

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

**November 15, 2006
4:00 p.m.**

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

Roll Call

Commissioners

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

Staff

- Peter Grenell, General Manager
- x Eileen M. 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

- Temko arrived late
- Lundie arrived late

Public Comments/Questions- None

Staff Recognition- None

New Business

- | | | |
|----------|-------------------------|-------------------------|
| 1 | TITLE: | Finance Workshop |
| | REPORT: | Staff |
| | PROPOSED ACTION: | To be determined |

Schnapp gave a PowerPoint presentation to begin the workshop.

Main Points-

Q: What is the District trying to achieve in today's Finance Workshop?

A: Review changes implemented since last workshop to see results and implications.

Discussion Topics-

? Financial Operating Results

- Revenues are increasing
- Expense increases have moderated

? Diversification of Investments

- Moved \$4million into higher earning investments

? Department of Boating and Waterways (DBAW) Loan Repayment

- First principal payment due December 31, 2007 = \$1.525 million (in addition to interest payment of \$875,000)
- Should the District make a \$1MM payment on December 31, 2006?

Action: Motion by Campbell, second by Lundie to pay off the loan due 12/31/06 of \$876,312.22 along with the District's normal interest payment of \$875,711.00 for a total of \$1,752,023.22 to be made on or before December 31, 2006. The motion passed.

Ayes: 4

Nays: 0

Staff will also seek an extension of six eligible loans to fifty year terms from their present thirty year terms.

? Capital Projects

- Need to have plan for cash flow and for contingencies in order to execute large projects (\$1million+)

? Rates and Fees for FY2007-08

Proposal: Establish a two (2) year rates & fee schedule

- This gives clearer financial expectation for both Tenants and District.
- Known stable increase patten for berthing and liveboards and for District fiscal planning.
- Saves District staff time by approving every two years instead of every year.

There was discussion of future capital projects and how the District can control large projects. Campbell expressed a need to improve cost estimating. Staff will be applying MS Project software for this purpose as part of the solution.

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Lundie arrived at 4:38 p.m.

Schnapp quickly recapped the above topics for Lundie.

Schnapp went over the 15 year projection chart included in the PowerPoint presentation.

The Board discussed the 71 berth and haul out project, the two year rates and fees schedule concept, and Schnapp's analysis of income and implication of it being three percent above expenses.

Tucker expressed the overall observation that a two-year rates and fees strategy should be explored.

Regarding the 71 berth and haul out project, staff will prepare a timeline estimate for project implementation and when supplementary DBAW funds might be available. Staff will also investigate the boating market demand for berths, especially in light of current trends in the commercial fishing industry. As part of dock and berth planning, a potential for using cement docks will be explored, following Lundie's suggestion.

Adjournment

Action: Motion by Campbell, second by Lundie to adjourn the meeting. The motion passed unanimously and the meeting was adjourned at 5:45 p.m.

The next regularly scheduled meeting will be held on December 6, 2006 at the Coastside County Water District Office, 766 Main Street, Half Moon Bay, California at 7:00 p.m.

APPROVED BY:

ATTESTED BY:

James Tucker

Theresa N. Hayes

James Tucker
Vice President

Theresa N. Hayes
Deputy Secretary