

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

March 2, 2011
9:30 a.m.

Mavericks Lodge and Event Center
107 Broadway Avenue
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
Robert Johnson, Harbormaster
Jean Savaree, District Counsel
Debbie Nixon, Deputy Secretary

x-absent

Public Comments/Questions – None.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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

- TITLE:** Minutes of Meeting February 16, 2011
REPORT: Draft minutes
PROPOSED ACTION: Approval

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

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

New Business

URGENCY ITEM

Action: Motion by Tucker, second by Padreddii to add the Urgency Item to the Agenda. The motion passed unanimously.

- 2 TITLE: **“Salmon and Jobs” letter to President Obama and U.S. Congress and letter to San Mateo County fishermen concerning “San Mateo County-As Fresh As It Gets” local fish marketing program**
- REPORT: Parravano, Grenell, Letters
- PROPOSED ACTION: Authorize President Parravano to co-sign and send letter on District letterhead to San Mateo County fishermen; and authorize General Manager to sign and send “Salmon and Jobs” letter to President and Congress

Grenell stated that there are two items for consideration. Parravano previously brought attention to the “As Fresh As It Gets” produce and seafood marketing program. The intention is to extend this program to Pillar Point Harbor fishermen who sell to the public off their boats. He asked permission to allow President Parravano to put the letter on District letterhead, sign and send the letter to the local fishermen. The second item is a letter that should go to President Obama and Congress immediately to support Wild Salmon restoration funding.

Parravano stated that the letter regarding “As Fresh As It Gets” marketing program is in associated with the brochure he brought to the Commission a month ago. San Mateo County would be the first County in the State that has an opportunity for land-based food and seafood producers to participate. Tucker stated that the Commission has taken a standing against farm-based salmon for quite some time. He stated that there is a potential loophole in the wording in the letter. He would like the language to be corrected to ensure it specifies that the letter reads “locally caught” and remove “locally grown”.

Padreddii stated that he read an article a week ago stating that there will be a salmon season.

Bernardo agreed that the language should be cleaned up and supports the execution of the documents.

Action: Motion by Tucker, second by Bernardo to authorize President Parravano to co-sign and send letter with edits to San Mateo County fishermen; and authorize General Manager Grenell to sign and send “Salmon Jobs” letter to President and Congress. The motion passed.

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

- 2 **TITLE:** **Bills and Claims in the Amount of \$81,265.48**
 REPORT: Bills and Claims Detailed Summary
 PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in
 the amount of \$81,265.48 to cover payment of Bills and
 Claims

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

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

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

- 3 **TITLE:** **Finance and Priorities Workshop**
 REPORT: Grenell, Turner, Johnson, Presentation
 PROPOSED ACTION: To be determined

Grenell outlined the schedule for the day in response to a request from Tucker. Parravano summarized the procedure for public comment during the workshop. Turner then made a Power Point presentation (see attachment). Main points of presentation and Commission discussion included:

District Finances

- With property tax revenue declining and the State likely to take more money from this source, the District needs to reduce dependence on non-operational revenue (especially property tax).

- No new investment strategy is proposed at this time, as the financial market is too uncertain.
- In response to a question from Padreddii, Turner said that the District should have a balance budget in 2013, but that is less likely in 2012.
- The District should increase its efforts to augment revenue. For operating revenue, focus should increase on rents and concessions.
- If revenue had increased by just 3% over the past 10 years, the overall increase would have been 34%.
- Responding to a question from Padreddii, Grenell said staff expects to recommend adding an inflation factor to berth fees for next year, in order to keep pace with the District's real harbor operations and maintenance costs.
- Grenell mentioned that State legislative hearings were scheduled for March 2 to discuss special district finances and consolidation.
- Turner commented that previous inquiries have shown that special districts have been most efficient in carrying out their responsibilities in many cases.
- Grenell referred to the organization and staffing report now being prepared for Commission consideration (a continuing District priority), which will discuss ways for controlling expenditures on staffing.
- Bernardo inquired as to Commissioner compensation as a percent of District budget. Grenell responded that it is approximately 2%.
- Turner resumed the presentation and reviewed new revenue sources to be followed up (see attached presentation).
- Tucker asked for a 5-year budget projection, especially in light of the longer lead time for several of the new revenue sources to start producing results.
- Bernardo asked whether the proposed new District Administration Office had been considered for the El Granada Post Office Lot. Grenell replied that it had been but that the site was found unsuitable for spatial, locational, and economic reasons.
- Tucker asked about the possibility of getting Homeland Security funding for Pillar Point developments. Grenell answered that in the past, such funding has been

targeted to the large commercial container ports, but that staff would now explore it again in the context of a possible Coast Guard presence at PPH and the District's historic search and rescue operations.

- Tucker asked about progress on the PPH Perched Beach project, particularly the bulkhead. After staff responses and Commission discussion, Grenell said that staff would prepare an agenda item on the bulkhead for the Commission's consideration on March 16th.
- Grenell and Johnson reviewed analysis of harbor facilities at PPH and OPM.
- Padreddii urged that the District approach the OPM fuel and sales dock lessee (dock 7) regarding possible District use management and use. Johnson commented that the sales dock would be preferable to the District's guest dock to accommodate dining cruises because of its east-west orientation.
- Tucker inquired about possibility of relocating the OPM Harbor Master's office, because flooding issues. Johnson responded that he has conferred with South San Francisco's consulting planner for OPM and will follow up further.
- Parravano inquired about relocation of the waste oil disposal facility off the Johnson Pier at PPH, and whether outside funding is available. Johnson mentioned that a County grant has been obtained and staff is addressing this item.
- Turner commented that she has done some research regarding the potential utility of getting a rating for the District in preparation for a possible future bond issue.
- Padreddii mentioned the District's very high election costs and urged that a solution be explored. Grenell explained the cost and said staff would follow up.
- Bernardo agreed that the cost is soaring.
- Turner then reviewed the District's OPEB situation (Other Post-Employment Benefits), and stated that the District is in a different position from CalPers or other entities and programs. Harris explained that the District's system is not based on longevity, as are others typically projected by actuaries.
- Turner ended the Financial portion of the workshop with a review of opportunities for increasing operational efficiency, which will lead to further cost savings.

After a mid-day recess at 12:08 p.m., the Commission reviewed its current Priorities. Main points of Commission discussion included:

- Tucker referred to the PPH Perched Beach bulkhead as a top priority for immediate follow-up action. The item will be included in the Commission's March 16th meeting agenda.
- Tucker reiterated his desire for a 5-year budget projection to aid in refining priorities.
- Johnson mentioned that the U. S. Coast Guard has acknowledged the District's primary role in providing search and rescue services as a *de facto* extension of the Coast Guard, which has not been able to be as active because of budgetary constraints. The Commission suggested that the USCG Commander be invited to speak to the Commission regarding the overall situation and inter-agency cooperation. Staff will follow up.
- Tucker and Parravano expressed the need to update the PPH community regarding the District's activities, including the Perched Beach plans, and suggested a public meeting. Grenell recommended starting with a public tenants meeting along the lines of Johnson's successful tenants meeting format at OPM, to enable Pillar Point Harbor tenants including berth-holders, live-aboards, lessees, and other harbor users. Commissioner presence (Parravano and Tucker) would be included. This meeting could be followed by another to broaden outreach to the surrounding community (although the general public would not be excluded from the public tenants meeting). Staff will follow up to arrange the initial tenants public meeting.

Based on the above discussion, the Commission updated its Priorities as follows:

TOP PRIORITIES

New District Administration Office

Pillar Point Perched Beach Development (including bulkhead)

Post Office Lot Disposition

District Organization/Staffing (including Search and Rescue)

Pillar Point U. S. Coast Guard Presence

Pillar Point Paid Parking

Oyster Point Redevelopment

Oyster Point Dining Cruises

SECOND LEVEL PRIORITIES

Pillar Point New Pier

Pillar Point Inner Harbor Development

PROGRESS REPORTS

OPM Ferry Terminal (Water Emergency Transportation Authority)

PPH Surfers Beach Shoreline Development (U. S. Army Corps of Engineers)

PPH Water Quality Study (Resource Conservation District)

PPH West Parking Lot/Restroom

Sea Level Rise/Climate Change/Alternative Energy

OTHER ITEMS

PPH Concessionaires' Bldg. Concept Plan Improvements: widened sidewalk PPH Fishing Interpretive Panels

Following conclusion of the workshop, Tucker commented with respect to the District's process for preparing its FY 2011-2012 Capital and Operating Budget, which is getting underway. Tucker said he would be seeking reductions in legal costs, a freeze on labor, and possible savings in insurance costs.

Adjournment

Action: Motion by Bernardo, second by Parravano to adjourn the meeting. The motion passed unanimously at 2:15 p.m.

The next scheduled meeting will be held on March 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