



Regular Meeting Minutes of the Board of Harbor Commissioners of the Crescent City Harbor District	
Harbor District Office, 101 Citizens Dock Road Crescent City, CA 95531	August 16, 2016 5:30 p.m.

Call to Order

Commissioner Phillips called the meeting to order in open session at 5:30 p.m.

Roll Call

Initially present were Commissioner Bailey, Commissioner Phillips, and Commissioner White. Secretary Feller joined at approximately 5:35 p.m.

Pledge of Allegiance

The Pledge of Allegiance was led by Commissioner Phillips.

Public Comment

Commissioner Phillips asked for public comment and received none.

Business Items

1. Consent Agenda

- A) Approval of the warrant list since the August 2, 2016 Harbor Commission Regular Meeting
- B) Approval of the minutes of the August 2, 2016 Harbor Commission Regular Meeting

Secretary Feller joined the meeting.

Commissioner White moved to approved, Commissioner Bailey seconded.

Commissioner White asked for clarification about several warrant items including: payment agreement with Secretary to the Board Kymmie Scott (Harbormaster Helms stated it is the same amount as with the previous secretary, and paid hourly), Roto Rooter (Helms clarified it was for the Fourth of July), a line described as water quality (Fansler clarified it was mislabeled and is the water bill), line labeled Herrera (Helms stated for the break in at the laundry), Tech-Wild (Helms noted was associated with the new phones, new operating system, and Quickbooks licensing), and Decker and Transients (Helms stated

both were refunds). Commissioner White asked if there were itemized statements for Tri-Counties available to which Ms. Fansler stated there were.

Commissioner White noted a correction needed in the minutes on page 4, paragraph 3, where he stated he was opposed to the *specific amounts* of the buyback clause. Commissioner Bailey asked that under actions reported from closed session the term *testified* be removed and replaced with something more fitting.

Action: On a motion by Commissioner White, seconded by Commissioner Bailey, and carried on a 4-0 polled vote with President Ramsey absent, the Board of Harbor Commissioners of the Crescent City Harbor District voted to approve the consent calendar items A through B with the corrections to minutes as noted.

2. Presentation of the pricing information for event insurance

Bill Cochran, Leavitt Group, presented to the Commission about options for carrying event insurance to cover those vendors who may not carry their own liability. There are two brackets of coverage: one if the Harbor wishes to hold multiple events over the year and one if they only wish to hold one event. The annual coverage is \$922.40, and the single-time coverage is \$475. In either case, the Harbor would need to generate a list of uninsured vendors prior to the event and provide it to the insurer. This question can be asked of each vendor during sign up. Mr. Cochran stated that he believes it is likely that half or more of the vendors likely already carry their own coverage and that is the number used to generate the quote. This quote is for \$1,000,000 liability with the Harbor as second insured. The Harbor is already covered under its own insurance but requiring vendors to carry their own creates a buffer that most litigants will pursue first. Providing an option like this to vendors is uncommon.

Commissioner White requested clarification, asking about what ramifications may exist if during an event something happened while some vendors were covered and some were not. Mr. Cochran explained that the Harbor would be covered but the vendors without insurance would not be. Furthermore, requiring vendors to carry insurance creates a risk management buffer. There is nothing restricting non-insured vendors from participating but allowing them to do so does increase the risk of liability for the Harbor.

Secretary Feller requested information on what would happen if a leaseholder held their own event, or if several leaseholders worked together to hold an event, as has happened in the past. Mr. Cochran stated that the leaseholders' general liability should extend to the event and asked if leases required liability to be carried, to which Harbormaster Helms stated they did.

Secretary Feller reflected on events during which vendors participated who had no insurance, and Commissioner Phillips reflected on times that vendors without insurance had been turned away. Mr. Cochran opined that implementation of good risk management practices would require all leaseholders, vendors, etc. to carry liability.

Commissioner Phillips asked if the coverage can be requested at any time to which Mr. Cochrane replied yes, but to remember that the quote given is to cover an assumed ten vendors. Commissioner Bailey asked how far in advance the insurance company would need the name of vendors who are uninsured and Mr. Cochrane stated that it needs to be a reasonable time frame in the neighborhood of a week to ten days.

Commissioner Phillips stated that he is appreciative of the information given and that it gives the Commission a starting point to work from.

Commissioner White moved to create a policy to require insurance for all vendors, whether it be their own or through special event coverage. Commissioner Bailey seconded.

Commissioner Bailey described a similar situation where an individual rents from U-Haul; you may use your own insurance or purchase insurance if needed from them at the time of rental. Some discussion ensued regarding methods to include an insurance charge to vendors.

Action: On a motion by Commissioner White, seconded by Commissioner Bailey, and carried on a 4-0 polled vote with President Ramsey absent, the Board of Harbor Commissioners of the Crescent City Harbor District requested that a policy be created to require insurance for all vendors, whether it be their own or through special event coverage.

3. Presentation by Debi Lewis, proprietor of the Crescent City Crab Shack, on plans to expand her business

This item was pulled in the absence of Ms. Lewis to be heard at a later time should she attend.

4. Presentation of Consulting agreement with Rich Stockwell, tourist lodging consultant

Harbormaster Helms stated that Rich Stockwell came at the recommendation from someone he knows at the Port of Seattle. Mr. Stockwell has worked on projects similar to what the Harbor has considered in the past. The concept discussed by Harbormaster Helms and Mr. Stockwell include larger sites to accommodate bump-outs, cabins, and tent sites.

Commissioner White asked if Consultant Eric Taylor was still in the employment of the Harbor; Harbormaster Helms stated yes and that Mr. Taylor worked with Mr. Stockwell on the City's RV park. Commissioner White asked if Mr. Taylor had the knowledge needed to complete these tasks and what Mr. Stockwell can provide that Mr. Taylor cannot. Harbormaster Helms replied that Mr. Stockwell can do renderings and has additional information that Mr. Taylor does not. Commissioner White further questioned if Mr. Stockwell is versed well enough with the local market and Harbormaster Helms said that he has a lot of experience and that the Harbor has supplied him with additional information.

Secretary Feller noted that he is concerned that the contract does not state *approved as to form* to which Harbormaster Helms stated that Counsel Black had reviewed it and that the approved line can be added. Secretary Feller also noted that the Harbor is not named as additionally insured. Commissioner White expressed concern over what demographics were provided to Mr. Stockwell. Harbormaster Helms stated that the information was supplied from a study done ten or so years ago. Secretary Feller expressed concern over the cost to bring the consultant onsite and Harbormaster Helms reassured him that he would not come onsite. Commissioner White considered the cost per hour the consultant fee reduces to.

Another option described by Harbormaster Helms would be to hire Stover. Some discussion ensued among the Commissioners regarding what area was included in the study and a previous plan developed by Charles Slert. Harbormaster Helms talked about developing a row of trailers and selling the trailers then renting the space. This gives cash in hand plus ongoing income, and negates maintenance issues.

Commissioner White expressed concern over the amount the consultant is requesting and Commissioner Phillips asked for additional clarification on the deliverables. Harbormaster Helms stated that the deliverable would be a conceptual design drawing that shows the mix in the space provided. Commissioner White questioned if Mr. Rockwell is familiar with the applicable local codes. Secretary Feller suggested that a line be added to the contract to meet applicable codes. Commissioner Phillips asked how much Stover might charge for this project and Harbormaster Helms stated he could not make a guess. Commissioner White opined that the Harbor should shop around.

Commissioner Phillips requested that staff return at the next meeting with at least one, but preferably two, comparison proposals.

Secretary Feller asked if there was public comment and received none.

Action: The Commission consented to request staff to return at the next meeting with at least one, but preferably two, comparison proposals.

Upon the arrival of Ms. Lewis the Commission returned to item #3 - Presentation by Debbie Lewis, proprietor of the Crescent City Crab Shack, on plans to expand her business

Ms. Lewis distributed handouts to the Commission and noted that her building does not currently meet County codes. This restricts her ability to do business as she cannot have the public enter her building. Ms. Lewis expressed a desire to install a new doorway which would allow for an interior sales area.

Commissioner White moved to allow Ms. Lewis to install the doorway, Secretary Feller seconded.

Ms. Lewis stated that that the addition of a display case would allow for visual presentation, a place for customers to withdraw from the weather, as well as offer another method for cooling items, and would

significantly increase her business. Since people would consume the food outside no bathroom is needed.

Commissioner Bailey asked if a roof was placed over the outside if that would be considered "eating inside". No one knew for sure but did not believe that it would. Commissioner Phillips asked if Ms. Lewis believes the investment would be worth the cost; she stated that she does believe it is worth the cost. Commissioner Bailey asked if she would be happy for several years with this modification, and Ms. Lewis stated that she would be and that part of the building is not in bad shape structurally.

Action: On a motion by Commissioner White, seconded by Secretary Feller, and carried on a 4-0 polled vote with President Ramsey absent, the Board of Harbor Commissioners of the Crescent City Harbor District voted to approve the installation of a new doorway at the Crescent City Crab Shack.

5. Discussion concerning Harbor District negotiations procedures and roles of CEO and Harbor Commissioners in the process

Harbormaster Helms gave some background on this issue which was roughly discussed at a prior meeting. It was talked about that the CEO would begin negotiations and then bring tentative proposals to an ad hoc committee or to the full Commission. Negotiations can be discussed in closed session when personnel or leases are involved.

Commissioner Phillips relayed that this issue goes back several years when there was negotiation with the union. The union was unclear that the tentative proposal still needed to be approved by the full Commission and thought that the deal they had struck was final. This miscommunication was not well received. Commissioner Phillips would like an outside source involved in all negotiations; this individual could be Harbor Counsel or someone else, the important thing being that it is someone external to the process. Secretary Feller suggested that if the phrasing stated "CEO or his designee" it would leave the responsibility with the CEO but would allow him to recruit an expert. Commissioner Phillips suggested that it be someone familiar with leases or with similar background and Commissioner White concurred. Secretary Feller suggested rephrasing to state "CEO and his designee" instead of "CEO or his designee". Commissioner Bailey expressed concern over Commissioners being removed from their primary functions and Secretary Feller asked to review a copy of the bylaws.

Commissioner Phillips noted that including outside eyes would increase clarity of decision making. Commissioner White agreed and stated that by being politicians they try to satisfy everyone which may not be in the best interest of the Harbor, and that this arrangement would also decrease the likelihood that there would be confusion over when an agreement was approved.

Commissioner White motioned that any negotiations in the future with an outside party be conducted by the CEO or his designee and an additional person not in the employ of the Harbor and also not a Commissioner. Commissioner Phillips seconded.

After reviewing the bylaws Secretary Feller noted that Commissioners approve all agreements and contracts, but it is not stated that they engage in negotiations.

Secretary Feller asked for public comment and received none.

Action: On a motion by Commissioner White, seconded by Commissioner Phillips, and carried unanimously with President Ramsey absent, the Board of Harbor Commissioners of the Crescent City Harbor District approved that any negotiations in the future with an outside party be conducted by the CEO or his designee and an additional person not in the employ of the Harbor and also not a Commissioner

6. Discussion of Harbor District refund procedure for individuals seeking to leave the marina before the term for which they have paid

Harbormaster Helms read the policy as proposed. Commissioner White clarified that his interpretation was that no more than the annual fee would be charged. Some discussion between the Commission and staff ensued and Ms. Fansler clarified that the proposed policy would make it such that the minimum they would be charged is 25% of their original fee, and it would be a wash for anyone pulling out after 6 months. She noted that the previous method allowed people to receive a discounted rate even if they did not stay the full term. Commissioner White stated that he was under the impression that the minimum would be 75% of the original fee, with a cap on the cost of the full term. Commissioner Bailey requested that the policy implications be charted out for clarification. Ms. Fansler stated that Brookings Harbor gives no refunds. Secretary Feller proposed stating that the maximum return rate is 25% to keep things simple.

Feller requested that staff provide a chart on this with both options to be brought back at the next meeting, for all rates. Commissioners consented to table.

Action: Secretary Feller requested that staff provide a chart with both options (25% and 75%) and that the item be tabled. The Commission consented.

7. Commissioner Reports

Commissioners Bailey and Phillips had nothing to report.

Commissioner White: there is a multi small business mixer at Enoteca on August 24th from 5:30 p.m. – 7:30 p.m.; Find Your Park takes place on September 3rd and 4th; and Sea Cruise takes place on October 7th and 8th.

Secretary Feller: attended the Intergovernmental Relations Committee (IGRC) meeting, was low attendance with City, County, RHS, and Harbor present, the City Manager was introduced and stated the B Street project was completed

him about funding for projects. Palazzo stated that his Farmer's Market is on 45 acres, a former State Fair site, and is held twice a week for an annual revenue of \$2.5 million just on rental space. The staff budget is \$1 million. Commissioner White asked if they saw the new display at the Capitol building. Commissioner Phillips stated that he was not that impressed, but Harbormaster Helms liked it in comparison to the past display, and stated that it is nice compared to other contemporary ones although some have digital displays.

Commissioner White noted that it is great to move forward on the RV Park and Commissioner Bailey agreed.

9. Adjournment

The Board of Harbor Commissioners adjourned at 7:27 p.m. to the next scheduled meeting on Tuesday, September 6, 2016 at 5:30 P.M. at the Harbor District Office, 101 Citizens Dock Road, Crescent City, California.

Attest:

/s/Kymmie Scott, Secretary to the Board


x _____
James Ramsey, President


x _____
Scott Feller, Secretary