

**MINUTES OF THE SPECIAL SESSION
OF THE BOARD OF HARBOR COMMISSIONERS OF THE
CRESCENT CITY HARBOR DISTRICT**

May 30, 2008

COMMISSIONERS PRESENT:

Patrick Bailey
John Yingst
Ron Phillips
Garry Young

COMMISSIONERS ABSENT:

Ray Martell

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Paul McAndrews, Facilities Mgr.
Michelle Ma, Daily Triplicate

Karen Phillips, P.S. Secretarial
Kathy Yingst, Public Member
Ken Towe, Harbor RV Anchorage

Call to order.

President Bailey called the meeting to order in special session at 2:00 p.m.

Pledge of allegiance.

Commissioner Bailey led the pledge of allegiance.

Public comment.

The following public comments were made: None.

Discussion and consideration of the fiscal year 2008/2009 preliminary budget. Possible Board action. Any taxpayer may appear and be heard regarding the increase, decrease or omission of any item in the budget or for the inclusion of additional items. The hearing on the budget may be continued from time to time.

Discussion was held regarding the Preliminary FY 2008-2009 Crescent City Harbor District Budget as presented in the agenda packet. Staff recommended that the board go through the budget line by line and make desired changes and adopt this preliminary budget for public review. The C.E.O. is worried about the budget revenues and the fuel

price's adverse impact; especially since tourism and fishing will be impacted by the higher fuel costs, which in turn will effect revenues. Capital expense items presented for consideration were a) payments for the backhoe; b) service agreement for the backhoe; c) electrical cabinets in the Harbor; and d) engine replacement for the "travelift". These capital expense items were not included in the budget provided and would be added expenses, should they be approved. Line item 4045 - Launch Ramp Fees was reduced to \$10,000.00. Line item 4070 - Rents and Concessions changed to \$520,000.00. Line item 4080 – Transients was reduced to \$25,000.00, Line item 4095 - Work Dock was changed to zero. Line item 6010 – Advertising & Promotions was changed to \$6,000.00. Line item 6150 – Engineering (\$500) will be reclassified as FEMA. Line item 6200 – Fuel was changed to \$20,000. Line item 6255 - Freight Cost was changed to \$1,000. Line item 6250 - GSA-Surplus Property Purchases was changed to \$5,000.00. Line item 6560 – Payroll Expenses was changed to \$750,000.00. Line item 6620 - Repair and Maintenance will be reclassified. Line item 6800 – Telephone was changed to \$5,600. The total expenditures equal \$1,270,760.00 with \$14,000 budgeted for Prior Indebtedness. Discussion was held regarding the motor for the travelift and bids that have been received. The bids, which do not include shipping and taxes, came in at \$11,000 - \$11,600. Staff feel that having an enclosed motor is important as it will help to prolong its life and that a turbo will help to save fuel and maintenance costs. After discussion \$12,000 was allocated in this budget for the travelift motor. The electrical cabinet was discussed. PacifiCorp wants to have \$20,139 up front to install the cabinet. The cabinet is a must as all electrical services in the Harbor will be out when it fails. The current cabinet has rusted and has been in need or replacement for some time. \$20,139.00 was budgeted for the electrical cabinet in this budget. The backhoe loan was discussed briefly and \$8,400 was allocated in this budget for the loan.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YOUNG, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD APPROVED AND ADOPTED THE FY 2008-2009 BUDGET WITH CHANGES AS LISTED ABOVE, AND INCLUDED AS ATTACHMENT "A".

Discussion and consideration of moorage rates and service fees. Possible Board action.

C.E.O. Young reported on the moorage rates and service fees currently being charged as compared to those surveyed. Staff recommended that the annual discount for an inner basin and outer basin slip be eliminated, or that the board add a proposed section in the fees that provides for annual fees for people moving from the outer basin to the inner basin to the mooring fees, adding a fee for use of the backhoe (suggested at \$125 per hour including operator, and adding a fee for the small boat/skiff use. Staff also suggested that the current moorage rates and service fees be reviewed in comparison to the survey and to cost estimates to determine where changes need to be made. A utility surcharge of ten percent (10%) was discussed for the purchase of the electrical cabinet.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD DIRECTED STAFF TO APPLY A 10% UTILITY SURCHARGE ACROSS THE BOARD FOR INNER AND OUTER BOAT BASIN FOR ALL MOORAGE FEES. THE

ORDINANCE WILL BE PREPARED AND RETURNED FOR APPROVAL AT A FUTURE MEETING.

Service rates for backhoe have not been established and staff recommended that one be set as discussed above with a one-hour minimum, which would include an operator. Skiff rates were reviewed and suggested at \$50 per hour for skiff + labor, travelift fees recommended at \$6.00 per foot round trip and one-way \$4.00 foot + labor for both. Fee for faxes sent \$1.50 for first page/\$1.00 for pages thereafter in continental United States and \$10.00 first page/\$8.00 pages thereafter for Alaska, Hawaii and outside the United States.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED THE SERVICE RATES AS AMENDED ABOVE TO BE INCLUDED IN THE 2008-2009 BUDGET AND DIRECTED STAFF TO PREPARE THE APPROPRIATE HEARING NOTICES, RESOLUTIONS OR ORDINANCES NECESSARY TO DISUCSS AND ADOPT THE FEES.

Discussion was held regarding the annual service on the backhoe and contracting with Caterpillar for the services every 250 hours. After a brief discussion about the contract and hours of use, staff was directed to take care of the service rather than contract for it.

Board comments. This agenda item allows Board members the opportunity to discuss items of general interest, provide a reference or other resource to staff, ask for clarification or request staff to report to the Board on a certain matter.

The following commissioners made reports: Commissioner Yingst asked about the C.E.O.'s discussion with Alan Justice and the proposed rent for the Harbor Art Gallery. Staff indicated that he sent information from the committee meeting to the tenants.

Adjournment.

There being no further business to come before the commission, Chairman Bailey adjourned the meeting at 4:56 p.m. until the next regularly scheduled meeting on June 3, 2008 at 6:30 p.m., at the Rural Human Services Conference Room, 286 M Street, Crescent City.

Patrick Bailey, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2008.