

DATE: MAY 17, 2023

FROM: COMMUNITY RELATIONS

**SUBJECT: RESOLUTION NO. _____ - AUTHORIZATION OF
EXPENDITURE FOR ANNUAL CAPA MEMBERSHIP DUES 2022-2023**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) authorize the dues expenditure for the Harbor Department's membership in the California Association of Port Authorities (CAPA). The dues amount is determined annually at the CAPA Budget Committee meeting in October for the coming year and is based on each of the eleven California state port's percentage of total tonnage. Annual dues are beyond the \$150,000 maximum Executive Director authority; therefore, Board approval is required. Staff requests that the Board approve authorization of payment on CAPA dues not to exceed \$177,724.24 for the period of July 2022 - June 2023. The Harbor Department is financially responsible for payment of CAPA membership dues.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the authorization of expenditures for \$177,724.24 for CAPA dues for the July 2022-June 2023 period; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Harbor Department is a member of the California Association of Port Authorities. CAPA is comprised of the 11 major deep-water ports across the state. The organization’s mission is promoting the interests of California’s ports, maintaining the state’s leading role in U.S.-global seaborne trade, and advocating to advance the public policy objectives of the CAPA ports at all levels of government. The Harbor Department has worked closely with CAPA on a variety of legislative outreach, including the annual Ports Day activities in Sacramento. The other member ports are: Humboldt Bay; Hueneme; Long Beach; Oakland; Redwood City; Richmond; San Diego; San Francisco, Stockton; and West Sacramento.

Each October, the CAPA Budget Committee meets to review the coming year’s operation budget and to assess percentages of the overall budget in the form of membership dues on each port. Dues are assessed based on the overall tonnage moving through the state the year prior and are calculated based on the percentage of the overall tonnage moving through each member port. The Port of Los Angeles dues for 2022-23 are \$177,724.24 which is down 5.2% (\$187,548.56) from the year prior. The Port of Los Angeles’ total percent of tonnage dropped from 51.56% in 2021-22 to 49.77% for 2022-23 calculations (see Transmittal 1). Total membership dues are broken into four quarterly payments with the CAPA fiscal year running July 1 – June 30.

Since the annual amount exceeds the \$150,000 maximum Executive Director authority, Board approval is required to authorize payment of CAPA membership dues of \$177,724.24 for the period of July 2022 – June 2023

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval for the authorization of the expenditure of funds for the Harbor Department’s membership in the California Association of Port Authorities (CAPA), which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed authorization will enable the Harbor Department to pay aggregate CAPA dues in the amount of \$177,724.24 for the period of July 1, 2022 – June 30, 2023. The payment of these dues will occur on a quarterly basis with spending anticipated to occur as follows:

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	Total Dues	Less: Dues Paid	Equals: Remaining Dues
FY 2023	\$177,724.24	(\$88,862.12)	\$88,862.12

As shown above, two quarterly installments of \$88,862.12 have been paid using available, budgeted funds. Fiscal Year (FY) 2023 funds in the amount of \$88,862.12 are available within Account 59210 (Memberships), Center 0220, Program 000.

The Harbor Department's financial commitments for the proposed authorization beyond the current fiscal year are contingent upon approval by the Board. If future fiscal year funds are not appropriated by the Board for membership dues in any subsequent fiscal year, then the membership shall be terminated.

CITY ATTORNEY:

The Office of the City Attorney has reviewed this report, and the proposed action raises no legal issues at this time.

TRANSMITTALS:

1. Calculation of CAPA Dues Assessment - 2022-23



ARLEY BAKER
Sr. Director of Communications and
Stakeholder Engagement

FIS APPROVAL: MB
CA APPROVAL: JC



DAVID LIBATIQUE
Deputy Executive Director
Stakeholder Engagement

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

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