



HARBOR COMMISSION BOARD MEETING Minutes January 3, 2017

Commissioners present: Mary Matakovich, Drew Brandy, Bill Barrow, Jim Blecha and Bob Vessely

Commissioners absent: None

Staff present [for Closed Session]: Andrea Lueker, Harbor Manager; Kristen Stout, Business Manager, Phil Sexton, Treasurer; Rick Rengel, Project Management Consultant; Jeff Minnery, Legal Counsel

Staff present [for Open Session]: Andrea Lueker, Harbor Manager; Loch Dreizler, Facilities Manager; Kristen Stout, Business Manager; Phil Sexton, Treasurer; Jeff Minnery, Legal Counsel

CALL TO ORDER / PUBLIC COMMENT

Vice President Matakovich called the meeting to order at 5:04 p.m.

All Commissioners were present.

There was no public comment.

CLOSED SESSION

Vice President Matakovich adjourned to closed session at 5:04 p.m., **Pursuant to Government Code §54956.8: Conference with Real Property Negotiators.** Property: Approximately 32 acres commonly known as Harbor Terrace. Agency Negotiators: Andrea Lueker, Harbor Manager; Kristen Stout, Business Manager; Phil Sexton, Treasurer; Jeff Minnery, Legal Counsel; and Rick Rengel, Project Management Consultant. Negotiating Parties: Port San Luis Harbor District; Red Tail Acquisitions, LLC. Under negotiation: price and terms of payment of development and lease agreement.

Pursuant to Government Code §54957(b): Public employee performance evaluation – Harbor Manager

ADJOURN TO OPEN SESSION / ROLL CALL / FLAG SALUTE

Vice President Matakovich reconvened the meeting to open session at 6:01 p.m. and advised that the Board provided direction to staff, but took no reportable action in closed session.

All Commissioners were present.

Vice President Matakovich led the flag salute.

PUBLIC COMMENT

There was no comment from the public.

DISCUSSION ITEMS

DISCUSSION ITEM A): ACKNOWLEDGEMENT OF NEWLY-ELECTED BOARD MEMBERS

Harbor Manager Andrea Lueker presented the item, and acknowledged the three newly-elected Board members, introduced Commissioner Bob Vessely, and noted that all three Commissioners had been sworn in to office the week prior to the meeting. Ms. Lueker noted that the election of officers would occur at the regularly-scheduled Harbor Commission meeting on the 24th of January.

The Harbor Commissioners shook hands and congratulated one another.

Commissioner Blecha related his pleasure at being back on board, and expressed his desire to see Harbor operations running smoothly on a day-to-day basis. Mr. Blecha also spoke about the need for progress on both the Harbor Terrace and Avila Pier Rehabilitation projects.

Commissioner Barrow expressed his pleasure at being able to continue to serve on the Board, noting he hoped to take part in making improvements that can be appreciated by all.

Commissioner Vessely thanked his wife Susan for running his campaign, noting that he is thrilled and honored to be a member of the Board, and looking forward to helping move things along.

There was no public comment and the item required no action be taken.

DISCUSSION ITEM B): OLDE PORT FISHERIES – CONSIDER REQUEST FOR ASSIGNMENT OF LEASE; PROVIDE DIRECTION TO STAFF

Business Manager Kristen Stout presented the item and related the history of the lease agreement with Olde Port Fisheries, and its previous extensions and amendments. Ms. Stout went over the options available to the Board, and stated that the lease site in the agreement includes the Olde Port Fisheries facility, but does not include the ice machine currently operated by Olde Port Fisheries, Inc.

Michael Cohen, Olde Port Fisheries, spoke about his intent to focus his efforts on fishing, noting that successful running of his market involves owner presence, which is becoming difficult to balance with his other endeavors, leading him to the decision to sell his business. Mr. Cohen stated that he had been operating the ice facility after signing an agreement he had understood to be a lease amendment in a previous year.

Barbara and Butch Powers discussed their intentions to operate the business, once transferred, within the parameters of the current lease and its amendments, and addressed the Board's concerns about a timeline – noting that they were prepared to open escrow as soon as the District provides them with a written agreement.

Jeff Minnery provided legal counsel to the Board, and confirmed that the proposed motion entails a consent to the assignment of the current lease, as it stands, from one party to the other. Mr. Minnery confirmed that there had been an agreement between Michael Cohen, as an

individual, and the District to run the ice facility, which had since expired and become an oral agreement to continue. He advised that the matter be addressed in a timely manner.

The Board discussed the proposed motion, and there was a consensus that the revenue generated by Olde Port Fisheries, Inc. is beneficial to the District, and the decision to transfer the lease, in order to see continued revenue over the coming year, was considered to be the best option.

Commissioner Matakovich confirmed that the transfer of the current lease does not preclude an RFP.

Public comment was heard by the following individuals:

Brad Wilcox, Wilcox Fisheries, expressed the need to have all agreements and a business plan in writing. He related his process in getting his own lease approved, and requested that a concise business plan be laid out by Mrs. and Mr. Powers, clarifying their intentions.

Tim Wilcox, Morro Bay, inquired as to whether or not direction would be given to staff to clarify a business plan for Olde Port Fisheries, once reassigned.

There was no further public comment and the following action was taken:

Action:

Commissioner Vessely moved that the District approve two lease assignments. The first lease assignment will be between Olde Port Fisheries, Inc., and Barbara and Butch Powers, as individuals, which is understood to be the lease dated December 14, 2010 with amendments. The second lease assignment will be between Barbara and Butch Powers, as individuals, and Olde Port Fish Market, LLC, with the responsibility of overseeing the second assignment given to the Harbor Manager. Commissioner Brandy seconded, and the motion passed unanimously, 5-0.

COMMUNICATIONS

Staff was directed to bring the discussion of the ice house facility to the Property Committee on the 12th of January.

Commissioner Brandy advised the Commission and staff that he would be in Washington, D.C. from the 8th through the 11th of January, and leaving again for CMANC on the 18th and 19th of January.

Commissioner Blecha confirmed attendance at the CSDA dinner to be held on the 27th of January.

Commissioner Matakovich requested a list of all upcoming events, and thanked the District for its support of the *Polar Bear Plunge*, held on New Year's Day. Dr. Matakovich inquired about a gasoline spill at Port, and confirmed with staff that the responsibility of the spill lay with recreational fishermen and not with the District or its lease holders.

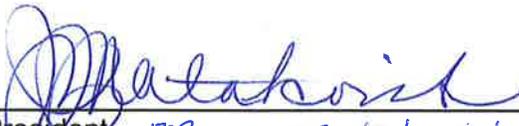
Commissioner Vessely advised the Board that the Coastal Commission will be meeting in February in San Luis Obispo, and noted that their sessions are open to the public.

Harbor Manager Andrea Lueker spoke about Committee meetings, and arranged for Commissioner Brandy to sub in as a Personnel Committee member in place of former Commissioner Kirk, should the need arise.

There were no further communications.

ADJOURNMENT

The meeting adjourned at 6:55 p.m. to the next scheduled meeting on Tuesday, January 24, 2017 at 6:00 p.m.



President, Mary Matakovich

Attest:



Bob Vessely, Secretary