

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

January 19, 2011
7:00 p.m.

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

Roll Call

Commissioners

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

Staff

- Peter Grenell, General Manager
- Julie Turner, Director of Finance
- Marietta Harris, Human Resource Manager
- Robert Johnson, Harbormaster
- Marc Zafferano, District Counsel
- Debbie Nixon, Deputy Secretary

x-absent

Parravano welcomed Commissioner Bernardo to the Harbor District.

Public Comments/Questions — Robert Ingles, who is the owner of the F/V *Queen of Hearts* and the lessee of Half Moon Bay Sportfishing, spoke regarding water safety during the Mavericks surf competition. He stated that over the last few years this issue has gotten out of hand. He heard that there are a few charter boats that want to come into the Harbor from San Francisco. He stated that these people are not familiar with the Harbor and could cause potential problems.

Sherry Ingles, who is the owner of Half Moon Bay Sportfishing, spoke and asked the Commission to take into consideration that Pillar Point Harbor already has charter boat businesses and between the two lessees and the independent charter boats, combined they can accommodate up to 600 people, which should be sufficient for the event. Her concern is not an economic one and she is not trying to prevent anyone from making money, but she feels this is a real safety concern and would like the Commission to take all the information provided into consideration before allowing other charter boats to have permits.

Staff Recognition- Harris recognized Assistant Harbor Master Draper for overseeing Pillar Point Harbor while Harbor Master Johnson was on vacation.

Johnson stated that the Employee Recognition dinner was excellent and thanked Harris and Nixon for putting on a lovely event.

Turner recognized Valdez for his dedicated years of service. Upon his resignation, the remaining members of the Finance unit took action and they found a replacement within two days. They all spent the last two weeks of Valdez's employment trying to learn as much as possible from him.

New Business

1 TITLE: **Reorganization of Harbor Commission: Selection of Officers**
REPORT: Campbell
PROPOSED ACTION: To be determined

Action: Motion by Tucker, second by Padreddii to nominate Parravano for President. The motion passed unanimously.

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

Action: Motion by Padreddii, second by Bernardo to nominate Tucker for Vice President. The motion passed unanimously.

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

Action: Motion by Tucker, second by Parravano to nominate Padreddii for Treasurer. The motion passed unanimously.

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

Action: Motion by Tucker, second by Padreddii to nominate Bernardo for Secretary. The motion passed unanimously.

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

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:** **Minutes of Meeting December 1, 2010**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval
- 3 **TITLE:** **Extension of Oyster Point Marina Memorandum of Understanding (MOU) with City of South San Francisco**
 REPORT: Grenell, Memo, Resolution 02-11, Attachment(s)
 PROPOSED ACTION: Approve Resolution 02-11 to extend MOU

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

Ayes: 4
Nays: 0
Abstention: 1 (Bernardo for item 2)
Absent: 1 (Campbell)

Public Hearing – None.

New Business

- 4 **TITLE:** **Repairs of Pillar Point Harbor Public Hoist**
 REPORT: Johnson, Staff Report
 PROPOSED ACTION: Approve repairs of Pillar Point Harbor public hoist in an
 amount not to exceed \$21,000

Parravano asked Johnson if he would recommend this knowing that the hoist has been in its location for a long time and taking into consideration previous talk about possibly relocating the hoist to improve access.

Johnson stated that the structure is structurally sound. It is the running gear that is in need of extensive repair. The electronics have been given band-aid repairs over the years which have created three separate enclosures. The objective is to put all of the controls into one enclosure and make it automated.

Action: Motion by Tucker, second by Padreddii to approve repairs to the public hoist at Pillar Point Harbor. The motioned passed unanimously.

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

- 5 **TITLE:** **Limited Commercial Activity Permit Renewal for**
 Princeton Seafood Car Shows
 REPORT: Grenell, Memo, Application
 PROPOSED ACTION: Postpone action pending receipt of additional required
 information from applicant

Grenell stated that on the Agenda the proposed action is to postpone action pending receipt of additional required information from applicant. Since the posting of the agenda, additional information has been received from the applicant and adequately answers the questions that Grenell had. He modified the proposed action and recommended approval.

Action: Motion by Padreddii, second by Tucker to approve the Limited Commercial Activity Permit. The motion passed.

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

- 6 TITLE: **Commercial Activity Permit for Wild Planet Foods, Inc.**
REPORT: Johnson, Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Johnson stated that contrary to the proposed action to approve, he is not recommending approval at this time. He stated that he needs to meet with the applicant to find out exactly where they want to draw water from Oyster Point Marina. Johnson has been speaking to Environmental Health Water Quality staff of San Mateo County and the applicant has not contacted the Health Department. His understanding is that the applicant needs certified water and he must obtain that.

Grenell concurred with Harbor Master Johnson and stated that since the Agenda was posted, these concerns have arisen. He asked that this item be postponed until the concerns are adequately dealt with.

Action: Motion by Tucker, second by Bernardo to postpone this item. The motion passed.

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

- 7 TITLE: **Limited Commercial Activity Permit for Seventh Wave Productions**
REPORT: Johnson, Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Johnson stated that this is a renewal of a previous event on Memorial Day weekend. Draper feels that the event is manageable. Johnson recommends approval.

Action: Motion by Parravano, second by Padreddii to approve Limited Commercial Activity Permit for Seventh Wave Productions. The motion passed.

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

- 8 TITLE: **Limited Commercial Activity Permit for Half Moon Bay International Marathon, Sunday, September 25, 2011**
REPORT: Grenell, Johnson, Memo, Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Eric Vaughan with the Half Moon Bay International Marathon spoke regarding the event. He stated that they are in the process of becoming a 501(c)(3) non-profit organization through the Road Runners Club of America, who is the organization that provides the insurance and all the applicable attributes to put on this event. They are also a dedicated “green” event as certified through the Council for Responsible Sport. The vision for this event is for it to

become a destination event that will draw people from around the world later on. The model for their planning is the Big Sur International Marathon and that economic impact is astounding. Big Sur stated that over 35% of the annual sales for hotels and restaurants are generated over the 3-day period during which the Big Sur International Marathon is held. Half Moon Bay International Marathon could possibly contribute up to \$500,000.00 to the local economy in the future.

Tucker asked if the Road Runners Club of America has made donations of profits to organizations. Vaughan clarified that Road Runners Club of America is a large organization that is in the business to help smaller events come to life through their legal infrastructure. It is a lot easier and less expensive to fall inside of their infrastructure.

Tucker asked what profits they are hoping to make this year. Vaughan stated that they would love to make a profit this year but it is highly doubtful based on the projection. They would like to break even this first year. If there are funds left over, they will distribute funds to local organizations that have not been specified yet.

Tucker asked what they would be selling. Vaughan stated that they would sell race paraphernalia, shirts, jackets, hats. Tucker asked if there would be large corporations selling their merchandise. Vaughan stated that it would be logo merchandise only.

Tucker asked if Vaughan would be willing to share their financial information after their event. Vaughan said that they would be more than happy to share that information.

Bernardo referred to Grenell's memo where it says: "The course will start at the Harbor, and extend through Princeton, Moss Beach, Montara, and back south along the Coastal Trail to the Ritz-Carlton in Half Moon Bay, and then return to the Harbor finish line." Bernardo wanted to know how they plan to reduce environmental impact. Vaughan responded that part of the key focus is to be a green event. There is an organization called the Council for Responsible Sport and they are seeking certification from them. They provide guidelines such as BYOB, bring your own bottle, where the runners are encouraged to bring their own water bottle to reduce the use of cups.

Bernardo asked how they are going to promote this event. Vaughan stated that there will be advertising and publications, local advertising and web advertising and e-mail blasts. They are active in the fitness community and have good connections that they will look into.

Parravano asked Vaughan to promote the Harbor as well. There are a lot of businesses for the participants to utilize such as surfing, kayaking, fishing, relaxing and eating at one of the restaurants. Vaughan stated that was an excellent suggestion.

Action: Motion by Padreddii, second by Tucker to approve the limited commercial activity permit. The motion passed.

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

- 9 TITLE: **Temporary Help for Accounting Services**
REPORT: Grenell, Harris, Memo
PROPOSED ACTION: Approve lifting hiring freeze for Accounting Temporary Help through January 31, 2011, and approve continuation through June 30, 2011 and authorize preparation of new Certified Employment List for Accounting Technician/Administrative Assistant

Harris stated that Valdez resigned effective December 25, 2010. Grenell contacted Campbell and Tucker and asked for a temporary hire to be allowed until January 31, 2011. She asked the Commission to extend the suspension of the hiring freeze until June 2011. She asked for the extension so there is enough time to thoroughly review the position to make any changes or improvements based on the Harbors' needs. She would also like to create a certified list for both Accounting Technician and Accounting Specialist.

Parravano asked Harris if the hiring freeze had to be lifted in order to create a certified list. Harris stated it does not. There are two items at hand: first is the extension of the suspension of the hiring freeze to allow the temporary help to stay on until June 2011; second, to create certified employment lists for the positions as there are not current ones.

Action: Motion by Tucker, second by Padreddii to approve lifting of the hiring freeze, approve its continuation through June, 2011 and authorize preparation of a certified employment list.

Parravano asked Tucker if he would be willing to amend his motion and make the date earlier than June, 2011. Tucker said no. The extension of the hiring freeze is just to allow the one temporary position. Grenell clarified that the reason for the extension is to allow adequate time to do the necessary work to bring to the Board a certified list. The motion passed.

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

10 TITLE: **Organization and Staffing Update: Interim Harbor
Master Staffing Arrangement**
REPORT: Grenell, Harris
PROPOSED ACTION: To Be Determined

The Harbor Commission established as a top priority Organization and Staffing. This item consists of a two part effort. The first part is a review and assessment of 2010 since Harbor Master Johnson has taken over the duties as Harbor Master at both facilities. Johnson did that with the understanding with the Commission that it was an interim or temporary position until June 30, 2011 and that staff would be reporting back to the Board with how that has proceeded. Harris will begin with a review of what was considered in terms of what has happened, how has it worked, what kind of savings occurred, what accomplishments have been achieved by Johnson and his staff, and what kind of issues have arisen and need to be addressed. This item will continue through February and March until all questions have been met. This issue is bigger than just “do we need one Harbor Master or two”. Harris stated that the one reason the District did this experiment was to achieve a fiscal saving and that was achieved. The District has saved about \$161,000 and that is from the beginning of 2010 to June 2011. There were many accomplishments achieved by the Harbor Master. There was a lot of deferred maintenance at the Harbors. A lot of projects were completed, including: Oyster Point Marina/Park the East Basin Dredging, Electrical Repairs on Dock 12, and also the start of the planning of the Wave Attenuators and the Ferry Terminal. At Pillar Point Harbor the projects that were accomplished are Mavericks Surf Shop, roof repair and painting of the concessionaires building, and fire damage repairs to the Fish Buyers building. Additionally, the sidewalk project is expected to begin in March 2011, Mavericks surf competition may happen, and the Interpretive signs mounting fabrication process is in progress. There has been a lot of cross-over training. There were many obstacles and issues when Harbor Master Johnson took over: Assistant Harbor Master Draper was out for two months which was unforeseen and two people have been on Paternity Leave; the Director of Finance left during that time; due to a lot of maintenance delay, Johnson had to take over and be responsible for projects and clean up; and significant time had to be spent dealing with morale issues. He was not able to take much time off during this period of time. When he took over, there was anticipation that the sidewalk project would be done right away, but it had to be changed and was delayed. More delegation of day-to-day operations needs to be done. Harris wants to look at what the needs are at the Harbors and what the alternatives are instead of hiring someone immediately.

Tucker clarified with Harris that this is part one and that there will be a part two. He asked if there has been a tentative decision made. Harris stated that they are still reviewing information.

Grenell added that there are many factors to consider. A challenge that Johnson faced when he became Interim Harbor Master was that there was a back-log of deferred maintenance and projects. Now that a lot of them have been taken care of, there will likely be less of a load.

Bernardo commended Harbor Master Johnson for all the challenges that this Interim position as brought. He stated that something to think about is how sustainable it is to have him run both Harbors before he gets burnt out.

Parravano also commended Johnson for all his extra efforts and has been an inspiration. Parravano stated that this item needs to be a priority.

Grenell stated that at the Finance & Priorities Workshop on March 2, 2011, the Commission will be provided with an overview of what the District's financial outlook will be for the upcoming fiscal year and beyond that. It will be an important input to the whole organizational issue.

This item will be continued to the next meeting.

- 11 TITLE: **(A) Draft Final Financial Statements and Independent Auditors' Report and (B) Recommendations to Management for Fiscal Year Ended June 30, 2010**
- REPORT: Turner, Memo
- PROPOSED ACTION: To be determined

Turner stated that she does not have the recommendations yet so this item will be on the next Agenda.

Tucker asked if it will be a draft as well. He also asked that he see the Management Letter once Turner receives it.

Bernardo referred to page 30 in the draft and wanted clarification on why line item License and Permits was \$37,411 in 2009 and only \$2,282 in 2010. Turner stated that she will look into it and get back to him with an answer.

This item will be continued at the next meeting.

- 12 TITLE: **Bills and Claims in the Amount of \$1,743,204.44 through January 12, 2011**
- REPORT: Bills and Claims Detailed Summary
- PROPOSED ACTION: Approval of Bills and Claims processed and paid in the amount of \$1,743,204.44 to cover payment through January 12, 2011 due to cancelled Board meetings.

Action: Motion by Tucker, second by Padreddii to approve the bills and claims. The motion passed unanimously.

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

- 13** TITLE: **Bills and Claims in the Amount of \$51,877.20**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$51,877.20 to cover payment of Bills and Claims

Action: Motion by Tucker, second by Padreddii to approve the bills and claims. The motion passed unanimously.

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

Reports for Possible Discussion/Action Administration and Finance

14 General Manager - Grenell

Grenell added that in paragraph 1 of his report he would like to add the San Mateo County Public Works Department. They might be interested in a location at Perched Beach.

15 Director of Finance - Turner

Nothing further to add to written report.

16 Human Resources Manager - Harris

Nothing further to add to written report.

Operations

17 Oyster Point Marina/Park - Johnson

18 Pillar Point Harbor – Johnson

Johnson stated that he is aware of the party boat situation. These people will be referred to Huck Finn Sport Fishing or Half Moon Bay Sport Fishing. Johnson is concerned with landside public safety but is more focused on water safety. National Oceanic and Atmospheric Administration will be out on the water as well the Department Fish and Game. Smith, Draper and Johnson have been working on optimizing water safety for the event. Any potential permits will be brought before the Commission.

Tucker stated that he would think if someone wanted a permit they would have requested it already.

Grenell stated that this has been discussed in great length. If someone wants to operate a charter boat out of Pillar Point Harbor, they will need to obtain a permit. The District would need to make sure that it doesn't exceed the limits on permits set forth in the Ordinance Code. There is no guarantee that someone would be issued a permit. Johnson has had extensive communication with the Coast Guard and the Sherriff on how to deal with vessels that may show up anyway. There will be a procedure in place to deal with that and itwon't be allowed. Grenell pointed out that a vessel from Santa Cruz or San Francisco can come and operate in open waters. The issue is a vessel that wants to come into the Harbor and pick up passengers.

Board of Harbor Commissioners

19 A. Committee Reports

Pillar Point Harbor Development/Perched Beach (Tucker, Parravano)

Parravano stated that Tucker, Grenell, Turner and himself met with Doug Charchenko of the California Maritime Infrastructure Authority. He asked Grenell to prepare minutes from the meeting and bring them to the next meeting.

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.

Bernardo thanked everyone for making him feel so welcome. He stated that he turns 43 tomorrow and this will make it a great birthday.

Parravano stated that this is the last meeting for Zafferano. The District appreciates all the advice and guidance he has given over the years.

Zafferano stated that he can't remember not coming to Harbor District meetings and he can't recall what he use to do every other Wednesday night. He stated it has been a pleasure to work with everyone. This District is a prime example of how Special Districts work and should work in California.

- 20** TITLE: **Identify Labor Negotiator Pursuant to Government Code §54957.6**
REPORT: Zafferano
PROPOSED ACTION: Identify Labor Negotiator Peter Grenell
- 21** TITLE: **Identify Real Property Negotiator Pursuant to Government Code §54956.8**
REPORT: Zafferano
PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Zafferano identified Grenell as labor negotiator and real property negotiator for closed session items 24 and 25.

Action: Motion by Tucker, second by Bernardo to adjourn to close session. The motion passed unanimously at 8:20 p.m.

Closed Session

- 22** TITLE: **Public Employee Appointment: District Counsel Pursuant to Government Code §54957**
REPORT: Grenell, Zafferano
PROPOSED ACTION: To Be Determined
- 23** TITLE: **Conference with District Counsel Pursuant to Government Code Section §54956.9(a) Existing Litigation: One Case, Coats vs. San Mateo County Harbor District**
REPORT: Zafferano
PROPOSED ACTION: To Be Determined

- 24 TITLE: **Conference with Real Property Negotiator: Pursuant to Government Code Section §54956.8**
PROPERTY: **Pillar Point Harbor Fish Buyers Building Leases, Johnson**
REPORT: **Pier, Pillar Point Harbor, Princeton, San Mateo County, APN 047-083-060**
- NEGOTIATING PARTIES: Pillar Point Seafood, Three Captains Sea Products, Morningstar Fisheries, and San Mateo County Harbor District
- UNDER NEGOTIATION: Lease Price, Terms and Conditions
- 25 TITLE: **Conference with Real Property Negotiator: Pursuant to Government Code Section §54956.8**
PROPERTY: **“Post Office” Parcel, Northeasterly corner of Obispo**
REPORT: **Road and Avenue Portola, El Granada, San Mateo County, APN: 047-261-030**
- NEGOTIATING PARTIES: San Mateo County Harbor District, KN Properties
- UNDER NEGOTIATION: Lease Price, Terms and Conditions

Action: Motion by Padreddii, second by Tucker to adjourn to open session. The motion passed unanimously at 9:08 p.m.

Open Session, Continued

There was no reportable action from closed session.

Adjournment

Action: Motion by Tucker, second by Padreddii to adjourn the meeting. The motion passed at 9:09 p.m.

The next scheduled meeting will be held on February 2, 2011 at the Comfort Inn, 2930 Cabrillo Highway, Half Moon Bay at 7:00 p.m.

Debbie Nixon
Deputy Secretary

Pietro Parravano
President