

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

June 17, 2008

COMMISSIONERS PRESENT:

Patrick Bailey
John Yingst
Ray Martell
Ron Phillips
Garry Young

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Kenneth Towe, Harbor RV Anchorage
Kathy Yingst, Public Member
Troy Gardner
Carmen Hollinsead
Linda Ging
Morganna Brissinden
Ward Stover
Alan Justus
Linda Sutter
Maida Protowski

Karen Phillips, P.S. Secretarial
Paul McAndrews, Facilities Mgr.
Michelle Ma, Daily Triplicate
Jay & Nancy Chernak
Doris Dalbec
Garetta Lamore
Mike Scavuzzo
Jody Mangam
Jack and Addie Burlake
Dave Yeatter
Kayleen Willard

Call to order for the regularly scheduled meeting.

President Bailey called the meeting to order in regular session at 6:30 p.m.

Pledge of allegiance.

The pledge was led by Commissioner Phillips.

Consent calendar. Possible Board action. (Estimated time: 5 minutes).

Public comment: Requests to remove items from Consent Calendar; and motion to approve the following consent Calendar items.

A.i Approval of the warrants issued since June 3, 2008.

A.ii Approval of the minutes of the regular meeting of June 3, 2008.

The following public comments were made regarding pulling items from the consent calendar: None.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED AND ADOPTED THE CONSENT CALENDAR, CONSISTING OF ITEMS A.i-ii, AS PRESENTED.

Public comment.

The following public comments were made: None.

Discussion and consideration of Crescent Harbor Art Gallery. Possible Board action.

Linda Ging and others appeared regarding the Crescent Harbor Art Gallery lease renewal and meetings that have been held over the last year. A letter was submitted for the record and read by Gallery President Linda Ging. The organization is protesting what they stated is a 416% lease rate the first year of the lease, and a 667% increase the second year of the lease. Linda Ging also submitted an e-mail in support of a reasonable lease renewal from the Pelican Bay Art Association. Linda Sutter commented on the lease renewal and the lease increases. The original lease amount was \$180.00 per month fifteen years ago. Jody Mangam talked about what the arts mean to the community and asked that the commissioners to consider what the artistic community brings to the Harbor. Alan Justus spoke regarding the lease expiration and ownership of the building, the unacceptability of the two-year lease and asked what the Harbor wants with the building and if they have arranged to lease the building to another tenant. Staff and commissioners indicated that they have not discussed or asked anyone to lease the building. The Harbor Art Gallery wants to have a lease to sign and they asked to have the new lease two years in advance. Commissioners asked if a five-year lease would be acceptable to the gallery and if they would be amenable to moving into another building should one be built that would be more appropriate. Mr. Justus indicated that they have discussed what would happen if the Harbor built another building for them to move into. Commissioner Phillips asked about the ad hoc committee meeting regarding the rent increase in 2005. Mr. Dave Yeater spoke in favor of the lease extension in a favorable amount. Maida Protrowski indicated that she has volunteered at the gallery and the artist community is the reason that she moved here and she suggested that commissioners visit the gallery. There are 200+/- members of the Crescent Harbor Arty Gallery. C.E.O. Young indicated that there would not be any action tonight, the ad hoc committee will be meeting tomorrow morning and make a recommendation to the commission. Ms. Lamore asked if the recommendations of the past meeting were ever brought to the commission for action. Staff did not recall the recommendations that were brought to the commissioner for action at previous meetings. Nancy Chernak commented on the meeting in November and she remembers that the attorney was to review the terms and she believes that they had an agreement of \$250, \$350, \$450, \$550 and 550 for each year of the lease. New resident, Ms. Kayleen Willard, commented on her volunteer work at the gallery and the tie between arts and the coast, the gallery's vision that they continue to be a part of the Harbor and to welcome tourist to the community. Commissioners asked if there was art

for sale at the gallery, was there any marketing done, were folks buying art work. Troy Gardner commented that his wife and mother-in-law spent three hours at the gallery last weekend and perhaps there needs to be a website and some marketing done. The Harbor asked about providing a website link to the gallery and an e-mail account for the gallery. Paul McAndrews indicated that he does not believe that anybody wants the gallery to move; however, there is a lot of maintenance to be done and the Harbor needs revenues or it may have to shut the lights off and close the doors. Members asked if they should have kept the funds (\$14,000) they earned in their fundraiser rather than give it to the museum. Members asked about beginning harbor improvements with the dredging of the Harbor and working on other projects. Commissioners asked the audience to stay for the rest of the meeting, as they might be pleasantly surprised. Signs will be going up soon to mark the Harbor.

**Discussion and consideration of estimated costs for inner basin reconstruction.
Possible Board action.**

C.E.O. Young and Engineer Ward Stover reported on the preliminary cost estimates for the inner basin reconstruction. The preliminary cost estimates were for alternatives 1-3: 1) least cost alternative, which would be to put the inner basin back the way it was with the minimum cost; 2) reconfigure the Harbor to make it stronger in the event of a succeeding tsunami, add wave attenuation device and 3) add additional components that would make the Harbor more desirable for both transients and tenants. Other alternatives could be to 1) put the inner basin back in the original configuration, remove and replace existing pilings, replace electrical as required by new codes and standards, add fire suppression on docks as required by codes and standards, dredge to 12 feet; 2A) reconfigure the inner basin to make it stronger, add wave attenuator, make all codes and standards changes as required in alternative 1 (directly above) and dredge to 14 feet; 2B) same as alternative 2A (directly above) and reconfigure the inner basin to make it stronger, add wave attenuator, make all codes and standard changes as required in alternative 1 (directly above) except dredge to 12 feet only; 3A) same as alternative 2A (directly above) except add bilge pumpout capacity at each berth; and 3B) same as alternative 3A (directly above) add bilge pumpout capacity, except dredge to only 12 feet. Mr. Stover requested that the Harbor consider and approve an alternative so that his firm can go out and look for match funds from several funding programs such as Community Development Block Grants (CDBG), Economic Development Administration (EDA) and USDA Rural Development Authority. The total estimated cost of changes to the Harbor is \$20,981,704. The changes will need to go to the Office of Emergency Services for approval in order to proceed once the plan is in place. Mr. Stover stated that the estimates may be a little high and have a small contingency built in. He said that he originally recommended alternative 2B. Staff suggested a market analysis of the slips on the wave attenuator and whether they need to be 50 or 60-foot slips.

ON A MOTION BY COMMISSIONER YOUNG, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED ALTERNATIVE 3B (THE HARBOR MATCH WILL BE \$6,000,000.00) AS PRESENTED.

One of the requirements of the CDBG grant funds will be to prove job retention and therefore the grant application will need to have loan documents from all the boats in the Harbor showing all their income and expenses. The Small Business Development

Center (SBDC) will be collecting the data and certify it to the CDBG in order to assist with the application and to keep information confidential. To get the necessary funding the Harbor will need to show that they can retain 143 jobs. The CDBG funding requires that there be one job per every \$35,000 of funding. SBDC would conduct two seminars with the boat owners/captains and meet with each owner/captain to get the paperwork done. Businesses in the Harbor can be used also in the count; however, they have to show a direct impact to the fishing industry. The Harbor will not be collecting the information and will not know the fisherman/businesses personal or private information. Discussion was held regarding getting the cooperation of the vessel owners/captains/business owners in filling out the loan documents.

Jody Mangam commented on the salmon emergency relief efforts in the Harbor and suggested using this as a negotiating tool.

Discussion and consideration of the moorage bill owed by Mr. Dale Card for the Vessel Sujon. Possible Board action.

C.E.O. Young reported on Mr. Card's moorage bill for the vessel Sujon, which is seriously delinquent. Dale Card was present and commented regarding the moorage rental and the payments that he made. Mr. Card indicated that he has appeared previously regarding the bill he inherited, in part, from the current owner. He thinks that he has a buyer for the boat and asked for a reduction of the fees down to \$5,000 so that he could pay the bill in full with the proceeds of the sale to Troy Gardner, also present at the meeting. Mr. Gardner has agreed to salvage the vessel motor and Mr. Card will remove the boat from the Harbor. Commissioner Yingst asked Mr. Card could pay the \$5,109 if the late fees and interest are reduced. Mr. Card indicated that he would be able to pay \$5,000 on the bill, if he sells the boat, and the Harbor hauls the vessel out of the water. Troy Gardner indicated that he is working with the Harbor to haul the vessel to his property. Paul McAndrews commented that destroying the vessel on Harbor property would set precedence for this type of thing happening in the future. Mr. Gardner wants to have the vessel trucked away in the same way the vessel "ISLAND" was or to haul it away on a trailer. Mr. Card and Mr. Gardner will work with staff.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS TABLED THE MATTER UNTIL A LATER DATE.

Discussion and consideration of the proposal to provide insurance services for the Fiscal Year 2008/09. Possible Board action.

C.E.O. Young reported on the proposal to provide insurance services for FY 2008-09 from Mr. Cochran, who had presented the only bid, including two alternatives in the respective amounts of \$60,770 (A) and \$69,784.40 (B). Staff recommended alternative "B" costing \$69,784.40 that would replace the docks if destroyed by disaster.

ON A MOTION BY COMMISSIONER YOUNG, SECONDED BY COMMISSIONER MARTELL, AND CARRIED ON A FOUR-FIFTHS VOTE, WITH COMMISSIONER YINGST VOTING "NO", THE BOARD OF HARBOR COMMISSIONERS APPROVED 2008-2009 INSURANCE ALTERNATIVE "B" AS PRESENTED.

Discussion and consideration of purchasing a sign for the Harbor entrance at Anchor Way. Possible Board action.

C.E.O. Young reported on the sign proposals submitted by Commissioner Yingst, who recommended the white on blue signs from Ramey Signs and Graphics Studio in the amount of \$879.45. Commissioners made comments regarding the styles submitted for consideration.

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED THE RAMEY SIGNS AND GRAPHICS STUDIO PROPOSAL FOR WHITE ON BLUE SIGNS, FOR \$879.45, ELIMINATING THE WORD "DISTRICT" AND ADDING THE LISTED AMENITIES TO BOTH SIGNS.

Discussion and consideration of proposed Fiscal Year 2008/09 budget and of changes to moorage rates and service fees. Possible Board action.

C.E.O. Young reported on the proposed rates, fees and the FY 2008-09 Budget. County Clerk Vicki Frazier suggested that the elections cost be amended by adding an additional \$5,000 to cover the anticipated costs of the election of new commissioners, three of which, will be running this fall, which staff will add. No other action was taken regarding the budget.

Discussion and consideration of renewing the contract with Ms. Karen Phillips, dba *PS Secretarial Service. Possible Board action.

C.E.O. Young reported on renewal of the contract with Ms. Phillips for administrative services for the period of July 1, 2008 through June 30, 2009.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED THE CONTRACT WITH PS SECRETARIAL SERVICES AS PRESENTED.

Discussion and consideration of authorizing staff to publish notice of public hearing for new service fees and moorage rates. Possible Board Action.

C.E.O. Young reported on the new service fees and moorage rates. The fees and rates need to be published prior to final adoption. The fees were presented as discussed in the original budget discussions.

ON A MOTION BY COMMISSIONER YOUNG, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED THE PUBLICATION OF THE NEW RATES AND MOORAGE FEES AS PRESENTED.

Committee reports from other standing and ad hoc committees.

The following committee reports were made: The IGRC met, held a short meeting, where discussion was held regarding the wastewater treatment plan being on schedule and Cal Fire being out of town already fighting fires.

C.E.O.'s report on current matters and issues planned or in progress.

The C.E.O.'s report consisted of the following topics: 1) Harbor Clean Up - the old DAFT tank at the treatment plant are gone, staff expects all the scrap steel to be gone from the Harbor by the end of the week. Northstate Recycling has done a nice job; 2) Harbor Treatment Plant Compliance Project – awaiting comment from the Regional Water Board regarding the acceptability of the compliance project material sent to them; 3) Harbor Treatment Plant II – the City has requested more information regarding the components of the wastewater stream that might be directed to their treatment plant. Staff contracted with Kennedy/Jenks Consultants to prepare a sampling analysis plan to examine the constituents of the wastewater; 4) RV Park Model Project – approved by the Del Norte County Planning Commission, currently waiting to see if the project was appealed. If not, the next step is to finalize the design and apply to the Coastal Commission for a Coastal Development Permit; 5) CDBG Meeting – good meeting with Patrick Talbot from the CDBG program last week, the target date for submitting a pre-applications for inner basin rebuilding is October. The determining factor will be the number of jobs at risk if the inner basin fails and how many jobs result if the basin is rebuilt; 6) Local Hazard Mitigation Program – first meeting of the steering committee for the Local Hazard Mitigation Program was held last week. The steering committee is getting organized and will start by defining critical facilities in Del Norte County, the next meeting is set for July; 7) Marine Protected Areas - C.E.O. attended a meeting at the County to discuss possible responses to the proposal to place Marine Protected Areas (MPA) off our coast as part of the Marine Life Protection Act. The consensus is that MPA's may be unavoidable, and we should do everything we can to minimize the economic and social impact of MPA's. It appears they will not be analyzing this area before late 2009 or 2010, so we have some time to prepare; and 8) Public Workshop on Mill Creek Addition – will be held on June 19, 2008 from 6:30 p.m. to 8:30 p.m. at the Elk Valley Rancheria Community Center, they will be collecting input on preliminary alternatives for use of the Mill Creek property. Del Norte Sunrise Rotary has painted the little blue boat and it is ready to be moved to the entrance of the Harbor

Board comments.

The following Commissioners made comments: Commissioner Yingst commented on having a member of the City Council present at the meeting; Commissioner Martell asked about the memorial planters and stated his concern that the work being done in the Harbor is disruptive to the planters and breaking plants; Commissioner Bailey and Phillips commented on the van that is abandoned on Harbor property. Staff will check it out; Commissioner Young attended the change of command in McKinleyville last week; Commissioner Phillips read an e-mail for CSDA and asking if agencies wanted to post trainings in 2009, he will share with the C.E.O. to look into.

Adjournment.

There being no further business to come before the Harbor District Board of Commissioners, President Bailey adjourned the meeting at 8:45 p.m. to the next regularly scheduled meeting on July 1, 2008 at 6:30 p.m. at the Crescent City Harbor District conference room.

Patrick A. Bailey, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2008.