Ventura
Local Agency Formation Commission

MUNICIPAL SERVICE REVIEW

OXNARD HARBOR DISTRICT

Public Review Draft

Prepared By

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I. EXECUTIVE SUMMARY

In creating Local Agency Formation Commissions (LAFCos) the state legislature recognized, "…that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending governmental services."[1] One of the statutory requirements for each LAFCo is to establish spheres of influence for cities and special districts. A sphere of influence may be separate from an agency's boundary and is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo. Notwithstanding this definition the legislature has now required the LAFCo in each county in the state to, as necessary, review and update each sphere of influence on or before January 1, 2008 and every five years thereafter. In order to prepare and to update a sphere of influence, however, LAFCo must conduct a service review of the municipal services provided and prepare a written statement of its determinations with respect to each of the following:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

This municipal service review (MSR) is for the Oxnard Harbor District formed in 1937. The Oxnard Harbor District is an independent special district with boundaries that include most of the City of Oxnard, all of the City of Port Hueneme and the unincorporated communities of El Rio, Nyland Acres, Silver Strand, Hollywood Beach and Hollywood by the Sea. It is the only special district of its type in Ventura County. The District is governed by a five member Harbor Commission elected at-large to staggered four year terms of office by the voters within the District's boundary.

Municipal service reviews should be considered as studies, not investigative reports. LAFCos have no investigative authority. In reviewing this study, the reader is encouraged to focus on the recommended determinations contained in Section V. The recommended determinations for the Oxnard Harbor District reflect that the District is in compliance with all identified operational requirements and is otherwise doing a good job of providing services within the parameters of its mandates.

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[1] *CA Government Code §56000, et seq, known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, is the primary law governing LAFCos. All references to LAFCo law and mandates refer to this statute.*

II. INTRODUCTION

The law governing Local Agency Formation Commissions ("LAFCos") was substantially changed effective January 1, 2001. Among the changes is the requirement that LAFCos, as necessary, review and update the sphere of influence of each city and special district by January 1, 2008, and every five years thereafter. No sphere of influence can be updated, however, unless the LAFCo first conducts a municipal service review. California Government Code §56430 provides that municipal service reviews ("service reviews" or "MSRs") consist of written determinations relating to the following nine factors:

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

It is important to note that municipal service reviews are:

- The written determinations adopted by a LAFCo for the services provided by cities and special districts. LAFCo service review reports are essentially only studies with recommended determinations for each of the nine factors.
- Not applicable to counties, except for special districts governed by a county board of supervisors, they are not applicable to private providers of public services, such as private for profit or non-profit health care providers or private companies regulated by the Public Utilities Commission. This is because service reviews are based on the preparation or review and update of spheres of influence and LAFCos do not establish spheres of influence for counties or private service providers.
- Not investigations. While authorized to prepare studies relating to their role as boundary agencies, LAFCos have no investigative authority.

As required by Government Code §56430, the Governor's Office of Planning and Research (OPR) adopted advisory guidelines for municipal service reviews. Because of the timing of the issuance of the guidelines and widely varying local circumstances, each LAFCo in the state is following its own process and procedures for meeting the sphere of influence update and related municipal service review mandate.

The Ventura LAFCo's municipal service review process is being completed in three phases based on a work plan that has been periodically updated and is available on the Ventura LAFCo web site (www.ventura.lafco.ca.gov). The Oxnard Harbor District's MSR is part of the third and final phase of the Ventura LAFCo work plan. The process used to prepare all service review reports to date involved a four-part questionnaire that each affected agency was requested to complete. The first part collected general information about the agency (contact information, governing body, financial etc),

the second part asked for service specific data, the third part included both questions and a map relating to boundary issues and the fourth part was a signature page. The questionnaire was the basis for most of the information in the service review reports and was designed to ensure the efficient transfer of information into a database designed to serve as a base of information for future service reviews.

The Oxnard Harbor District is the only special district of its type in Ventura County. The Ventura Port District also operates under provisions of the state Harbors and Navigation Code, but was formed under a different section of the Code relating to port districts and is the subject of a separate MSR. Channel Islands Harbor is not a special district. It is owned and operated by the County of Ventura and functions administratively as a County department. As such it is not subject to the LAFCo municipal service review and sphere of influence review/update requirement.

III. SERVICE REVIEW

A. Background

General

There are a total of thirteen harbor and port districts in California that were formed and operate under the provisions of the Harbors and Navigation Code,[1] but the functional responsibilities and governance structure of these districts varies greatly. For example, even though there are a total of eleven deep water ports in the state, including the Port of Hueneme, only five of the deep water ports are governed by special districts. The other six deep water ports are essentially functions of the city in which the port is located.

Among other powers and authorities, harbor districts may:

- "Acquire, construct, own, operate, control, or develop any and all harbor works or facilities within or outside the boundaries of the district.
- Manage the business of the district and promote the maritime and commercial interest by proper advertisement of its advantages and by the solicitation of business within or without the district, within other States or in foreign countries, through such employees or agencies as are expedient.
- Acquire, purchase, takeover, construct, maintain, operate, develop, and regulate grain elevators, bunkering facilities, belt or other railroads, floating plants, lighterage, towage facilities, and any and all other facilities, aids, equipment, or property necessary for, or incident to, the development and operation of a harbor or for the accommodation and promotion of commerce, navigation, or fishery in the harbor district."[2]

Ventura County

The Oxnard Harbor District is an independent special district that owns and operates the Port of Hueneme ("Port"). The District boundary includes most of the land area within the City of Oxnard sphere of influence, all of the land area within the City of Port Hueneme and the unincorporated communities of El Rio, Nyland Acres, Silver Strand, Hollywood Beach and Hollywood by the Sea.

The District was formed in 1937 by a vote of 1,489 to 46 by the electorate in the territory of the District. Shortly thereafter the District's voters approved a bond issue to finance construction of a deep water, commercial port and dredging and construction of dock facilities were completed in 1940. The U.S. purchased the entire harbor after the outbreak of World War II and significantly enlarged the deep water port. After World War II, first via lease and subsequently via purchase, the District regained control over part of the Port. Use of the Port for commercial shipping activities has been expanding steadily since that time.

Originally, the District included all of the area within the current boundary plus all of the Oxnard plain, including all of the City of Camarillo, most of the City of Thousand Oaks and the

[1] *Source: Special Districts Annual Report, 2004-2005, California State Controller*
[2] *CA Harbors & Navigation Code Sections 6075, 6077.4 and 6077.5*

unincorporated community of Somis. In 1989 the City of Oxnard and the City of Port Hueneme jointly filed a reorganization proposal to detach approximately 119,000 acres from the District. This proposal was approved by LAFCo in 1990 and, after litigation, was sustained by the courts and recorded in 1991. This reorganization resulted in the District's current boundary.

In addition to the general powers and authorities of all harbor districts, Section 6077.5.5 of the Harbor and Navigation Code provides: that "… the Oxnard Harbor District may acquire, purchase, take over, construct, maintain, operate, develop, and regulate airports and roads with the prior consent of each district, port, city, or county in which the lands are located."

The Oxnard Harbor District is an "enterprise" district. District revenue is derived by the fees charged for the services provided by the District (dockage and wharfage fees) and for the rental of land and facilities, and by revenue bonds. It does not receive any tax revenue.

Daily operation of the Port facilities and routine maintenance are performed directly by the District. Generally, major maintenance and new construction projects are performed by commercial contractors through a public bid process. The Port is considered a "non-operating port," meaning that the District does not perform any cargo handling operations. Cargo handling is the responsibility of the District's customers as permitted by the Harbor Commission.

Unlike nearly all other special districts in Ventura County whose service areas generally correspond to the district boundary or sphere of influence, the Oxnard Harbor District considers its service area to be the western United States. The Port is the only deep water harbor between Los Angeles and San Francisco Bay. It is the U.S. Port of Entry for California's central coast region, but for certain cargo it also competes with and serves the same approximate western U.S. market area as the Ports of Los Angeles, Long Beach and San Diego.

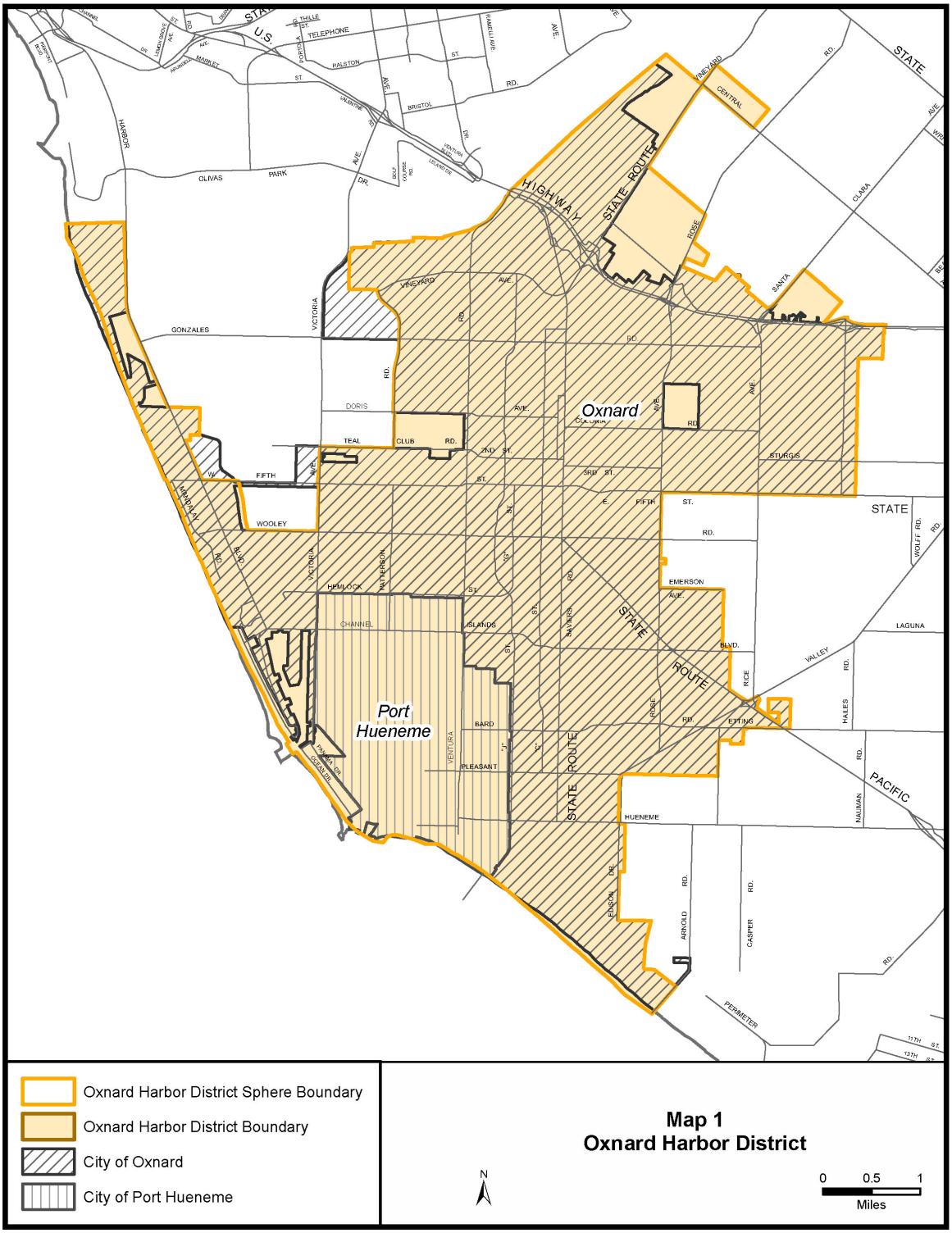
The Port serves international businesses and ocean carriers from the Pacific Rim, Central and South America and Europe, and ranks among the top seaports in California for general cargo throughput. It is America's number two banana importing port, and serves as the western distribution center for the following foreign automobile manufacturers: BMW, Hyundai, Jaguar, Kia, Land Rover, Maserati, Mini Cooper, Mitsubishi, Rolls Royce, Saab, Suzuki and Volvo. The Port currently has the North American Free Trade Association (NAFTA) trading bloc's most modern refrigerated facilities. It is also the primary support facility for the central California offshore oil industry.

In addition to the Port, the Oxnard Harbor District owns the Ventura County Railway Company LLC, a 12.9 mile, short line railroad. Under a lease with Ventura County Railway LLC, this railroad is operated by Ventura Railroad Company, a subsidiary of Rail America. This is a freight only railroad operation that serves Naval Base Ventura County and a few private enterprises in addition to the Port. The railroad is entirely within the District's boundary.

The District is the grantee for U.S. Foreign Trade Zone #205, which includes a general purpose zone in the cities of Oxnard and Port Hueneme and a subzone in the city of Camarillo. The District also owns the local World Trade Center license for the Oxnard World Trade Center. The World Trade Center Association (WTCA) provides licensing and membership for World Trade Centers around the world. The WCTA is a non-for-profit, non-political association dedicated to the establishment and

effective operation of World Trade Centers as instruments for trade expansion. The WTCA represents approximately 300 members in 74 countries and World Trade Centers service more than 750,000 international trading tenants.

Map 1 – Oxnard Harbor District



B. Agency Profile

Oxnard Harbor District	
Contact	Anthony J. Taormina, Executive Director
Mailing Address	PO Box 608, Port Hueneme, CA 93044
Site Address	333 N. Ponoma Street, Port Hueneme, CA
Phone Number	805-488-3677
Fax Number	805-488-2820
Email	*firstnameiniitallastname*@portofhueneme.org
Website	www.portofhueneme.org
Services	
Types of Services	The District is authorized to provide all services consistent with the provisions of Harbors & Navigation Code Sections 6000 – 6110, including the powers to acquire, construct, own, operate, control or develop any and all harbor works or facilities within or outside the District boundaries.
Governance	
Date Formed	May 1937
Harbor Commission	Five member Harbor Commission elected at large to staggered four year terms; elections are held every two years in even numbered years. The Harbor Commission regularly meets on the second and fourth Mondays of each month, starting at 5 P.M., at the District's offices at 333 Ponoma Street, Port Hueneme, CA.
Area & Size Information	
Area in District Boundary (approximate)	21,472 acres (33.55 sq. mi.)[1]
Number of Assessor Parcels in District	50,797
Estimated Population	231,455[2]
Staff[3]	
Executive & Management	8
Professional & Support	5
Operations	16
Total Full-Time Equivalent Staff	**29**

[1] *Approximate area based on geographic information system calculations*

[2] *Source: Ventura Council of Governments& County of Ventura 2005 forecasts for the Oxnard and Port Hueneme areas, adjusted by the State of California, Department of Finance E1 Jan. 1, 2007 population estimates for the City of Oxnard & City of Port Hueneme*

[3] *Number of paid, full-time equivalent (FTE) staff*

Oxnard Harbor District Profile *(continued)*

Summary Financial Information				
Revenue	**FY 2004-2005[1]**		**FY 2005-2006[2]**	
Property Taxes				
Special Tax/Assessments				
Service Charges				
Fees	$10,983,600	100%	$11,653,900	100%
Grants				
Other				
Total Operating Revenue	$10,983,600		$11,653,900	
Non-Operating Revenue[3]	$888,900		1,008,700	
Total Revenue	$11,872,500		$12,662,600	
Expenditures				
Salaries & Benefits	$3,216,200	31.96%	$3,669,400	33.36%
Services & Supplies	$6,412,600	63.72%	$6,754,000	61.4%
Professional Services	$150,000	1.49%	$290,800	2.64%
Other[4]	$284,600	2.83%	$285,800	2.6%
Total Operating & Non-Operating Expenditures	$10,063,400		$11,000,000	
Total Revenue Over Total Expenditures	$1,809,100		$1,662,600	

[1] *Based on the District's Adopted Budget for FY 2004-2005*
[2] *Based on the District's Adopted Budget for FY 2005-2006*
[3] *Revenue from bonds*
[4] *Expenditures for memberships, dues, conferences, meetings and travel*

C. Infrastructure Needs and Deficiencies

The Oxnard Harbor District owns significant infrastructure related to the operation of the Port of Hueneme. The District addresses its infrastructure needs and deficiencies through the annual review and update of its capital improvement program (CIP). For FY 2005-2006 the total amount of all projects identified in the District's CIP was $43,755,000. The District indicated that approximately 28% of this CIP was fully funded by a combination of both operating revenue and non-operating revenue consisting primarily of revenue bond proceeds. The District did not indicate any infrastructure needs or deficiencies that are not addressed in the capital improvement program. However, the District is currently operating near capacity and to accommodate additional growth and trade it will need to acquire and construct additional wharf and back-land area.

D. Growth and Population

Most special districts, including the Oxnard Harbor District, do not have information about the population within their boundaries or within their spheres of influence. Nor do most special districts make population projections. In addition, neither the U.S. Census nor state or regional agencies (e.g. Southern California Association of Governments, Ventura Council of Governments, Ventura County, etc.) account for or make population projections based on special district boundaries or spheres of influence. Further, within California and especially within Ventura County there is no accepted methodology for estimating current population or making population projections. Different agencies use different projections based on different methodologies.

Notwithstanding these limitations, the majority of the population within the boundary and sphere of influence of the Oxnard Harbor District is within the cities of Oxnard and Port Hueneme. All of the City of Port Hueneme is within the District boundary and most, but not all, of City of Oxnard is within the District boundary. In addition to these cities, the unincorporated communities of El Rio, Nyland Acres, Silver Strand, Hollywood Beach and Hollywood by the Sea are in the District boundary and sphere of influence.

The Ventura Council of Governments (VCOG) and the County of Ventura adopted population estimates and forecasts in 2000 in five year increments through 2025. These estimates and forecasts were for each city and the areas around each city. While the city estimates and forecasts corresponded to city boundaries at the time, the area estimates and forecast did not correspond to city spheres of influence. Nonetheless, by using the city estimates and forecasts for the cities of Oxnard and Port Hueneme and the area estimates and forecasts for each of these two cities, and adjusting the estimates and forecast for the 2000 census population of the two cities and the current state Department of Finance population estimates for the two cities, a general approximation can be made of the existing and projected population within the boundary and sphere of influence of the Oxnard Harbor District. Population information through 2020 is shown in Table 1.

Table 1
Population Estimates & Forecasts

	2000 Census (4-1-2000)	2005 VCOG/County Forecast	2007 Dept. of Finance Estimate (1-1-2007)	2020 VCOG/County Forecast
City of Oxnard	170,358	159,301	192,997	186,901
Oxnard Area[1]	NA	15,775	NA	18,400
City of Port Hueneme	21,845	23,176	22,347	23,512
Port Hueneme Area[2]	NA	336	NA	336
Total	**192,203**	**198,588**	**215,344**	**229,149**

The information in Table 1 reflects that the 2000 VCOG/County of Ventura population estimates and forecasts for the City of Oxnard were significantly less than the results of the 2000 census and also the 2007 state Department of Finance population estimates. The County and the cities in the County are currently in the process of updating population forecasts to 2035 based on better base-line information. While not yet complete or adopted, the initial updated population estimates indicate that the City of Oxnard and the Oxnard area will continue to experience substantial population growth while the City of Port Hueneme and the Port Hueneme area will continue to experience very low population growth.

The growth and population within the boundary and sphere of influence of the Oxnard Harbor District is not, however, a significant factor for the Oxnard Harbor District. As already noted, the District serves the entire southern California region and beyond. The region is projected to continue to experience substantial population growth. Since there are only a limited number of deep water ports in southern California and opportunities for expansion of such ports are limited, it is reasonable to project that the demands for services offered by the Oxnard Harbor District through the Port of Hueneme will increase.

E. Financing Constraints and Opportunities/Cost Avoidance Opportunities and Rate Restructuring

The Oxnard Harbor District is financially stable. As shown in the "Agency Profile" on page 9, 100% of the District's operating revenue comes from fees charged for dockage and wharfage and rentals of land and facilities. The District has not levied or received any tax revenue since 1978.

[1] *Not including the City of Oxnard*
[2] *Not including the City of Port Hueneme*

The District has long term debt, resulting from four revenue bond issues, secured by a lien on and pledge of the District's net revenues. In 1999, the District issued $10,820,000 in 20 year tax exempt revenue bonds to provide funds for capital improvements. These bonds mature in August 2019 and pay interest at 5.60%. In 2000, the District issued $11,180,000 in tax exempt revenue bonds, maturing in August 2014 and bearing interest between 4.85% and 5.65%. These bonds were issued to refund a 1999 taxable revenue bond issue. In 2004, the District issued two tax exempt bond series. Series A, in the amount of $6,920,000 matures in August 2020 and pays interest between 2.25% and 5.75%. Series B, in the amount of $6,800,000 matures in August 2024 and pays interest at the rate of 6.00%. Series A and Series B bonds were issued to fund capital improvements. At June 30, 2006, the total outstanding principal amount for all the revenue bonds was $34,560,000. The District's audited Annual Financial Report for June 30, 2006 indicated the District is in compliance with all the bond requirements.

The District contracts for management support services that require specialized expertise, such as audit and legal services, and otherwise seeks to reduce executive and management staff overhead by contracting as appropriate. No further cost avoidance opportunities were noted.

The District periodically adjusts its fees and the rates charged as contracts are renewed, as leases expire or as possible within the constraints of the competitive environment of Port operations. No opportunities for rate restructuring were noted.

F. Government Structure Options/Opportunities for Shared Facilities

In the context of this service review and LAFCo terminology, government structure options include:

- Annexation or detachment of territory (increasing or decreasing the amount of territory within an agency's boundaries).
- Consolidations (the uniting or joining of two or more special districts into a single new special district).
- Mergers (the extinguishment of a special district by combining the special district with a city).
- Establishment of subsidiary districts (a special district continues to exist as a legal entity, but a city council is designated as the ex officio board of directors of the special district), and
- Dissolutions (the extinguishment of a special district and the cessation of all the special district's powers).

Each of these structural changes is considered a change of organization or a reorganization if combined with other structural changes (e.g. an annexation and a detachment), and each requires approval by LAFCo.

The governmental structure of the Oxnard Harbor District has been an on-going issue. In 1966, in recognition that the Port operations benefited the entire County, the Board of Supervisors directed that a study be conducted to review the District's governance and the feasibility of expanding the District's boundary to at least encompass all of the inhabited portions of the southern part of the county and review the District's governance. The study concluded that the District should remain an

independent district with a locally elected Harbor Commission, rather than governance being transferred to the Board of Supervisors, and no action resulted about expanding the District's boundary.

Even though the service area and benefits of the District's services extend well beyond Ventura County, the primary impacts of the Port operations are on the City of Port Hueneme, and to a lesser extent on the City of Oxnard and some of the unincorporated areas of the County of Ventura. The issue about the governance structure of the District in relation to the primary impacts of the Port operations was a major reason for the reorganization approved in 1991 that resulted in the detachment of a substantial portion of the territory in the District's boundary. Since District commissioners must reside in the District and only voters within the District boundary are eligible to vote for District commissioners, the 1991 reorganization that resulted in a reduction in the District's boundary had the effect of better ensuring that the District's governance was aligned with the impacts of the Port operations on adjoining local areas.

In 2005 and 2006, there were significant disputes between the City of Port Hueneme and the District. One part of the dispute concerned the District's proposed acquisition of a parcel of land that had been zoned for port related uses. Under a 1983 agreement the City had agreed that the District could acquire the parcel but by 2005 the City wanted to change the zoning and local coastal program designation for the parcel to residential use. Another dispute concerned the District's acquisition of all of the shares of the Ventura County Railway Company LLC, whose rail line extends through both the City of Port Hueneme and the City of Oxnard. In addition to lawsuits, these disputes led to the City of Port Hueneme commissioning an independent report about the government structure options for the District. The report, titled "Intergovernmental Options for Governance of the Port of Hueneme," was reviewed by the City of Port Hueneme City Council in September 2006, and is available from the City. It discussed an array of governmental structure options for the District in cursory fashion and from the perspective of having the City of Port Hueneme assume the governance of the District or otherwise control the District.

Changes to the governmental structure of the District could be made by special state legislation or initiated locally by the District, the County of Ventura, the City of Oxnard, the City of Port Hueneme, a petition of voters within the District or, in limited circumstances, by the Ventura LAFCo. At this point in time, no governmental structure option is being pursued by the state, the District, the County, either of the two cities or the voters in the District, and no change is being recommended as a part of this MSR. The lawsuits between the City of Port Hueneme and the District have been resolved, and the City and District have formed a standing subcommittee of the city council and District commissioners that is now meeting regularly about topics of mutual interest and concern. It is anticipated that better dialogue between the City and the District will assist in resolving future concerns about the impacts of Port operations.

The Oxnard Harbor District actively shares its facilities. There is a Joint Use Agreement between the Oxnard Harbor District and US Navy which allows the District to use Navy Wharf 3 and back-land area when they are available. There is also a license agreement in place which allows the District to use other US Navy wharves. The District provides office space to the Department of Homeland Security (customs, immigration and agricultural inspection services). The District leases office space to the US Department of Commerce, Commercial Service. The District provides secretarial services

for the California Department of Fish and Game. Further opportunities for shared facilities may be possible, but none were noted as a part of the MSR review.

Sphere of Influence

The Oxnard Harbor District's sphere of influence is the same as the District's boundary. As part of the service review process, the District was given a LAFCo-generated map of its jurisdictional and sphere of influence boundaries. The District was asked to note on the map:

- Areas of duplication of planned or existing facilities with another agency
- Areas better served by another agency
- Areas better served by the responding agency
- Areas outside the agency's boundaries which currently receive service
- Areas difficult to serve or with illogical boundaries

No areas of duplication with another agency were noted, nor were there any areas noted that would be better served by another agency. Similarly, the District did not indicate any difficult to serve areas or illogical boundaries.

The law defines sphere of influence to mean, "…a plan for the probable physical boundaries and service area of a local agency, as determined by the commission."[1] At this time, neither the District nor any affected agency has requested that the District's sphere of influence be updated or amended. Primarily this is due to the fact that the District's boundary and sphere of influence have been established based on governance considerations rather than service area considerations. Based on service area considerations, however, there are at least two alternatives that could be considered for the District's sphere of influence, either as a part of the sphere update process coinciding with this MSR, or subsequently. These options include:

- Increasing the area within the District's sphere of influence to include all of Ventura County. This option would be more in keeping with, but would still not be truly representative of, the District's service area. Also, to the extent that it would lead to the expansion of the District's boundary, it would potentially alter the District's governance by substantially increasing the number of people eligible to vote for the Harbor Commissioners.
- Increasing the area within the District's sphere of influence to include all of the District's service area. Under this option the sphere of influence would extend well beyond Ventura County. It would require considerable analysis about exactly how and where to establish such a sphere of influence, and could lead to strong objections by other ports and governmental entities, especially if it were to result in proposals to annex territory into the District outside of Ventura County. Should this occur it would also significantly alter the District's governance.

At this time, no change to the District's sphere of influence is being recommended as a subsequent outcome of this MSR. Given the District's history and potential effects any sphere of influence change might have on the District's governance, any future sphere of influence update or amendment to the District's sphere should be based on the input and, to the maximum extent possible, concurrence of all affected agencies

[1] *CA Government Code Section 56076*

G. Evaluation of Management Efficiencies

The Oxnard Harbor District has a stable management structure with approximately 27% of employees being classed as either executive or management. The District has one employee bargaining unit with approximately 62% of the employees being represented. No recent labor issues or disputes were noted.

The District annually adopts a budget, contracts for an annual audit of its financial statements and is otherwise fully in conformance with all financial reporting requirements. The District's most recent audit was for fiscal year 2005 - 2006, and was unqualified.

The District has adopted a written investment policy that is reviewed annually.

The District represents it has up-to-date, legally compliant personnel and training policies.

According to the most recent audit the District is subject to claims and litigation from outside parties that occur as a part of the ordinary operations, but it was noted that the District believes the ultimate outcome of such matters, if any, will not materially affect the District's financial condition. Recent litigation between the City of Port Hueneme and the District has been resolved.

The District was subject to an inquiry by the Ventura County Grand Jury in 1999 – 2000, with a follow-up inquiry in 2000 - 2002. These inquiries related to safety and safety responsibilities within the Port, including such matters as fires on ships. One of the results of these inquires was an agreement between the District and the Ventura County Fire Protection District about fire safety responsibilities and training.

H. Local Accountability and Governance

The Oxnard Harbor District is governed by a five member Harbor Commission. The Harbor Commissioners must be residents of the District and are elected at-large to staggered four-year terms of office. Information about the current Harbor Commission is shown in Table 2.

Table 2
OXNARD HARBOR DISTRICT
HARBOR COMMISSIONERS AND TERMS OF OFFICE

BOARD MEMBER	TITLE	MOST RECENT ELECTION	EXPIRATION OF TERM
Michael A. Plisky	President	November 2006	January 3, 2011
Jess Herrera	Vice President	November 2006	January 3, 2011
Nao Takasugi	Secretary	November 2004	January 5, 2009
Raymond E. Fosse	Commissioner	November 2006	January 3, 2011
Jesse J. Ramirez	Commissioner	November 2004	January 5, 2009

The three commissioners elected in 2006 were elected at a contested election (meaning there was at least one other candidate in the election). This was the first election since 2000 that was contested. Incumbent commissioners ran unopposed at the November 2002 and November 2004 elections.

The Harbor Commission typically meets on the 2nd and 4th Monday of each month at the District offices at 333 Ponoma Street, Port Hueneme. The District meetings are publicly noticed in compliance with the Brown Act and the meeting location and facilities are in compliance with the Americans with Disabilities Act. Each commissioner receives a stipend of $600 per month, with a maximum of $7,200 per year. Commissioners also receive reimbursement for mileage at the current IRS defined rate and for travel and travel related expenses (e.g. meals) for actual and necessary expenses directly incurred in carrying out District business. In addition, commissioners receive the following District paid benefits while they are in office:[1]

Life Insurance:	$50,000 face amount of coverage
Medical Insurance:	$1080.00 maximum monthly premium
Dental Insurance:	$108.72 maximum monthly premium
Vision Insurance:	$32.00 maximum monthly premium
Retirement:	PERS (self pay; District portion varies)

The District indicates that commissioners and senior staff are continuously advised and reminded of the requirements of the Brown Act by legal counsel to ensure compliance with Act's provisions, and are advised of changes to the Act and of significant cases governing its interpretation. The rules and regulations of the Fair Political Practices Commission are furnished to each Commissioner annually. Commissioners and senior staff are also continuously advised and informed, as applicable, of the laws governing conflicts of interest and, as appropriate, provisions of the Public Records Act. Commissioners and senior staff have completed the mandatory ethics training required by AB-1234 passed in 2005 (Government Code Section 53234 *et seq*).

The District maintains a comprehensive, informative web site (www.portofhueneme.org). It includes substantial information about the District, including the District's history. Copies of the agendas and minutes of the meetings of the Harbor Commission are available for approximately the last year. The agendas include links to full copies of written reports and, as such, the District's budget, capital improvement program and annual audit are available. Like many agencies the District is upgrading its web site to provide more public information. As a part of this upgrade it is suggested that the District include a search function so that viewers may find information from the Harbor Commission agenda archives more easily.

[1] *NOTE – Amounts shown are adjusted annually to reflect current actual costs.*

IV. DETERMINATIONS

Determinations are based on data provided by the District and information from other publicly available sources.

Oxnard Harbor District

- **Infrastructure needs or deficiencies**
  1. The District did not indicate any infrastructure needs or deficiencies that are not addressed in its capital improvement program. However, the District is currently operating near capacity and to accommodate additional growth and trade it will need to acquire and construct additional wharf and back-land area.
- **Growth and population projections for the affected area**
  1. Based on population projections for the City of Oxnard, the Oxnard area, the City of Port Hueneme and the Port Hueneme area, there will be on-going and expanding population growth within the boundary and sphere of influence of the Oxnard Harbor District, primarily within the City of Oxnard.
  2. The Oxnard Harbor District's service area extends well beyond its boundary and well beyond Ventura County. The District considers its service area to be the western United States. There is no detailed population information about the existing population within the boundary of the Oxnard Harbor District, or any other special district, and no federal, state, regional or local agencies make population forecasts or growth projections for the Oxnard Harbor District. However, based on population projections and growth forecasts for the cities and counties in the Southern California region, the area will continue to experience substantial population growth in the future.
- **Financing constraints and opportunities**
  1. The Oxnard Harbor District is financially stable.
  2. The Oxnard Harbor District has not levied or received any tax revenue since 1978. The District's operating revenue comes from fees charged for dockage and wharfage and rentals of land and facilities.
  3. The Oxnard Harbor District has outstanding revenue bonds scheduled to mature in 2014, 2019, 2020 and 2024. The District's FY 2005-2006 audit indicates the District is in compliance with all bond requirements.
- **Cost avoidance opportunities**
  1. The Oxnard Harbor District contracts for management support services that require specialized expertise, such as audit and legal services, and otherwise seeks to reduce executive and management staff overhead by contracting as appropriate. No further cost avoidance opportunities were noted.
- **Opportunities for rate restructuring**
  1. The Oxnard Harbor District periodically adjusts its fees and the rates charged as contracts are renewed, as leases expire or as possible within the constraints of the competitive environment of Port operations. No opportunities for rate restructuring were noted.
- **Opportunities for shared facilities**
  1. The Oxnard Harbor District actively shares its facilities. There is a Joint Use Agreement between the Oxnard Harbor District and US Navy which allows the District to use Navy

Wharf 3 and back-land area when they are available. There is also a license agreement in place which allows the District to use other US Navy wharves. The District provides office space to the Department of Homeland Security (customs, immigration and agricultural inspection services). The District leases office space to the US Department of Commerce, Commercial Service. The District provides secretarial services for the California Department of Fish and Game. Further opportunities for shared facilities may be possible, but nothing has been specifically noted.

- **Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers**
  1. The governmental structure of the Oxnard Harbor District has been an on-going issue, primarily because the District's service area is the western united States while the impact of the operations of the Port of Hueneme primarily affects the City of Port Hueneme. At this time, however, no affected agency is actively pursuing any governmental structure change for the District at either the state or local level. The District and the City of Port Hueneme have established a standing subcommittee of District commissioners and city council members that now meets regularly to identify and resolve issues of mutual concern.
  2. No areas of duplication with another agency were noted, nor were there any areas noted that would be better served by another agency.
  3. In addition to the City of Port Hueneme, the City of Oxnard and unincorporated portions of the County of Ventura are affected agencies. At minimum, these affected agencies all need to be actively involved in any future proposals to review options about the governmental structure of the Oxnard Harbor District.
- **Evaluation of management efficiencies**
  1. The Oxnard Harbor District has a stable management structure, with approximately 27% of employees being classed as either executive or management. The District has one employee bargaining unit with approximately 62% of the employees being represented. No recent labor issues or disputes were noted.
  2. The Oxnard Harbor District annually adopts a budget, contracts for an annual audit of its financial statements and is otherwise fully in conformance with all financial reporting requirements. The District's most recent audit was for fiscal year 2005 - 2006, and was unqualified.
  3. The Oxnard Harbor District has adopted a written investment policy that is reviewed annually.
  4. The Oxnard Harbor District represents it has up-to-date, legally compliant personnel and training policies.
  5. The Oxnard Harbor District is subject to claims and litigation from outside parties that occur as a part of the ordinary operations, but the District's most recent audit noted that the District believes the ultimate outcome of such matters, if any, will not materially affect the District's financial condition. Recent litigation between the City of Port Hueneme and the District has been resolved.
- **Local accountability and governance**
  1. The Oxnard Harbor District meets regularly and provides public notice of its meetings. Meeting facilities are in compliance with the Americans with Disabilities Act.
  2. The District indicates that commissioners and senior staff are continuously advised and reminded of the requirements of the Brown Act by legal counsel to ensure compliance with Act's provisions, and are advised of changes to the Act and of significant cases governing its

interpretation. The rules and regulations of the Fair Political Practices Commission are furnished to each Commissioner annually. Commissioners and senior staff are also continuously advised and informed, as applicable, of the laws governing conflicts of interest and, as appropriate, provisions of the Public Records Act.

3. The Oxnard harbor District indicates it is in compliance with public agency ethics training requirements (Government Code Section 53234 *et seq*).
4. The District maintains a comprehensive, informative web site that includes substantial information about the District, including the District's history and copies of the agendas and minutes of the meetings of the Harbor Commission for approximately the last year. The agendas include links to full copies of written reports.