

WES WHITE
President

SCOTT R. J. FELLER
Secretary

PATRICK A. BAILEY
Commissioner

RONALD A. PHILLIPS
Commissioner

JAMES RAMSEY
Commissioner

Board of Harbor Commissioners
of the

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RICHARD D. YOUNG
CEO/Harbormaster

ERNEST PERRY
Harbor Planner

MINUTES

Board of Harbor Commissioners of the Crescent City Harbor District
Regular Meeting, Tuesday, March 4, 2014 @ 5:30 P.M.

COMMISSIONERS PRESENT:

Patrick Bailey
Scott Feller, Secretary
Ron Phillips
James Ramsey
Wes White, President

COMMISSIONERS ABSENT:

NONE

OTHERS PRESENT:

Richard Young, CEO/Harbormaster
Robert N. Black, Counsel, closed session only
Bob Peterson, Recreational Fisherman
Adam Spencer, Triplicate

Karen Phillips, PS Business Services
Mary Young
Bob Ginochio
Don Reynolds, CPA

5:30 P.M. The Board of Harbor Commissioners will meet in open session to discuss the following agenda items.

President White called the meeting to order at 5:33 p.m.

Public Comment prior to closed session.

CLOSED SESSION. The Board of Harbor Commissioners will now meet in closed session to discuss the following items:

(1) CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one case.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8.

Property: 110 Anchor Way

Agency Negotiators: Richard Young, Ron Phillips, Wes White

(3) LABOR NEGOTIATIONS: Pursuant to Government Code Section 54957.6.

**Agency Negotiators: Richard Young, Ron Phillips, James Ramsey
Employee Organization: Northern California Carpenters Regional Council, Carpenters 46 Northern California Counties Conference Board, Carpenters Local Union 751**

REPORT OUT OF CLOSED SESSION.

President White asked for public comments prior to the closed session; there were none. The regular session as recessed at 5:33 p.m. and immediately convened in closed session. The closed session was adjourned at 6:37 p.m.

6:30 P.M. The Board of Harbor Commissioners will meet in open session to discuss the following agenda items.

President White reconvened the meeting in open regular session at 6:37 p.m. Counsel reported that the following action was taken in closed session: none.

Pledge of allegiance.

The pledge of allegiance was led by Commissioner Bailey.

Counsel left the meeting at 6:38 p.m.

Public comment.

The following person(s) addressed the Commission: none

1. Consent agenda.

Public comment: Requests to remove items from the Consent Agenda may be heard at this time.

A) Approval of the warrant list since February 19, 2014.

B) Approval of the minutes of the Special Meeting of February 1, 2014.

C) Approval of the minutes of the Special Meeting of February 12, 2014.

D) Approval of the minutes of the Special Meeting of February 19, 2014.

There were no requests to pull matters from the consent agenda or make changes. Commissioners discussed the following warrants: Coos Bay Marine (pg 3 of 6) was for the repairs to the outboard motor, and the Recology Del Norte warrant, which seems to have jumped up; however, staff noted that it was within the normal range of cost.

President White noted that there were typographical errors in the minutes that he would present to the recording secretary to make the changes.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER FELLER, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS, APPROVED AND ADOPTED THE CONSENT AGENDA, CONSISTING OF ITEMS 1.A-D, WITH TYPOGRAPHICAL CORRECTIONS TO THE MINUTES AS PRESENTED TO THE RECORDING SECRETARY.

2. **Discussion and consideration of the Annual Audit for the Fiscal Year ending June 30, 2013. Receive a presentation from the District's Auditor, Mr. Don Reynolds, Certified Public Accountant. Take action as necessary and appropriate.**

CPA Don Reynolds presented the draft Annual Audit for Fiscal Year Ending June 30, 2013. There are a few small changes that need to be made before the audit report is finalized. The changes are not substantive according to the Mr. Young; one of them explains the funding of the tsunami reconstruction. Commissioners asked questions about the following: page 9, 2nd paragraph there appears to be an error in the district location/boundary, which will be clarified by the CPA in the final report; page 15 Governmental Accounting Standards Board Statement No, 65 was discussed, the accounting principles have changed over the past few years. The changes do not appear to affect this district, according to Mr. Reynolds; page 16 discussed the Category 1 and 2 balances. The Note balances will change with the clerical changes that were discussed earlier; and Note 7 was discussed and Mr. Reynolds indicated that there will be no changes in the lease expiration and the lease payments for the next five years, which is an audit listing requirement. No public comments were received.

3. **Discussion and consideration of approval of the proposal from the U. S. Coast Guard to install security fencing around their facility at 100 Anchor Way. Take action as necessary and appropriate.**

Staff asked that this matter be tabled until the next meeting to review the lease with the Coast Guard. The matter was tabled.

4. **Discussion and consideration of the approval of the Commercial Lease Agreement by and between the Crescent City Harbor District and Redwood Curtain Culinary for the premises at 110 Anchor Way. Take action as necessary and appropriate.**

Staff asked that this matter be tabled until the next meeting to review the agreement and make sure that all the clauses agreed upon are included in the lease. Staff was asked to add the trade fixtures to the list of fixtures in the lease. This matter was tabled.

5. **Discussion and consideration of appropriate expenditures and establishment of a budget for the ribbon cutting ceremony for the Inner**

Boat Basin scheduled for March 22, 2014. Take action as necessary and appropriate.

Discussion was held regarding the budget and expenditures for the March 22, 2014 Ribbon Cutting ceremony. The contract with 6 Degrees of Celebration for the event tent, chairs and other items was presented. Commissioner Feller asked that an amount of \$2,000 not be exceeded for the event costs. Discussion of holding a reception after the ribbon cutting in a separate location was held. Leaving the general public out of the reception did not go over well last time according to Commissioner Phillips. Cookies, cake and coffee were discussed, along with resolution presentations, thank yous, list of work completed, etc. The reception will be held across the road at the former Captain's Table building.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER BAILEY, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS, APPROVED THE BUDGET, NOT TO EXCEED \$2,000, AND APPROVED AND AUTHORIZED THE CONTRACT WITH 6 DEGREES OF CELEBRATION FOR THE MARCH 22, 2014 RIBBON CUTTING. THE BUDGET DOES NOT INCLUDE STAFF TIME.

6. **Discussion and consideration of whether to install the recreational sport docks in the Outer Boat Basin for the 2014 season, or to assign slips for the recreational sport boats in the Inner Boat Basin as an alternative and determine the appropriate slip rental fee to be applicable.** Take action as necessary and appropriate.

Discussion was held regarding installing of the recreational sport docks for the 2014 salmon season. Mr. Young noted that the cost of installing the docks far exceeds the revenues that are gained by their installation. The docks are aging and are subject to damage by the sea lions forcing staff to constantly repair them, they are not a positive experience for the users. Staff would like to have direction regarding installing the docks or directing recreational users to the inner boat basin where there are slips available. It is estimated that there might be about 60 vessels that would need to be accommodated in the inner basin. The inner basin slips are new and the boats would be safer, even with the longer walk out to the area where they would be moored. Staff suggested that the mooring cost for inner basin slips be the same for recreational sport fishermen as it would have been if they were in the outer basin. Staff may have to review the ordinance with counsel to see if it needs to be amended to allow this charge. Electrical usage will need to be charged for all users. Commissioner Bailey noted that it would be a good idea to have a finger of docks ready to put in the water in case there are necessary if the salmon season is longer than expected. Bob Peterson commented noted that the vessels do carry insurance. He feels that they would want to be in the inner basin if given a choice, but he does not want to pay the insurance and large fees, unless the Harbor District decides to charge the same as they pay in the outer basin, plus the cost of electricity. Commissioners asked that the matter be held over to the next meeting to answer the rate change in the ordinance and the electrical charge for reading the meters. Some of the old docks will be installed near the Chartroom for the summer to give the sea lions a place that is out of the way from the public. The meeting with the Marine Mammal Center has not occurred, but staff is working on it to resolve the sea lions in the parking lot.

7. **Discussion and consideration of continuation of air ambulance coverage for employees through Cal-Ore Life Flight and establish a policy for payment of the annual premiums and/or employee contributions towards the annual premiums.** Take action as necessary and appropriate.

Discussion was held regarding covering the cost of continued air ambulance memberships for employees through Cal-Ore Life Flights and establishing a policy for payment of the annual premiums. There is an error in the memo, the old price for memberships was \$5 per year and the new membership price is \$25.00 per person for the air ambulance service. Commissioner Ramsey noted that he already has coverage so he could be dropped from the list of 14 memberships the Harbor pays for.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS, APPROVED PAYMENT OF THE \$25 MEMBERSHIP FEE FOR AIR AMBLUANCE SERVICES, AND DIRECTED THAT COMMISSIONER RAMSEY'S NAME BE DELETED FORM THE LIST OF PAID MEMBERSHIPS.

8. **Discussion and consideration of a preliminary budget for Fiscal Year 2014-2015.** Take action as necessary and appropriate.

Discussion was held regarding the Fiscal Year 2014-2015 Preliminary Budget, including the projected new revenues for the inner basin for the FY 2014-15. Mr. Young pointed out that it does not appear that Ms. Madden and Mr. Perry will work the entire 900 hours they each are allowed as retirees, but they are in the budget for the full 900. The budget also assumes 4 temporary staff will be hired and that no CPI increase. There is a negative balance with this preliminary budget that will need to be watched closely. The preliminary budget was presented so that the outgoing CEO could help prepare the Commission and new CEO with budget information for the next year prior to leaving employment. At this time the preliminary budget is informational.

9. **Committee Reports.** Reports from other standing and ad hoc committees.

The following committee reports were made:

Budget Committee – no report, discussed above.

Design Oversight – no report.

Events – see above regarding Ribbon Cutting March 22nd.

Landlord Tenant Committee – Commissioner Phillips reported a meeting was held with Porcini tenants, they will open March 19th.

Park Model Construction – no report.

Real Estate Policy/Lease Committee – no report.

Visitor's Center Committee – no report.

Dutra Dispute Resolution Committee – no report.

Insurance Committee – no report.

Employee Negotiations 2014 Committee – ongoing discussions.

Zoning and Land Use – draft report has been sent to Coastal staff for review.

Marketing Committee – no report.

Maintenance and Repair – no report.

IGRC – no report.

Tri-Agency – no report.

Two-by-Two Committee – no report

Chamber Committee – Commissioner Phillips reported that he attended the Chamber meeting last week and the members seem to be working well together. He also noted that a mixer was held at the Requa Inn last week and it was great,

Port Safety – no report.

10. **C.E.O.'s Report.** Report on current matters and issues planned or in progress.

The CEOs report consisted of the following topics: 1) Inner Boat Basin – Dutra's work is complete and they have vacated the building at 170 Marine Way; 2) Dutra Contract Issues - discussions are ongoing regarding the resolution of the final contract issues, staff are working to resolve the issues with the REA for the Outer Basin dredging and the Inner Basin Reconstruction; 3) Dredge Material Reuse – Erik Nielsen of SHN is continuing to work with the North Coast Water Quality Control Board to develop a comprehensive checklist of procedures that must be followed to identify suitable sites for the deposition of dredge materials, he is working with Crescent City Harbor, Humboldt Bay and Noyo Harbor. The draft checklist should be ready by next week; 4) AMR System – has been improved and staff are preparing to begin billing for electricity; 5) Suzanne Dockal – is working on collecting job information from fishermen to close out the CDBG OTC grant, some fishermen have been concerned about providing information to her, and staff have sent flyers in two mailings explaining the process. Suzanne made a trip to Crescent City to meet with any concerned individuals;; 6) Charlie Helms – has arrived and is learning various Harbor issues, the more time spent with him the more the outgoing CEO has confidence that he can do the job; and 7) Porcini – has set a hard opening date of March 19th.

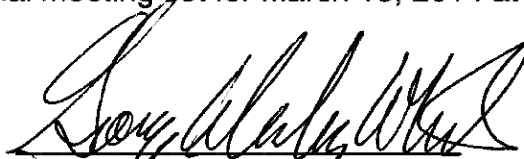
11. **Board Comments.**

The following Commissioners made reports, requests or asked for clarification: Commissioner Feller asked about the electrolysis report. The report is being rewritten according to staff. Commissioner Feller asked about the pedestals with the missing parts. Staff noted that the issue was taken care of. Commissioner Phillips asked about the contract for the mast lights being replaced and staff replied that it was warranty work. When asked about the dredge materials, staff reported that they are still getting clarity from the Water Board regarding the dredge materials. The District does not have the funds to move the materials to the Stewart's as they would like. March 10th is the next conference on the dredge materials. Commissioner Ramsey asked about the permit from Coastal so that Hemmingsen can get going on the trail project. Mr. Young reported that Coastal said they did not get part of the paperwork and staff has attempted to resolve that issue. Funding for a bathroom on South Beach is still being sought. Commissioner Phillips requested information on the USDA loan and whether or not it covers the FEMA projects. Staff noted that it does cover the FEMA projects. The interest charged on this loan is \$410 per day. The District is looking at applying for a TIGER grant. Commissioner Bailey noted he is happy that the Harbor is finally moving on. Commissioner Bailey would like to see things move faster. Commissioner Phillips noted that he received a comment that there was no place for the poor seagulls to sit in the Harbor because of the cones on the pilings.

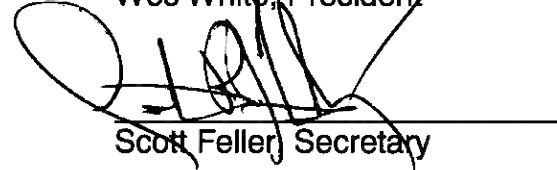
President White noted that the next regularly scheduled meeting is March 18th, at which, there will be no quorum. A special meeting will be held on the 13th of March at 5:00 p.m. to accommodate the Commission. President White noted that the Commission appreciated the work of Mr. Young over the past ten years and his dedication and hard work. He stated that there would be a more formal presentation later. Mr. Young noted that it has been a long ten years, but a lot has been accomplished during that time, it was a result of a large team. Mrs. Young was thanked also for her sacrifice on her husband's behalf.

12. Adjournment to the Regular Meeting scheduled on March 18, 2014, 6:30 P.M. at the Flynn Center, 981 H Street, Crescent City, California.

There being no further business to come before the Commission, President White adjourned the meeting at 8:08 p.m. until the special meeting set for March 13, 2014 at 5:00 p.m. at the Harbor District Office.



Wes White, President



Scott Feller, Secretary

Approved this 16 day
of April, 2014.

