

**San Mateo County Harbor District
Board of Harbor Commissioners
Minutes**

**December 20, 2006
7:00 p.m.**

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

Roll Call

Commissioners

Pietro Parravano, President
James Tucker, Vice President
Ken Lundie, Treasurer
x Leo Padreddii, Secretary
x Sally Campbell, Commissioner

Staff

Peter Grenell, General Manager
x 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

x- absent

Public Comments/Questions - None

Staff Recognition –

Grenell commended Temko and the rest of the Pillar Point Harbor staff for the excellent job done on the boat decorating contest. Temko extended his thanks to his staff and the boaters at Pillar Point Harbor.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 December 6, 2006 |
| | REPORT: | Draft minutes |
| | PROPOSED ACTION: | Approval |

Action: Motion by Tucker, second by Parravano to approve item 1. The motion passed.

Ayes: 2
 Nays: 0
 Abstentions: 1 (Lundie)

Public Hearing- None

Continued Business

- | | | |
|----------|------------------|--|
| 2 | TITLE: | Change Order #5: Change Order Adjustments: Johnson Pier Rehabilitation Project |
| | REPORT: | Memo |
| | PROPOSED ACTION: | Approve Change Order #5 for Dutra Construction: Johnson Pier Rehabilitation Project in an amount not to exceed \$6, 976.40 |

Temko stated that the work was done prior to approval and he did not realize additional amounts had been done until final measurements were taken. Temko added that the work was done in good faith. Three of the change orders were under and one was over; the one that was over was done just prior to crab season opening and in the course of trying to do a good job in a timely matter to have the pier open for crab season, the measurements were off. Temko concluded that the District is still withholding 10% of the job payment until the “low mod” application is resolved.

Tucker asked when this “low mod” application will be resolved. Temko stated that contractors have agreed to wait for repair until the end of February to keep the pier open to be able to move crab over it and also to give the District time to see if anything else fails during that time period.

Temko added there is also an issue in the fish buyers’ area’s with the material being too aggressive and too hard to clean. The contractor has agreed to fix at their expense.

Tucker informed staff that in the future a change order cannot be changed or adjusted. He added once a change order is issued and accepted upon by all parties it becomes public record and it needs to be consistent for anybody who follows the District years from now.

Grenell stated that it is staff’s intention to craft improved contract language regarding change orders.

Lundie stated he talked with Mike McHenry of Pillar Point Seafood who was concerned that he would be blamed for the deterioration of sections of the pier. Lundie informed him that he would not be and that the problems are with the bonding.

Parravano questioned the discrepancy on page one versus page three in the amount of the amended change order #2 on the staff report. Schnapp stated page one should say \$88,750.00.

Parravano requested an accounting of Moffat & Nichol's invoices. Schnapp stated there is one in the current bills and claims. She added that Moffat & Nichol had a certain amount per hour that was approved and it was open on how much they could spend on other incidental expenses. Once the Board approved the contract amounts "not to exceed", the incidental then took the amounts over that.

Parravano asked whether the rates that Moffat & Nichol charged were the same throughout the project. Temko stated they were the same throughout.

Action: Motion by Tucker, second by Lundie to approve change order #5 in an amount not to exceed \$6,976.40. The motion passed.

Ayes: 3

Nays: 0

3 **TITLE:** **Oyster Point Marina/Park Launch Ramp: California Environmental Quality Act (CEQA) Certification of Categorical Exemption**
REPORT: Memo and Attachments
PROPOSED ACTION: To Be Determined

Grenell stated that the launch ramp rebuilding at Oyster Point Marina/Park does not have any significant effects on the environment and as a clause II replacement it should be certified as categorically exempt from CEQA requirements. Grenell added that this is standard procedure for these kinds of projects.

Action: Motion by Lundie, second by Tucker to approve Item 3. The motion passed.

Ayes: 3

Nays: 0

4 **TITLE:** **Commercial Activity Permit for Sea Pure at Pillar Point Harbor**
REPORT: Application
PROPOSED ACTION: Approve Commercial Activity Permit for Sea Pure

Zafferano stated that this is an unusual situation where vehicles owned by the permittee are coming onto District property and he wants to make sure staff receives a commercial general liability policy to cover both automobiles and the operations of the business.

Parravano asked Temko to look into whether the vehicles qualify under certain weight restrictions.

Action: Motion by Lundie, second by Tucker to approve commercial activity permit for Sea Pure with Zafferano's recommendation. The motion passed.

Ayes: 3

Nays: 0

5 TITLE: **Commercial Activity Permit (Independent) for Dennis Baxter, F/V *New Captain Pete***
REPORT: Memo, Application
PROPOSED ACTION: Approve Commercial Activity Permit (Independent) for Dennis Baxter, F/V *New Captain Pete*

Temko stated that Dennis Baxter has been doing business at Pillar Point Harbor for many years and has always conducted his operations in a very exemplary fashion. Lundie added that Baxter is an excellent tenant.

Action: Motion by Tucker, second by Lundie to approve commercial activity permit for Dennis Baxter, F/V *New Captain Pete*.

Ayes: 3

Nays: 0

6 TITLE: **Renewal of Administration Office Lease**
REPORT: Attachment
PROPOSED ACTION: Approve Renewal of Administration Office Lease for 2 Years.

Grenell stated that following previous Board action to approve a one year lease with a one year option, Building Management would rather have a two year lease extension.

Lundie felt that this is risky, in case the District does find a place on the Coast, they would have to pay both leases. Grenell stated he raised that concern to Building Management who said in that case the District will be able to sublease at a higher rate.

Action: Motion by Tucker, second by Lundie to approve renewal of Administration Office Lease for two years.

Ayes: 3

Nays: 0

New Business

- 7 TITLE: **Amend Ordinance Code Section 3.2 to Provide for Non-Commercial Event/Activity Permits**
REPORT: Memo
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

This Item has been moved to the January 17, 2007 meeting.

- 8 TITLE: **Establish Steps within Salary Range and Salary Adjustments for Director of Finance and Human Resource Manager**
REPORT: Grenell
PROPOSED ACTION: Approve Establishment of Steps within Salary Range and Salary Adjustments for Director of Finance and Human Resource Manager and Authorize the General Manager to Implement

Grenell stated that this will provide the same equitable structure of compensation for these employees as has been the practice with employees covered by labor agreements. It provides more predictability for the District and its employees and will provide increments always conditioned upon satisfactory performance evaluations.

Parravano stated that he received a letter from Operating Engineers raising concerns about this item. He asked Grenell what his response is to this.

Grenell said it is inaccurate because it states there is no cost of living adjustment being made when in fact all District employees receive this on a yearly basis. Grenell added he immediately responded to the letter and has not received any communication back.

Grenell stated that Operating Engineers employees are well covered under the present contract and if they want to make changes there is an existing structure to do that. Grenell added that both groups of employees get increments under their contracts which include existing steps based on satisfactory evaluations.

Tucker stated that management employees are the Commission's prerogative and Unions can not negotiate on the Board's behalf nor question their ability to do so.

Lundie concluded that he has no problem giving upper management a raise as long as we take care of the rank and file when the time comes because they deserve it.

Action: Motion by Tucker, second by Lundie to approve Item 8. The motion passed.

Ayes: 3

Nays: 0

- 9** TITLE: **Bills and Claims in the Amount of \$793,396.28**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$793,396.28 to cover payment of Bills and Claims

Tucker stated he has reviewed the bills and claims and found them in order.

Action: Motion by Tucker, second by Lundie to approve the bills and claims in the amount of \$793,396.28. The motion passed.

Ayes: 3

Nays: 0

- 10** TITLE: **Authorization to Pay Bills and Claims Occurring Between December 12, 2006 and January 10, 2007 in an Amount Not to Exceed \$420,000.00**
REPORT: Bills and Claims General List
PROPOSED ACTION: Approval of Bills & Claims occurring between December 12, 2006 and January 10, 2007 for payment and a transfer in an amount not to exceed \$420,000.00 to cover payment of the Bills & Claims

Tucker stated this has been done in previous years to cover payments for the extra time in between meetings that the Board does not meet.

Action: Motion by Tucker, second by Lundie to approve authorization to pay bills and claims in an amount not to exceed \$420,000.

Ayes: 3

Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

- 11** General Manager - Grenell
Nothing further to add to written report.

- 12** Director of Finance - Schnapp

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Action:

Schnapp informed the Board that the District is in the process of bringing in auditors starting within the next two weeks. After that she will begin fixed asset valuation. Subsequent to that rates and fees will be worked on and a budget workshop will be set up.

13 Human Resources Manager – Wilkerson

Nothing further to add to written report.

Operations

14 Oyster Point Marina/Park - Johnson

Action:

Johnson wished everyone a Happy Holidays and thanked them for their support in the last year.

15 Pillar Point Harbor – Temko

Temko seconded Johnson’s holiday wishes.

Board of Harbor Commissioners

16 A. Committee Reports

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 stated while watching the Channel Two news, he briefly heard something about a lawsuit against the Mavericks promoters. His concern is that the Harbor District be named in the lawsuit and would like staff to look into this.

Zafferano stated no claim has been filed and the time for filing a claim has expired.

Temko commented that an incident did occur but not on District property.

Parravano extended his wishes to everyone for a very happy and prosperous holiday. He thanked everyone for their support and looks forward to the New Year.

17 TITLE: Identify Real Property Negotiator Pursuant to Government Code §54956.8

REPORT: Zafferano

PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Zafferano, District Counsel, identified Grenell as the Real Property Negotiator.

Joanne Franklin of Ketch Joanne Restaurant and Harbor Bar gave a brief photo presentation of her operation at Pillar Point Harbor for the last 32 years. Franklin

illustrated how they started in a small building and expanded it to what it is today. Franklin stated she is willing to build more and pay what she can without being penalized by paying more money in rent.

Tucker stated that consumer price index (CPI) seems to be preventing an agreement. He added that the District would be hard pressed not to include an inflation factor on the lease and that District property is under the control of the State to whom the District owes money too. He concluded that they wouldn't be as appreciative as the District is and that they are strictly about business. He added there is no way around the CPI.

Action: Motion by Tucker, second by Lundie to go into closed session. The motion passed at 7:52p.m.

Ayes: 3
Nays: 0

Closed Session

18 TITLE: Conference with Real Property Negotiator: Ketch Joanne Restaurant and Harbor Bar, Parcel 3, One Johnson Pier, Lessees Building, APN 047-083-060, Pillar Point Harbor, El Granada, San Mateo County Regarding Lease, Price, and Terms and Conditions Pursuant to Government Code Section §54956.8

REPORT: Grenell

PROPOSED ACTION: To Be Determined

19 TITLE: Conference with Real Property Negotiator: Ship to Shore Fish Market and BBQ Deck, Parcel 5, One Johnson Pier, Lessee Building, APN 047-083-060 Pillar Point Harbor, El Granada, San Mateo County: Regarding Lease, Price and Terms and Conditions Pursuant to Government Code Section §54956.8

REPORT: Grenell

PROPOSED ACTION: To Be Determined

Action: Motion by Tucker, second by Lundie to adjourn to open session. The motion passed at 8:43 p.m.

Ayes: 3
Nays: 0

Continued Business, Cont'd

There was no reportable action from closed session.

20 TITLE: **(1) Adopt Resolution 59-06 to Approve Assignment of Lease of Huck Finn Sportfishing to Ketch Joanne Restaurant and Harbor Bar; (2) Approve Amendments to Ketch Joanne Restaurant and Harbor Bar Lease; and (3) Adopt Resolution 60-06 to Approve the Termination of the Huck Finn Sportfishing Lease.**

REPORT: Memo and Attachments, Resolutions

PROPOSED ACTION: Adopt Resolution 59-06 to Approve Assignment of Lease to Ketch Joanne, Approve Amendments to Ketch Joanne Lease and Authorize President of Board of Harbor Commissioners to Execute Consent of Lessee Form, and Adopt Resolution 60-06 to Approve the Termination of the Huck Finn Sportfishing Lease.

Action: Motion by Tucker, second by Lundie to adopt resolution 59-06 and 60-06 conditioned upon agreement of Joanne Franklin regarding lease amendments. The motion passed.

Ayes: 3
Nays: 0

Adjournment

Action: Motion by Tucker, second by Lundie to adjourn the meeting. The motion passed at 8:46 p.m.

Ayes: 3
Nays: 0

The next regularly scheduled meeting will be held on **January 17th, 2007** at the Municipal Services Building, 33 Arroyo Drive, South San Francisco, CA 94083 at 7:00 p.m.

APPROVED BY:
Pietro Parravano

Pietro Parravano
President

ATTESTED BY:
Theresa N. Hayes

Theresa N. Hayes
Deputy Secretary