

BOARD OF STATE HARBOR COMMISSIONERS, SAN FRANCISCO

For Support of the Board of State Harbor Commissioners, San Francisco, from the San Francisco Harbor Improvement Fund

Item 389, page 77 of the Budget Bill and page 991 to 997, inclusive, of the Budget. The amount requested from the San Francisco Harbor Improvement Fund is \$3,760,002 for support of the Board of State Harbor Commissioners, San Francisco. This is an increase of \$120,693 or 3.31 percent over the amount of \$3,639,309 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Equipment (replacement) -----	\$54,593	991
Salaries and wages -----	—29,403	991
Total -----	\$25,190	
Budget increase for new or expanded service:		
Operating expenses -----	\$66,987	991
Equipment (additional) -----	28,516	991
Total -----	\$95,503	

Recommendations

Amount budgeted -----	\$3,760,002
Legislative Auditor's recommendations -----	3,760,002
Reduction -----	None

Analysis

The activities of the board are carried on as a self-supporting function. Revenues from various sources such as dock fees, tolls, switching fees, etc., are usually of sufficient volume to offset expenditures and to allow an accumulation of surplus funds.

The total anticipated for 1949-50 revenues amount to \$5,225,100 against which there are total expenditures amounting to \$5,481,917, for all purposes, *indicating a deficit of \$256,817 for the year's operations.* However, among the expenditures are \$137,500 for capital outlay, \$28,516 for additional equipment and \$100,000 for replacement of two piledriver scows. These items total \$266,016 and act to offset the deficit since they are nonrecurring and normally nonexpendable items.

Surplus funds are estimated to aggregate \$4,250,783 as of June 30, 1949, and \$3,980,276 as of June 30, 1950.

In consideration of the foregoing we recommend that the support item be approved as requested.

In the Budget for the 1948-49 Fiscal Year, there was included the sum of \$172,346 for the establishment of a Foreign Trade Zone, tentatively planned for July 1, 1948. This money was shown as a separate and distinct item in the support budget.

The proposed budget makes no distinction or separation of the Foreign Trade Zone function, but apparently has integrated the activities and expenses of the "zone" into the Budget as a whole. Consequently we recommend that the board prepare a yearly operating statement which will indicate separately the revenues and cost of the project.

For Maintenance of Fireboats in San Francisco Harbor, from the San Francisco Harbor Improvement Fund

Item 390, page 77 of the Budget Bill and page 991 of the Budget. The amount requested from the San Francisco Harbor Improvement Fund is \$167,000 for maintenance of fireboats. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted -----	\$167,000
Legislative Auditor's recommendations -----	\$167,000
Reduction -----	None

Analysis

This expenditure represents payments to the City and County of San Francisco for one-half the cost of maintaining fireboat protection for the San Francisco waterfront. We recommend approval of the request.

For Services of City Firemen, from the San Francisco Harbor Improvement Fund

Item 391, page 77 of the Budget Bill and page 991 of the Budget. The amount requested from the San Francisco Harbor Improvement Fund is \$12,000 for services of city firemen. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted -----	\$12,000
Legislative Auditor's recommendations -----	\$12,000
Reduction -----	None

Analysis

This expenditure represents payments to the City and County of San Francisco for the services of firemen used in patrolling the land and dock facilities of the Harbor Commission. This is a necessary and justifiable service and we recommend approval of the request.

For Promotion and Publicity, from the San Francisco Harbor Improvement Fund

Item 392, page 77 of the Budget Bill and page 996 of the Budget. The amount requested from the San Francisco Harbor Improvement Fund is \$50,000 for Promotion and Publicity. This is the same amount estimated to be expended in the 1948-49 Fiscal Year.

Recommendation

Amount budgeted -----	\$50,000
Legislative Auditor's recommendations -----	\$50,000
Reduction -----	None

Analysis

The budget for the Administrative Division of the board contains an item of \$28,000 for advertising and publicity. This request would increase the moneys available for this purpose to \$78,000. In addition there is included in Port Operation, a request for a solicitor at \$4,800, plus such other expenses as the position may incur. Together these items represent a very considerable sum to be expended for advertising, promotion, publicity and solicitation. While we recommend the approval of the

request in question as being essential to continued growth and progress of the port particularly in view of the greatly increased competition from other ports, we also recommend that the board render periodic reports indicating the results and efficacy of these large expenditures.

For Capital Outlay for Construction, Improvements and Repairs, from the San Francisco Harbor Improvement Fund

Item 393, page 77 of the Budget Bill and page 996 of the Budget. The amount requested from the San Francisco Harbor Improvement Fund is \$137,500 for construction, improvements and repairs. This is an increase of \$20,500 or 17.52 percent over the amount of \$117,000 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Construction -----	\$20,500	----

Recommendations

Amount budgeted -----	\$137,500
Legislative Auditor's recommendations -----	\$137,500
Reduction -----	None

Analysis

This expenditure represents only minimum and essential construction and includes \$27,500 for a culvert and sanitary sewer, \$40,000 for belt railroad tracks and \$20,000 for paving approach, all at Fishermans Wharf. There is also the sum of \$50,000 for minor emergency repairs. We recommend approval of the request.

For Administration of Unemployment Compensation Disability Benefits, Department of Employment, Payable from the Unemployment Compensation Disability Fund

Item 394, page 77 of the Budget Bill and page 285 of the Budget. The amount requested is \$2,482,729 for support from the Unemployment Compensation Disability Fund. This is an increase of \$229,582 or 10.2 percent over the actual and estimated expenditures of \$2,253,147 in the 1949-50 Fiscal Year.

This increase occurs in the following items:

<i>Item of Increase</i>	<i>Amount</i>
Salaries and wages, due to salary adjustments -----	\$177,982
Operating expenses, due to price increase:	
Telephone -----	\$6,000
Printing and binding -----	4,000
Supplies -----	9,000
Medical fees, due to more thorough examination of applicants -----	7,000
Actuary fees -----	3,600
Rental—Additional space in Los Angeles -----	22,000
	<u>51,600</u>
Total -----	\$229,582

Estimated payment of disability benefits for the 1949-50 Fiscal Year is \$24,834,000. This is a decrease of \$637,179 or 2.5 percent under the actual and estimated payment of \$25,471,179 for 1948-49 Fiscal Year.