

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

February 2, 2011
7:00 p.m.

Comfort Inn
2930 Cabrillo Highway
Half Moon Bay, Ca. 94019

Roll Call

Commissioners

Pietro Parravano, President
James Tucker, Vice President
Leo Padreddii, Treasurer
Robert Bernardo, Secretary
x Sally Campbell, Commissioner

Staff

Peter Grenell, General Manager
Julie Turner, Director of Finance
Marietta Harris, Human Resource Manager
x Robert Johnson, Harbormaster
Jean Savaree, District Counsel
Debbie Nixon, Deputy Secretary
John Draper, Assistant Harbor Master
Charles White, Assistant Harbor Master

x-absent

Public Comments/Questions — None.

Staff Recognition - None.

New Business

1	TITLE:	Commission Committee Assignments
	REPORT:	Parravano, Board of Harbor Commissioners
	PROPOSED ACTION:	To be determined

Parravano announced the Committee assignments for 2011. He stated that committee number 4, District Organization, is a new committee this year and stems from a discussion from the last Board meeting. Parravano stated that the intent is to not take anything away

from Human Resources but to show the Commission supports staff as this is an important issue. He stated that committee number 2 will diminish once a decision is made regarding the Post Office Lot lease and that the New Administration Office would then fall under committee number 7.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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

- 2 TITLE: **Authorized Updated List of Signatures for the San Mateo County Harbor District's Accounts at the San Mateo County Treasurer's Office**
REPORT: Turner, Memo, Attachment
PROPOSED ACTION: Adopt Resolution 01-11 to authorize the updated list of signatures for the San Mateo County Harbor District's accounts at the San Mateo County Treasurer's office
- 3 TITLE: **U.S. Bank Master Signature Card**
REPORT: Turner, Memo, Attachment
PROPOSED ACTION: Authorize execution of master signature card
- 4 TITLE: **Minutes of Meeting January 19, 2011**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Bernardo asked why all Commissioners are on the signature card and not just the Treasurer. Turner stated that all checks over \$10,000 need to be signed by a Commissioner, not specifically the Treasurer. Tucker stated that is all Commissioners are on as signatories, and then there is no problem conducting business if someone is on vacation.

Action: Motion by Padreddii, second by Tucker to approve the consent calendar. The motion passed.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

Public Hearing - None

Continued Business

- 5 **TITLE:** **Amendment of Oyster Point Marina Memorandum of Understanding (MOU) with City of South San Francisco**
 REPORT: Grenell, Memo, Resolution 03-11, Attachment(s)
 PROPOSED ACTION: Approve Resolution 03-11 to amend MOU

Grenell stated this is another extension of the non-binding MOU. The language in the MOU called for three 30-day extensions which have been decided on. The MOU now needs to be extended to September 2011 by amendment. The MOU is non-binding and the amendment just allows the continuation of negotiations.

Action: Motion by Tucker, second by Padreddii to approve Resolution 03-11 and amend the MOU with the City of South San Francisco. The motion passed.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

- 6 **TITLE:** **Surfers Beach Project: Local Sponsor Cost Share Installment**
 REPORT: Grenell, Memo
 PROPOSED ACTION: Authorize expenditure not to exceed \$118,083.00 for installment payment to U.S. Army Corps of Engineers

Grenell stated that the US Army Corps has requested a quarterly payment of \$118,083 to match their amount. This is for pre-construction tasks in preparation for extensive computer modeling which will take place in late Spring or early Summer.

Tucker asked whether, when the Corps finalizes their study and confirms that their breakwater has caused the erosion, the District might be able to recoup some of the funds spent. Grenell stated that there are two phases: phase one is the study and phase two is construction. The cost share of the study is 50%/50% and the cost share of the construction is 80% US Army Corps and 20% District. There is no opportunity to recover funds from the Army Corps. Grenell stated that one potential source to recover funds would be the Department of Boating and Waterways (DBAW) which he has contacted. DBAW stated that they will need a benefit cost study to be done which basically will confirm this public beach is worth saving. Grenell stated that he also contacted the State Coastal Conservancy, which stated they are not interested in the project but he will be contacting them again.

Parravano asked if there are any other organizations that are tied into the Federal Cost Share Agreement with the US Army Corps. Grenell stated not through this contract. There are other entities that are involved but the District is financially responsible as local sponsor.

Action: Motion by Tucker, second by Padreddii to approve the expenditure of \$118,083 to the US Army Corps. The motion passed unanimously.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

New Business

- 7 **TITLE:** **Proclamation for Marc Zafferano**
 REPORT: Grenell, Proclamation
 PROPOSED ACTION: Approve proclamation

Grenell stated that he felt Zafferano deserved recognition from the Commission and the District.

Action: Motion by Padreddii, second by Tucker to approve the proclamation. The motion passed.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

- 8 **TITLE:** **Commercial Activity Permit for Wild Planet Foods, Inc.**
 REPORT: Johnson, Application
 PROPOSED ACTION: Conditionally approve limited commercial activity permit

Grenell stated that the recommendation for conditional approval refers to receipt of written approval from the San Mateo County Health Department stating that the water the applicant will pump out of the Harbor is acceptable. He stated that at this time there has been no communication from the county or the applicant and he asked that this item be put over until the issue is resolved

Tucker asked for a written report regarding the condition. He would like to know of all conditional items.

This item was put over.

- 9 **TITLE:** **Organization and Staffing Update: Interim Harbor Master Staffing Arrangement**
 REPORT: Grenell, Harris
 PROPOSED ACTION: To be determined

Harris stated that staff has looked into cross training at the Harbors, schedule changes and delegating more tasks to Assistant Harbor Masters and Lead Maintenance Specialists. She stated that advertising for the Accounting Technician/Administrative Assistant position will begin soon. Harris stated that she would like to meet with the members of the District Organization committee quickly to find out what their main concerns are.

Grenell added that the organizational review including identifying alternative arrangements. This includes identifying changes that do not require an expenditure of funds.

Tucker asked if there was a plan to change the job descriptions. Harris stated that the job descriptions are accurate, they are just not being utilized properly. Tucker stated that he is more than happy to meet with Harris but he is looking to staff for recommendations. Harris stated that she would like to discuss what kind of report the Commission is looking for and not recommendations.

Parravano encouraged Grenell to talk to both Assistant Harbor Masters to ensure he has a clear idea as to what the employees would like or to find out what their concerns are. Grenell agreed.

- 10 **TITLE:** **Downspout and Gutter Repair at Pillar Point Harbor**
 REPORT: Johnson, Staff Report
 PROPOSED ACTION: Authorization to solicit bids

Action: Motion by Padreddii, second by Tucker to solicit bids. The motion passed.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

- 11 **TITLE:** **Mid-Year Budget Review for Period Ending December 31, 2010**
 REPORT: Turner, Budget Review
 PROPOSED ACTION: To be determined

Tucker stated that it might be a good opportunity to discuss page 2 of the report on which is the cost of the Commission's election. Tucker spoke to people in other agencies and they

can't believe that the District has to pay upwards of \$500,000 for the election. Grenell stated that Harris found out that the cost to the District for the election is \$466,000.

Tucker stated that he would like Grenell to continue his talks with Counsel and come back to the Board with a possible plan of attack.

Bernardo agreed with Tucker and stated that it is unsustainable for the District.

- 12 TITLE: **Quarterly Investment Balances As Of December 31, 2010**
 REPORT: Turner, Quarterly Investment Balances
 PROPOSED ACTION: Accept quarterly investment balances

Action: Motion by Padreddii, second by Tucker to accept the quarterly investment balances. The motion passed.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

- 13 TITLE: **(A) Independent Auditor's Report and (B) Draft Recommendations to Management for Fiscal Year Ended June 30, 2010**
 REPORT: Turner, Auditor's Report, Draft Recommendations
 PROPOSED ACTION: Accept financial statements, independent auditors' report, and recommendations to management

Tucker asked Turner to briefly go through her points with respect to auditor's comments in the draft management letter. Turner stated on page one there is an auditor's observation regarding cash handling. Turner is working on establishing a new system on how to handle cash payments. The second observation is under Policy and Procedures and how they need to be updated. She stated that it is a tremendous undertaking to revise all policy and procedures as they need a complete overhaul. The third item is reconciliation of all accounts. The auditor found that there was an account that was in need of an additional reconciliation. The list of accounts will be amended to include this particular account. The last observation concerns extraordinary transactions, in particular the transaction with WETA settlement agreement. Most agencies don't find a third party stepping in to pay off their debt. Turner stated that she will be obtaining a membership to a professional organization called American Institute of Certified Public Accountants which will offer professional guidance.

Tucker questioned the auditor's comment about a "disgruntled employee" and wanted to know where they got this impression. Turner stated that they obtained information from a certain individual regarding whether they were happy with certain changes to the

organization, including schedules and roles. Tucker felt it was unprofessional to call an employee disgruntled.

Grenell stated that staff's intention is to meet with the auditors to review the draft recommendations to management and bring back a final document at the next meeting.

Turner clarified that there are two items at hand, the independent auditor's report and the management letter. She asked if the items could be taken up separately. Tucker asked if there was an urgency to approve the independent auditors report. Turner stated that if the independent auditors report was approved, she can issue the District's financial statements. She stated that there are some requests for public information.

Action: Motion by Tucker, second by Padreddii to approve the Independent Auditors Report only. The motion passed unanimously.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

- 14** TITLE: **Bills and Claims in the Amount of \$130,845.66**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of bills and claims for payment and a transfer in the amount of \$130,845.66 to cover payment of bills and claims

Padreddii stated that he reviewed the bills and claims and found them in order. He recommended approval.

Ayes: 4
Nays: 0
Absent: 1 (Campbell)

Reports for Possible Discussion/Action Administration and Finance

15 General Manager - Grenell

Grenell stated that he has sent a letter to U.S. Representative Eshoo who is now co-sponsoring H.R. 104 which, if passed, will ensure that funds credited to the Harbor Maintenance Trust Fund will be used for harbor maintenance.

16 Director of Finance - Turner

Nothing further to add to written report.

17 Human Resources Manager - Harris

Harris stated that she is currently working on a few public information requests for salary and benefit information.

Operations

18 Oyster Point Marina/Park - White

White stated that the staging for the Ferry Terminal has begun and the installation of the pilings is scheduled to start on February 24, 2011.

19 Pillar Point Harbor – Draper

Draper stated that AC3 will begin repairs on the public hoist on February 22, 2011.

Board of Harbor Commissioners

20 A. Committee Reports

Minutes requested by Commission from meeting with Charchenko.

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.

Padreddii stated that he inspected Mavericks Surf Shop and was very happy to see a beautiful store. Cassandra Clark thanked Padreddii for his kind words and stated that it was a group effort between Jeff and herself and they are very pleased with the way the shop came out. She stated that everything is new and they were open for business before Christmas.

Bernardo asked for clarification on how the Commission salaries were determined. Grenell stated that it is determined by the State Harbors and Navigation Code, section 6060, which states Harbor District Commissioners shall not be paid more than \$600

per month. If there are desires to modify the amount, it would require special legislation.

Parravano stated that he has been representing the District in a countywide program called Produce & Fish. They just issued their new pamphlet and he was proud that for the first time it is being issued in five languages: English, Tagalog, Chinese, Spanish and Tongan. It highlights what is in season and what's available. The pamphlet really promotes the Coastside.

Parravano stated that San Mateo County has a new supervisor, Don Horsley. He would like to invite him to the Harbor and give him a tour. He asked the Commission who would like to attend because if there are more than two Commissioners present, the gathering will need to be noticed. Tucker asked counsel if it is a public meeting and no harbor business is being discussed, then you would not need to notice. Savaree stated that it would be difficult to not discuss harbor business and to notice the meeting would just be posting a simple agenda.

Closed Session – None.

Adjournment

Action: Motion by Padreddii, second by Bernardo to adjourn the meeting. The motion passed unanimously at 8:00 p.m.

The next scheduled meeting will be held on February 16, 2011 at the Municipal Services Building, 333 Arroyo Drive, South San Francisco at 7:00 p.m.

Debbie Nixon
Deputy Secretary

Pietro Parravano
President