

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

**June 15, 2005
7:00 p.m.**

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

Campbell called the meeting to order at 7:00 p.m.

Roll Call

Commissioners

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

Staff

Peter Grenell, General Manager
Eileen Wilkerson, Human Resources Manager
Robert Johnson, Harbormaster
Dan Temko, Harbormaster
Michele Shahrok, Deputy Secretary
Linda Noeske, District Counsel

**Public Comments/Questions — Public and Staff
Recognition**

The Public may directly address the Board of Harbor Commissioners for a limit of three minutes, unless a request is granted for more time, on any item of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, Board of Harbor Commissioners that is not on the regular Agenda. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the administration offices of the District, 400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080.

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

Action: Grenell introduced Accounting Specialist Debra Galarza, the newest addition to the Administrative Offices. The Board welcomed her aboard.

There was no public comment.

Consent Calendar

All items on the consent calendar are approved by one motion unless a request is made at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 June 1, 2005 Meeting**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approve Minutes

Action: Motion by Lundie, second by Tucker to approve Minutes of June 1, 2005. Motion carried by unanimous vote.

- 2 TITLE: **Certified Employment List for Director of Finance**
 REPORT: Certified List
 PROPOSED ACTION: Approve Certified Employment List for Director of Finance

- 3 TITLE: **Minor Policy Amendment: Bank Account Signatures**
 REPORT: Staff Report
 PROPOSED ACTION: Approve Minor Policy Amendment

Action: Items 2 and 3 were removed from the Agenda at Campbell's request.

New Business

- 4 TITLE: **Adopt Resolution 15-05 – Approve Wage and Classification Schedule**
 REPORT: Draft Resolution 15-05, Wage and Salary Classification Schedule
 PROPOSED ACTION: Adopt Resolution 15-05

Action: Grenell advised of a 3 percent salary increase based on Section 4.2 of the Wage and Salary Schedule for those employees covered under the Operating Engineers 3 (OE3) Memorandum of Understanding (MOU), as well as a 2.5 percent Cost of Living Adjustment (COLA).

Campbell asked whether that was a 2.5 COLA on top of an automatic 3 percent. Grenell responded in the affirmative. Campbell asked why Grenell is receiving the 3 percent. Grenell responded that he should not be. Grenell advised that the figures should be adjusted to subtract 3 percent from his salary. He explained that non-union positions do not receive the automatic 3 percent increase. Campbell advised that she understood the Cost of Living Adjustment but was having trouble with the rest.

The Board was in consensus that Resolution 15-05 should be changed to remove the automatic 3 percent. Campbell advised that management employees should receive merit increases but not those that are automatic.

Grenell advised that staff would adjust the Wage and Salary Schedule to reflect the proper ranges. Grenell further advised that he would leave in Paragraph 4 of Resolution 15-05 but would add the words, “applicable only to those employees classified subject to the provisions of the MOU.”

Campbell advised that the Board concurred as long as the 3 percent was removed.

Motion by Tucker, second by Lundie to accept Item 4, Resolution 15-05 with amendments.
Motion carried by 5 Ayes, 0 Nays.

Public Hearing

- | | | |
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| 5 | TITLE: | Fix the Final FY 2005-2006 Operating and Capital Budget by Resolution 16-05 pursuant to Harbors and Navigation Code §6093.1 |
| A. | Declare Meeting Open: | President Campbell |
| B. | Report of Notice Given: | Grenell |
| C. | Staff Report and Recommendation: | Resolution 16-05, Final Budget |
| D. | Public Testimony: | |
| E. | Harbor Commission Questions: | |
| F. | Close Public Testimony: | President Campbell |
| G. | Commission Deliberation: | |
| H. | Recommended Commission Action: | Adopt Resolution 16-05 Adopting the Final FY 2005-2006 Budget |

Action: Campbell opened the public hearing at 7:18 p.m. There was no public testimony.

Grenell stated that public notice had been given.

Campbell said she had received several telephone calls with regard to businesses that may be moving or being sold at Pillar Point Harbor and that she and Grenell had discussed it. She said that, during the next six to twelve months, changes in leases will affect the Harbor for the next twenty years.

Campbell advised that the District should hire an outside marketing firm to analyze the various leases. She said some of them are outdated and that the District needs a much better negotiating tool. She advised that Grenell believes it will cost approximately \$75,000 for such outside services.

Padreddii commented that \$75,000 was an exorbitant amount and that the Commissioners could analyze the leases themselves. Grenell explained that there are presently 18 leases in place for a variety of businesses. He advised that the information is out of date compared to the true value of the lease holdings. He said the two harbors have different market conditions and there is no adequate means of evaluating them internally.

Grenell advised that at least one individual holds four leases which might be coming up for request for assignment. His suggested putting money in the budget and coming back on July 6 with recommendations. He suggested handling one lease on a fast track, expending less than \$5,000, and authorizing staff to prepare a Request for Proposals to address all the other leases. Lundie said he has no problem with hiring professionals but he agrees with Padreddii not to spend \$75,000. Tucker suggested that the District should budget \$50,000 for outside consulting services.

Padreddii agreed with putting the money into the budget. Campbell also agreed. Grenell advised to put it under Administration, Contractual Services-Professional Services.

Campbell declared public testimony closed and called for a Motion. Grenell advised he would produce a spiral-bound version of the Final Budget and have it to the County by August 1, 2005.

Motion by Tucker, second by Padreddii to fix the Final FY 2005-2006 Operating and Capital Budget. Motion carried by 5 Ayes, 0 Nays.

New Business - Continued

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| 6 | TITLE: | US Bank Agreement |
| | REPORT: | Memo, Resolution 17-05 |
| | PROPOSED ACTION: | Adopt Resolution 17-05 to Approve a Three-Year Agreement with US Bank |

Action: Grenell advised that US Bank offers a three-year agreement for their services, which will lock the District into the current rate and holds fees at the current rate for the three-year period. Wilkerson said she has made the transfer of business from Wells Fargo to US Bank.

Campbell disagreed with Paragraph 7 of Resolution 17-05 which reads, in pertinent part, "...the Board...approves the terms and conditions..." Campbell advised that she has not seen the contract terms and conditions and wants to be before adopting the Resolution. Motion by Tucker, second by Parravano to remove "the terms and conditions of" from Resolution 17-05 and to Adopt Resolution 17-05 as amended. Motion carried by 5 Ayes, 0 Nays.

- 7 TITLE: **Short Term Investment Services with US Bank (USB)**
REPORT: Memo and Attachment, Resolution 18-05
PROPOSED ACTION: Adopt Resolution 18-05, and Authorize General Manager to Apply for Services

Action: Grenell advised that US Bank's services include the Money Center, which enables short-term investments, e.g., CD's, to receive higher returns on funds. Grenell advised that adopting the Resolution only enables the District to use this service, at its sole discretion; no commitment is being made. Tucker said this service would give the District a vehicle by which it can invest funds at a later date.

Motion by Tucker, second by Lundie to adopt Resolution 18-05 to authorize General Manager Grenell to apply for short-term investment services with US Bank. Motion carried by 5 Ayes, 0 Nays.

- 8 TITLE: **Limited Commercial Activity Permit for "Light Up The Sky"**
REPORT: Memo, CAP Application
PROPOSED ACTION: To Be Determined

Action: Grenell introduced an Application for a Limited Commercial Activity Permit (LCAP) for the annual July 4 fireworks display at Pillar Point Harbor. Grenell stated that, in the past, the Board waived all fees. However, staff has determined that the District spends several thousand dollars in costs including overtime over time pay for the Harbor crew to provide services during this event. Temko advised that last year's manpower at this year's cost would be \$4,527. Grenell requested that, given the District's overall fiscal situation and outlook, the Board should consider seeking reimbursement of costs from the applicant.

Campbell asked if the CAP applicant wanted to address the Board. Applicant Richard Frustere said that in 2004, he took over Light Up the Sky, a §5013(c) California nonprofit corporation. He said the event is staffed with unpaid volunteers. He said he is coordinating with 16 law enforcement agencies. He said that law enforcement agencies charge \$6,000-\$8,000, and he has insurance costs. He stated that although he has \$11,000 left over from last year, donations are the only way to pay for the fireworks and that he is still \$12,000 short.

Lundie advised that the Harbor District has not previously sought compensation for costs incurred and that much of the staff that would be on duty during the Fourth of July celebration would have been on duty anyway. He said the applicant had received no prior notice of possible cost recovery requirements. He recommended charging Frustere in the future but not this year. Padreddii said he feels the fees should be waived this year. Tucker stated that if law enforcement charges for their services, next year the Board would also.

Parravano asked about the hours of operation. Frustere advised that the fireworks begin approximately half an hour after dark. Parravano questioned Paragraph 4.1.2. with regard to authorizing the permit holder access to the area for two days prior and one day after the event. Frustere advised the truck with the fireworks arrives July 4. On July 5, they will patrol the beach to ensure it is clear of any debris. The event will start at 9:00 p.m. and last about one-half hour.

Campbell advised Frustere that she wanted to be assured that he would have integrity in this undertaking. Frustere advised that he would, and that he has a Board of Directors and Certified Public Accountant.

Motion by Padreddii, second by Lundie to authorize Frustere to present Light Up The Sky Fourth of July fireworks, without cost. Motion carried by 5 Ayes, 0 Nays. Parravano advised Frustere to start the application process earlier next year.

- 9** TITLE: **Interdepartmental Fund Transfers for Budget Adjustment**
REPORT: Memo
PROPOSED ACTION: Approve Transfer

Action: Campbell advised she had been asked to pull Item 9 from the Agenda.

- 10** TITLE: **Interpretive Signs for Pillar Point Harbor: Memorandum of Understanding (MOU) with National Marine Sanctuary Program (NMSP)**
REPORT: Memo, Draft MOU
PROPOSED ACTION: Approve MOU and Cost Share Not To Exceed \$35,000 for Interpretive Signs for Pillar Point Harbor and Authorize General Manager to Execute MOU with National Marine Sanctuary Program

Action: Grenell asked that this Item be continued to July 6.

- 11 TITLE: Renew Limited Commercial Activity Permit for Tom Mattusch, Coastside Fishing Club, Vagabundos Del Mar, Wilderness Unlimited**
REPORT: Limited Commercial Activity Permit Application
PROPOSED ACTION: Approve Renewal of Limited Commercial Activity Permit for Tom Mattusch, Coastside Fishing Club, Vagabundos Del Mar, Wilderness Unlimited

Action: Temko stated that Tom Mattusch and Vagabundos Del Mar have put on successful events in the past that promote business in the harbor. Motion by Padreddii, second by Tucker to renew the Limited Commercial Activity Permit for Tom Mattusch, Coastside Fishing Club, Vagabundos Del Mar and Wilderness Unlimited. Motion carried by 5 Ayes, 0 Nays.

- 12 TITLE: Bills and Claims in the Amount of \$236,430.13**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approve Bills and Claims for payment and a transfer in the amount of \$236,430.13 for payment of the Bills and Claims

Action: Tucker advised that he had reviewed the bills and claims and that he had reviewed a supplemental list as well for year-end bills.

Lundie questioned a claim by Padreddii. Padreddii explained the Item, indicating it was a co-pay only, and the amount was for four months, not just one. He said the District makes money on this and that his claim does not exceed others.

Motion by Tucker, second by Parravano to approve bills and claims for payment and a transfer in the amount of \$236,430.13 for payment of the bills and claims. Motion carried by 4 Ayes, 1 Nay (Lundie).

13 General Manager Grenell

Action: Grenell reported that he had a conference call with Supervisor Gordon and several other agencies and organizations regarding a possible grant application to deal with the high bacterial counts in the water in the vicinity of a storm drain at Princeton. Campbell asked whether Grenell will need Board assistance. He said it is possible. Temko and Grenell said it is not the Harbor District's responsibility to clean the water even if the harbor is where the

problem is observed. Grenell said a committee may need to be formed to clarify the position of the Board.

Lundie asked about the Pillar Point Restroom Project. Grenell advised that the County Planning Commission will inspect the proposed site on June 20, at 3:15 p.m. The appeal will be heard before the Planning Commission on June 22 at 10:30 a.m.

Grenell reported that the architect said, even with the cost increases, the \$700,000 in the budget is still adequate for the project.

14 Director of Finance – There is no Director of Finance.

15 Human Resource Manager Wilkerson –

Action: Wilkerson advised she had nothing to add to her written report.

Operations

16 Oyster Point Marina/Park — Johnson

Action: Johnson reported he received one application for the Lifeguard position. The applicant will be available after the July 4 weekend. There was to be a swap meet at the Marine Center the upcoming weekend but no interest was generated, due to poor advertising.

17 Pillar Point Harbor — Temko

Action: Temko suggested Moffat & Nichol Engineers look at the work being performed by Keet Nerhan to replace the fuel lines at Johnson Pier. Temko will speak with the Engineers to determine whether it is necessary. There has been regulatory oversight by the Half Moon Bay Fire Department and County Environmental Health Services but the inspection may also be needed for the fuel lines. There will be no gasoline available at Pillar Point Harbor until the lines are replaced, which will take approximately ten days. Diesel fuel is still available.

He advised that he received a \$5,000 grant from Save Our Shores to bring the oil recycling center from its present location over the water onto the shore.

Temko commented that an Eagle Scout completed a project at the Harbor and created a booklet describing the project. Temko suggested preparing a Proclamation. He has another Eagle Scout that wants to complete a project at the harbor.

He advised that staff erected a mock-up of the restroom building for the Planning Commission's field visit.

He acknowledged Williams and Coats for a fine job at the Coastside Fishing Club free barbecue and boat race.

He said Commander Swatland was sworn in as Commander of Coast Guard Group San Francisco for the next month. After that, the Group is reorganizing and will be known as Area San Francisco. The Commander will then be their Deputy Commander. At the swearing in ceremony, the Commander pointed out Temko and Miles in the audience and recognized the hard working crew from Pillar Point Harbor.

Campbell said Temko has support from the Board for the Proclamation for the Eagle Scout and to return with it at the July 6 meeting.

Campbell said she was concerned about the problem with the fuel dock. Temko advised that it is clearly in Nerhan's lease to repair the dock.

Board of Harbor Commissioners

18 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.

Action: Tucker advised that the Princeton Citizens Advisory Committee (PCAC) met on June 13 and discussed the E.Coli problem. He said some members said it is exacerbated by transients living in wrecked vehicles on the streets. The next PCAC meeting is on July 11 and PCAC requests the presence of Campbell and Tucker.

Campbell and Padreddii reported on the Oyster Point Committee's meeting. She mentioned the ROMA Design Group's ferry terminal sketch plan, which calls for the terminal at the ferry location of Docks 9 and 10, which would be removed. Campbell referred to Johnson's detailed report on the potential loss of revenue from removing berths. Campbell said to mitigate the loss by having the Water Transportation Authority (WTA) pay for dredging the West Basin and changing the roads through the parking lot. We will now explore whether WTA will pay for West Basin dredging and parking, as the terminal would cause impact on the harbor.

Tucker advised that the committee on the Half Moon Bay Fire District's lease would meet the next day.

Parravano thanked Temko, Miles, and the maintenance crew and Grenell for cleaning up Pillar Point Harbor for the visit by the delegation of mayors for the UN World Environment Day event. Temko concurred that the maintenance crew did a great job.

19 TITLE: **Identify Real Estate Negotiator Pursuant to Government Code § 54956.8**
REPORT: Zafferano
PROPOSED ACTION: Identify Real Estate Negotiator Peter Grenell

Action: Noeske identified Grenell as the Real Estate Negotiator. Motion by Tucker, second by Lundie to adjourn to Closed Session. Motion carried by 5 Ayes, 0 Nays. The meeting adjourned to Closed Session at 7:56 p.m.

20 TITLE: **Identify Labor Negotiator Pursuant to Government Code §54957.6**
REPORT: Zafferano
PROPOSED ACTION: Identify Contract Negotiator Peter Grenell

Closed Session

21 TITLE: **Conference with Real Property Negotiator: Parcel #AP 047-264-030, El Granada, San Mateo County, San Mateo County Harbor District and Half Moon Bay Fire Protection District, Regarding Lease or Sale Price, Terms, and Conditions Pursuant to Government Code §54956.8**
REPORT: Grenell
PROPOSED ACTION: To Be Determined

Action: Zafferano stated there was no reportable action from Closed Session.

Motion by Tucker, second by Parravano to amend the Wage and Salary Classification Schedule to increase the Director of Finance classification range maximum to \$105,000. Motion carried by 5 Ayes, 0 Nays.

Adjournment- Motion by Lundie, second by Tucker to adjourn the meeting. Motion carried by unanimous vote at 7:47 p.m.

APPROVED BY:

ATTESTED BY:

Sally Campbell
President

Ken Lundie
Secretary

Michele Shahrok
Deputy Secretary