

MINUTES
SPECIAL RESCHEDULED MEETING
OF THE BOARD OF HARBOR COMMISSIONERS
MOSS LANDING HARBOR DISTRICT
7881 Sandholdt Road, Moss Landing, CA 95039

NOVEMBER 3, 2016, 7:00 P.M.

A. CLOSED SESSION

The Board adjourned to Closed Session at 6:00 pm to discuss the following:

1. Confer with legal counsel and General Manager regarding two (2) matters of litigation pursuant to Government Code § 54956.9(a): 1. Catalano vs. MLHD 2. Deyerle vs. MLHD
2. Confer with real property negotiators pursuant to Government Code §54956.8 regarding Santa Cruz Cannery Building Lease. Negotiating parties: General Manager and District Counsel.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:23 pm. After the Pledge of Allegiance, roll was called:

Commissioners Present:

Russ Jeffries – President
Tony Leonardini – Vice President
*Vince Ferrante – Secretary
Peggy Shirrel – Commissioner

Staff Present:

Linda G. McIntyre – General Manager
Mike Rodriguez – District Counsel
Tom Razzeca – Assistant General Manager
Marie Della Maggiore – Dir. Of Administrative Services, Executive Assistant to the GM

*Commissioner Ferrante appearing via phone from the Hyatt Regency Hotel, 1209 L Street, Sacramento, CA for Closed Session only; excused from Open Session

Commissioners Absent: Andrew Amaral - Commissioner

C. PRESIDENT'S REMARKS

President Jeffries reported that the Board met in closed session and no reportable action was taken; that direction was given to the General Manager and District Counsel.

D. PUBLIC COMMENTS

No public comment

E. SPECIAL PRESENTATION OF ANNUAL AUDITED FINANCIAL STATEMENT

1. Consider accepting the FYE June 30, 2016 Audited Financial Statement.
 - a. Staff report - Written report.
 - b. Public comment - Mr. Ryan Jolley of the firm Bryant L. Jolley CPA's presented the highlights of the FYE June 30, 2016 audited financial statement. He said there were no deficiencies or material weaknesses within any of the internal financial controls and no exceptions to accounting policies. He said the \$900,000 cash increase is a good sign; that everything was fairly consistent with prior years and even without

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grant funds, the District did better in cash flows. He thanked the staff for providing everything needed to conduct a smooth audit.

c. Board discussion - No additional discussion. The Board said they were always pleased to see a clean audit and thanked staff and Mr. Jolley.

d. Board action - A motion was made by Commissioner Leonardini and seconded by Commissioner Shirrel to accept the FYE June 30, 2016 audited financial statement.

The motion passed on a roll call vote: Yes: Commissioners Jeffries, Leonardini and Shirrel. Noes: None. Absent: Commissioners Ferrante and Amaral.

F. CONSENT CALENDAR

A motion was made by Commissioner Leonardini and seconded by Commissioner Shirrel to approve the September 28, 2016 Regular Meeting Minutes and the October 20, 2016 Special Meeting Minutes. August 24, 2016 Regular Meeting Minutes and the September 8, 2016 Special Meeting Minutes. The motion passed on a roll call vote: Yes:

Commissioners Jeffries, Leonardini and Shirrel. Noes: None. Absent: Commissioners Ferrante and Amaral.

G. FINANCIAL REPORT

4. GM McIntyre gave the financial report highlights for the month ending September 30, 2016.

- Marina Revenues are lower than budgeted by \$3k and South Harbor parking revenue is lower than budget by \$3k.
- Marina Expenses are lower than budgeted by \$37k. The variance is a largely due to a combination of repairs and maintenance costs, utility, personnel expenses that came in under budget.
- General & Administrative costs came in above budget by \$15k, which is due primarily to attorney fees related to litigation. The GM stated that she will be bringing a mid-year budget adjustment request to the Board changing line item 76 "Commissioner Election Expenses" in the amount of \$175,000 to "Litigation Expenses" to account for these unusual attorney fees.
- Marina operations show a year to date profit of \$66k, which is higher than budgeted by \$33k.
- Lease and other operating revenues are under budget by \$10k due to being under budget in NNN income by \$7k simply because it hasn't yet been billed, and by \$3k in the North Harbor Use revenue which is estimated throughout the year based on anticipated seasonal use. These numbers should even out by the end of the fiscal year.
- Lease and other operating expenses are slightly under budget by \$2k.
- Lease and other operations show a year to date profit of \$76k, which is lower than budgeted by \$7k because of triple net expenses not yet billed.
- Overall for the year to date, combined operations show a profit of \$142k, higher than budget by \$26k.

The GM stated that we are likely to see a decline in revenue and it will come in below budget for the winter months, but as always, we expect it to even out when we arrive at the end of the fiscal year and true up the numbers for the entire year.

A motion was made by Commissioner Shirrel and seconded by Commissioner Leonardini to accept the month-ending September 30, 2016 financial report. The motion passed on

a roll call vote: Yes: Commissioners Jeffries, Leonardini and Shirrel. Noes: None.
Absent: Commissioners Ferrante and Amaral.

H. MANAGER'S REPORTS

5. Projects Status/Update – written report, no additional comments
6. Community Relations; Requests/Issues – written report, no additional comments
7. Summary of Permits Issued - written report, no additional comments
8. Meeting Announcements - written report, no additional comments
9. Assigned Liveboard Report - written report, no additional comments
10. Slip Income Report - written report, no additional comments
11. Incident Report - written report, no additional comments

I. COMMITTEE REPORTS

12. Finance Committee – Ferrante/Leonardini – no meetings
13. Elkhorn Slough Advisory Committee – Amaral/Leonardini – no meetings
14. Special Districts – Jeffries/Ferrante – Commissioners Jeffries and Ferrante attended the SDAMC meeting and Sheriff Bernal was the guest speaker. Commissioners Jeffries & Ferrante thanked him for the quick responses to MLHD calls.
15. Liveboard Committee – Jeffries/ Amaral – no meetings
16. Harbor Improvement Committee – Amaral/Shirrel – no meetings
17. Real Property Committee I – Jeffries/Leonardini – Commissioner Leonardini said he and Commissioner Jeffries met with GM to discuss organization of an Agenda for a future parking issues public meeting sometime next year.
18. Real Property Committee II – Ferrante/Shirrel – no meetings
19. Meetings attended by Commissioners at District expense since the last regular meeting of the Board (AB 1234 requirements). Commissioner Jeffries stated that he attended a public informational meeting by Deep Water Desal held on November 2. They gave an overview of the project status and stated they hoped the EIR would be out by next summer.

J. NEW BUSINESS

20. ITEM – Update on North Harbor wharf/visitor dock erosion emergency repair project.
 - a. Staff report – GM McIntyre gave the report.
 - b. Public comment - None
 - c. Board discussion - None
 - d. Board action - The Board by consensus agreed that the emergency conditions necessitating the project still exist and that all terms and conditions of Resolution 16-01 remain in effect.
21. ITEM – Update on B Dock emergency repair project.
 - a. Staff report – GM McIntyre gave the report.
 - b. Public comment - None
 - c. Board discussion - None
 - d. Board action - The Board by consensus agreed that the B Dock emergency repair project should continue and that all terms and conditions of Resolution 16-18 remain in effect.
22. ITEM – Consider approving Amendment/Assignment to the Biomineral Holdings Lease at the Cannery Building.
 - a. Staff report – GM McIntyre gave the report and recommended approval.

b. Public comment - none

c. Board discussion – Commissioner Jeffries asked if District Counsel had reviewed. GM McIntyre stated leases are always subject to review and approval of District Counsel. District counsel stated he would review.

d. Board action – A Motion was made by Commissioner Leonardini and seconded by Commissioner Shirrel to approve the action. The motion passed on a roll call vote: Yes: Commissioners Jeffries, Leonardini and Shirrel. Noes: None. Absent: Commissioners Ferrante and Amaral.

23. ITEM - Consider adopting Resolution No. 16-21 canceling the November and December regular meetings of the Board of Harbor Commissioners and fixing a substitute date therefor.

a. Staff report – GM McIntyre gave the report.

b. Public comment – no public comment

c. Board discussion – no further discussion

d. Board action – a motion was made by Commissioner Shirrel, seconded by Commissioner Leonardini, to adopt Resolution 16-21 and fix the substitute date of December 7, 2016. The motion passed on a roll call vote: Yes: Commissioners Jeffries, Leonardini and Shirrel. Noes: None. Absent: Commissioners Ferrante and Amaral.

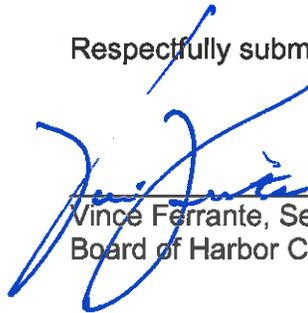
J. COMMISSIONERS COMMENTS AND CONCERNS

Commissioner Leonardini expressed concern over the numerous unexcused absences from meetings by Commissioner Amaral. He is concerned that it is a burden on constituents as well as on the remainder of the Board. Commissioners Shirrel and Jeffries agreed. Commissioner Jeffries said he has called him with no return call but will call him again.

K. ADJOURNMENT

President Jeffries adjourned the meeting in memory of Nick Ono, the son of Executive Assistant Marie Della Maggiore at 8:20 p.m.

Respectfully submitted,



Vince Ferrante, Secretary
Board of Harbor Commissioners

ATTEST:



Linda G. McIntyre, Deputy Secretary
Board of Harbor Commissioners