

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

**June 21, 2006  
7:00 p.m.**

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

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

**Roll Call**

**Commissioners**

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

**Staff**

Peter Grenell, General Manager  
x Eileen M. Wilkerson, Human Resource Manager  
Marcia Schnapp, Director of Finance  
Robert Johnson, Harbormaster  
John Draper, Assistant Harbormaster  
Marc Zafferano, District Counsel

X Wilkerson absent.

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

No public comments.

Grenell referenced a letter received from the 5<sup>th</sup> grade pupils at Farallone View School who appreciated a presentation on water safety given by the Pillar Point and Oyster Point harbor patrols. Grenell and Johnson commended the patrol staff. Grenell also recognized the Pillar Point crew for installing an historic Monterey fishing boat at Highway 1 and Capistrano to identify Pillar Point Harbor, and other improvements along Capistrano, pursuant to recommendations from the Commission's Promotion and Marketing Committee.

Lundie thanked staff for the birthday card he received.

Draper also thanked the Pillar Point crew for their work on the improvements, and on making cost savings on landscaping maintenance.

Parravano then announced that agenda item #4 would be taken up in two parts: first, rates and fees, following by the final budget. Item 15 is removed from the Agenda.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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

- |          |                  |   |
|----------|------------------|---|
| <b>1</b> | TITLE:           | <b>Minutes of Meeting of June 7, 2006</b>   |
|          | REPORT:          | Draft Minutes   |
|          | PROPOSED ACTION: | Approval  |
|          |                  |   |
| <b>2</b> | TITLE:           | <b>Office of Emergency Services Designation of Applicant's Agent</b>                                  |
|          | REPORT:          | Materials Regarding Presidential Declaration for Spring Storms (Federal Assistance), Resolution 45-06 |
|          | PROPOSED ACTION: | Approve Resolution 45-06  |

**Action:** Motion by Tucker, second by Lundie to approve Items 1 and 2. The motion passed.

Ayes: 5  
Nays: 0

## Public Hearing —

- |          |                                  |   |
|----------|----------------------------------|---|
| <b>3</b> | TITLE:                           | <b>LAFCo Municipal Service Review of the San Mateo County Harbor District: Summary and Opportunity to Comment</b> |
|          | REPORT:                          | Draft LAFCo Municipal Service Review  |
|          | PROPOSED ACTION:                 | To Be Determined  |
|          |                                  |   |
| A.       | Declare Meeting Open:            | President Pietro Parravano  |
| B.       | Report of Notice Given:          | Grenell   |
| C.       | Staff Report and Recommendation: |   |

- D. Public Testimony: Martha Poyatos, Executive Officer of LAFCo, made a summary presentation of the draft service review, pursuant to Government Code Section 56430. She requested that the Harbor Commission hear the item again at its July 5 meeting in Half Moon Bay, and stated that LAFCo would convene a public meeting for review and comment in South San Francisco on July 11, and that LAFCo would take action regarding the nine determinations they are required to make on July 19.
- E. Harbor Commission Questions:
- F. Close Public Testimony: President Pietro Parravano
- G. Commission Deliberation:
- H. Recommended Commission Action:

**Action:** Campbell stated on behalf of the Commission their appreciation for Poyatos' effort and interaction with District staff. Staff will place the LAFCo service review item on the July 5 Commission agenda.

- 4 TITLE: **Rates and Fees Schedule: Live Aboard Fees**
- REPORT: Rates and Fees Schedule
- PROPOSED ACTION: To Be Determined

Parravano and Lundie recused themselves from this item. Tucker took the chair and called Lundie to speak first on the item as a private citizen. Parravano left the room.

Lundie said the \$90 per month live aboard fee increase that the Commission unanimously approved previously was too much all at once, and should be spread out over three years.

Several other members of the public spoke against the fee increase. These included Steven Sardstrom-Phillips, M. S. Kelly, Al Linhares, Lori Williams, Pat Kelly, Rod Schoenlank, Carmie Newland, and Peter Anastale.

Schnapp responded to a question by Tucker that the District would obtain approximately \$100,000 if the previously approved \$90 per month increase remained in place.

Padreddii said that Lundie's proposal to spread the increase over three years seemed reasonable.

Tucker clarified what this method of increase would mean.

Campbell acknowledged that the increase would be a significant jump compared to past years. She added that the District has its own financial issues, and is seeking answers to these. She said that a \$90 increase would be a big hit, but could perhaps approach it through splitting it in half over two years and keeping a discount for fixed income tenants.

Tucker said he could support the increase spread over three years for live aboards only.

**Action:** Motion by Padreddii, second by Campbell to approve the live aboard fee increase of \$90 per month spread in equal thirds over three years, and that all other rates and fees remain as previously approved. Motion passed.

Ayes: 3  
Nays: 0  
Abstain: 0  
Recused: 2 (Parravano, Lundie)

**5** TITLE: **Final Operating and Capital Budget FY 2006-07**  
REPORT: Budget  
PROPOSED ACTION: Adopt Final Operating and Capital Budget

**Action:** Motion by Tucker, second by Campbell to adopt the Final Operating and Capital Budget for FY 2006-07. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

## Continued Business

**5** TITLE: **Renewal of District's Liability, Property and Other Insurance Policies for Fiscal Year 2006-07**  
REPORT: Memo, Policies, Resolution 47-06  
PROPOSED ACTION: Adopt Resolution 47-06 Approving Renewal of Insurance Policies

Tucker requested that the Insurance Committee report be brought forward. Tucker then reported on the Committee meetings with MacCorkle Insurance Service.

Paul Walker of MacCorkle then presented the firm's proposed insurance package for 2006-07. Tucker asked Walker to explain the Workers' Compensation premium. Walker did so. He also explained their proposed fee structure and stated that they would remain the same.

Campbell asked what would happen to the Workers' Compensation premium next year. Walker explained that that the Workers' Compensation Insurance Rating Bureau determines the premium based on the experience modification factor, and how that factor changes according to actual case experience over time.

Tucker asked Walker to explain the firm's annual vs. three-year package. Walker reviewed the rate structure for these options.

Brad Wall of MacCorkle then spoke further on Workers' Compensation, and elaborated on the change in premium related to the Rating Bureau's determinations.

Jim Hackworth of Hackworth & Company Insurance then spoke. He said that his proposal has a lower Workers' Compensation premium than MacCorkle by about \$40,000. He referred to Hackworth & Company's twenty-year history of working with the District as a factor in insurance carriers' outlook on continuing carrying insurance. He said Majestic has done this and handled the District's Workers' Compensation claims well, and noted that premiums have declined during the past three years. He noted further that Workers' Compensation premiums had only just decreased again in the past week, so his proposed premium is reduced from \$129,000 to \$124,000. Hackworth also referred to his firm's long experience with marinas. He said that Navigator's Insurance will take into account the experience factor as well and is willing to reduce their premium by \$15,000; representatives from Navigator's were in the audience.

Tucker asked Hackworth if he would handle the Workers' Compensation insurance only. Hackworth replied that he would do so. He added that MacCorkle is charging premiums plus fees, while Hackworth charges for premiums that include his commissions.

Discussion continued among Commissioners and Hackworth. Tucker then asked Walker if MacCorkle would have a problem if Hackworth did the Workers' Compensation insurance for the District. Walker replied that he would have no problem.

Campbell stated that she considers it appropriate to review matters through the Request For Proposals (RFP) process every three to five years. She said further that she liked the idea of splitting off the Workers' Compensation insurance.

Padreddii said that the District issued an RFP; Hackworth answered all the questions and is \$40,000 less costly.

**Action:** Motion by Padreddii to appoint Hackworth & Company to renew the District's full insurance program. Motion died for lack of a second.

Lundie agreed with Campbell on going with a split package.

Motion by Tucker, second by Campbell to renew the District's insurance program with MacCorkle for three years with fees not to exceed \$39,600. The motion passed.

Ayes: 4  
Nays: 1 (Padreddii)  
Abstentions: 0

Motion by Tucker, second by Campbell to renew the District's Workers' Compensation insurance with Hackworth for one year. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

**6** TITLE: **Oyster Point Marina/Park Boat Launch Ramp Rehabilitation Project: Engineering and Construction Management Services**  
REPORT: Staff Report, Proposals  
PROPOSED ACTION: Authorize General Manager to execute contract with BLUEWater Design Group for provision of engineering and construction management services in an amount not to exceed \$135,700

Johnson presented the project recommendation, and stated that potential exists for cost savings with BLUEWater Design Group.

**Action:** Motion by Tucker, second by Padreddii to approve a contract with BLUEWater Design Group in an amount not to exceed \$135,700. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

**7** TITLE: **Change Order Number 3 for North Coast Divers**  
REPORT: Staff Report  
PROPOSED ACTION: Approve Change Order No. 3 with North Coast Divers for a contraction time extension of 28 working days

Johnson stated that the change order is only for a time extension of 28 days.

**Action:** Motion by Padreddii, second by Campbell to approve the change order. Motion passed unanimously.

**8** TITLE: **Change Order Number 4 for Anderson Pacific**  
REPORT: Staff Report  
PROPOSED ACTION: Approve Change Order No. 4 for a contract reduction of \$8,000

**Action:** Motion by Tucker, second by Lundie to approve Change Order No. 4 for Anderson Pacific. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

**9** TITLE: **Change Order Number 1 for Concept Marine Associates**

REPORT: Staff Report  
PROPOSED ACTION: Deny Change Order No. 1 for Concept Marine Associates

**Action:** Motion by Tucker, second by Lundie to deny Change Order No. 1 for Concept Marine Associates. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

**10 TITLE: Amend District Policy 4.2.1 – Expense Accounting and Expenditure Reimbursement for Employees**  
REPORT: Staff Report, Resolution No. 31-06, Policy  
PROPOSED ACTION: Adopt Resolution No. 31-06 approving amendment to policy 4.2.1

**Action:** Item No. 10 was taken up together with Item No. 11.

**11 TITLE: Amend District Policy 4.2.4 – Expense Accounting and Expenditure Reimbursement for Commissioners**  
REPORT: Staff Report, Resolution No. 32-06, Policy  
PROPOSED ACTION: Adopt Resolution No. 32-06 approving amendment to policy 4.2.4

Zafferano stated that these policy amendments were required under Assembly Bill 1234 for Commissioners separately from employees. Changes have been made and he recommended approval.

**Action:** Motion by Lundie, second by Padreddii to adopt Resolution nos. 31-06 and 32-06 amending Policy nos. 4.2.1 and 4.2.4. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

## **New Business**

**12 TITLE: California Special District Association Call for Nominations for Seat A for Region 3**

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REPORT: CSDA Call for nominations  
PROPOSED ACTION: To Be Determined

**Action:** No nomination was proposed.

**13** TITLE: **Resolution 48-06 – Approve Wage and Salary Classification Schedule**  
REPORT: Wage and Salary Classification Schedule, Resolution 48-06  
PROPOSED ACTION: Adopt Resolution 48-06

**Action:** Motion by Tucker, second by Campbell to adopt Resolution 48-06 approving the Wage and Salary Classification Schedule. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

**14** TITLE: **Audit Report for Fiscal Year 2005-06**  
REPORT: Schnapp, Draft Audit Report  
PROPOSED ACTION: Accept Draft Audit Report

Schnapp summarized the contents of the draft audit report, which includes the financial statement and recommendations to management. The final version of these two parts will be produced in separate bound documents as per past practice.

Tucker inquired about the recommendations to management and asked that they be brought back to the Commission for further consideration. Grenell said he would put that item on the next Commission meeting agenda.

**Action:** Motion by Campbell, second by Lundie to accept the draft audit report. The motion passed.

Ayes: 5  
Nays: 0  
Abstentions: 0

**15** TITLE: **Interdepartmental Fund Transfers for Budget Adjustment for FY 2005-06**  
REPORT: Memo  
PROPOSED ACTION: Approval Transfers if Funded





Parravano suggested that the letter be revised to explain the repayment loan to the Department of Boating & Waterways.

**Action:** Motion by Lundie, second by Campbell to approve the letter subject to Parravano's revisions. Motion passed unanimously.

## **Reports for Possible Discussion/Action**

### **Administration and Finance**

**18 General Manager – Grenell**

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

**19 Human Resource Manager – Wilkerson**

**Action:** No report.

### **Operations**

**21 Oyster Point Marina/Park — Johnson**

**Action:** Johnson advised he had nothing to add to his written report.

**22 Pillar Point Harbor — Draper**

**Action:** Draper advised he had nothing to add to his written report.

## **Board of Harbor Commissioners**

A. Committee Reports

Insurance

Promotion & Marketing

No reports given.

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 said he was glad that Pillar Point Accounting Technician Shari Chapin has returned to work.

Tucker recognized Lundie for his efforts regarding the live aboard fee issue.

Parravano announced that a closed session will be convened at the July 5 meeting to begin the General Manager's performance evaluation.

Campbell asked that the design criteria for lessees be placed on that agenda.

Tucker asked that staff place information on public notification of Commission meetings and consideration of budget and rates and fees on harbor tenants' monthly billings and to place this as an agenda item as well for July 5.

**Closed Session** — None

**Adjournment**

Motion by Lundie, second by Padreddii to adjourn the meeting. Motion passed by unanimous vote at 10:03 p.m.

APPROVED BY:

ATTESTED BY:

\_\_\_\_\_  
Pietro Parravano  
President

\_\_\_\_\_  
Leo Paddreddii  
Secretary