

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

***Special*
Meeting Minutes**

**April 18, 2007
5:30 p.m.**

**Oyster Point Yacht Club
911 Marina Blvd.
South San Francisco, CA**

Roll Call

Commissioners

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

Staff

Peter Grenell, General Manager
Eileen Wilkerson, Human Resource Manager
Marcia Schnapp, Director of Finance
Robert Johnson, Harbormaster
Dan Temko, Harbormaster
Theresa N. Hayes, Deputy Secretary
x Marc Zafferano, District Counsel

x- absent

Public Comments/Questions- None

Staff Recognition- None

New Business

1 TITLE: **Budget Workshop #3: Study Session**
REPORT: Schnapp, Draft Budget
PROPOSED ACTION: To be determined

Grenell informed the Board that staff is continuing deliberations on the budget. He reported that a public hearing will be held at the next meeting on May 2nd in which the Board will adopt the preliminary budget and start the statutory public review and comment period. The budget will be finalized at the second meeting in June.

Grenell reported that staff has discussed the rates and fees further and has considered ideas to address the vacancies at Oyster Point Marina/Park. Grenell made two recommendations: 1- reconfiguration of Dock 11 to enable more 55 foot berths and other docks as well; the demand is for 40 foot and above. 2- Launch an experimental promotion campaign to attract people to Oyster Point by offering lower rates for the 30 foot to 36 foot berths. He added the idea of offering incentives to current tenants at both Oyster Point and Pillar Point who bring in new tenants and to approach the people on the Pillar Point Harbor waiting list with special rates at Oyster Point.

Tucker asked Grenell what he recommends for live aboards.

Grenell said he is considering recommending a moderate increase with a discount provision for live aboards in financial need. He will take into account tenant comments and thoughts.

Tucker stated that he attended both tenant meetings and felt that they went very well. He added that the tenants at both locations had very good ideas and suggestions.

Campbell asked Grenell if the proposed drop in fees for 36 foot and under berths includes the people that already live there. Grenell said after much thought and deliberation with staff the recommendation is to lower rates for everyone. Grenell said that several years ago at Oyster Point, tenants came to the budget meeting and stated that they understood the need for a rise in fees as long as the increase is equitable and not exorbitant. He said this comment has stuck with him.

Lundie asked if the discount for commercial fishermen is the same for the party boat operators. Grenell said no.

Padreddii said that prior talk of raising rates and fees 18% he felt was out of line. He added that people will go to the cheapest place they can find. Padreddii concluded that he likes the idea of reducing rates to attract more people to Oyster Point Marina/Park.

Francis Young, Pillar Point Harbor tenant, stated that when he first moved to the Harbor many years ago he was paying approximately \$120 per month and with the current proposed increase he will be paying \$520 per month. He said that it is hard enough for the fishermen as it is; their boats just sit in the Harbor while the rents keep going up.

Campbell asked Young if he belongs to the Coastside Fishing Club. Young said yes. Campbell thanked Young for being a part of the large number of Coastside Fishing Club members who fish out of Pillar Point Harbor.

Young concluded that he would like to see proposed increases at more manageable rates.

Bruce MacKimmie, has a berth at Pillar Point Harbor and is a Coastside Fishing Club member. He said that if rents keep going up he will take his boat out of the water and

store it on his trailer. He added that although it is easier for his boat to be in the water, it is more cost effective to have it on his trailer. MacKimmie concluded that he is opposed to outrageous berth rate increases.

Guy Gilchrist, longtime user of Oyster Point and Pillar Point, said the latest proposed drastic increase at Pillar Point Harbor is not sound financial planning. He said historically fees have been raised 5% per year. Gilchrist read a list of things he believes the District will lose if the proposed increases are approved. He added that he had a list of proposals to solve some of the District's budget problems, but during a meeting he had with Johnson he was informed of the "mandated" rise in rates ordered by the Department of Boating and Waterways and now has more questions than answers. Gilchrist concluded that he will put his questions in writing and send them to the Harbor District for answers.

Mike Giraudo, Secretary of the Coastside Fishing Club, thanked Campbell for her kind words. Campbell thanked Giraudo for his support. Giraudo stated that he and the others are here because this is "our passion." He said he is glad to hear what Grenell had to say about Oyster Point Marina/Park and the proposals to do something about the vacancies. Giraudo said this is a State District and "State Districts are made to be accessible to the common man." He said that the proposed increases will not be accessible to the common man; only the very rich will be able to fish or sail. Giraudo added that during the recent salmon season opener he and about 150 Coastside Fishing Club members had a BBQ and most of them had the proposed rate increases on their minds; a lot of people are thinking of other places to go. Giraudo said he is surprised that the party boats do not get the same rate as the commercial fishermen when they pay the District a per passenger fee and they are just as important to the Harbor as the commercial fleet. Giraudo concluded that "as a state organization you have to be for the people."

Tifton Gantt, renter at Pillar Point Harbor, said he likes some of the ideas he has heard tonight. Gantt stated that he works for a special district and understands the job the Board and its staff have to do, but the amount of the increase that has been proposed is a problem. He said that in the 15 years he has been at the Harbor he has watched services "go away; we've paid more and received less." Gantt added that he misses the haul out facility, but the six lane addition was a massive improvement. Graft said he thinks the District is on the right track to try to fill slips and he likes the idea of a free first month's rent if you pay for the first year, but the reality is that most people can't afford to do that.

Campbell informed Gantt that that she and Parravano took a tour of Oyster Point today and in the Marina they use pontoons filled with air as a haul out facility which the District will look into for both Harbors.

Lundie stated that he is very impressed with the speakers and they have conducted themselves in a professional and civil manner.

Tom Mattusch, Pillar Point Harbor, stated that charter boat operators should get the same discounts as the commercial fleet and he is shocked that this does not already happen.

Mattusch said last year was the absolute worst salmon year he has ever seen and if there is another year like it he can't operate anymore. He asked the Board to consider revising the fees for charter boat operators. He asked that the District "take it easy on us because it's a tough business to make money in." Mattusch asked if the District has considered using tax base to offset the operating costs of the Harbor; this is what is done in Southern California. He concluded that if there is a shortfall in the budget it is not fair to go to the customers and expect them to pay for it.

Parravano stated that there is a difference in how much recreational versus commercial fishermen are allowed to fish for salmon. When the salmon seasons are established, charter boats and recreational fishermen have the same allocation criteria. Recreational fishermen and charter boats have more access to salmon than commercial fishermen.

Grenell stated that he attended the Marine Life Protection Act socio-economic workshop this morning and has been nominated by the Port Captains and Harbor Masters Association as a stakeholder representative. He said he is very sensitive to any concerns both commercial and recreational fishermen have.

Tucker asked Grenell to update the Board on follow up from the last Budget meeting. Grenell said staff has been committed to looking at ways to control costs and reduce expenditures. He said staff is doing a detailed analysis on how the District functions and ways to do individual jobs better. Grenell said staff is looking into savings that can be accrued with changes in how the District functions.

Wilkerson said she has started the time and motion study she was directed to do. She has sent out a classification questionnaire to all employees and has begun observation at Pillar Point Harbor. Wilkerson projected that this study would be completed by mid-July.

Campbell said that with the rates that are proposed now, when staffing is a key issue, it makes it difficult to vote on the budget if we haven't looked into what we can do with staff first. She added that she may not be able to vote on raising rates to user groups without knowing that the District has done everything they can to look at staffing and what they can do to reduce expenditures.

Wilkerson stated that she would have a progress report at the next meeting. A brief discussion occurred on the number of vacancies in the District. (The District currently has 3 vacancies which staff does not propose to fill).

Campbell said that the launch ramp fees were raised two dollars last year and feels that if it is increased again this year it would be too much. She said to leave the launch ramp and RV parking lot fees alone this year and raise them next year. Campbell concluded that she is not supporting a 15% increase in rates and fees, as she feels it's excessive.

Grenell said that the District should consider establishing a two year rate schedule which would give the District a clear picture of what to expect and it would assist the District

with concerns about DBAW debt service. It would also provide stability and predictability for the tenants. Grenell said a recommendation for a two-year rates and fees schedule will be made at the next meeting.

Adjournment

Action: Motion by Campbell, second by Parravano to adjourn the meeting. The motion passed unanimously at 6:50 p.m.

APPROVED BY:

James Tucker

James Tucker
President

ATTESTED BY:

Theresa N. Hayes

Theresa N. Hayes
Deputy Secretary