

Memo

To: Board of Harbor Commissioners

From: Peter Grenell
General Manager

Cc: Management Team

Date: April 2, 2007

Re: OPM/P Tenants Meeting on March 29, 2007 at OP Yacht Club

Approximately thirty tenants showed up for the meeting. Harbor Commissioner Tucker attended.

OPM Harbor Master Johnson began with a presentation by Assistant Harbor Master Charles White of the Harbor Patrol's Clean Boating Network activities at Oyster Point. Johnson then reviewed capital improvement projects that are completed and in progress. He then turned to the budget and rates and fees.

Some tenants raised concerns about rate increases and quality of facilities. Following is a summary of comments made:

- Why not have a free boat wash-down; other harbors do?
- Need more parking near the bait shop.
- Restrooms and showers need improvements.
- A 20% discount should be given to disabled tenants.
- Condition of the Laundromat is deplorable; no hot water.
- Court workers do not do the best job of facility maintenance; need more staff follow-up.
- Tenants want better value for their money.
- Green mold is growing on some docks; is a safety hazard.
- Larger boats will result in more savings and revenue.

- Discounts should be given to tenants who bring in new boater tenants.

District staff explained the District's overall approach to the budget and rates and fees. First priority is controlling costs and reducing expenses. For example, operations and maintenance expenses at both harbors have declined over the past two years by around 14%. Further, the Harbor Commission has set a freeze on new staff hiring, saving additional money.

Balancing this is inflationary rises in costs of materials, e. g., fuel and cement. Next year's Consumer Price Index will be 3.2%; last year's was 1.7%. In addition, costs of insurance, including workers compensation insurance, and health insurance, will increase, causing a further drain on the budget. Johnson pointed out the projected deficit in the OPM budget.

Second priority is raising more and new revenue. The approach is to find all other sources of revenue before coming to rates and fees. At OPM, increasing occupancy is the number one priority.

District staff emphasized that this tenants meeting was the start of the process, that tenant comments were welcome, and that the Harbor Commission would finalize its budget in June and its rates in late May or early June. There will be two regular Commission meetings in April and May, which will be further opportunities to discuss rates and fees.