

SPUD POINT MARINA
ADVISORY COMMITTEE MEETING
JANUARY 15, 2009
APPROVED MINUTES

Committee Chairman: Dave Yarger, called Meeting in session at 10am

Roll call – Bridget Kurz

1. Regional Parks Staff present- Allan Darrimon, Stan Chapman, Noah Wagner, Bridget Kurz, Jarrod King. Mary Burns excused.
 2. Advisory Committee Members: present- Dave Yarger, George Boos & Blaine Rodgers, absent: Lee Furtado & Chuck Wise
- Public: Tony Anello

1. Approval of Minutes from past meeting: Minutes passed out & reviewed at the meeting. Dave Yarger entertains a motion to approve the minutes; George Boos makes motion to accept the minutes. 2nd by Blaine Rodgers.

2. Comments from public – Tony Anello would like to reserve comment to later, and states, “marina is very functional & very attentive to customers needs”. Tony also stated, “kind of curious on when we can get the oily waste pump back installed? There has been a lot of oil in the marina, I've noticed from time to time, it is hard not to pump your bilge, and not have some kind of sheen on the water, it is almost impossible”. Allan Darrimon says, “We have an update on that in my Marina updates.”

3. Advisory Committee Update: None

4. Marina operations update – Noah Wagner:

Salutations Last meeting was on 09/18/08. The global economic crisis is affecting the marina as well. The marina is committed to its customers. We are looking for cost saving ideas. The crab season started in November and has been the worst in a long time. Berthing occupancy is down: 71% occupied 29% vacant, there are many available slips. Economic occupancy rate, the measurement of effective occupancy at the marina based on vacancies of slips by their size, is at 64% currently. Last year occupancy was @ 93%, down 22% for this quarter. There 2 new marina attendants: Dane Spellman & Bob Madison.

Collections: Have a County Counsel, Debt Management, and Marina team, taking delinquent customers to court. Debt team has reduced the debt in the 10 to 100 of thousands, to below \$10,000.00, except one account.

Dave Yarger: No Salmon Season this year, per Fish Council meeting. Due to lack of funds, more boat owners will default this year.

Allan Darrimon: We are changing collections from 90 days to 30days. We will contact the customers.

6. Financial Report by Stan Chapman:

Spud Point booked 27% of its revenue, a large piece of that is due to fact that part of the revenue is funding the county helps us make our loan payment – sub object # 4641, \$382K, represents the loan (principal & interest) & the letter of credit contract with Bank of America, a cost of \$10,000 per year.

Stan Chapman went over the expenses sheet for Spud Point Marina. In the payroll section, the sub object code starting with #5 refers to salary, benefits, overtime, & payroll. Next year the makeup on that is going to change a little bit, due to the County Administrator's effects and expense constraints. On the sheet, any sub-objects starting with #6 means insurance supplies and maintenance on buildings, etc. Any administration costs, #6573 & #6521 come in the June time frame, right at end of the fiscal year. The largest one is for gas/oil costs, #7201 and that will eventually tie to #4028 at the end of the year. Sub-object #8624 is the budgeted expenditure between this account and the maintenance account. At the end of the year we will see how much will go over into the maintenance account for Spud Point.

Dave Yarger: - # 6573 Is this exorbitant cost (\$147K)?

Stan Chapman: Administration's salary and benefits then comes onto that sub object #6573. At the end of year, I can give you a breakout & whom the folks, where, which department they are, a lot from accounting, support from all. #6610 for legal services and #6630 for accounting services are billed separately. Audit costs also are high, maybe in 2011 marina won't have to be audited every year.

The Advisory Committee suggests the costs billed to Spud Point marina should lowered or eliminated because you can't run a successful business if the county is billing the marina so much.

7. Business Update - Allan Darrimon:

We are working on Fishermen's Memorial Statue and have submitted permits; we will get approval from the Coastal Commission and should have permits in April. The statue will be ready in March, according to Gary Giselli from North Bay Monument, who will do the plaque.

Allan asked those in attendance to look at the #1000 category; it shows you the most important revenue #1804, rent and berthing. At the end of November there was only 17.5% which was off 32.5% for that period. The marina is hurting; the county did not qualify for salmon reimbursement monies. #4028 is for sales of gas & diesel off 13% of where it should be at this point and time. Also, look at "other sales" #4020 which is off more than 40% for that period of time. We are working on a plan to trim expenses quite

a bit. If we were going the rest of the year at this rate, we would be off probably about 50% by the end of the year.

The marina is not going to raise commercial berth rates. AB990 allows the marina to charge different rates for commercial & recreational boaters. The marina is recommending a 22% increase to recreational boat rates.

The marina is recommending a 60% cost increase to liveaboards, and increasing the number of liveaboards allowed to fifteen. The rate will go up from \$300 to \$500 per month, and the contract would require a vessel to be seaworthy, and have a credit check before they are approved. This change would be a possible \$72,000 increase in annual revenue.

Noah led a discussion regarding how to check a vessel for seaworthiness. An idea of requiring USCG safety inspection was suggested by Allan.

Dave Yarger suggested a separate area for liveboard's, away from fishermen. He suggested possibly cordoning off the back area of the south parking lot and issuing permits for 2-car parking. Dave suggested keeping dock gates locked to prevent people walking down docks. The gates will need adequate security. The marina will look for community minded liveboard customers.

Noah stated that deck hands & fishermen that are actively fishing can stay on their boats according to current rules & regulations and exemptions for a certain number of days allowed. Marina Attendants will cite actively, if ordinance codes are violated.

Dave: "We should buy the property across the street."

Allan: "There are no funds for purchase of property. No one in the County has applied for economic stimulus funds to cover repairs & infrastructure work. It was listed as a possible project before the bill was passed, but now it does not appear that there is anything we get through."

Dave Yarger would like to see the oily waste bypass installed soon.

Allan said the marina is going to have to make huge cuts for a couple months and take a look at projects we are going to start for cost cutting and savings that could be implemented.

Allan stated the Fee Package will true up costs for oil products. Oil products have a fixed margin, but costs are increased by the manufacturer. The public hoist fees will not be raised.

Allan stated that the County has an Energy Department now with General Services; purpose is to evaluate energy usage and "green" measures. The Department can evaluate ways we can save on energy costs. The icehouse & laundromat use a lot of energy in particular. One idea is perhaps a solar power system.

One of the employee cost saving measures given to the Department was brought up of possibly shutting down the ice plant for part of the year because of reduced fishing right now. Bridget stated that currently, the marina is only selling a little ice to the processors. Allan: "The ice house costs us over \$45K per year to operate." Dave asked "Is the cost to operate the ice machine broken out by time and materials?" Allan asked: "No it isn't." The marina is looking at a new vendor with a lower cost for maintenance. Allan: "Breakdown repairs cost us lot of money. The Department is also looking at the cost of wear & tear, and having the machine up and running during salmon season." Noah stated "Once you shut down the machine from complete defrost, it takes an hour or so to bring it back online." Allan stated "Posting operating hours and turning off the machine was brought up." Bridget stated "Advertising for holiday ice sales, to get those big company Christmas parties to buy snow from us was also brought up."

Allan stated: "the marina is looking at shutting down certain shifts and creating operating hours for the marina. Many other marinas' have operating hours, and are not open 24 hours per day. Other marinas have a guard patrol every 4 hours, however they don't have fuel sales or other services." Noah stated that: "The harbormaster would be on call. With regards to the marina operating at zero, we may to cut services and staff time, the marina must balance at zero. Allan stated "Spud Point will not get any more loans from the County. The marina may have to put off projects to next year."

Allan stated that "The marina is working on a new lease, which will have additional requirements for commercial fishermen. The new lease will cover issues that weren't covered 20 years ago, like insurance, having to have an operating boat, and commercial license to qualify for commercial rates, not including repairs."

Blaine Rogers stated that "Morro Bay charges \$63.00 per month for a slip, if you can show landings records. If Spud Point could get subsidized, would the marina commit to giving lower rates, like \$63.00?" He further suggested the marina gets a vessel assist boat. Half Moon Bay has a rescue unit. They are sure they are subsidized. The Coast Guard is to guard the Coast, not vessel assist. Noah stated that Bob Black used to run the patrol boat down there, it is worth checking out.

Allan stated that the saddest thing about this port is it is a mud flat, if it were a real harbor we could make a lot of money. Dredging is done in main channel. The cost of dredging is approximately \$700,000 – \$800,000 and we can't count on a grant system. Boating & Waterways have been cooperative, they may look at a grant to enhance marina at E dock

8. Open Discussion Topics:

Bridget stated that public meeting minutes should be posted so people can look at it. The marina should post minutes in the office if someone is interested in reading them, minutes are public information. Only info people on docks get is what members of the Advisory Committee tell them. The minutes could be posted on County website.

Allan stated that recreational boaters should know about raises in rates, any rates discussed here are in negotiations with the Board of Supervisors.

Allan stated that the money for new Manager Position is coming from Sport Fishing Center, which is operated by itself. Other money will come from Noah's salary increase, Job description is being approved by Civil Service Commission today; the job will involve creating a new business plan for the harbor, new ideas for revenue that don't burden the fleet, and strategies increasing revenue for the enterprise fund.

Dave asked to please give the Advisory Board info prior to meetings, things like Assembly Bill, award of contracts, approval of statue, can notify you through email easier. Please give your email address to Bridget. Advisory Board info could also be mailed in hard copy also. Email address for Dave Yarger & George Boos recorded by clerk.

Tony Anello still looking at buying boat yard and says has possible investor. The property owners have not lowered price and have not sold the property. The owner shave not agreed to lease the property. They state that are concerned they are concerned about pollution.

9. Confirm Meeting Schedule for 2009

The meeting schedule is planned for the 3rd Thursday of every 3rd month. The next meeting was scheduled for April 16th and has been cancelled. The next meeting is March 26, 2009, Thursday, Bodega Bay Grange Hall, 10am to Noon. The following meeting will be scheduled in July.

10. Agenda proposal items

Lee Furtado has given verbal resignation from the Advisory Committee. Chris Lawson, Charlie Beck, Mark Anello, John Shoemaker, Chuck Cappotto may be interested in being considered as possible replacements.

11. Meeting Adjourn

Adjournment @ Noon