

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

**March 16, 2011
7:00 p.m.**

**Marie Peterson Room
Municipal Services Building
33 Arroyo Drive
South San Francisco, Ca. 94080**

Roll Call

Commissioners

Pietro Parravano, President
James Tucker, Vice President
Leo Padreddii, Treasurer
Robert Bernardo, Secretary
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

Public Comments/Questions — None.

Staff Recognition- Grenell recognized Johnson and the Pillar Point Harbor Patrol for their efforts when the tsunami arrived last Friday, when they evacuated the harbor and got tenants to safety.

Bernardo stated that he heard Harbormaster Johnson on the radio and commended him on how well he handled himself during a stressful time.

Johnson stated that he received a letter from a tenant and he requested that it be read aloud in public. The letter was written by Ray Flynn. He gave appreciation to Arington and Walding for retrieving his dinghy which blew off his boat during a storm. They secured the dinghy under the pier until he was able to get to the Harbor to retrieve it, which saved him hundreds of dollars.

Johnson recognized both harbor patrol crews, Oyster Point Marina/Harbor for being on stand-by and to the Pillar Point Harbor for their performance during the tsunami.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 March 2, 2011**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

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

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

Public Hearing –

- 2 **TITLE:** **Draft Preliminary Operating and Capital Budget
 for Fiscal Year 2011-12**
- A. Declare Hearing Open: President Parravano
B. Report of Notice Given: Grenell
C. Staff Report and
 Recommendation: Turner, Draft Preliminary Budget FY 2011/12
D. Public Testimony:
E. Harbor Commission
 Questions:
F. Close Public Testimony: President Parravano
G. Commission Deliberation:
H. Recommended
 Commission Action: To Be Determined

Parravano declared the hearing open.

Grenell stated that notice was given.

Turner stated that she reorganized the layout of the budget report. Pages five through ten are the budget summary and the remaining pages are the back-up documents. She pointed out that the detail to follow is three consecutive years of information.

Tucker explained the procedure of the budget for Commissioner Bernardo. He stated that the Commission receives the draft budget and the item continues on for several meetings to allow for review and to ask questions that may arise. Tucker had several questions regarding the budget. He stated the \$9.3 million dollar operating budget and \$7.8 million dollars in revenue, and assumes the \$1.477 million is the deficit taken from reserves. Turner clarified that the \$9.3 million dollar number includes capital projects. They don't all take place in the current fiscal year. Therefore it is misleading to look at a number that includes capital projects when comparing it against revenue. Revenue of \$7.9 million dollars is projected for FY 2012 and is compared to expenses without capital projects which is \$7.7 million dollars. The additional \$1.6 million dollar will become capitalized and then depreciated. The depreciation expense is what is taken into consideration when looking at what the deficit is compared to take home.

Tucker asked Turner what numbers she used to calculate the berth rental revenue. Turner stated that the projected numbers are all projected on a 9% increase which was what was discussed at the Finance and Priorities Workshop.

Tucker questioned the PTO and overtime. He asked how the PTO is accrued. Turner stated that is accrued per pay period. Tucker asked if it is overtime or a benefit. Turner stated it is a benefit. Harris clarified that it is a benefit but if an employee uses it, the pay comes out of the PTO accrual account not out of the salary section.

Tucker stated that he would like to see the District insurance premium to decrease by 10%.

Tucker questioned the Legal/Professional services and noted that one of the services is \$100,000, and he will be asking his colleagues at a later time to remove this line item. He stated that he recalls at one point there was discussion about asking for legal assistance in changing some of the District's policies and ordinances. He would like to have staff come back to the Commission if there is a need for these types of services in the future.

Tucker questioned Staffing and wanted to know how many employees that number was based on. Turner stated 25. Tucker confirmed that number included management.

Bernardo questioned election expenses and wanted to know how \$200,000 was calculated. Turner stated that the current expense for the November 2010 election was roughly \$470,000. The anticipation is that this will be the maximum expense for the next election. Turner stated that in speaking with the elections office regarding the next election, they expect the cost to be lower because it is a presidential election year and the cost will be split over another layer of government.

Parravano closed the public testimony and stated that the budget hearing will be continued at the next meeting.

- 4 TITLE: **Independent Auditor’s Final Recommendations to Management for Year End June 30, 2010**
REPORT: Turner, Letter
PROPOSED ACTION: Accept Independent Auditor’s Final Recommendation to Management

Turner stated that at the bottom of page one, the “Cash Handling” has been updated. She recommended approval.

Action: Motion by Tucker, second by Bernardo to accept the Independent Auditor’s Final Recommendations to Management letter. The motion passed.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

- 5 TITLE: **Organization and Staffing Update**
REPORT: Grenell, Harris
PROPOSED ACTION: To be determined

Grenell stated that it is his intention to place an item on the April 20, 2011 agenda to present a draft report for review and consideration. He stated that he and Harris would like to meet with Parravano and Tucker to review the single harbormaster arrangement. There will be a series of recommendations, one set that will need Commission action and another that is administrative and does not need Commission action. Grenell stated that this is a work in progress.

Parravano asked Grenell if the cross-training was still going on at the Harbors. Grenell answered positively and referred to Johnson. Johnson stated that he met with the Assistant Harbormasters and Lead Maintenance Specialists on March 23, 2011 to establish a system that will allow the facilities to run smoothly while the cross training is happening. They will be working on standardizing procedures at both facilities.

New Business

- 6 TITLE: **Limited Commercial Activity Permit for Small Boat Commercial Salmon Fishermen’s Association (SBCSFA) for Sunday, April 3, 2011**
REPORT: Johnson, Memo
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Johnson recommended conditional approval with the possibility of denial for this event. He stated that the applicant is requesting to have their event the day after opening season on salmon season. Crab season is still going on. The Small Boat Commercial Salmon

Fishermen’s Association is asking to hold their swap meet in “C” lot and is expected to have at least one hundred participants. He hasn’t had a chance to speak to the applicant yet to try to work on an alternative.

Tucker stated that it seems that there is a lot going on and it will be too crowded.

Action: Motion by Tucker, second by Bernardo to deny the limited commercial activity permit for Small Boat Commercial Fishermen’s Association. The motion passed.

Parravano stated that he supported Johnson’s recommendation. There has not been a salmon season in three years and people will be lined up to get into the Harbor.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

- 7 TITLE: **Limited Commercial Activity Permit for Team in Training Silicon Valley Triathlon Team on Saturday, May 21, 2011**
REPORT: Johnson, Memo
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Johnson stated that he recommended approval with a \$250 permit fee because of the impact the activity has on staff and the facility.

Action: Motion by Tucker, second by Bernardo to approve the permit with the \$250 permit fee. The motion passed.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

- 8 TITLE: **Limited Commercial Activity Permit for Coastside Infant Toddler Center for Sunday, June 12, 2011**
REPORT: Johnson, Memo
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Johnsons stated that he recommended approval with a \$250 permit fee because of the inclusion of the pancake breakfast and the impact it has on staff and the facility.

Action: Motion by Bernardo, second by Tucker to approve the permit with the \$250 permit fee. The motion passed.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

- 9 TITLE: **Limited Commercial Activity Permit for Grays Harbor Historical Seaport Authority for November 1, 2011 – November 10, 2011**
REPORT: Johnson, Memo
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Johnson stated that at the time of the report, Nixon did not receive the application. In their e-mail request they have asked for a waiver of fees. He would like to postpone this item until he can talk to Grenell and Draper regarding proper fees that should be charged since the vessel will be at the Harbor for 10 days.

Tucker asked if the first April meeting will work for Johnson to bring the item back. Johnson said that it would depend on what information is gathered. Tucker asked if the second April meeting would be better. Johnson stated yes.

Action: Motion by Tucker, second by Bernardo to postpone this item until the April 20, 2011 Board meeting. The motion passed.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

- 10 TITLE: **Bills and Claims in the Amount of \$197,537.18**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$197,537.18 to cover payment of Bills and Claims

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

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

Bernardo wanted clarification for line item County of San Mateo-Office of the Assessor for \$78,178.89. Turner stated that it is an election cost payment. The District has made arrangements for a payment plan in six equal installments to be made every three months and the debt will be paid off by May of FY 2012.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

Reports for Possible Discussion/Action Administration and Finance

11 General Manager - Grenell

Grenell pointed out that the list of priorities does reflect discussions held at the workshop. Bernardo asked what category the America's Cup fell under. Grenell stated that it is added to Oyster Point Redevelopment.

12 Director of Finance - Turner

Turner recognized and acknowledged all District personnel for their level of energy and to meet new goals. She stated that staff had embraced change and has even offered suggestions.

13 Human Resources Manager – Harris

Nothing further to add to written report.

Operations

14 Oyster Point Marina/Park - Johnson

15 Pillar Point Harbor – Johnson

Johnson stated that he received a call during the Board meeting that there was an

incident at Mavericks and the outcome did not look positive.

Johnson stated that he spent a few hours the other day speaking to a scientist regarding the tsunami and future events. He stated that what happened to the Santa Cruz Harbor would not happen at Pillar Point Harbor due to the breakwaters in place. He gave credit to the San Mateo County Emergency System which provided him with information to make decisions to save lives.

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.

Bernardo requested that before the meeting is adjourned that there is a moment of silence for the victims of the tsunami and earthquake in Japan.

Parravano stated that he has set up a meeting with Supervisor Don Horsley to visit Pillar Point Harbor. He asked the Commission if anyone was interested in attending the meeting on March 24, 2011 at 10:30 a.m. Tucker stated that he will attend. Bernardo stated he would not be able to attend.

Parravano stated that although Pillar Point Harbor didn't suffer any damage from the tsunami, harbors south and north of us did, especially Crescent City where they lost all their docks. He has been working with them to secure emergency funds to assist fishing families who are now without a source of income. He had an address for the Coast Guard Auxiliary which he asked to be put on the District website.

- 17 TITLE: **Identify Labor Negotiator Pursuant to Government Code §54957.6**
REPORT: Savaree
PROPOSED ACTION: Identify Labor Negotiator Peter Grenell

Savaree identified Grenell as the labor negotiator.

- 18 TITLE: **Identify Real Property Negotiator Pursuant to Government Code §54956.8**
REPORT: Savaree
PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Savaree identified Grenell as the real property negotiator.

Action: Motion by Tucker, second by Bernardo to adjourn to closed session. The motion passed at 8:15 p.m.

Closed Session

- 19 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: Savaree
PROPOSED ACTION: To Be Determined
- 20 TITLE: **Conference with Real Property Negotiator: Pursuant to Government Code Section §54956.8**
PROPERTY: **Binding Agreement Between District and City of South San Francisco Regarding Oyster Point Marina/Park APN 015-010-060, 015-010-260, 015-010-270**
REPORT: **015-010-060, 015-010-260, 015-010-270**
NEGOTIATING PARTIES: San Mateo County Harbor District, City of South San Francisco
UNDER NEGOTIATION: Lease Price, Terms and Conditions
- 21 TITLE: **Conference with Real Property Negotiator: Pursuant to Government Code Section §54956.8**
PROPERTY: **“Post Office” Parcel, Northeasterly corner of Obispo Road and Avenue Portola, El Granada, San Mateo County, APN: 047-261-030**
REPORT: **047-261-030**
NEGOTIATING PARTIES: San Mateo County Harbor District, KN Properties
UNDER NEGOTIATION: Lease Price, Terms and Conditions

Action: Motion by Tucker, second by Bernardo to adjourn to open session. The motion passed unanimously at 9:32 p.m.

Open Session, Continued

There was no reportable action from closed session.

- 22 TITLE: **El Granada “Post Office Lot” Lease Termination and Settlement**
REPORT: Grenell, Memo, Attachment
PROPOSED ACTION: Approve and authorize termination of lease and execution of settlement with KN Properties of Half Moon Bay

Action: Motion by Tucker, second by Bernardo to approve settlement with corrections. The motion passed unanimously.

Ayes: 3
Nays: 0
Absent: 2 (Campbell, Padreddii)

Adjournment

Action: Motion by Tucker, second by Bernardo to adjourn the meeting. The motion passed unanimously at 9:34 p.m. following a moment of silence in recognition and sympathy for the Japan victims.

The next scheduled meeting will be held on April 6, 2011 at the Comfort Inn, 2930 Cabrillo Highway, Half Moon Bay at 7:00 p.m.

Debbie Nixon
Deputy Secretary

Pietro Parravano
President