

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

September 21, 2011
7:00 p.m.

Municipal Services Building
33 Arroyo Drive
South San Francisco, Ca. 94080

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
Genevieve Frederick, Director of Finance
Marietta Harris, Human Resource Manager
Kathleen Kane, District Counsel
Charles White, Assistant Harbor Master (OPM)
John Draper, Assistant Harbor Master (PPH)
Debbie Nixon, Deputy Secretary

x-absent

Public Comments/Questions —None.

Staff Recognition-Grenell gave recognition to Nixon for all her support to him during a very busy time. Padreddii stated that he agreed with him and stated that she does a good job for the District.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 September 7, 2011**
REPORT: Draft minutes
PROPOSED ACTION: Approval

- 2 **TITLE:** **Side Letter of Agreement between San Mateo County Harbor District and Operating Engineers Local Union No. 3**
REPORT: Memo, Agreement
PROPOSED ACTION: Approval

- 3 **TITLE:** **Letter request to the Governor to Veto SB 293 (Padilla)**
REPORT: Grenell, Memo, Letter Attachments
PROPOSED ACTION: Approve General Manager to send letter to the Governor to Veto SB 293 (Padilla)

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

Ayes: 4
Nays: 0
Absent: 1 (Campbell)
Abstention: 1 (Tucker on item 1)

Public Hearing

- 4 **TITLE:** **Revocation of Independent Commercial Activity Permit for Tom Mattusch, F/V Huli Cat, for Nonpayment of Required Fees**
REPORT: Memo, Attachments, Resolution 21-11
PROPOSED ACTION: Revoke Independent Commercial Activity Permit and adopt Resolution 21-11

Parravano stated that Mattusch was not in the audience and asked that the item be continued to the October 5 Board meeting.

Continued Business

- 5 **TITLE:** **Limited Commercial Activity Permit for Mavericks Invitational, Inc.**
REPORT: Grenell, Memo, Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Grenell stated that he verified that Mavericks Invitational, Inc. is an active corporation. At that time he altered his staff recommendation and recommended approval of the permit.

Rocky Raynor, who is a Board Member for Mavericks Invitational, Inc. asked for clarification on how the fee is figured out. He stated that there will be an event at the Harbor this weekend and the cost to the organization is a \$250 fee but their fee is \$30,000. He stated that he will work with the Harbor regarding parking for the event. Grenell stated that the \$250 is the standard admin fee for a permit and is not a use fee. He stated at this time there is not a schedule of fees for special events like these but is in the process of working on a policy for special events and hopes to have that in place shortly. Historically the fees have been established on a case by case basis. He stated that over the years, the event has grown and the financial benefits are very large and wide spread and the District needs to maximize its revenue whenever possible. Grenell stated that the District needs to maximize its revenue whenever possible. He stated that the San Mateo County Harbor District is in existence to run harbors and events like the Mavericks Surf Contest are a secondary activity that we like to support, but in terms of the Districts needs and to meet the needs of the primary audience which consists of the San Mateo County citizens, San Mateo County tax payers, and the general boating public, the use fee was applied.

Douglas Connor stated he was in support of the permit for Mavericks Invitational, Inc. He stated that with the Mavericks Surf Shop in the harbor and Jeff Clark's name associated with the contest, it will drive more traffic into the harbor before the event as well as the day of the event.

Jeff Clark stated that it was a long time coming to get back to as the contest director. He stated that the group that has been established is the best group yet. Clark stated that their goal is to keep the traffic off the beach and create an environment over by harbor village to have the Mavericks Festival. He stated that in two months the permit fee has grown and that has put questions in the Board members minds. He stated that there needs to be some balance.

Grenell asked Clark for clarification regarding information on the application concerning security on the bluff top overlooking the Maverick Surf break; and understands that contest staff or security will be up on the bluff to keep people away from edge and will be placing signage to direct people to the festival. He asked Clark to confirm that information for the record. Cassandra Clark stated they are working with a security company that is experienced in events of this size and they have also been working with each public agency.

Action: Motion by Tucker, second by Padreddii to approve the permit along with the fees recommended by staff and insurance as outlined in the memo. Padreddii stated that he supports the contest but is concerned with the fee and feels it should be reduced to a more reasonable amount. Bernardo agreed with Padreddii and asked what goes into determining the fees and why there was a jump in fees. Tucker asked Clark what the Commission could do to continue to make the event a success. Clark stated that the success of the event is with the Commissioners behind their organization and having a good plan in place.

Tucker stated that he made the motion based on the fact that Jeff and Cassandra Clark are tenants. He stated that although Jeff has not been an active upfront man the last couple of years, he feels that Clark will make sure that things run smoothly and really likes the festival idea and location where it will be held. Tucker explained that the District is looking for revenue and suggested that at the end of the contest, Mavericks Invitational, Inc. allow the District to review their books, and if the contest goes on the following year, the fees can be evaluated.

Cassandra Clark stated that she accounted for extra revenue to District in the application. She stated that they have a comprehensive plan to direct people into the surrounding restaurants which in return generates revenue for the District. She felt it didn't seem unreasonable to lower the fee since two months ago it was \$10,000 less and asked that the Commission focus on a longer term plan as a partner with the District.

Grenell stated that in recent weeks he has been reviewing the maintenance and capital needs at the Harbors and one of the three critical situations is the parking lot and trail out on the west end at Pillar Point Harbor which is where the applicant wants to hold the event. He stated that the trail is eroding and very soon warning tape will need to be put up. He stated that an engineer will be out shortly to assess the damage. Grenell stated that the event will have a direct impact on District facilities which has not been taken into consideration in the past and therefore he didn't feel that the \$30,000 was unreasonable.

Elizabeth Knier commented only regarding the fees being charged and expressed her concern that the District is setting a precedent that fees can be raised at any time and that policies and guidelines should be set. She stated that the applicants were not told that the fee was being increased, although some of the reasons were understandable.

Parravano asked for clarification of the percentage of gross revenues and the fees that are associated with the event since the applicant is a tenant. C. Clark stated that they are two different companies.

Parravano stated that the current motion made by Tucker and seconded by Padreddii was to approve the application with the fees as follows: \$250 permit fee, a \$30,00 non-refundable use fee, \$5,000 one time cost fee and 5% of gross revenues of all sales.

Ayes: 3
Nays: 1 (Parravano)
Absent: 1 (Campbell)

Ken Collins, who is on the Mavericks Invitational, Inc. Board of Directors, stated that he is confident that Mavericks Invitational, Inc. will not make money on this event this year as they are just starting and asked that the fee be reduced back down to the \$20,000 and then possibly raise it over the next years. He stated that this is where the partnership needs to come into play.

New Business

- 6 TITLE: **Limited Commercial Activity Permit for Iron Cross, LLC
Film Activity at Pillar Point Harbor**
REPORT: Grenell, Memo, Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Brena Bailey, who is with the San Mateo County Film Commission, spoke and stated that she supports the film. She stated that this will bring a lot of positive economic impact to the Coastsides. The production company will be hiring local professionals, booking over 2,000 hotel rooms during their stay, renting cars and trucks and eating at local restaurants. She stated that the most important value is the tourism that this event will bring to the coast.

Grenell stated that staff recommend approval under the condition that the applicant work with the Harbor and General Manager to resolve any questions concerning logistics. He stated that Iron Cross, LLC has stated that they have no intention of filming the Mavericks Surf event. Grenell stated they will be filming at various times of the year which coincides with the “window” of the surf event but that is not what they are interested in. He suggested that there be language inserted into the permit that Iron Cross, LLC shall not film the actual surf event. Grenell referenced an earlier comment regarding the repairs to the trail from the west parking lot out to the beach, Iron Cross, LLC will be filming out there as well and will be an impact to the area. Grenell suggested that the Commission could modify staff’s recommendation regarding the fees to take into consideration to help defray District’s expenses for those repairs.

Tucker stated that a concern was the coexistence of the two events. He asked to have an understanding that if the event commences that they can not film. Rory Enke, location manager for Iron Cross, LLC, stated that the Mavericks event that they are interested in filming is the one that took place in the 90's and wet suits and boards have changed since then so today’s footage would not be relevant to his production. Tucker stated that staff’s recommendation is a \$250 permit fee and \$600 per day charge. Tucker asked if the company would be able to handle an additional \$5,000 fee. Brenna Bailey stated that the budgeted amount has already been set.

Bernardo stated that he agreed with Tucker and in the interest in being fair, the fee question has been raised twice tonight. He agreed to raise the fee to Iron Cross, LLC to be fair across the board.

Enke stated that the big picture is not being seen here. He stated that the fees were established over the last six weeks. He stated that there are many other locations in the world where they can make this film happen. Enke stated that this is a story about the Coastside and a young man who grew up here and they want to stay true to the story. He stated that if the price is increased again, that it is a signal that the Commission doesn't care.

Knier is concerned with the fee hike. She suggested that if there is a lot of damage to the bluffs or to the harbor, perhaps after the events the Commission could levy bills to fix the damage which might help both parties. Enke stated that if something is damaged, he will fix what is broken and is perfectly willing to do a walk through with the Harbor Master upon completion. He stated that there are a lot of people resting on this decision.

Kane stated that Grenell is correct in saying that there is not a schedule of fees for a special policy set. She stated that the fees recommended are proportional to the impact on the Harbor and are created by the activities. She stated that it is not a random assignment to the numbers and clarified how they are arrived at.

Collins stated that it doesn't seem fair that the fee keeps jumping and who's to say that next year it isn't \$50,000 or \$100,000. Kane stated that there is a basis as to how staff arrived at the fee and a number of things are factors in that decision.

Raynor asked staff to provide the Commission with documentation as to how the number was derived.

Action: Motion by Tucker, second by Padredii to approve the permit along with a \$250 permit fee, a \$600 per day and a onetime fee of \$5,000 fee and to not film during the surf contest.

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

The Commission took a brief recess to allow the room to clear.

7	TITLE:	Amendment to Harbor District Health Insurance Payout Policy
	REPORT:	Grenell, Memo, Resolution, Attachments
	PROPOSED ACTION:	Adopt Resolution 19-11 to amend District policy 6.4.5 in accordance with staff recommendation

Grenell stated the item brings back a portion of the District's Health and Medical policies specific to Commissioners. He stated that in 2002 there was a policy in place which was ultimately amended in 2006. He stated that a portion of the Commission wants to revert back to the former policy of 2002 with one addition of alternative payout which is along the lines of what is for staff.

Bernardo stated he was not sure why there is a need to restore the policy back to 2002 and what the cost for the reimbursement is and if this is standard policy of other Harbor Districts. Harris said that we are comparable to other entities, some give health benefits and some don't. She stated that special districts are paying for Commission health care. Bernardo still did not completely understand why we are trying to restore it.

Grenell deferred to the Commission and stated that his understanding is that the decision in 2006 was based on an economic concern. He stated that this policy would only apply to 2 out of the 5 Commissioners and revering back to the 2002 policy which adds in co-pays would not be a huge impact.

Tucker stated that in 2002 the realization was made that while other Commissioners were on the District's health benefits, Padreddii and Tucker had their own retirement benefits from other agencies. He stated that a point was raised that if three Commissioners were receiving a thousand dollars of benefits, than the District should pay co-pays and/or deductibles to help offset the cost of their insurance benefits. He stated that this saved the District six to eight hundred dollars per month per Commissioner. He stated that something changed and in 2006 when the policy was redone, somehow the reimbursement of co pays and/or deductibles was not entered into the agreement. He stated that this item is to put those options back into the policy.

Action: Motion by Tucker, second by Parravano to adopt resolution 19-11 to amend District policy 6.4.5 section 2 to allow the District to reimburse co pays and/or deductibles or to opt to have a payout. He motion passed unanimously by a roll call vote.

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

- 8** TITLE: **Crab Pot Storage at Pillar Point Harbor**
REPORT: Grenell, Draper, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 22-11 to amend Rates and Fees Schedule to require deposit payments for crab pot and gear storage at Pillar Point Harbor and authorize General Manager to set procedure for managing crab pot and gear storage

Grenell stated that this issue has been an increasing concern to staff for some time. He stated that he spoke to Draper in detail to understand exactly what has been happening. He stated that before crab season starts, the fisherman stage their crab pots on wooden platforms temporarily in "C" lot and then bring them to their fishing boats. He stated that toward the end of the season, the fishermen bring their pots back to "C" lot and place them back on the wood pallets and are supposed to then remove them. Grenell stated that the crab pots have been sitting in "C" lot for longer and longer and sometimes permanently, then staff is left to remove them which incurs a cost the District. He recommended amendment to the FY 2011/12 Rates and Fees Schedule to include this new revenue item and stated that any fisherman who wants to stage crab pots at "C" lot give the District a deposit and then will get the deposit back once their pots and debris are removed, if the area was not cleaned up properly, the District would then keep the deposit. He stated that there will be limits as to when the pots can be brought to the lot and how long they can stay. Grenell stated that the Commission needs to amend the Rates and Fees by resolution.

Padreddii stated that it is a good compromise.

Action: Motion by Padreddii, second by Bernardo to adopt resolution 22-11 to amend the Rates and Fees Schedule to require deposit for crab pot and gear storage.

Parravano suggested that the time frame after crab season be changed from 30 days to 10 days. He stated that crab season ends June 30th and there is an increase in the use of "C" lot for other boating activities.

Padreddii and Bernardo withdrew their motions.

Action: Motion by Parravano, second by Tucker to adopt resolution 22-11 with the addition that the gear is removed no later than 10 days after June 30th and that any item used for crab fishing be added to the Resolution and that the deposit will be refunded only after inspection by the Harbor Master. He asked for additional wording to be added to what is being stored in the lot, which would be crab tanks, pallets, buoys and rope. He asked for the Resolution to reflect that the deposit will be returned only if the area is left cleaned and after Harbor Master inspection. The motion passed unanimously by a roll call vote.

Grenell suggested that staff correct the resolution and bring to Parravano for final review and allow him to sign once the changes have been approved by him so staff could move forward. The Commission agreed.

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

- 9 **TITLE:** **Employment Agreement with General Manager**
 REPORT: Tucker
 PROPOSED ACTION: To Be Determined

Tucker stated that the contract for the General Manager expires in October and suggested to extend the contract for 30 days from now so the committee can do a review and asked Grenell to submit any requests he may have to the committee.

Action: Motion by Tucker, second by Padreddii to extend the contract for 30 days from its expiration date. The motion passed unanimously by a roll call vote.

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

- 10 **TITLE:** **Bills and Claims in the Amount of \$58,638.64**
 REPORT: Bills and Claims Detailed Summary
 PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$58,638.64 to cover payment of Bills and Claims

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

Action: Motion by Padreddii, second by Padreddii to approve the bills and claims. The motion passed unanimously by a roll call vote.

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

Reports for Possible Discussion/Action

Administration and Finance

11 General Manager - Grenell

Grenell stated that the ferry terminal structure is taking shape and passed a picture around which showed the top of the deck. He stated that soon the contractor will be barging in the float for the ferry slips; they are still on schedule to complete construction by end of December. He stated that in November they are scheduled to be working on the parking area.

Tucker asked to have two prints made to bring to a meeting tomorrow.

Bernardo asked if the picture was up on the web site. Grenell stated that it will be up in the next week.

12 Director of Finance - Frederick

Nothing further to add to written report.

13 Human Resources Manager - Harris

Nothing further to add to written report.

Operations

14 Oyster Point Marina/Park - White

Nothing further to add to written report.

15 Pillar Point Harbor – Draper

Draper stated that Coastside Fire Protection District will be sending Pillar Point Harbor a Proclamation for a rescue that was done on September 28, 2011 by Pemberton, Coats and himself.

Parravano asked if there were a lot of people expected at the Harbor for the Half Moon Bay International Marathon. Draper stated yes.

Board of Harbor Commissioners

16 A. Committee Reports

Tucker asked staff to make the special events policy a priority. Grenell stated that the plan is to bring a first draft to the Commission in a month.

Tucker thanked his colleagues for the actions that were taken tonight and recognized that they were tough ones.

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.

Action: Motion by Bernardo, second by Tucker to adjourn to closed session. The motion passed unanimously at 8:45 p.m.

Closed Session

- 17 TITLE: **Conference with District Counsel Pursuant to Government Code Section §54956.9(a) Possible Litigation: Two Cases**
REPORT: Savaree
PROPOSED ACTION: To Be Determined
- 18 TITLE: **Conference with Labor Negotiator Peter Grenell: Pursuant to Government Code Section §54957.6 Unrepresented Employee, Harbor Master**
REPORT: Grenell
PROPOSED ACTION: To Be Determined

Action: Motion by Bernardo, second by Parravano to adjourn to open session. The motion passed unanimously at 9:45 p.m.

Open Session, Continued

There was no reportable action from closed session.

Adjournment

Action: Motion by Tucker, second by Bernardo to adjourn the meeting. The motion passed unanimously at 9:46 p.m.

The next scheduled meeting will be held on October 5, 2010 at the Comfort Inn, 2930 Cabrillo Highway, Half Moon Bay at 7:00 p.m.

Debbie Nixon
Deputy Secretary

Pietro Parravano
President