

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

June 20, 2007
7:00 p.m.

Municipal Services Building
33 Arroyo Drive
South San Francisco, CA 94083

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

Board Member Leo Padreddii will be participating via audio teleconference under Government Code Section 54953 (b).

Padreddii will be teleconferencing from the following location:

74 Leo Circle
South San Francisco, CA 94080

Public Comments/Questions - None

Staff Recognition – Grenell recognized Hayes for setting up the teleconferencing with Commissioner Padreddii.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 June 6, 2007**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Ayes: 3
Nays: 0
Abstention: 1 (Campbell)

- 2** TITLE: **Amend Minutes of Meeting May 16, 2007**
REPORT: Minutes
PROPOSED ACTION: Approval

Action: Motion by Lundie, second by Parravano to approve Item 1 and 2. The motion passed.

Ayes: 4
Nays: 0

Continued Business

- 3** TITLE: **Wage and Salary Classification Schedule**
REPORT: Wage and Salary Classification Schedule, Resolution 19-07
PROPOSED ACTION: Adopt Resolution 19-07 and Approve Wage and Salary Classification Schedule

Grenell informed the Board that the Commission has adopted the wage and salary classification schedule for the following fiscal year as regular and past practice. He recommended approval of the schedule for fiscal year 2007-2008.

Campbell asked Grenell if the recommended raise is for the 3.2% cost of living assessment (COLA). Grenell confirmed yes. Campbell said that during this difficult time of dealing with the budget process that it was bad timing to have this item on the Agenda. Grenell explained that this has always been the practice of the Board and the wage and salary classification study has implications in the budget. He concluded that the District has several labor contracts and a few personnel contracts which call for COLA to be provided.

Tucker asked if the COLA recommendation is for Management employees as well. Grenell confirmed that a COLA raise is in the management contracts. Tucker stated that there might be a problem with giving management any type of raise right now.

Tucker requested that this item be continued to after the budget to see what kind of monies the District might have. The Board agreed.

Carmie Newcomb stated that the assumptions in the budget for increases in wages and benefits show a 3.2% COLA raise plus a 5% step raise equal to an 8% raise; she added that

top executives in Silicon Valley have an average raise this year of 3%. Newcomb said that the increase of 5% in tax revenue is not meant to be a 5% increase in wage and salaries for administration.

Grenell informed Newcomb that there is no 5% increase for any management employee. The 5% increase is in the bargaining unit and applies only to those employees who have not made it to their top step.

This item was continued to after the budget item.

4	TITLE:	Rates and Fees Schedule for FY 2007-2008
	REPORT:	Resolution 17-07, Rates and Fees Schedule
	PROPOSED ACTION:	Adopt Resolution 17-07 and Approve Rates and Fees Schedule for FY 2007-2008

Lundie and Parravano left the room at 7:10 p.m. due to a conflict of interest with the Pillar Point Harbor rates and fees item.

Zafferano informed the public that Lundie and Parravano are able to return for the rates and fees on Oyster Point Marina and any other issues.

Michele Marcy-Weber and Jim Welsh donated their time to Bob Newcomb.

Bernie Eleria stated that he visited the Harbor last week and thought about the past as he walked the docks with his friend. He asked that the Board be compassionate for the sake of the commercial fishermen because they are the real spirit of Half Moon Bay. He concluded that the fishermen make a hard living.

Mary-Sue Kelly passed out a letter to the Board. Kelly informed the Board that she called the County tax assessors office and asked them to explain why she is paying a tax for the land that her boat resides on. She stated that the tax assessor explained that she has to pay it because nobody else will. She said they also told her it is because she rents from a County run not-for-profit Commission. Kelly stated that it seems like the live aboards are getting hit twice with the District's rates and fees plus a County land tax. She concluded by asking the Board if after all the information is presented to them can they answer yes or no whether they see a lot of money going out for Administration. Tucker said they could answer that after the budget item.

Guy Gilchrist stated that he is 110% for the 4.5% increase in rates and fees. He added that a lot of important discussions take place after Lundie and Parravano leave the room and wondered if there is any way to accommodate them more to be better prepared when they vote for the budget.

Campbell asked Gilchrist how he arrived at the 4.5% increase in rates and fees. Gilchrist said that it is COLA plus the suggested 2% by DBAW. Campbell said that is not an accurate figure and it will be discussed during the budget.

Mike Giraud, Steve Dillon, Patrick Weber and Claudia Schroeder donated their time to Bob Newcomb.

Duncan Maclean, Half Moon Bay Fisherman's Marketing Association, stated his concern that the high cost of transient fees is costing the Harbor a lot of business. He said a lot of fishermen are anchoring out or tying up at other ports because the transient fees are overpriced.

Temko stated that the District is fairly high and the average rate is going up to seventy cents. He said that is too high for commercial vessels, but for recreational it is average.

Carmie Newcomb questioned whether everyone understands that this rates and fees recommendation is for two years. She added that she doesn't feel a two-year schedule would be helpful to the users. Newcomb stated that during the entire budget process the numbers have been predicated on a certain amount and she asked the Board what rate base was used in the budget. Tucker said 11.59% across the board and it is only staff's recommendation. Newcomb questioned whether the Board noticed that some of their rate reduction requests have been reallocated and the wages have gone up and the rates have remained the same. Newcomb concluded by asking the Board that if they have a balanced budget and expense reductions do they really need to raise the rates as high as proposed.

Tucker stated that the rate and fees are set to accommodate the budget. He said he has noticed that some of the suggested changes have not been implemented in the final budget. He said this would be done tonight by the Board. Newcomb asked that if the Board decides to reduce the rates from this recommendation would they go line item by line item. Tucker said he has already gone through the budget line by line and he has a lot of items he plans to recommend to reduce. Newcomb concluded by suggesting the Board look at depreciation as it has gone up another \$25,000.

Bob Newcomb read a letter written to the Board regarding the rates and fees and the budget of the Harbor District. He read this letter into the record. A copy of this letter is available at the Administration office.

Zafferano suggested that the Board discuss and vote on the Pillar Point Harbor fees first so they can bring back Lundie and Parravano to participate in the Oyster Point Marina rates and fees.

Tucker questioned whether it is a good idea to bring Lundie and Parravano back to vote for rates and fees for Oyster Point Marina since the testimony heard tonight speaks to both harbors.

Zafferano suggested allowing the audience to speak again if they wish once Lundie and Parravano re-enter the discussions.

Tucker asked if staff had any thoughts so far.

Temko stated that he ran some numbers on the transient fees. He said the difference in changing the transient fees from sixty-five cents to seventy cents would be approximately \$1,300 per year.

Schnapp recommended leaving the transient fee as is for commercial vessels and raising it for recreational vessels.

Grenell informed the Board that there is a reference in their packets for alternatives to Pillar Point without taking into account any discounts for commercial fishermen, which were identified in the rates and fees schedule. He added that the column that shows DBAW recommended 4% plus 3.2% COLA is an accurate figure.

Tucker asked if the study conducted by the District for DBAW suggested a 4% increase over COLA. Grenell said that DBAW suggested the 4% and the District requested a 2% increase over COLA to mitigate the impact on the boater tenants, and DBAW agreed.

Campbell questioned whether the 4% was suggested for not less than 3 years by DBAW. Grenell said yes, DBAW asked for a 4% increase for a minimum of three years and the District requested a 2% increase for six years which DBAW agreed to.

Tucker asked Schnapp for a summary of her exact recommendations for rates and fees at Pillar Point Harbor.

Schnapp said staff has recommended that the base fee stay at \$30 with an 11.59% increase across the board. Schnapp added that the 2% over COLA for six years does not match up to what the District would have received if they had followed DBAW's recommended 4% over COLA for three years. She concluded that in order to do a "catch up" staff is recommending a 6% increase over COLA equal to a 9.2% increase.

Tucker questioned whether the 9.2% increase is being recommended by staff rather than the 11.59% alluded to in the budget. Schnapp confirmed yes.

Tucker stated that the District has previously recommended 2% above COLA equal to 5.2%, DBAW recommended 4% above COLA equal to 7.2% and the community is recommending 4.5%. He asked the Board for their thoughts.

Zafferano again recommended that the public get another chance to speak since the Board is uneasy about Lundie and Parravano voting on Oyster Point fees while in the absence of public testimony.

Campbell stated that the way the budget has been presented has been a complete disaster and said she would react the same way the community did if a 28% increase were proposed to her. She added that she had stated at the beginning of the budget process that she would support a higher increase in rates if there were significant reductions in the administration and staff

costs, and that she has not seen this. She feels that the list of items for reductions that staff gave to the Board shows only \$9,000 in saving to the District. Campbell added that with the recommended reductions, the District is still spending more than they are making. She added that she will not support a COLA for anyone other than the Union represented employees. Campbell concluded that nothing was cut in the budget to prove that the District is being run in an efficient manner.

Tucker asked Campbell for her thoughts on the two-year schedule. Campbell said that the District should get through this budget before deciding to go with a two-year schedule.

Padreddii said that he does not support an 11% increase. He added that if Campbell supports the DBAW recommended 4% over COLA then he would too. He added that he would like to see the two-year rates and fees schedule in effect. Campbell added that she would like to see the two-year schedule if the District can resolve the current budget situation. She added that staff did not make the necessary reductions.

Tucker said whether staff made the reductions or not it is now up to the Board to make them and he plans to do that during the budget item. Tucker asked Campbell what her thought on Padreddii's suggestion of 4% over COLA equal to a 7.2% overall increase.

Campbell said she would go with that, but no higher. She asked that Tucker explain the misconception the community has between the 2% increase in the past versus the 4% recommendation by DBAW.

Tucker stated that although staff is now recommending a 9.2% increase, 11.59% is the number that was used for the basis of the budget. He added that the District is looking at approximately a \$500,000 shortfall. He recommended a 7.2% increase only if the Board can reduce the budget by \$500,000.

Campbell concurred with Tucker.

Tucker stated that he appreciates the community's input and applauded them for attending the meetings. He said he appreciated them developing the 4.5% suggestion in good faith. He explained that the business plan suggests taking the 3.2% COLA plus a 2% increase; however DBAW suggests a 4% increase over COLA which is what the Board will go with.

Action: Motion by Campbell, second by Padreddii to approve rates and fees for Pillar Point Harbor not to exceed 7.2% for fiscal years 2007-2008 and 2008-2009 contingent upon \$500,000 in budget deficit reductions.

Campbell suggested that the \$30 flat rate fee that the District approved the previous year be taken out. Schnapp said that the \$30 base fee represents about \$120,000 a year. Campbell suggested at least dropping the \$30 flat rate fee to \$15.

Action: Motion by Campbell, second by Padreddii to approve rates and fees for Pillar Point Harbor not to exceed 7.2% for fiscal years 2007-2008 and 2008-2009 contingent upon

\$500,000 in deficit reductions and amended to cutting the base fee of \$30 to \$15. The motion passed.

Ayes: 2

Nays: 1 (Tucker)

A member of the public asked that the Board explain what the 7.2% applies to. Schnapp said it applies to the “per foot” rate only and the \$30 base fee will be dropped to \$15. She added that no other rates and fees will be affected by the 7.2%. The increase in the live aboard and the transient rates will all be the same.

Lundie and Parravano re-entered the room at 8:08 p.m. Tucker updated Lundie and Parravano on the motion that was made on Pillar Point Harbor rates and fees.

Tucker asked the public if they would like to speak to the Board pertaining the Oyster Point rates and fees.

No comments were given.

Schnapp informed the Board that staff has decided to hold the rates and fees at Oyster Point Marina constant because of the occupancy concerns. She added that there is no increase in the “per foot” rate at Oyster Point Marina. Occupancy has gone up approximately 10% since January. Schnapp concluded that staff is recommending rates and fees at Oyster Point Marina as presented in the Board packet.

Campbell asked Johnson if he was previously a proponent of the 5.2% increase in rates at Oyster Point. Johnson said he did support a 5.2% at the beginning of the budget process, however, during discussions staff dropped it below the current rates due to an inflow of new tenants since the first of the year. He added that staff has discussed a winter rate reduction as well.

Schnapp informed the Board that the live aboard fees at Oyster Point have been increased to match the live aboard fees at Pillar Point Harbor.

Campbell asked if Oyster Point rates and fees will be a two-year schedule. Tucker said he is inclined to a one-year schedule since the fees are not being raised.

Action: Motion by Campbell, second by Lundie to approve the rates and fees for Oyster Point Marina/Park for Fiscal Year 2007-2008 only. The motion passed.

Ayes: 5

Nays: 0

Temko requested that the rates for the Pillar Point commercial fishermen be discussed now.

Lundie and Parravano recused themselves at 8:17 p.m.

Temko recommended keeping the transient fees for commercial vessels at sixty-five cents per foot and increasing the recreational vessels' fees to seventy cents per foot. Temko added that Pillar Point has a lot of different fishing boats that come into the Harbor at different times and they are all paying different rates, therefore staff will recommend a 15% discount across the board to commercial fishermen who meet the criteria that prove they are commercial fishermen.

Action: Motion by Campbell, second by Padreddii to approve the transient rates for commercial fishermen at sixty-five cents, the recreational vessels at seventy cents and a 15% discount across the board to commercial fishermen and charter boats who meet District criteria.

Ayes: 3

Nays: 0

Tucker ended the telephone conference with Padreddii.

Padreddii was no longer in attendance by teleconference from this point forward.

Public Hearing –

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| 5 | TITLE: | Fix and Adopt the Final FY 2007-2008 Operating and Capital Budget by Resolution 20-07 Pursuant to Harbors and Navigation Code §6093.1 |
| A. | Declare Meeting Open: | President Tucker |
| B. | Report of Notice Given: | Grenell |
| C. | Staff Report and Recommendation: | Resolution 20-07, Final Budget |
| D. | Public Testimony: | |
| E. | Harbor Commission Questions: | |
| F. | Close Public Testimony: | President Tucker |
| G. | Commission Deliberation: | |
| H. | Recommended Commission Action: | Adopt Resolution 20-07 Adopting the Final FY 2007-2008 Budget |

Lundie and Parravano re-entered the room at 8:22 p.m.

Tucker reminded the Board that they have to reduce the budget by \$500,000 in order to keep the rates and fees at 7.2% as approved in item 4.

Mary Sue-Kelly asked the Board and Grenell if they recognize a great amount of expenditures in the Administrative costs for this budget.

Tucker said yes and that he believes they are justified. Campbell said yes, but did not feel they were justified. Lundie replied yes. Parravano said he agreed. Grenell deferred to the Board.

James Welsh, Pillar Point Harbor tenant, questioned whether the audit for last year has been completed. Schnapp said the final papers will be released on Friday, June 22nd. Welsh said most audits are complete at the beginning of the first quarter of the fiscal year and the District has not even completed it by the end of the 4th quarter. Welsh said he feels it is very “shaky grounds” to be on two years of un-audited financials when a budget is being approved. He questioned that with two financial employees in Administration and two account technicians at each Harbor what has taken so long to complete the audit. He concluded that while looking at the budget to see if the District can do a more efficient job with three employees in finance.

Tucker said a key in auditing is bank reconciling and that has been completed. He added that it’s not the job of an auditor to recommend any administrative changes.

Welsh said an audit tells you how your internal controls are and the District is looking at two years of a current audit without knowing how the internal controls are and without making sure monies are being properly handled; on top of that the District is still developing budgets.

Bernie Eleria stated that Half Moon Bay is a tourist attraction. He said there has to be a way to make revenue. He added that the community and the District can work together with the Nerhan family and the fishermen to fill the hotel and to generate new revenues. He concluded that he sees a good future for the Harbor.

Carmie Newcomb stated that the budget reflects \$2,581,000 in unrestricted cash and of that unrestricted cash the new Administration office is \$450,000. She asked if the \$450,000 is to build a new office and when will that happen. Tucker informed Newcomb that the Board decided to sell the land that was being used by the Half Moon Bay Fire District and the Board agreed to sell at \$450,000 only if that money is earmarked for a new building for the Administration office. Staff and the New Administration Office Committee are currently looking into building a new Administration office.

Newcomb suggested curtailing expenses by looking at new ways to handle Human Resources. She questioned why the District is paying \$5,000 to a company that does Human Resources.

Tucker stated that he is completely satisfied with Wilkerson. He added that she is extremely qualified and he feels she is the best on the Peninsula. Tucker said he would never vote to have Wilkerson’s position removed. Tucker informed the public that there are so many laws and requirements that must be held up under California law and it can be a very treacherous area without a well qualified Human Resource manager. He concluded that the Board supports its staff.

Michele Weber, Pillar Point Harbor tenant, stated that the Harbor is a tourist attraction and the District should look into receiving a percentage of the hospitality tax income from the Half Moon Bay Coastside Chamber of Commerce. Tucker asked Schnapp to look into this and thanked Weber.

Tucker asked the Board their thoughts on what can be reduced in the budget.

Campbell said she would like to see reductions in outside contractual services. She asked staff what exactly the \$135,000 in contractual services is for.

Grenell said the legal refers to District counsel. Campbell said that District counsel is not in the figures she is concerned about.

Grenell said the District contracts with security services for Oyster Point and consulting contracts with engineers that relate to specific projects.

Campbell suggested having someone on duty at Oyster Point until 9pm instead of 12pm. She added that she would like to see a \$75,000 cut from outside contractual services across the board.

Schnapp said contractual services include \$25,000 for the CPA audit and in addition it includes IT services. Tucker directed Schnapp to reduce the budget for contractual services by \$75,000.

Tucker directed staff to reduce the maintenance budget at both Harbors by \$50,000.

Tucker added that \$180,000 from Educational Revenue Augmentation Fund (ERAF) has not been accounted for in the budget and questioned when the District will receive it. Schnapp said the District is expecting that money but has not yet been promised by the County. Tucker directed Schnapp to look into this.

Tucker stated that he and Lundie had no opposition therefore the election cost the District zero dollars. Tucker requested that the \$260,000 earmarked for that election be returned to the general fund against the deficit.

Grenell added that staff has received several figures from different County jurisdictions about election costs and will have a proposal for the Board within the next couple of months.

Tucker stated that reductions made so far include:
\$75,000 reduction in outside contractual services
\$50,000 reduction in maintenance at Harbors
\$260,000 for the election cycle
\$180,000 coming from ERAF

Tucker asked Grenell if he has any more suggestions for reductions. Grenell said he had several but they are covered under the maintenance reduction.

Tucker informed the public that the District is looking into building a two-story building at Oyster Point; one story for the Administration office and the other story to possibly rent and generate new revenue. He added that the economy seems to be turning around in the hotel industry and the District is looking into attracting a new hotel to Oyster Point Marina. He concluded that it is tough to bring new revenue into a small District, but the Board and staff are trying and things are in the works.

Tucker stated that the budget is not set in concrete, it is flexible and things can be amended at any time after approval.

Action: Motion by Lundie, second by Parravano to approve item 5 as amended. The motion passed.

Ayes: 4
Nays: 0

Tucker thanked the public for taking the time to attend the meeting. He said the Board really appreciates their professionalism and their input.

The Board recessed for 10 minutes.

The Board continued to Item 3.

3	TITLE:	Wage and Salary Classification Schedule
	REPORT:	Wage and Salary Classification Schedule, Resolution 19-07
	PROPOSED ACTION:	Adopt Resolution 19-07 and Approve Wage and Salary Classification Schedule

Tucker stated that he agrees with Campbell's earlier recommendation to not support a COLA except for employees under labor contracts. Lundie agreed.

Action: Motion by Campbell, second by Lundie to approve Wage and Salary Classification Schedule for employees under labor contracts only. The motion passed.

Ayes: 4
Nays: 0

Continued Business, Continued

The Board took up Item 7.

7	TITLE:	Renewal of Districts' Liability, Property and Other
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Insurance Policies for FY 2007-08

REPORT: Memo, Resolution 21-07
PROPOSED ACTION: Adopt Resolution 21-07 Approving Renewal of Insurance Policies

Grenell informed the Board that Zack Goldenberg, MacCorkle Insurance Services was in the audience and would answer any questions the Board has.

Goldenberg thanked the Board and staff and said he is available for any questions. He added that he is happy to meet with the Insurance Committee (Campbell, Tucker) at any time.

Lundie asked if Hackworth Insurance Company is still working for the District. Tucker said Hackworth’s contract has ended, but the District is still working with Majestic Insurance services.

Goldenberg stated that they went out to the entire market to see if they could get a better quote than Majestic and at this time they do not have a better option. MacCorkle believes that Travelers Insurance may come in at a lower rate which would save the District revenue. He said once MacCorkle receives a final number they will inform the Board.

Action: Motion by Parravano, second by Tucker to approve Item 6. The motion passed.

Ayes: 4
Nays: 0

6 TITLE: Restaurant Lease for Francesco Carrubba dba Caffe Riace Inc. for Parcel 5, Lessees’ Building, Pillar Point Harbor
REPORT: Memo, Lease, Resolution 14-07
PROPOSED ACTION: Adopt Resolution 14-07 to Approve Lease with Francesco Carrubba dba Caffe Riace Inc. for Parcel 5, Lessees’ Building, Pillar Point Harbor and Authorize General Manager to Execute Lease Agreement Conditioned Upon Prior Approval of DBAW

Grenell informed the Board that the basic terms were previously approved by the Board and DBAW, and Francesco Carrubba has also approved the lease.

Campbell asked Grenell to explain to the Board the situation with Jeffery Miller from Red River Smokehouse.

Grenell said Miller originally approached the District about the premises at Pillar Point Harbor to extend his business and ultimately brought Carrubba to the District’s attention. He added that the plan is now for Carrubba and Miller to operate together on the premises. Carrubba will be the lessee and Miller will either be a subtenant or under a direct contract with

Carrubba. Grenell concluded that he plans to meet with Carrubba and Miller to sort out the arrangement.

Tucker said the Board has hoped that Miller would stay a part of the lease. He added that the products that Miller presented to the Board were excellent.

Newcomb stated that at a previous meeting she thought Grenell had requested that Carrubba be able to go in and demo the premises before the contract is fully executed. She informed the Board that in San Mateo County in an unincorporated area to demolition any area you have to have a permit.

Tucker stated that the District is well aware of the permit requirements. Grenell added that no demolition was involved and a legally correct license agreement was made for right of entry for Carrubba.

Action: Motion by Parravano, second by Lundie to approve item 6. The motion passed.

Ayes: 4

Nays: 0

**8 TITLE: Amendment to Contract with RRM Design Group:
Technical Consulting Services to Prepare Concept Design
Alternatives for Improvements to Commercial Lessees'
Building at Pillar Point Harbor**

REPORT: Memo, Attachment

PROPOSED ACTION: Approve Amendment to Contract with RRM Design Group
in an Amount Not to Exceed \$5,000

Grenell stated that this item was held over from the previous Board meeting pending confirmation that RRM Design Group accepts the Boards' desire to complete services within sixty (60) days. Grenell said he has received the assurance from RRM that they will complete within the 60 days.

Newcomb asked for clarification of the contract and the original amount not to exceed \$47,000.

Grenell stated that the original contract for interpretive signs was approved for \$45,800 and staff is recommending adding an additional task to that contract not to exceed \$5,000.

Action: Motion by Campbell, second by Parravano to approve item 8. The motion passed.

Ayes: 4

Nays: 0

New Business

- 9** TITLE: **Introduce Amendment to Ordinance Code Section 3.2 to Provide for Event Permits**
REPORT: Memo, Attachment
PROPOSED ACTION: Introduce Amendment to Ordinance Code Section 3.2 and Authorize General Manager to Publish a Notice Pursuant to the Provision of Harbors and Navigation Code 6070.2

Grenell informed the Board that this item is to introduce an ordinance code amendment to create a new category of permits. Currently the District only has commercial activity permits and nothing for non-commercial activity events such as weddings and other social gatherings.

Campbell asked if there is any money involved. Wilkerson said this is revenue generation only, no expenditures. She added that there is a fee of \$250 for up to 50 participants, \$400 for 51 to 100 participants and \$500 for 101 or more participants.

Parravano suggested having a cap for 101 participants or more in terms of preparation for Harbor staff.

Campbell suggested receiving approval from the Harbor Master for any event with 100 participants or more.

Tucker stated that this item will be introduced and brought back to the Promotions and Marketing Committee (Campbell, Parravano) to sort out before final approval.

Action: Motion by Parravano, second by Lundie to Introduce Amendment to Ordinance Code Section 3.2. The motion passed.

Ayes: 4
Nays: 0

- 10** TITLE: **Temporary (3-Month) Work Area License for United Stated Army Corps of Engineers (USACE) for Oyster Point Marina/Park Breakwater Modification Project**
REPORT: Memo, Attachments
PROPOSED ACTION: Authorize General Manager to Execute Temporary Work Area License and Authorization for Entry and Authorize District Counsel to Execute Attorney's Certificates as to Authorization for Entry

Action: Motion by Campbell, second by Parravano to approve item 10. The motion passed.

Ayes: 4
Nays: 0

- 11 TITLE: Oyster Point Marina/Park: Declare Vessel
“Dreadnaught” Abandoned Pursuant to Harbor and
Navigation Code Section 522 (a)**
REPORT: Memo, Resolution 22-07
PROPOSED ACTION: Adopt Resolution 22-07 Declaring Vessel “Dreadnaught”
Abandoned Pursuant to Harbors and Navigation Code
Section 522 (a)

Johnson informed the Board that the watchman for the Dreadnaught admitted that he has not been on the vessel in excess of thirty days and had not been on during the second notification period. He added that he would no longer reside on the Dreadnaught. Johnson added that the owner has been notified. He recommended approval of declaring the vessel abandoned in order for the District to take possession of the vessel.

Lundie stated that documented vessels are harder to deal with than a standard vessel with a CF number and asked Johnson if he has taken this into account. Johnson said under Harbors and Navigations Code the process being used is for a documented vessel and if a CF number was displayed in the vessel the District would have been required to go through the lien sale process.

Action: Motion by Campbell, second by Lundie to approve Item 11. The motion passed.

Ayes: 4
Nays: 0

- 12 TITLE: Bad Debt Write-Offs**
REPORT: Resolution 23-07
PROPOSED ACTION: Adopt Resolution 23-07 to Approve Bad Debt Write-Offs

Schnapp informed the Board that the \$47,986.17 in write-offs represents 18 months at both Harbors. She added that staff is encouraged that write-offs have stabilized and will be moving forward anticipating fewer write-offs.

Action: Motion by Parravano, second by Campbell to approve item 12. The motion passed.

Ayes: 4
Nays: 0

- 13 TITLE: Authorization to Pay Bills and Claims Occurring
Between June 14, 2007 and July 11, 2007 in an
Amount Not to Exceed \$500,000**
REPORT: Bills and Claims General List

PROPOSED ACTION: Approval of Bills & Claims occurring between June 14, 2007 and July 11, 2007 for payment and a transfer in an amount not to exceed \$500,000 to cover payment of the Bills & Claims

Action: Motion by Lundie, second by Parravano to approve item 13. The motion passed.

Ayes: 4

Nays: 0

- 14 TITLE: Bills and Claims in the Amount of \$217,088.29**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$216, 088.29 to cover payment of Bills and Claims

Tucker informed the Board that he has reviewed the Bills and Claims and recommends approval.

Action: Motion by Tucker, second by Campbell to approve item 14. The motion passed.

Ayes: 4

Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

15 General Manager - Grenell

Nothing further to add to written report.

Tucker asked Grenell when the finance workshop will be scheduled. Grenell said it will be held sometime in October. He will inform the Board once a date is set.

16 Director of Finance - Schnapp

Schnapp informed the Board that page 3 of her written report highlights the new tenants at Oyster Point Marina/Park since January. She added that annualized revenue should go up by approximately \$100,000.

Tucker thanked Schnapp for all the work she has done in preparing the budget.

17 Human Resources Manager - Wilkerson

Nothing further to add to written report.

Campbell asked Wilkerson where she is with the time and motion study. Wilkerson stated that brief indications of her findings were outlined in her written report. She added that with the services offered at the Harbors the District is adequately staffed. Wilkerson said there are four areas on which the Board can make some decisions which she is prepared to bring detailed information in future reports.

Tucker added that a vacancy is coming up which the District does not intend to fill. Savings to the District will be approximately \$100,000.

Operations

18 Oyster Point Marina/Park - Johnson

Johnson informed the Board that communications with BlueWater Design Group has been difficult. He added that he is delayed with bringing the launch ramp project to the Board for approval from July 18th to August 1st.

Tucker asked that Zafferano give input to Johnson on liquidated damages. Zafferano said he would look into it and help Johnson come up with a solution.

Johnson said he would like to come up with a mechanism to hold the engineers accountable.

19 Pillar Point Harbor – Temko

Temko informed the Board that since his written report Dutra's subcontractors have come out and repaired the damage on the pier. He added that he has 30 days to file a notice of completion.

Temko stated that he is meeting with a contractor on June 26th for initial sketches and specific cost estimates for renovations to the restrooms.

Campbell asked when the Board can expect a final estimate. Temko said within the next couple of weeks. He added that the process should be able to start after approval at the July 18th Board meeting.

Board of Harbor Commissioners

20 A. Committee Reports

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.

Lundie requested staff give him information on when the lease is up for the fuel and ice dock at Pillar Point. He has heard a lot of negativity about the cost of fuel and would like staff to explore the idea of buying the lessee out.

Campbell requested that staff report to her on the situation of the ice machine and the facilities. She added that it is important for the District to find out the situation if they do decide to purchase it and she feels it should be sold to the District at a reduced rate.

Tucker asked Grenell to look into finding out why the fuel is being sold at a higher rate than gas stations on the roadways.

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

Tucker identified Grenell as Labor Negotiator.

Action: Motion by Parravano, second by Lundie to move to closed session. The motion passed.

Ayes: 4

Nays: 0

Closed Session

- 22 TITLE: Conference with Labor Negotiator Pursuant to Government Code Section 54957(a): Unrepresented Employee: Harbor Master**
REPORT: Grenell
PROPOSED ACTION: To Be Determined
- 23 TITLE: Public Employee Performance Evaluation: General Manager, Pursuant to Government Code Section §54957.6**

REPORT: None
PROPOSED ACTION: To Be Determined

Action: Motion by Parravano, second by Lundie to adjourn to Open Session. The motion passed unanimously at 10:14 p.m.

There was no reportable action from the Closed Session.

Adjournment

Action: Motion by Parravano, second by Lundie to adjourn the meeting. The motion passed unanimously at 10:15 p.m.

APPROVED BY:

ATTESTED BY:

James Tucker
President

Theresa N. Hayes
Deputy Secretary