to measuring the performance of Oceanside SCHED's marina function:

- 1) SCHED's marina function appears to be performing satisfactorily through the end of the five-year report period as measured by constant demand for its two primary revenue sources: boat slip permittees and commercial wharf leases.
- 2) Performance of the marina function has under-prioritized regular maintenance, and as a result has left its core infrastructure (docks, pilings, etc.) in need of an estimated \$28.0 million to stabilize over the next 15 years; an amount more than 3 times greater than the average annual revenue collection during the reporting period.

An outside engineer recently completed an assessment at the end of the reporting period estimating the total costs to stabilize and maintain core Harbor infrastructure (docks, gangways, gates, pilings, etc.) over the next 15-year period at \$28.0 million; an amount more than three times greater than SCHED's annual average actual revenue. SCHED subsequently responded to the outside engineer's estimate in December 2023 with a series of actions to enhance revenues and cover most of the estimated maintenance costs. The enhancements are mostly to be borne by slip permittees and marked by raising monthly fees by approximately 18% and adding individual billing meters for water and electricity. The next municipal service review covering SCHED should review the effects of implementing these revenue enhancements and the relationship on demands - positive, negative, or neutral - among boat slip users.

6.2 Dredging Function + Ancillary Classes

Oceanside SCHED's dredging function also dates to its formation and the creation of the Oceanside Harbor to provide sufficient depth and protection for boats' berthing and passage within the Harbor. This function involves two related classes involving channel clearing and beneficial reuse of sand with the latter directly tied to the former. These services are presently limited to an advisory role to the U.S. Army Corps of Engineers.

Maritime-Facing Function...

Oceanside SCHED's dredging function and two related classes - channel clearing and beach restoration - serve as the agency's core maritime service and performed in a coordinating role with the U.S. Army Corps of Engineers.

Resources, Capacities + Related Demands

Oceanside's SCHED's dredging function operates as a non-enterprise and therefore dependent on non-user revenues to fund any activities. No resources - notably - have been budgeted by SCHED for the dredging function and its two intertwined classes - channel clearing and beach restoration - during the reporting period. Instead, this function is incidentally supported as part of SCHED's marina function and involves administratively advising and coordinating with the U.S. Army Corps of Engineers and their annual dredging commitment to clear the inlet shared with Camp Pendleton.¹³ The Corps commitment to perform annual dredging has been historically premised on dredging the inlet to a depth of no less than 30 feet and in doing so limiting risks to boats to shoaling effects - the concurrent shallowing of water and intensifying of waves. More recently, however, the amount of accumulated sand in the inlet has been decreasing as a result of southward drift. The annual dredging generally takes place in late spring and takes approximately two to four weeks to complete at a cost of approximately \$6.5 million. The average yearly volume of sand dredged from the inlet during the reporting period has been 257,019 cubic yards and is the equivalent of covering 160 acres to a depth of one foot.

Annual totals for each of the five years in the reporting period follow in Table B-6.2a.

¹³ The annual dredging program is a cost-share by the U.S. Corps of Engineers and Navy.

U.S. Army Corps of Engineering – Annual Dredging

Table B-6.2a | Source: Oceanside SCHD

Year	Cubic Yards	Acre-Feet Equivalent
2018	184,323	114.25
2019	228,108	141.39
2020	245,382	152.10
2021	349,703	216.76
2022	277,670	172.11
Average	257,109	159.37

Sand dredged by the U.S. Corps of Engineering as part of the annual channel clearing is currently pumped onto the North Strand and Pier View beaches. U.S. Army Corps of Engineering – and not SCHD – covers the costs to dredge and place the sand on the north beaches as a source of beach replenishment as volume permits.

More Sand Needed...

Despite the annual replenishment performed by the U.S. Corps of Engineering, it is estimated Harbor Beach is currently losing 2.4 feet a year to erosion based on a 2021 consultant’s report prepared for Oceanside.

Pertinently, to date, only the annual dredging of the Oceanside Harbor provides sand replenishment for any beaches in Oceanside. A recent feasibility analysis prepared for Oceanside in 2021 to address sand replenishment and retention options along its coastline estimates Harbor Beach is now eroding by (2.4 feet) annually.¹⁴

Overall Performance: Measuring Capacities and Demands

Oceanside’s SCHD’s dredging function operates passively with capacities at the end of the five-year report period constrained to providing advisory input to the U.S. Corps of Engineers as part of their annual activities involving the Oceanside Harbor. While this passive role provides benefit to constituents by having a representative voice in the Corps’ decision-making, it nonetheless differs from expectations set at formation for SCHD to directly clear channels. It is also apparent the level of clearing and associated sand replenishment provided annually by the Corps is not keeping up with current erosion losses along Harbor Beach. These factors suggest SCHD revisit its dredging function to either

Managing Expectations...

Oceanside SCHD should revisit its dredging function and consider the dual merits of either establishing stand-alone capacities to clear the inlet as well as replenish/retain sand on Harbor Beach or pursuing divestiture in managing community expectations and any associated liabilities.

¹⁴ Oceanside states a separate study performed by SANDAG that Harbor Beach is growing at a rate of 2.8 feet per year. Additional analysis is needed to reconcile the discrepancies between the two studies.

establish stand-alone capacities to clear the inlet as well as replenish and retain sand along Harbor Beach or pursue divestiture in managing community expectations.

7.0 FINANCES

7.1 Budget and Actuals

With respect to planning annual expenses, Oceanside SCHD’s total adopted budgeted costs have averaged \$9.618 million during the five-year report period. The most recent budgeted amount falls (11.4%) below the five-year average at \$8.522 million with four-fifths of this recent tally going to cover staff support services with the City of Oceanside. Most of the remaining budgeted expense planned at the end of the reporting period involves making a lease payment to Oceanside for the Harbor complex. A summary of budgeted expenses follows in Table B-7.1a.

Budgeting Costs...

Oceanside SCHD’s total budgeted expense at the end of the five-year report period is \$8.522 million with 83% covering planned staff support services with the City of Oceanside. Overall, SCHD’s total budgeted costs - i.e., the expected expense to run all Harbor activities - have increased by 15% over the reporting period.

Oceanside SCHD Total Budgeted Expenses							
Table B-7.1a Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO							
Fund Category	2018	2019	2020	2021	2022	Average	Trend
Maintenance + Ops	657,343	3,341,064	894,669	4,187,523	791,863	1,974,492	20.5
Internal Charges	6,300	442,364	22,000	9,000	33,623	102,657	433.7
Capital Outlay	-	-	-	-	133,103	26,621	0.0
Debt Service	363,103	135,926	132,053	135,103	-	153,237	(63.3)
Transfers	6,196,682	6,237,298	6,696,325	707,711	7,088,904	6,665,264	14.4
Other	159,900	159,900	474,365	474,365	474,365	348,579	196.7
Personnel	-	1,736,052	-	-	-	347,210	n/a
Total (millions)	\$7.383	\$12.053	\$8.2193	\$11.9133	\$8.522	\$9.618	15.4%

Oceanside SCHD’s overall actual expenses during the five-year report period have averaged \$9.945 million and slightly below - specifically 3.4% - budgeted expectations. The most recent actual amount expended by SCHD tallies \$8.750 million and reflects an overall trend decrease of (39.0%) during the reporting period. Of this most recent year's amount, exactly nine-tenths involved payments going to Oceanside for staff support (\$6.996

Actual Costs...

Oceanside SCHD’s total actual expense at the end of the five-year report period equals \$8.750 million with 80% covering staff support services with the City of Oceanside. Overall, the variance between actual and budgeted expenses during the reporting period falls slightly higher at 3.4%.

million) and the lease at Oceanside Harbor (\$0.836 million). The overall average actual per capita expense during the reporting period is \$57.30 with starting and ending amounts of \$83.15 and \$50.11; a decrease of (39.7%). A breakdown of all actual expenses for the reporting period follows in Table B-7.1b.

Oceanside SCHD Total Actual Expenses Table B-7.1b Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO						Average	Trend
Fund Category	2018	2019	2020	2021	2022		
Maintenance + Ops	731,967	1,243,119	1,174,518	3,664,477	1,056,064	1,574,029	44.3
Debt Service	17,685	15,161	13,008	10,760	8,502	13,023	(51.9)
Transfers	6,029,821	3,655,649	6,157,376	6,721,848	6,995,727	6,452,084	16.0
Other	7,296,784	394,744	367,685	500,264	645,614	1,841,018	(91.2)
Internal Charges	1,280	5,268	9,704	7,668	43,970	13,578	3335.2
Capital Outlay	258,452	-	-	-	-	51,690	(100.0)
Total (millions)	\$14.336	\$8.014	\$7.722	\$10.905	\$8.750	\$9.945	(39.0%)
Per Capita Value	\$83.15	\$46.28	\$44.36	\$62.58	\$50.31	\$57.30	(39.7%)

With respect to planning revenues, Oceanside SCHD’s total adopted budgeted revenues have averaged \$8.607 million during the five-year report period. The most recent budgeted amount falls (0.4%) below the five-year average at \$8.576 million with more than two-thirds expected from monthly boat slip fees. Most of the remaining budgeted revenue planned at the end of the reporting period involves commercial leases and parking fees. A summary of budgeted expenses over the reporting period follows in Table B-7.1c.

Budgeting Revenues...

Oceanside SCHD’s total budgeted revenue at the end of the five-year report period is \$8.576 million with 68% tying to boat slip fees. Overall, SCHD’s total budgeted revenues - i.e., the expected monies generated in running all Harbor activities - have increased by 16% over the reporting period.

Oceanside SCHD Total Budgeted Revenues Table B-7.1c Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO						Average	Trend
Fund Category	2018	2019	2020	2021	2022		
Boat Slip Fees	5,200,000	5,192,000	5,538,000	5,761,000	5,868,000	5,511,800	12.8
Commercial Leases	1,186,000	1,254,000	1,332,000	4,383,000	1,431,000	1,917,200	20.7
Parking	914,000	997,000	1,033,000	1,059,000	1,059,000	1,012,400	15.9
Interest	15,000	15,000	15,000	15,000	15,000	15,000	0.0
Transfer - Wait List	-	71,000	89,000	92,000	92,000	68,800	n/a
Inspection Fees	-	19,000	24,000	29,000	15,000	17,400	
Other	108,000	66,000	27,000	27,000	41,000	538,000	(62.0)
Private Foundations	-	-	-	-	55,000	11,000	n/a
Total (millions)	\$7.423	\$7.614	\$8.058	\$11.366	\$8.576	\$8.607	15.5%

Oceanside SCHED’s overall actual revenues during the five-year report period have averaged \$8.314 million and slightly below – specifically 3.5% – budgeted expectations. The most recent actual amount collected by SCHED tallies \$8.963 million and underlies an overall trend increase of 16.3% during the reporting period. Drilling down on the final year amount, three-fourths involved monthly boat slip fees (\$6.639 million) with the balance largely tying to parking (\$1.160 million) and commercial leases (\$1.147 million). The overall average per capita actual revenue during the reporting period is \$47.86 with starting and ending amounts of \$44.69 and \$51.33; an increase of 14.9%. A breakdown of all actual revenues for the reporting period follows in Table B-7.1d.

Actual Revenues...

Oceanside SCHED’s total actual revenue at the end of the five-year report period equals \$8.963 million with 74% generated from boat slip fees. Overall, the variance between actual and budgeted revenues during the reporting period is slightly lower at (3.5%).

Oceanside SCHED Total Actual Revenues							
Table B-7.1d Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO							
Fund Category	2018	2019	2020	2021	2022	Average	Trend
Boat Slip Fees	6,514,862	7,024,358	6,771,433	7,197,044	6,638,791	6,829,298	1.9
Parking Fees	996,412	697,014	839,880	1,159,952	1,159,617	1,024,575	16.4
Service Charges	45,691	37,638	30,839	30,220	30,453	34,968	(33.4)
Commercial Leases	-	-	-	-	1,146,615	229,323	n/a
Fines and Penalties	116,845	116,762	113,589	135,300	116,256	119,750	(0.5)
Other	16,917	42,413	21,934	37,237	50,609	33,822	199.2
Interest Earnings	15,007	184,517	189,192	3,808	(179,008)	42,703	(1292.8)
Total (millions)	\$7.706	\$8.373	\$7.967	\$8.564	\$8.963	\$8.314	16.3%
Per Capita Value	\$44.69	\$48.36	\$45.77	\$49.15	\$51.33	\$47.86	14.9%

7.2 Fund Balance

Oceanside SCHED’s fund balance at the end of the five-year report period tallies \$4.600 million. This amount represents the unassigned cash available to SCHED for any purposes and finishes one-fifth above the annual ending fund balance average of \$3.779 million. The combination of the two amounts reflects an overall upward trend 24.0% over the 60 month period. The average annual ending fund balance is separately sufficient to cover 4.9 months of the average operating expense incurred during the reporting period with the final year finishing at 6.3 months. The ending fund balances relative to covering equivalent monthly operating expenses for the reporting period follows in Table B-7.2a.

Sizing the Fund Balance Up...

Oceanside SCHED finished the five-year report period with an unassigned fund balance of \$4.600 million, sufficient to cover 6.3 months of actual costs.

Oceanside SCHD Unassigned Fund Balance + Monthly Coverage Equivalents Table B-7.2a Source: City of Oceanside (Adopted Annual Budgets, FY18 to FY22) + SD LAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Ending Fund Balance	3,710,187	3,969,280	4,059,036	2,557,432	4,600,359	3,779,259	24.0
Actual Operating Costs	1,4076,257	8,008,673	7,712,587	10,897,349	8,705,907	9,990,155	(38.2)
Months Covered	3.16	5.95	6.32	2.82	6.34	4.92	100.5

7.3 Financial Statements

Oceanside SCHD contracts with an outside accounting firm to prepare an annual report to review the agency’s financial statements in accordance with established governmental accounting standards. These audited statements provide quantitative measurements in assessing SCHD’s short and long-term fiscal health based on an accrual accounting method, i.e., recording revenues and expenses ahead of actual payment. All outside audits prepared during the five-year report period have been performed by Lance, Soll & Lunghard, LLP or LSL (Sacramento).

SCHD’s most recent financial statements for the five-year report period cover 2021-2022 and were completed on January 31, 2023. These statements show SCHD experienced a relatively substantive improvement over the prior fiscal year as the overall net position covering all activities and related associations increased by 11.8% from \$13.7 million to \$14.9 million. The accompanying letter to management did not identify any material weaknesses or related concerns. A detailing of year-end totals and trends during the reporting period follows for assets, liabilities, and net position.

Most Recent Year-Ending Financial Statements (2022) amounts in millions	
Assets	\$32.274
Liabilities	\$1.420
Deferred Outflow/Inflow	(\$15.924)
Net Position	\$14.931

Agency Assets

SCHD’s audited overall assets at the end of the reporting period totals \$32.3 million. This amount is 72.4% higher than the average ending amount of \$18.7 million documented during each of the five years and underlies the upward and improving track during the report period. Assets classified as current with the expectation they could be liquidated within a year tally \$6.8 million - or 21.0% of the total - and predominately tie to

Assets on the Rise ...

SCHD’s assets have increased by 115% during the five-year report period from \$15.0 to \$32.3 million with the change largely tied to now booking future commercial lease receivables. The per capita value of total assets at the end of the reporting period is \$122.

cash and investments. Assets classified as non-current make up the remainder at \$25.5 million. It is this portion of assets that underlie the overall increase during the reporting period and is marked by booking \$15.215 million in future commercial lease receivables at the Oceanside Harbor.¹⁵ Overall, SCHD’s total audited assets have increased by \$17.2 million - or 114.6% - over the corresponding 60-month period. Specific year-end asset totals for SCHD are shown below in Table B-7.3a.

Oceanside SCHD Audited Assets Table B-7.3a Source: SCHD ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Current	6,171,271	6,549,969	7,060,817	5,699,545	6,774,347	6,451,190	9.8
Non-Current	8,871,317	8,393,516	8,044,133	10,511,368	25,499,757	12,264,018	187.4
Total (millions)	\$15.042	\$14.943	\$15.105	\$16.211	\$32.274	\$18.715	114.6%
Per Capita Value	87.25	86.30	86.78	93.03	121.83	95.04	39.7

Agency Liabilities

SCHD’s overall audited liabilities at the end of the reporting period totals \$1.420 million. This amount is (8.5%) below the average ending amount of \$1.551 million documented during the reporting period and underlies the downward and improving track during the period. Liabilities classified as current with the expectation they will become due within a year represent \$0.953 million - or 67.0% of the total - and largely ties to payable deposits. Liabilities classified as non-current and considered long-term obligations make up the remainder of the balance. These non-current liabilities are predominately divided between a cash advancement from Oceanside in 2016 for the purchase of a patrol vessel operated by OPD as well as debt financing of a 30-year loan from 1994 with the Department of Boating and Waterways. Overall, SCHD’s total audited liabilities have decreased by (\$0.262 million) - or (15.6%) - over the corresponding 60-month period largely the result of paying down the two aforementioned obligations. Specific year-end liability totals for SCHD are shown below in Table 7.3b.

Liabilities on the Decline...

SCHD’s liabilities have decreased by (16%) during the five-year report period from \$1.7 to \$1.4 million with the change largely tied to paying down long-term debts - including a 2016 cash advancement from Oceanside in the amount of \$0.5 million to purchase a new patrol vessel. The per capita value of total liabilities at the end of the reporting period is \$8.

¹⁵ SCHD also booked a new \$3.5 million capital asset in 2021 to replace one of the District’s docks with new pilings (J-Dock).

Oceanside SCHD Audited Liabilities Table B-7.3b Source: SCHD ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Current	727,499	528,759	649,769	1,337,142	953,812	893,396	31.1
Non-Current	955,000	837,066	713,492	589,982	466,214	712,351	(51.2)
Total (millions)	\$1.682	\$1.367	\$1.363	\$1.927	\$1.420	\$1.551	(15.6%)
Per Capita Value	\$9.76	\$7.89	\$7.83	\$11.06	\$8.13	\$8.93	(16.7%)

Net Position

SCHD’s overall audited net position at the end of the reporting period totals \$14.930 million and represents the difference between total assets and total liabilities along with adjusting for deferred resources. This most recent year-end amount lies 6.8% above the average year-end sum of \$13.979 million generated during the five-year report

Truing Up Assets and Liabilities...

Oceanside SCHD’s audited net position has increased during the five-year report period by 11.8% from \$13.360 to \$14.931 million. This change parallels the difference in the per capita measurement and its 10.4% increase from \$78 to \$86.

period and reflects the upward and improving trend. Most of the net position - \$10.080 million or 67.5% - ties to capital asset holdings. The remainder involves unrestricted monies. Overall, SCHD’s audited net position has increased by \$1.571 million - or 11.8% - over the corresponding 60-month period and is a byproduct of the concurrent rise in assets and decline in liabilities. Specific year-end net position totals for Oceanside SCHD are shown below in Table 7.3c.

Oceanside SCHD Audited Net Position Table B-7.3c Source: SCHD ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Capital Assets	8,276,317	7,893,516	7,230,641	10,206,368	10,080,107	8.737	21.8
Restricted	-	-	-	-	-	-	-
Unrestricted	5,083,772	5,684,144	6,511,048	4,077,421	4,850,484	5.241	(4.6)
Total (millions)	\$13.360	\$13.578	\$13.742	\$14.284	\$14.931	\$13.979	11.8%
Per Capita Value	\$77.49	\$78.42	\$78.94	\$81.97	\$85.51	\$80.47	10.4%

7.4 Fiscal Indicators | Measuring Liquidity, Capital, Margin + Asset Management

LAFCO’s review of the audited financial statement issuances by Oceanside SCHD covering the five-year report period shows the agency experiencing mixed results and related trends within the four central fiscal measurement categories – liquidity, capital, margin, and asset management – utilized in this document. Summaries follow.

Liquidity (Short-Term Outlook)

Oceanside SCHD’s average annual current ratio during the reporting period tallies 8.6-to-1 and shows the agency having \$8.60 in available cash resources (current assets) for every \$1.00 in near-term accounts payable and related debts (current liabilities) over the 60 months. The final year ratio remains relatively robust at 7-to-1 but reflects an overall period decline of (16.3%). A separate liquidity measurement shows Oceanside SCHD’s average annual days’ cash ratio during the reporting period being 294 and sufficient to cover 42 weeks of baseline expenses and considered good. However, similar to the current ratio, the final year amount tally of 256 days’ cash and its adjusted coverage of 36.6 weeks underlies an overall period decline of (20.9%). These two measurements collectively indicate SCHD’s otherwise healthy liquidity levels are steadily decreasing and create some uncertainty with regard to the agency’s ability to absorb unexpected costs and/or shortfalls in revenues going forward.

Two-Sided Burn Rate...

Oceanside SCHD’s days’ cash ratio – or burn rate – finished the five-year report period relatively strong at 256. Nonetheless, it also experienced an overall (21%) decline with decreases incurring in four of the five years.

Oceanside SCHD Measuring Liquidity Table B-7.4a Source: SCHD ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Current Ratio	8.4 to 1	12.4 to 1	10.9 to 1	4.3 to 1	7.1 to 1	8.6 to 1	(16.3%)
Days’ Cash	3,022	1,702	2,048	2,362	1,921	2,211	(36.4%)

- The current ratio provides a macro measurement of near-term financial health by comparing current assets against current liabilities on a dollar-to-dollar basis. Higher is better.
- The days’ cash provides a micro measurement of near-term financial health by comparing available cash and equivalents against the average daily operating expenses less depreciation. Higher is better.

Capital (Long-Term Outlook)

Oceanside SCHD’s average annual debt-to-net position during the five-year report period equals 5.2% and quantifies the agency is carrying relatively low levels of long-term debts. The final year tally is 3.1% and underlies a lower and improving condition in which SCHD has reduced its exposure to risks associated with holding long-term debts that increase costs - like rises in interest rates by more than one-half over the reporting period.

Low Credit Balances with High Credit Lines...

Oceanside SCHD’s debt ratio decreased by three-fifths during the five-year reporting period before finishing at 4.4%; an amount that positions SCHD with significant capital resources to finance big-ticket improvements going forward.

A separate capital measurement shows SCHD’s average annual debt ratio over the reporting period has been 9.1%. This measurement has also been lowered and improved to 4.4% at the end of the reporting period, which means the majority balance of SCHD’s assets - specifically 95.6% - are free from debt financing. These two measurements collectively show SCHD is well-positioned to maintain good cash flow into the near future given its low debt levels paired with the concurrent ability to use capital to assume new debt as needed.

Oceanside SCHD Measuring Capital Table B-7.4b Source: SCRDC ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Debt to Net Assets Ratio	7.1%	6.2%	5.2%	4.1%	3.1%	5.2%	(56.3%)
Debt Ratio	11.2%	9.1%	9.0%	11.9%	4.4%	9.1%	(60.7%)

- The debt-to-net position ratio measures long-term financial health to quantify existing debt load as a percentage of the total net position. Lower is better.
- The debt ratio measures long-term financial health to quantify the percentage of assets that are subject to debt financing and the variables associated therein - interest rates, supply costs, etc. Lower is better.

Margin (Net Income)

Oceanside SCHD’s average annual operating margin during the five-year report period tallies 4.5% with positive percentages generated in four of the five years reviewed. This measurement covers direct day-to-day activities with all purposes revenues and expenses finishing the reporting period at 9.1% and underlies nearly a one-half improvement.

Decent Bottom Line...

Oceanside SCHD’s average annual margin - total and operating - during the five-year report period has been 5%. operating margin similarly generated a

SCHD’s average annual total margin - which measures both direct and indirect financial transactions - has been 4.9% with positive finishes in all five years. This more macro measurement also improved during the reporting period by one-seventh, and its higher-finish signals indirect costs and revenues are helping - and not hurting - SCHD’s day-to-day activities.

Oceanside SCHD Measuring Margin Table B-7.4c Source: SCR D ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Operating Margin	6.4%	0.6%	(0.2%)	6.4%	9.1%	4.5%	43.1%
Total Margin	6.3%	2.6%	2.1%	6.3%	7.2%	4.9%	14.0%

- The operating margin measures profitability levels within the agency as it relates to matching direct revenues and expenses involved in the day-to-day service activities. Higher is better.
- The total margin measures profitability levels within the agency as it relates to matching all direct and indirect revenues and expenses. Higher is better.

Asset Management

Oceanside SCHD’s average annual age of all capital assets during the five-year report period totals 52.6. The fifth and final year totals 55.3 and underlies ongoing aging during the 60 months of SCHD’s capital assets, which are largely categorized as improvements other than buildings - presumably pilings, docks, and gangways. A separate measurement via the accumulated depreciation ratio shows the general remaining usefulness of SCHD’s capital assets has significantly exceeded their expected lifespan with a period average ratio of 264%; i.e., capital assets as a whole have surpassed their expected useful lives by nearly three-fold.

Assets are Old and Getting Older...

Oceanside SCHD’s accumulated depreciation ratio at the end of the five-year report period shows its capital assets - at least on an accounting basis - have collectively exceeded their expected usefulness (lifespan) by nearly three-fold.

Oceanside SCHD Measuring Asset Management Table B-7.4d Source: SCRD ACFRs + SDLAFCO							
Category	2018	2019	2020	2021	2022	Average	Trend
Accounting Age of Capital Assets	49.9	49.7	53.5	54.7	55.3	52.6	10.7%
Accumulated Depreciation Ratio	262.0%	282.6%	300.5%	233.3%	242.8%	264.2%	(7.3%)

- The accounting age of capital assets provides a macro index of the average age the agency's core and depreciating facilities, equipment, buildings, and related infrastructure and their current replacement schedule. Lower is better.
- The accumulated depreciation ratio provides a more contextual measurement of the general remaining usefulness of the agency's core and depreciating facilities, equipment, buildings, and related infrastructure relative to their expected lifespan. Lower is better.

7.5 Pension Obligations

None

7.6 Other Post-Employment Benefit Obligations

None

Blank for Photocopying