

**San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes**

**February 4, 2009
7:00 p.m.**

**Coastside County Water District Office
766 Main Street
Half Moon Bay, CA 94019**

Roll Call

Commissioners

Leo Padreddii, President
Sally Campbell, Vice President
Pietro Parravano, Treasurer
James Tucker, Secretary
Ken Lundie, Commissioner

Staff

Peter Grenell, General Manager
Marcia Schnapp, Director of Finance
Marietta Harris, Human Resource Manager
Robert Johnson, Harbormaster
Dan Temko, Harbormaster
Theresa DellaSanta, Deputy Secretary
Marc Zafferano, District Counsel

Public Comments/Questions - None

Staff Recognition- Grenell recognized DellaSanta for assisting him in preparing and submitting federal appropriations for FY 2010.

Parravano thanked staff for the employee appreciation dinner.

Campbell complimented Accounting Specialist Jessie Valdez for his work and assistance on putting together the 2008 boat decorating contest at Pillar Point Harbor. She concluded that Valdez is an excellent employee. Grenell stated that he will put letters in Valdez and DellaSanta's file.

Padreddii acknowledged that South San Francisco Assistant City Manager Marty Van Duyn was in the audience.

Consent Calendar

All items on the consent calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda. Any item on the regular agenda may be transferred to the consent calendar.

- 1 **TITLE:** **Minutes of Meeting January 21, 2009**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 2 **TITLE:** **Approval for Out-of-State Travel for the Director of Finance and Staff to Attend the Government Finance Officers Association (GFOA) Training Classes in Reno, Nevada**
 REPORT: Schnapp, Memo, Attachments
 PROPOSED ACTION: Approve the Director of Finance to Attend GFOA Training Classes in Reno, Nevada

- 3 **TITLE:** **Authorization to Issue Request for Proposals (RFP) for Auditors**
 REPORT: Schnapp, Memo
 PROPOSED ACTION: Authorize Issuance of RFP

Schnapp informed the Board that Item 2 should be approved for the Director of Finance and two staff members to attend the training.

Action: Motion by Tucker, second by Lundie to approve Items 1, 2, and 3. The motion passed.

Item 1: 4 Ayes, 0 Nays, 1 Abstention (Campbell)

Items 2 & 3: 5 Ayes, 0 Nays

New Business

- 4 **TITLE:** **Commission Committee Assignments**
 REPORT: Padreddii, 2009 Assignments
 PROPOSED ACTION: To Be Determined

Grenell recommended that the Pillar Point New Pier Committee be reactivated based on recent discussion with Commissioners Parravano and Tucker.

Campbell recommended creating a new Committee to discuss with Keet Nerhan benefits for Nerhan's operations and the District. Campbell also said it could fall under the Promotions and Marketing Committee. The President agreed.

Campbell requested that she replace Parravano on the Department of Boating & Waterways Committee. The Board agreed.

Tucker recommended that Parravano sit on the New Pier Committee by himself since he has worked with a lot of the local agencies in past years. The President agreed.

- 5 TITLE: **King Ventures Leases: Approval of Lease Amendments and Assignments**
- REPORT: Grenell, Memo
- PROPOSED ACTION: Approval of Amendments to and Assignment of King Ventures Leases for Marina Inn (Parcel D-1), Marina Village (Parcel B), Parcel C, and Marine Collections LLC (Marine Center Parcels E, E-1, E-2, E-3, E-4) as per Staff Recommendation

Grenell informed the Board that this is the latest step in the process working with the City of South San Francisco and Shorenstein/SKS on major redevelopment at Oyster Point Marina. Grenell concluded that he has established a process to work with the City of South San Francisco on creating mutually agreeable provisions for an amended Joint Powers Agreement and possible extension.

Campbell asked if there has been a formal agreement between SKS and King Ventures and whether SKS is on target for their April 5th deadline.

Paul Stein, SKS Investments, stated that they have executed a purchase agreement with King Ventures that is a tentative agreement. He added that all contingencies have been removed except for the MOU. Stein added that they are completely on schedule and look forward to moving ahead. Stein concluded that their technical experts are working, and the City hired consultants to do peer review.

Padreddi stated that the Board is very satisfied with the work done so far. He thanked Stein for attending the meeting.

Action: Motion by Tucker, second by Campbell to approve Item 5. The motion passed.

Ayes: 5
Nays: 0

Public Hearing

- 6 TITLE: **Pillar Point RV Lot Length of Stay Ordinance Section 3.8.2: Temporary Exemption**
- A. Declare Hearing Open: President Padreddii
- B. Report of Notice Given: Grenell
- C. Staff Report and Recommendation: Grenell
- D. Public Testimony:
- E. Harbor Commission Questions:
- F. Close Public Testimony: President Padreddii
- G. Commission Deliberation:
- H. Recommended Commission Action: Approve Temporary Exemption

Grenell requested that this item be removed from the Agenda and put over until further notice.

Zafferano suggested that the Board give members of the public the opportunity to still speak on the item.

Annaliese Agren representing Surfrider Foundation of San Mateo County stated that many of her members use Surfer's Beach and currently there are no restrooms. She recommended installation of a new restroom if the RV lot extends its use terms. Campbell stated that she is in support of allowing a four-month extension and then soliciting support for portable restrooms from other agencies.

Luke Kilpatrick, representing surfers and RV's, stated that he feels the temporary extension should be approved because it gives the lot to more experienced RV users which in turn gives less likely chances of spills into the Bay. He concluded that in the State of California any RV that stays in a lot for more than 90 days is required to "hard pipe" which reduces black and gray tank effluent entering the water.

Campbell stated that the current RV lot lessee is not responsible for a restroom at Surfer's Beach.

Merrill Bobele, Member of Coastal Issues Committee, Loma Prieta Chapter Sierra Club member, stated his opposition to the temporary extension. He thanked the Board for removing the item from the Agenda and hoped it would never be put back on. Bobele stated that a change in this ordinance is inconsistent with the current use permit with the City of Half Moon Bay, the Half Moon Bay LCP and the Coastal Act which promotes public access to the Coast.

Keet Nerhan, Pillar Point RV/Park Lessee, stated that his staff has cleaned up all of the garbage that has been thrown into the lot and they are preparing to remove the vehicles for non payment for parking. Nerhan added that he and staff are trying to do the best they can and he has spent a lot of money maintaining and landscaping the lot. Nerhan stated that he is withdrawing his request for this temporary exemption, but would like the Board to know that he and staff have been doing the best job they can. He concluded that the lot is only 17% occupied right now.

Padreddii asked if Nerhan is requesting the exemption because of the low occupancy.

Nerhan said his main reason is because of the depression some people have requested to stay longer because they don't have jobs.

Tucker asked why the item is being removed. Grenell said a request from Lundie had raised questions regarding some legal concerns and also because he received a message from the Coastal Commission who indicated that the District would need a coastal development permit.

Tucker asked Nerhan if he still wants to withdraw his request or would he like to wait until staff gets answers to the legal issues.

Nerhan said he will do whatever the Board is comfortable with. Campbell said she would like staff to get answers to the legal questions and bring it back to the Board.

Action: Motion by Tucker, second by Campbell to continue the item for 30 days pending legal advice.

Ayes: 4

Nays: 1 (Lundie)

New Business, Continued

- 7 **TITLE:** **Other Post-Employment Benefits (OPEB) Obligation**
 REPORT: Schnapp, Memo
 PROPOSED ACTION: To Be Determined

Schnapp stated that GASB 45 requires that the District determine its outstanding liability for employee benefits through June 30, 2009. Schnapp stated the District can either pre-fund the liability and then only book the annual expense or fund a portion of the liability over the next 30 years.

Schnapp explained that pre-funding the liability requires transferring \$2.8 million out of reserves and into an irrevocable trust by June 30, 2010, and budgeting an additional \$198,000 in annual OPEB expense for FY2009-10. Schnapp added that the 30-year option would require budgeting an additional expense of \$500,000 per year.

Campbell felt that nothing should be decided until the ferry service situation is known and the arrangements with DBW and WETA are complete.

Schnapp said she needs to put a number into the budget and recommended a decision before June 2009.

No action was taken.

- 8 **TITLE:** **Six-Month Budget Review**
 REPORT: Schnapp, Budget Review
 PROPOSED ACTION: To Be Determined

Schnapp informed the Board that the District has a slight surplus and is moving ahead.

- 9 **TITLE:** **Support Letter for Department of Boating and Waterways (DBW)**
 REPORT: Grenell, Letter
 PROPOSED ACTION: Approve Letter Supporting Continuation of DBW

Grenell informed the Board that the Governor and his staff are contemplating eliminating DBW and absorbing it into the State Parks Department. Grenell recommended approval and authorization to send an opposition letter.

Action: Motion by Campbell, second by Tucker to approve Item 9. The motion passed.

Ayes: 5

Nays: 0

Continued Business

- 10 TITLE: **Draft Financial Statements and Management Recommendations**
REPORT: Schnapp, Statements and Recommendations
PROPOSED ACTION: To Be Determined

Schnapp stated that she has received the draft recommendations to Management and that the District has an approximate net surplus of \$16,000 which includes the write offs of several projects of which some were never completed. Schnapp concluded that the District continues to “hold the line.”

Schnapp stated that there were no new recommendations to Management, but there is one recommendation remaining having to do with fixed assets which is in process.

Action: Motion by Campbell, second by Lundie to approve Item 10. The motion passed.

Ayes: 5
Nays: 0

New Business, Continued

- 11 TITLE: **Bills and Claims in the Amount of \$129,170.90**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$129,170.90 to cover payment of Bills and Claims

Parravano informed the Board that he reviewed the Bills and Claims and found them in order. He recommended approval.

Action: Motion by Parravano, second by Campbell to approve the bills and claims in the amount of \$129,170.90. The motion passed.

Ayes: 5
Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

12 **General Manager - Grenell**

Nothing further to add to written report.

13 **Director of Finance - Schnapp**

Nothing further to add to written report.

14 **Human Resources Manager - Harris**

Nothing further to add to written report.

Operations

15 Oyster Point Marina/Park - Johnson

Nothing further to add to written report.

16 Pillar Point Harbor – Temko

Nothing further to add to written report.

Board of Harbor Commissioners

17 A. Committee Reports

Oyster Point Development (Campbell, Tucker) -None

B. Commission Statements and Requests

The Board of Harbor Commissioners may make public statements and requests. Requests may be made to place items on future agendas.

None

- 18 TITLE: **Identify Labor Negotiator Pursuant to Government Code §54957.6**
REPORT: Zafferano
PROPOSED ACTION: Identify Labor Negotiator Peter Grenell

Zafferano identified Grenell as Labor Negotiator.

- 19 TITLE: **Identify Real Property Negotiator Pursuant to Government Code §54956.8**
REPORT: Zafferano
PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Zafferano identified Grenell as Real Property Negotiator.

Action: Motion by Campbell, second by Tucker to adjourn to Closed Session. The motion passed unanimously at 7:56 p.m.

Closed Session

- 20 TITLE: **Conference with Legal Counsel-Pending Litigation pursuant to Government Code §54956.9(a) 1 Case, Coats vs. SMCHD**

- REPORT: Zafferano
PROPOSED ACTION: To Be Determined
- 21 TITLE: **Conference with Labor Negotiator pursuant to Government Code §54957.6: Operating Engineers Local Union No. 3**
REPORT: Grenell
PROPOSED ACTION: To Be Determined
- 22 TITLE: **Conference with Labor Negotiator pursuant to Government Code §54957.6: Teamsters Union Local 856**
REPORT: Grenell
PROPOSED ACTION: To Be Determined
- 23 TITLE: **Conference with Real Property Negotiator: Median Strip, APN 047-262-010, El Granada, San Mateo County: Regarding Sale or Lease Price and Terms and Conditions Pursuant to Government Code Section §54956.8**
REPORT: Grenell
PROPOSED ACTION: To Be Determined
- 24 TITLE: **Conference with Real Property Negotiator: Parcels APN 015-010-060, 015-010-260, 015-010-270, Oyster Point Marina/Park, City of South San Francisco, San Mateo County; San Mateo County Harbor District with King Ventures Regarding Lease Price, Terms and Conditions, Pursuant to Government Code §54956.8**
REPORT: Grenell
PROPOSED ACTION: To Be Determined
- 25 TITLE: **Conference with Real Property Negotiator: Parcels APN 015-010-060, 015-010-260, 015-010-270, Oyster Point Marina/Park, City of South San Francisco, San Mateo County; San Mateo County Harbor District with San Francisco Bay Water Emergency Transportation Authority (WETA) Regarding Lease Price, Terms and Conditions, Pursuant to Government Code §54956.8**
REPORT: Grenell
PROPOSED ACTION: To Be Determined

Action: Motion by Campbell, second by Lundie to adjourn to Open Session. The motion passed at 8:44 p.m.

Adjournment

There was no reportable action from Closed Session.

Action: Motion by Tucker, second by Parravano to adjourn the meeting. The motion passed unanimously at 8:45 p.m.

APPROVED BY:

ATTESTED BY:

Leo Padreddii
President

Theresa DellaSanta
Deputy Secretary