

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

**February 16, 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 pm.

## **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  
Lindsay A. Marks, Director of Finance  
Robert Johnson, Harbormaster  
Dan Temko, Harbormaster  
Marc L. Zafferano, District Counsel

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

Grenell recognized Jerry Pemberton, John Draper, Parravano, Temko, Johnson, and Charles White for their involvement in making Pemberton and his boat available for the filming of crab fishing at Pillar Point by Channel 5 TV's Evening Magazine.

Temko commended the Half Moon Bay Fire Department and the Pillar Point Harbor Patrol for their quick response in handling the recent vessel fire at the Harbor. The vessel was pushed from the fuel dock and the boat's occupant was removed from the vessel, thus saving his life. The boat was towed to the outer harbor, preventing other vessels from being involved.

## 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consent calendar are approved by one motion unless a request is made at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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: **Certified Employment List for Administrative Assistant 2**  
RECOMMENDATION: Approval
- 2 TITLE: **Resolution 05-05 Authorizing Signers on US Bank Accounts**  
RECOMMENDATION: Approval

**Action:** Motion by Tucker, second by Lundie to approve items 1 and 2. Motion carried by unanimous vote with Campbell abstaining from item 1.

## New Business

Grenell requested that item 6 be heard next by the Commission because persons expected to speak on item 3 had not arrived yet. He also recommended hearing item 6 at this time as the auditor was present. The commission agreed to this switching of order.

- 6 TITLE: **Financial Statements and Independent Auditors' Report for the Years Ended June 30, 2004 and 2003**  
RECOMMENDATION: Adopt Resolution 03-05 to Accept Auditors' Financial Statements and Report

**Action:** Nasi Raissian, Caporicci & Larson Partner and Chief Auditor, summarized the Financial Statement and Audit Report. She stated that the District had a clean audit, which is the highest level of review. She summarized page four of the Financial Statement and noted that net assets were flat from last year to this. Further most of the operating loss was due to reduced revenues and increasing expenses. Regarding the Recommendations to Management, Raissian said that most of these are due to a lack of at least one person. For example, bank reconciliations and recording of capital assets have not been done in a timely manner; with just two people in the Finance and Accounting unit, this is hard to do, she said. Further, she noted that implementation of some prior year

recommendations was in progress, but others were not yet implemented, including some related to lack of segregation of duties or review processes.

Tucker asked if the auditors received the information they needed in a timely manner. Raissian replied that some was provided in October, and all by December. In response to Tucker's question, she said that timely bank reconciliations was the most important recommendation. This should be done within thirty days, and ideally ten days from the end of the month. Tucker asked if thirty days was all right with the insurance industry. Raissian said she could not be certain, but it seems to be acceptable. An audit recommendation is always made if reconciliations are done in more than thirty days.

Padreddii asked if, overall, the District operates in the black. Raissian answered that with only an \$11,000 operating loss, the District is basically breaking even. She then mentioned GASBE 40, which will have no immediate effect but in four or five years, the District will have to recognize post-employment benefits; that is, the projections of actuarial liability will have to be accounted for.

Tucker then said that as Treasurer he will become more involved in the bank reconciliation process, and will work with Marks on these. Campbell said she would put Tucker on the Finance Committee so he can readily do this.

Motion by Tucker, second by Padreddii to accept the financial statements and audit report. Motion carried by 5 Ayes, 0 Nays.

- 4 TITLE: Disposal of Abandoned Boats at Pillar Point Harbor**  
**RECOMMENDATION:** Approved contract with Eric Poos for an Amount Not to Exceed \$5,800.00

**Action:** Temko presented the item. He said that Eric Poos was the low bidder for this contract. He recycles materials as much as possible, and has worked with Pillar Point boat owners in the past but as yet not directly with the District. The District will be reimbursed from the State abandoned and derelict vessel abatement fund.

Motion by Lundie, second by Tucker to approve the contract with Poos not to exceed \$5,800. Motion carried by 5 Ayes, 0 Nays.

- 5 TITLE: Approve Purchase of New Down Ramp for the Work Dock at Pillar Point Harbor**  
**RECOMMENDATION:** Approve purchase of new down ramp from Hallsten Corp. in an amount not to exceed \$6,031.00

**Action:** Temko presented the item. He said that Don Coats had shopped aggressively to obtain the best and least costly deal for the District. Motion by Tucker to approve the staff recommendation. Grenell, on a point of information, said that the bid amount was exclusive of sales tax, which should be included in the action. Tucker amended his motion accordingly. Padreddii seconded. Motion carried by 5 Ayes, 0 Nays.

- 3 TITLE: Amendments to Commercial Activity Permit and License Agreement Provisions for Sportfishing Vessels**
- RECOMMENDATION: Approved Amended Commercial Activity Permit Document

**Action:** Grenell presented the item. He referred to the Study Item presented to the Commission on November 4, 2004, and highlighted the process of discussions with the sportfishing vessel owners and operators and the recommended changes in the permit language. He noted that the new system will provide new revenue to the District and a cost saving to both the District and the fishermen.

Lundie asked about whale watching and scattering of ashes trips. Grenell said that passenger fees would still be charged, but he referred to sections 3.3 and 3.4 about other exempt trips. He further stated that operators' family members and marine researchers should also be exempt from fees; this had also been discussed with the operators.

Robert Ingles said that sign-in sheets are the best way to go to address the \$2 passenger fee plus \$0.25 surcharge. While in favor of the propose change, he noted that he would be paying more to the District.

Temko said having a flat fee, i. e., the additional surcharge, was much easier for staff to administer than the percentage of gross sales formula.

William Smith of *F/V Riptide*, spoke and said that the administrative paperwork under the present system is a nightmare. The proposed 25 cents surcharge is equitable. But, funerals are a public service. He asked that funeral-related trips be exempt from the surcharge. He asked how it would be billed, however. He said that staff and operators had discussed a quarterly or monthly billing statement. This would get rid of stapling tickets to manifests.

Temko said there is no problem with adding the surcharge to monthly billing statements at the end of each month. Smith said this would get rid of tickets.

Johnson commended everyone's work on this matter. He would like to have a comparable arrangement for Oyster Point. Padreddii complemented Grenell and Temko for their work with the boat operators.

Lundie said that these amendments are for the independent operators only, and asked how the District would deal with boats operating out of the sportfishing shops. Grenell explained that they have leases that have their own specific provisions. Any changes would have to involve opening up the leases for negotiation.

Parravano asked how many independent boats are involved. Grenell estimated three or four; Temko said it is four with a fifth coming on; three inspected and two uninspected (“six pack”) vessels. Parravano asked how the leases provide for the charges. Marks said the boats pay eight percent to the shop.

Parravano talked about what revenue would be generated and suggested possibly using revenues for promoting trips that have a marine educational aspect. He said if the District were to reach out to the community more about such opportunities, this could be a start. Campbell said maybe part of the amount could be so allocated. Parravano said that the charter boats do bring in a lot of business to the harbor. Campbell asked Grenell to look into the matter of revenue generation and use from this source. Tucker said that the budget process is the time to look into generation and use of revenue. Parravano appreciated the time and effort made to put this forward.

Smith thanked the District for cleaning this matter up. He said it will make life a lot easier for all of us. He also said that many of their passengers generate a lot more other revenue for the District, from buying crab and fish to patronizing restaurants.

Motion by Lundie, second by Parravano to approve the amended Commercial Activity Permit with additions noted. Motion carried by 5 Ayes, 0 Nays.

Campbell then called a five-minute recess.

**7 TITLE: Committee Assignments**  
**RECOMMENDATION: To Be Determined**

**Action:** Campbell distributed a list of committee assignments. She said this list followed the priorities workshop and took note of various Commissioners’ interests. She asked Commissioners to contact her if they have other preferences. Grenell said he would contact the committee members to set up a meeting schedule. Campbell said that she and Tucker would share attendance at the Princeton Citizens Advisory Committee meetings. Tucker concurred.

**8 TITLE: Six Month Budget Review**  
**RECOMMENDATION: To Be Determined**

**Action:** Marks presented the item. She said that if current trends continue, the District will finish the fiscal year with a \$194,000 positive balance.

- 9 TITLE: **Bad Debt Write-Offs**  
RECOMMENDATION: Adopt Resolution 04-05

**Action:** Marks presented this item. She said that the total amount should be \$15,731.62, which is 18 cents higher than the original sheet, because of an arithmetic error. Motion by Tucker, second by Padreddii to adopt Resolution 04-05. Campbell said that the \$584.03 item should not be brought up again and appropriate notice sent to the District's collections agency. Grenell said this would be done. Motion carried by 5 Ayes, 0 Nays.

- 10 TITLE: **Bills and Claims in the Amount of \$204,968.80**  
RECOMMENDATION: Approve Bills and Claims and transfer in the amount of \$204,968.80

**Action:** Motion by Tucker, second by Lundie to approve the Bills and Claims and transfer. Motion carried by 5 Ayes, 0 Nays.

## Reports for Possible Discussion/Action

### Administration and Finance

#### 11 General Manager Grenell

**Action:** Grenell had nothing to add to his written report.

#### 12 Director of Finance Marks

**Action:** **Marks** said she is working on the draft preliminary budget, which will be finished by February 18th. She also said that the District has received a \$156,456 grant reimbursement from the Boating and Waterways Department for the Pillar Point Harbor launch ramp floats replacement.

### Operations

#### 13 Oyster Point Marina/Park — Johnson

**Action:** Johnson showed pictures of the new waste oil recycling station and battery storage area. These facilities are for Oyster Point tenants. Johnson also

distributed pictures of the recent high tide at the marina, and the new Tenant Information Folder. Lundie asked where the recycling station is. Johnson explained.

**14 Pillar Point Harbor — Temko**

**Action:** Temko briefly summarized the recent vessel fire event at Pillar Point.

**Board of Harbor Commissioners**

- 15**    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:** A. Committee Reports: No reports were made.

B. Commission Statements: Padreddii said he met with South San Francisco City Manager Nagel. He recommended meeting with the District. Padreddii told him he would raise it with the Commission. Grenell said he would set up an Oyster Point Liaison Committee meeting.

**Closed Session — None**

**Adjournment**

Motion by Lundie, second by Parravano, to adjourn the meeting. Motion carried by unanimous vote at 8:19 p.m.

APPROVED BY:

ATTESTED BY:

\_\_\_\_\_  
Sally Campbell  
President

\_\_\_\_\_  
Ken Lundie  
Secretary