



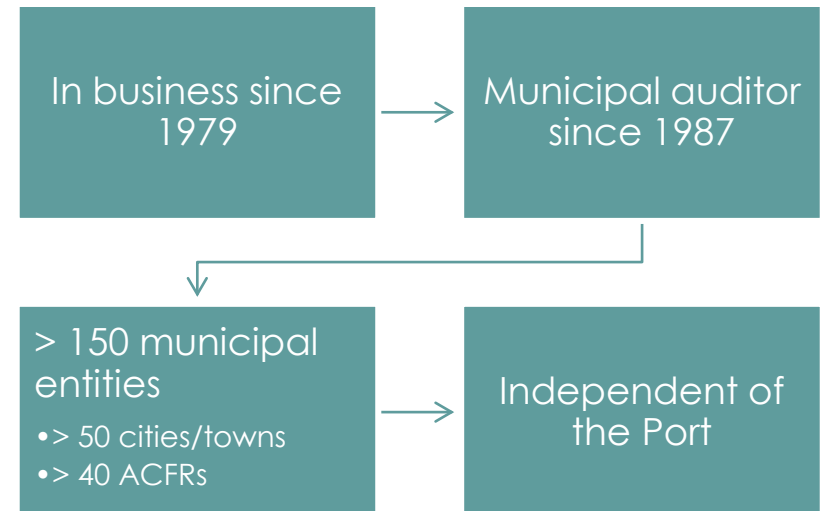
Stockton Port District

Independent Auditor's Presentation

For Fiscal Year Ended June 30, 2024

DAVID M. ALVEY, CPA
ENGAGEMENT PARTNER

Who We Are



AUDIT Timing

3

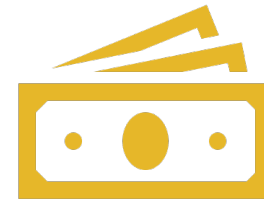


Interim

August 2024

Internal control environment

Control Tests



Final

December 2024

Testing of financial balances

Review of footnotes

Results

Audit

- **Unmodified** (i.e.. Clean) Opinions:
 - Basic Financial Statements

No exception noted

Annual Comprehensive Financial Report

- ▶ Basic Financial Statements:
 - ▶ Auditor's Opinion
 - ▶ MD&A (written by management)
 - ▶ Statements
 - ▶ Footnotes
- ▶ Other Components:
 - ▶ Transmittal Letter
 - ▶ Required Supplemental Information
 - ▶ Supplemental Information
 - ▶ Statistical Section

Components of an Annual Comprehensive Financial Report



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Port of Stockton
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Statement of Net Postion

8



Assets \$390.5m	Liabilities \$59.9m
Deferred outflows \$749k	Deferred inflows \$84.4m
	Net position \$246.9m

Net Position

Net Investment in Capital Assets (88.9%)

Restricted (0.04%)

Unrestricted (11.1%)

2024 vs. 2023

Net Position at 6/30	2024	2023	Change
Net Investment in capital assets	\$219.5m	\$205.7m	\$13.8m
Restricted	\$0.093m	\$0.054m	\$0.039m
Unrestricted	\$27.3m	\$30.9m	(\$3.5m)
Total	\$246.9m	\$236.7m	\$10.3m

Financial Highlights

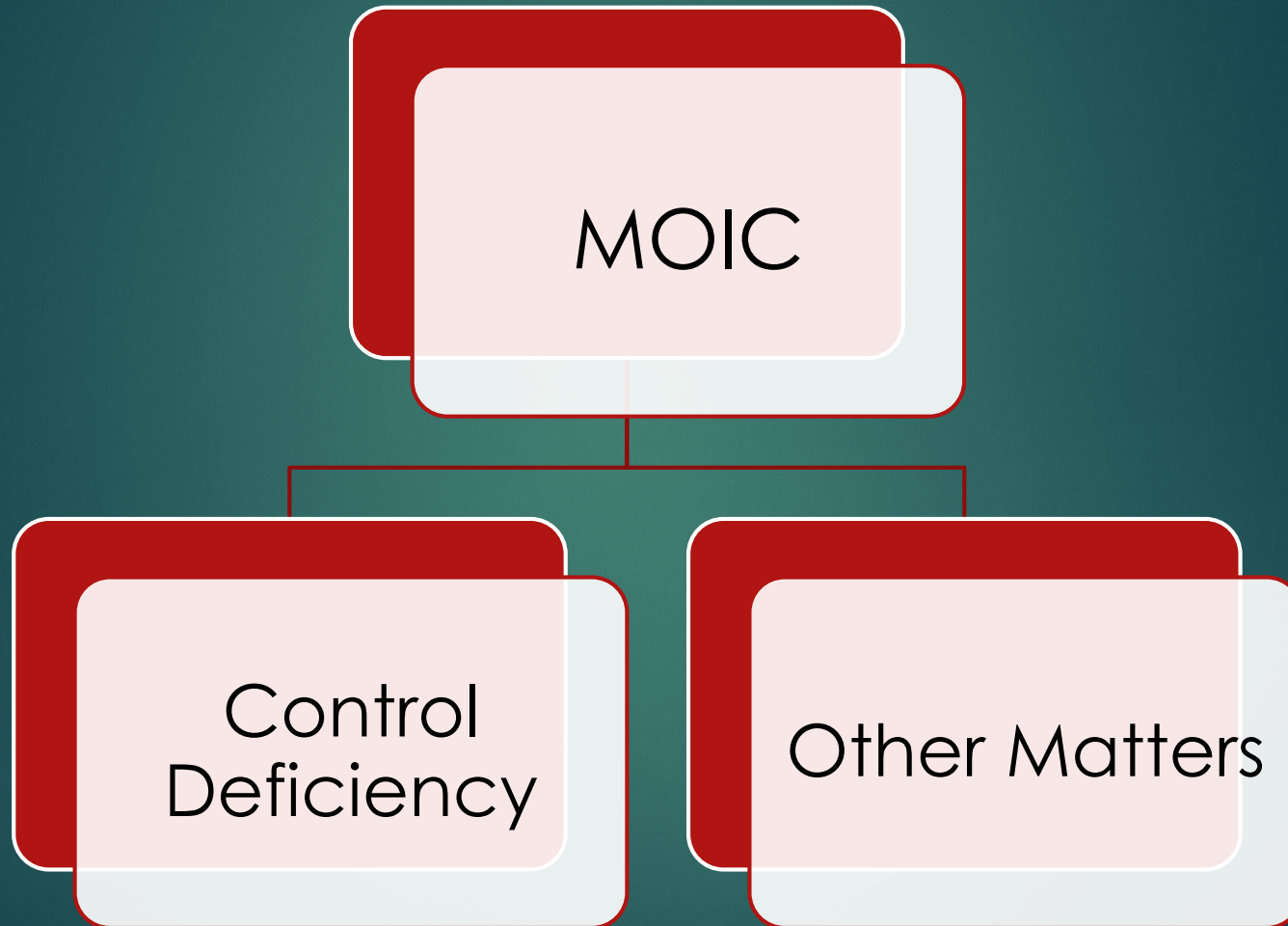
11

- ▶ Capital Asset Investment - \$23m addition to CIP
 - ▶ Included \$14.9m in infrastructure improvements
- ▶ Operating Revenues - \$4.3 million increase
 - ▶ Real estate lease increase
 - ▶ Bulk cargo increase
- ▶ Operating Expense - \$17.3 million increase
 - ▶ Increase in the remediation liability
 - ▶ Outside services and consultants

Memorandum on Internal Control and Required Communications

Memorandum on Internal Control (MOIC)

13



Required communications

14



QUESTIONS?



16

MA **MAZE**
& ASSOCIATES



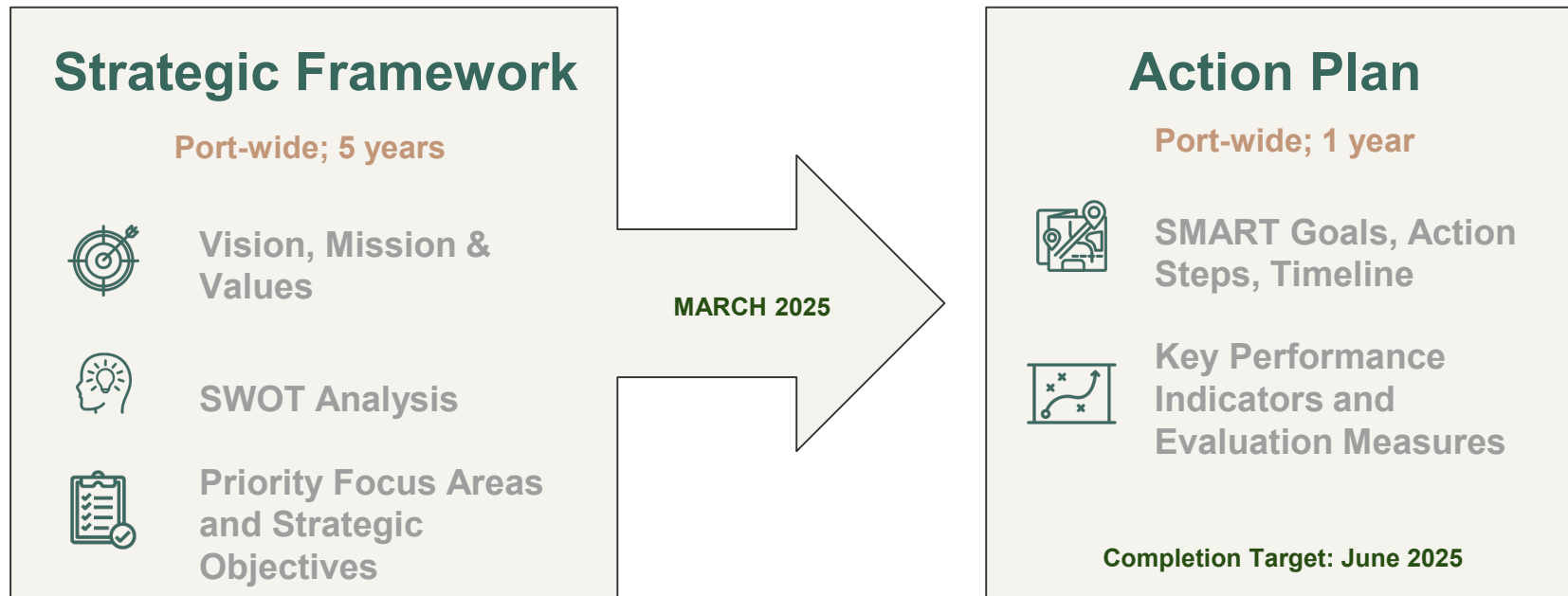
Strategic Plan Framework

Project Update for the Board of Port Commissioners

March 3, 2025

3:30-3:50pm

Strategic Plan Overview



Strategic Plan Key Elements

Priorities, Objectives & Goals

	Priority Focus Areas	Strategic Objectives	SMART Goals
Timeframe	Long-term (5+ years)	Long-term (5+ years)	Short-term (specific timeframe, e.g., 6–12 months)
Scope	Broad, District-wide	Broad, District-wide Bridges Priority Focus Areas and SMART Goals; focuses on essential outcomes	Specific, department- or project-focused Clear accountability
Purpose	Identifies the long-term priorities or areas that need the most focus over the next 5 years	Define overarching, high-level goals describing " <i>what</i> " needs to be achieved	Measure progress through actionable, detailed, and measurable targets
Focus	Harnesses the port's strengths to address weaknesses restraining the Port from achieving its vision	Visionary and transformational / Action-oriented and methodical	Clear, specific, measurable, attainable, relevant, and time-bound (SMART)

Strategic Framework Content

Strategic Plan Framework



6 Core Values

4 Priority Focus Areas

10 Strategic Objectives

Mission

The Port of Stockton connects local and regional economies with global markets by providing world-class port infrastructure and services, and creating opportunities that foster economic development and job growth.

Vision

Our vision at the Port of Stockton is to be a dynamic economic catalyst for the region, and a sustainable hub of growth and innovation. We envision a thriving Port where global commerce and opportunity intersect. Through community partnerships, environmental initiatives, and financial transparency, we aim to ensure a prosperous future for all stakeholders.

Core Values



Integrity

We conduct ourselves with the highest level of honesty, transparency, and ethical standards.



Safety

We value the safety and well-being of our employees, customers, and the community.



Collaboration

We work in partnership with our employees, customers, and community fostering trust, open communication, and respect.



Accountability

We are responsible for our actions, behaviors, performance, and decisions.



Sustainability

We operate in a manner that protects the environment and reduces the Port's environmental impact.



Positive Culture

We support our team through a positive work environment, by encouraging staff development and growth, and promoting communication, inclusion, and creativity.

Strategic Plan Framework



Priority Focus Areas:



Operational Efficiency

Optimize processes through collaborative planning and innovation



Fiscal Sustainability

Ensure long-term economic viability through the strategic allocation of resources



Stakeholder Engagement

Incorporate Core Values to promote transformative internal and external partnerships



Infrastructure

Upgrade infrastructure to support evolving market demands and business needs

Strategic Objectives:



Leverage innovative technology



Continuous process improvements



Develop District-wide plans



Implement a long range financial plan



Implement core values



Foster consistent transparent communication



Enhance alignment and support



Modernize aging infrastructure



Proactive infrastructure maintenance strategy



Continuously assess capacity

Vision



Our vision at the Port of Stockton is to be a dynamic economic catalyst for the region, and a **sustainable hub of growth and innovation.**

We envision a thriving Port where global commerce and opportunity intersect.

Through community partnerships, environmental initiatives, and financial transparency, we aim to ensure a prosperous future for all stakeholders.

Mission



The Port of Stockton connects local and regional economies with global markets by **providing world-class port infrastructure** and services, and creating opportunities that **foster economic development and job growth.**

6 Core Values

Core Values



Integrity

We conduct ourselves with the highest level of honesty, transparency, and ethical standards.



Safety

We value the safety and well-being of our employees, customers, and the community.



Collaboration

We work in partnership with our employees, customers, and community fostering trust, open communication, and respect.



Accountability

We are responsible for our actions, behaviors, performance, and decisions.



Sustainability

We operate in a manner that protects the environment and reduces the Port's environmental impact.



Positive Culture

We support our team through a positive work environment, by encouraging staff development and growth, and promoting communication, inclusion, and creativity.

Defined Priority Focus Areas

Priority Focus Areas:



Operational Efficiency

Optimize processes through collaborative planning and innovation



Fiscal Sustainability

Ensure long-term economic viability through the strategic allocation of resources



Stakeholder Engagement

Incorporate Core Values to promote transformative internal and external partnerships



Infrastructure

Upgrade infrastructure to support evolving market demands and business needs

10 Strategic Objectives



Finalizing the Framework

Providing Context to Support the Details

- **The Strategic Plan is 2 parts:**
 - 1. Strategic Framework**
 - a. Summary sheet completed
 - b. Full report in progress, to be completed end of March
 - 2. Action Plan**
 - a. In DRAFT form until finalization in June
 - b. Score Card will assist with progress monitoring
- **By June 2025, the Port will have a complete Strategic Plan**

Finalizing the Framework

Providing Context to Support the Details

Strategic Framework

Summary sheet
completed

Full report in progress,
to be completed end of
March

Action Plan

In DRAFT Form until
finalization in June

Score Card will assist
with progress
monitoring

Strategic Plan

By June 2025, the Port
will have a complete
Strategic Plan

Next Steps → SMART GOALS

“SMART” stand for:

- **S**pecific – Clearly define what you want to achieve.
- **M**easurable – Establish criteria to track progress and determine success.
- **A**chievable – Set a goal that is realistic and attainable.
- **R**elevant – Ensure the goal aligns with broader objectives or priorities.
- **T**ime-bound – Set a deadline or timeframe for achieving the goal.

SMART goals help improve clarity, focus, and accountability in goal setting.

Example Draft Goal

Develop District-Wide Master Plan

Priority Focus Area	Operational Efficiency
Strategic Objective	Develop District-Wide Plans
Draft Goal	District-Wide Master Plan • Step 1: Draft RFP by end of March

Next step: Review, revise, and re-frame into SMART Goal format to be action-oriented, measurable and time-bound.

Global Framework Alignment

UN SDGs and Green Marine KPIs

Our 3 Key Sustainable Development Goal Areas



View our Green Marine Certification Results here:
<https://www.portofstockton.com/green-marine/#results>

How do the Green Marine indicators relate to the United Nation SDGs?

PERFORMANCE INDICATORS	3	6	7	8	9	11	12	13	14	15	17
AIR EMISSIONS GREENHOUSE GASES											
AIR EMISSIONS - NOx											
AIR EMISSIONS - SOx & PM											
AQUATIC ECOSYSTEMS											
AQUATIC INVASIVE SPECIES											
COMMUNITY IMPACTS											
COMMUNITY RELATIONS											
DRY BULK HANDLING AND STORAGE											
ENVIRONMENTAL LEADERSHIP											
SPILL PREVENTION AND STORMWATER MANAGEMENT											
UNDERWATER NOISE											
WASTE MANAGEMENT											

KEY

= Indirect link

= Direct link

Click to add feedback

On Deck: Develop a Scorecard

Track Annual
Progress
Towards KPIs &
Performance
Metrics

EXAMPLE

ESG scorecard

Fiscal year 2023

Cargill's purpose is to nourish the world in a *safe, responsible, and sustainable way*. We have set science-based targets and invested in bold action to deliver on our ambition. We are committed to reporting progress against those goals, and to expanding transparency about the impacts of our operations, products and services, and supply chains around the world. The following chapters within this report contain additional details around our progress against these targets. We are actively investing in and accelerating our progress against the targets that are listed as needs attention.

Key:  Needs attention  On track  Achieved

Climate

Our targets contribute to the following SDGs:



Target metrics	Status	Progress by end of fiscal year 2023
Scope 1 and 2 (Operations) ¹ : Reduce absolute operational greenhouse gas (GHG) emissions 10% by 2025		-10.97% reduction ² from 2017 baseline -10.97%
Scope 3 (Supply Chain): Reduce global GHG emissions from our global supply chain by 30% by 2030, measured per ton of product		-0.43M MT CO ₂ e reduced ³ through supply chain sustainability programs

Land and Water

Our targets contribute to the following SDGs:



Target metrics	Status	Progress by end of fiscal year 2023
Transform our agricultural supply chains to be deforestation-free		
Eliminate deforestation across our agricultural supply chain by 2030		Please see the Sustainable Supply Chains section of Cargill's ESG report for detailed land use reporting. Each of our priority supply chains provides a dashboard of progress against key land use metrics
Enable a water positive impact⁷ in our operations, supply chains, and communities		
Operations: Implement water stewardship practices at all 72 priority facilities by 2025		Average implementation of water stewardship practices across all priority facilities 78%
Supply Chain and Communities: Enable a water positive impact in all priority regions by 2030		Progress toward enabling a water positive impact 8.6%

Path Forward

High-Level Overview of Next Steps



**SMART Goals
Workshop**

On March 13, 2025



**Finalize Strategic
Plan Framework
Document**

By March 31, 2025



**Develop Action
Plan and KPI
Scorecard**

April- May, 2025



**Finalize Action
Plan and Complete
Strategic Plan**

By June 30, 2025

Questions?





Strategies to move forward



March 3, 2025



Building 315 Renovation: Phase 1

Ricardo Navarro

Facilities Maintenance & Construction Manager

OVERVIEW



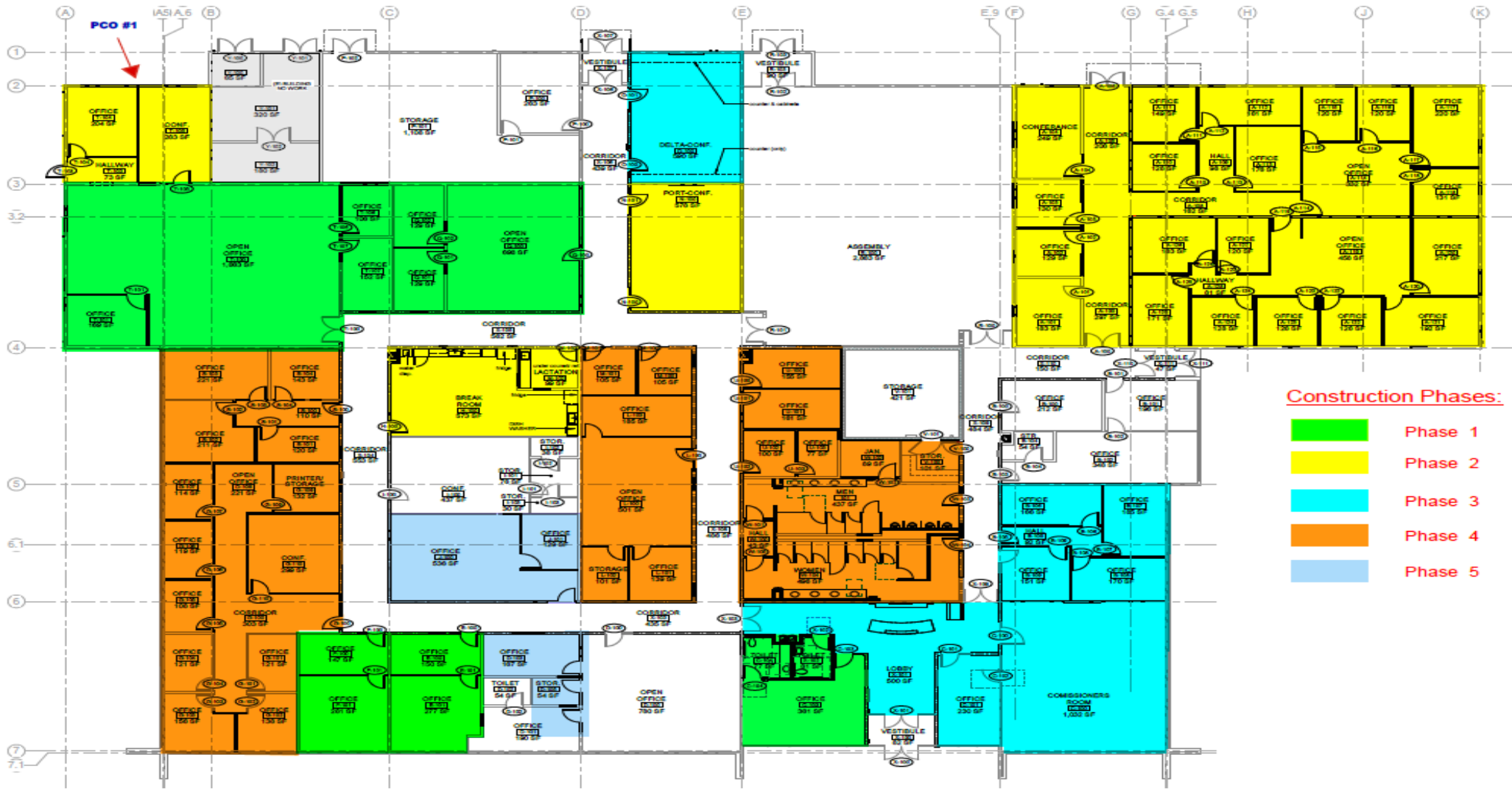
Background

June 2024 incident caused substantial water damage to Port administration building located at 2201 W. Washington

Phasing Plan

- Minimize disruptions to business continuity
- 5 Phases
- Phase I Scope covers the interior renovation of approximately 4533 square feet
 - Permitting - Phase I plans submitted to City of Stockton 12/31/24; City issued permits on 2/2/25
 - Construction cost estimate - \$674,400
 - Construction Period - Current estimate for construction of Phase I is 100 days
- Phase II - V Status
 - Engineering and Design - Scheduled for completion March 28th, 2025
 - Permit application submittal process – April 1st – June 16th
 - Procurement solicitation / bid process – May 19th
 - Construction cost estimate - TBD
 - Construction Period - Current estimate for construction of Phase II - V is 140 days

Floor Plan



PROCUREMENT PROCESS



Pre-Bid Meeting

- Three contractors invited to the mandatory pre-bid meeting that was held on January 13, 2025, at 3:00 PM
- Contractors that attended this mandatory pre-bid meeting are listed below:
 - Diede Construction, Woodbridge, CA
 - F&H Construction, Lodi, CA
 - Haggerty Construction, Stockton, CA

Bid Results

- The project received 3 bids on February 11, 2025, and the abbreviated bid results are shown on the next slide

BIDS RECEIVED



1 F & H CONSTRUCTION
LODI, CA
\$574,400.00

SUBCONTRACTOR	DESCRIPTION OF WORK
A1 Glass Co.	Glazing
Abbey Flooring	Tile and flooring
Advanced Mechanical Systems	HVAC
Alcal Specialty	Insulation
B & H Electric	Electrical
BK Mill and Fixtures	Casework
Calidad Plumbing	Plumbing
Climer Drywall	Metal studs and drywall
James L Harris Painting & Decorating	Painting
Robert Boeger Plastering	Plastering

2 DIEDE CONSTRUCTION
WOODBIDGE, CA
\$712,700.00

SUBCONTRACTOR	DESCRIPTION OF WORK
AMS Heating	HVAC
Applied Finishes	Painting
BK Mill and Fixtures	Architectural casework
Carpetland	Tile and flooring
Central Valley Hardware	Doors, frames and hardware
Climer Drywall	Gypsum Board
RB Environmental	Demolition
Stockton Progressive Glass	Glazing
TBK Electric	Electrical
Ultra Ceiling	Acoustical ceiling
WWF Contractors Corp.	Plumbing

BIDS RECEIVED (CONTINUED)



3 HAGGERTY CONSTRUCTION
STOCKTON, CA
\$1,181,682.00

SUBCONTRACTOR	DESCRIPTION OF WORK
Aaron Shaddy Construction dba Fremont Cabinet Shop	Countertops
Abbey Flooring	Ceramic tile and flooring
Bockmon & Woody Electric	Electrical
Delta City Drywall	Drywall and metal studs
Diablo Roofing	Roofing
Doors Plus	Doors and frames
Golden Valley Construction	Rough Carpentry
Lovotti, Inc.	HVAC
Pacific Decorative Concrete	Epoxy Coatings
RB Environmental	Demolition
Robert Boeger Plastering	Stucco
Service Painting	Painting
Stockton Progressive Glass	Storefront
Tomco Construction	Concrete
Ultra Ceiling	Acoustical ceilings
Withers Mechanical	Plumbing
Z Blinds Company	Window blinds

ENVIRONMENTAL



This project is exempt from CEQA pursuant to the following CEQA Guidelines Sections:

- 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and 15304 (Minor Alterations to Land)Haggerty Construction, Stockton, CA
- 15301(a) provides for interior or exterior alterations involving such things as interior partitions, plumbing, and electrical
- 15302 allows for the reconstruction of existing structures of substantially the same size, purpose and capacity
- 15304 allows for minor alterations to land (i.e. utility conduits) where the surface will be restored

FISCAL IMPACT



SP2021-07 – Building 315 Renovations capital improvement project was delayed for funding until FY2025-26. With the majority of improvements under the Emergency Declaration to be considered complete, funding of SP2021-07 in FY2024-25 is necessary to expense ongoing project costs appropriately. Staff are bringing a separate report to the Commissioners for approval to amend the FY2024-2029 Capital Improvement Plan. The proposed contract costs are included in the projected request for appropriation of \$2,000,000 for FY2024-25

REQUESTED ACTION



- Adopt a California Environmental Quality Act (CEQA) Exemption pursuant to CEQA Guidelines Sections 15301, 15302, and 15304 and authorize Port staff to post the Notice of Exemption (NOE)
- Authorize the Port Director to award the contract to the lowest responsive, responsible bidder as required by Section 20751 of the public code of the State of California to F&H Construction for a total not-to-exceed (NTE) amount of \$574,400.00
- Authorize the Port Director to approve a not-to-exceed amount of \$100,000.00 for potential change orders