

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

April 7, 2009

COMMISSIONERS PRESENT:

Scott Feller
Ray Martell, Secretary
Ron Phillips
James Ramsey
Jack Reese, President

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Richard Young, C.E.O/Harbormaster
Kenneth & Rachel Towe, Harbor RV Anchorage

Karen Phillips, P.S. Secretarial
Kurt Madar, Triplicate

Bob Ginoccio
Richard Miles
Rick Sheppard, F/V Sunset
Kelly Schellong, Mayor Crescent City
Robert Black, Commission Counsel

Wayne Gavin, Alber Seafood
Don Albers
Mary Young
Gerry Hemmingsen, Chair BOS
Rod Butler, City Manager

Barbara Burke, SBDC

6:30 P.M. Call to order for the regularly scheduled meeting.

President Reese opened the meeting in regular session at 6:30 p.m.

Pledge of allegiance.

The pledge was led by Commissioner Phillips.

Public comment.

The following public comments were made: Richard Miles asked about the Harbor lands being in the tidal zone and wanted to know if the property that is located on tidal lands, if the State gave the Harbor title to those lands. He also wanted to know if the Harbor had been given title to the property near Whalers Rock. President Reese indicated that he did not know the answer to Mr. Miles questions.

1. Consent agenda.

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

A) Approval of the warrants issued since March 17, 2009.

B) Approval of the minutes of the Regular Meeting of March 17, 2009

There were no public comments with regard to the consent agenda and no requests to pull matters for separate action. Commissioner Phillips asked about the check for the removal of garbage and wondered if it was for the clean-up of a vessel that was recently removed from the Harbor. President Reese indicated that the water bill was unusually high this month and he wanted to know if there was a leak. C.E.O. Young and Commission Phillips indicated that the bill amount appeared to be normal with the recent increase in sewer rates.

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSION RAMSEY, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED AND ADOPTED THE CONSENT AGENDA, CONSISTING OF ITEMS 1.A-B, AS PRESENTED.

2. Approve purchase of new computers for the office.

Discussion was held regarding the need to purchase new computers for the Harbor office. Staff indicated that the computers are old and will not run current business software and staff is having problems with them locking up and not being able to read documents or perform routine business. The purchase price quotes amount to \$4,500.00, which included the installation of three computers, server and installation. Leasing does cost more than purchasing; however, at the end of the lease the replacement of the computers would be easier. President Reese asked if the County is purchasing computers, could the Harbor add three to the order to get a price reduction for the purchase. C.E.O. Young indicated that only one computer screen would need to be replaced the operating system and software would come with the package quoted above. Commissioners expressed their approval of the idea of working with the County to purchase new computers if possible. C.E.O. Young indicated that the County has been great to work with.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSION PHILLIPS, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED THE EXPENDITURE OF \$4,500 FOR THE PURCHASE OF COMPUTERS FROM THE HARBOR RESERVE LINE ITEM.

3. Discuss and consider forming a committee to study annexation of the Harbor into the City of Crescent City.

Discussion was held regarding forming a committee to study annexation of the Harbor into the City of Crescent City. President Reese indicated that he was the one that brought up this discussion with the City Manager to determine the

benefits of annexation with the City. The City has formed an ad hoc committee to discuss the matter. Commissioners expressed interest in the cost of annexation. Counsel Robert Black indicated he did not think the Harbor would incur any significant costs and they would be asked to have an ad hoc committee of their own to study the annexation. In studying the annexation, the two parties (City and Harbor) would trigger a process that would bring the County to the table to discuss fees, transit occupancy tax (TOT) and property taxes and how those would be considered. One theory would be that the Harbor would ask for a seat at the table when revenue sharing was discussed. The City indicated that they would like an exploration of whether or not it would be of benefit to the City to annex the Harbor would be doing the same within the next 2-3 months. If the answer is yes it is beneficial, the next step would be to bring in the County and discuss revenue sharing. Once an agreement is reached by the parties the local agency formation commission (LAFCO) process would be followed. Counsel stated that there would need to be CEQA documentation, but he feels it would most likely include a negative declaration because the governmental jurisdiction would be the only thing changing. Commissioner Phillips asked what would have changed over the years that this discussion would be surfacing once again. Previously, this was discussed and found not to be of benefit to the Harbor. Counsel indicated what has changed is the way thinking is done around annexation and allowing the Harbor to benefit from the revenue sharing. This process is voluntary on the Harbor's part and all three entities (City, County and Harbor) would need to agree to the annexation. One of the issues to address could be business licensing, which could affect fishermen. They may be exempted from licensing requirements in the City ordinances, if annexed, and if such a proposal were to be adopted by the City Council. The cost of services, such as water and sewer, would be about 30% less to the tenants/businesses in the Harbor if it were annexed into the City. Counsel indicated that the City wants to help the Harbor and that seems to be different from the past discussions. If the Harbor were annexed the Commission would be an independent special district within the City. Commissioner Ramsey asked what the advantages there are for the entities. Past records could shed some light on the previous process and discussions to annex. The process would take several years to complete. President Reese indicated that he likes to see everyone working together and he supported the County/City consolidation in the past. The City and the County have stated that they put the Harbor at the top of the priority list to get them over and through the slump that is occurring in the Harbor; this might be a way of getting that started. President Reese wants to review the annexation process and weigh the negatives and positives. Commissioner Feller indicated that several things look positive; the business licenses can be worked out, law enforcement and water/sewer would be less expensive, a seat could be held at the table for revenue sharing and there could possibly be access to RDA funds. An ad hoc committee could explore these things and they could be open to the public, although they would not need to be under the Brown Act. Kenneth Towe asked who Mr. Black was representing. Robert Black indicated that he would be advising the Harbor in this matter. The TOT tax was discussed and Mr. Towe stated that he did not have any problems with that area of the annexation. Richard Miles commented he

does not think that a special district should be dissolved. He stated the City and County in the necessity of bringing jobs to the area, if the City establishes a redevelopment area in the Harbor, the City Council would run that board and that bothers him. The City needs to be bringing in the redevelopment or get the Harbor cleaned up. He mentioned the enterprise zone that was previously discussed being created within the Harbor, which would benefit the Harbor and give them a voice. President Reese indicated that most of the businesses (motels) are near the Harbor and we are just getting started. C.E.O. Young indicated that the critical need in the district is revenue to make things happen. He is in favor of studying the annexation. Commissioner Martell indicated that he hopes the ad hoc committee for the annexation would have more fruitful discussions with the City than what occurred with the Roosevelt Tract annexation. Mayor Kelly Schellong commented that the decision last night at the council meeting was a unanimous decision because they are all looking to the future and to leave the past behind. The City, County and Harbor have a combined vision of progress, keeping the fishing industry vital, creating revenues and providing opportunities for the future. She does not see this as the City taking three months of single-sided discussion; she would like all three entities to be involved in the annexation discussion. The City can help make more businesses in the Harbor by having a public works staff and by creating a positive environment to make people be a part of the Harbor.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED APPOINTING AN AD HOC COMMITTEE TO STUDY THE ANNEXATION OF THE HARBOR TO THE CITY.

President Reese will make the appointments to the ad hoc committee at the next meeting.

4. Approve Resolution 2009-2, an *Authorizing Resolution of Crescent City Harbor District for Filing of Grant Application and Appointing CEO and Successors-in-Title as Official Project Representative for California Department of Fish and Game Oil Spill Response Equipment Grant.*

Discussion was held regarding approval of Resolution No. 2009-2 wherein C.E.O. Young indicated that this is the next step in getting the \$25,000 grant for the enclosed spill response trailer with absorbent materials and boom to contain oil spills in the future. The grant does not include training, although three employees were trained last week. Richard Miles indicated that whoever was the risk manager was allowed vessels to sink in the Harbor.

ON A MOTION BY COMMISSIONER RAMSEY, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED AND ADOPTED RESOLUTION NO. 2009-2, ENTITLED, AUTHORIZING RESOLUTION OF CRESCENT CITY HARBOR DISTRICT FOR FILING OF GRANT APPLICATION AND APPOINTING CEO AND

SUCCESSORS-IN-TITLE AS OFFICIAL PROJECT REPRESENTATIVE FOR CALIFORNIA DEPARTMENT OF FISH AND GAME OIL SPILL RESPONSE EQUIPMENT GRANT.

5. Approve a letter to Congressman Thompson requesting that he support Congressional action to require funds in the Harbor Maintenance Trust Fund be spent on harbor maintenance.

Discussion was held regarding sending a letter to Congressman Thompson requesting that he support Congressional action to require funds in the Harbor Maintenance Trust to be spent on harbor maintenance. Recently the C.E.O. received a request from CMINK to send such a letter. The Harbor Maintenance Trust Fund surplus was about 4.7 billion dollars in 2007; those funds could be used to dredge harbors, which is the fund's purpose. The Crescent City Harbor District would qualify for the funding if the funding were restored and released for spending for its intended purpose. Commissioners expressed concern that the letter should also go to Senator Boxer. Staff does not know why the funds have not been spent or why they have held.

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSION FELLER, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED AND AUTHORIZED SENDING A LETTER REQUESTING THAT CONGRESSMAN THOMPSON SUPPORT CONGRESSIONAL ACTION TO REQUIRE FUNDS IN THE HARBOR MAINTENANCE TRUST FUND BE SPENT ON HARBOR MAINTENANCE.

Richard Miles indicated that Dianne Feinstein should be added to the list of legislators getting a copy of the letter. Staff will add both Boxer and Feinstein to the letter.

6. Approve travel:
A. CEO travel to Sacramento to meet with Department of Boating and Waterways regarding outstanding loans.
B. Commissioner Feller travel to San Francisco to meet with Corps of Engineers regarding dredging.

C.E.O. Young explained the travel requests to meet with Boating and Waterways and to meet with the Army Corps of Engineers. The purpose of the meeting in San Francisco is to discuss dredging and when and how much the Army Corps will be dredging. The County Administrative Officer, Executive Director of the Tri-Agency and Harbor Commissioner Feller will be attending the April 13, 2009 meeting along with Supervisor David Finigan. According to the President the C.E.O. will not be attending the meeting.

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSION REESE, AND CARRIED ON A THREE-FIFTHS VOTE WITH COMMISSIONER RAMSEY ASBSTAINING AND COMMISSIONER PHILLIPS VOTING "NO", THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED THE TRAVEL REQUESTS AS PRESENTED.

7. Committee reports from other standing and ad hoc committees.

The following reports were made: Commissioner Phillips discussed the meeting with the Pt. St. George Reef Lighthouse Museum representatives and ad hoc committee members. Mr. Renfro, Tri-Agency EDA Executive Director, thought that the facility would only be a lighthouse museum and that the parks service, visitors bureau and chamber would not be involved at all, which would affect the financing. The members meeting recently expressed the desire to see the facility include all the entities. The group will continue to meet to try and work out some financial details and costs to make the museum work. They would like to have a celebration on May 9th, which is National Maritime Day. Since it is too late to do anything this year, they would like to plan for next year. Commissioner Ramsey indicated that when the numbers are crunched they will consider adding other agencies and a design that is more financially feasible. If this is going to happen it needs to make sense from a financial standpoint as well as from a design standpoint. Commissioner Feller indicated that the 2x2 meeting was successful with the City. Commissioner Feller toured the Ventura Harbor while out of town and was impressed by some of their programs and facilities.

8. 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) CDBG Grant Application – is almost complete, but a few (liability) issues have arisen just today and will be addressed, staff and Stover Engineering have been in conference with CDBG regarding the Harbor business model and financial information, the application needs to get in by the end of this month to meet the funding cycle for this year; 2) OES - is the majority funder of the inner basin rebuilding project, staff met with them last week and received verbal approval from them for the scope of work for the inner basin rebuilding project, they are tentatively approving: dredging 7,800 cubic yards; replacing rock slope protection as needed; removing and replacing all floats in the harbor; removing and replacing all pilings; 4 ADA gangways and electrical and water for docks. Staff is waiting for the final written approval for the project, that should arrive at the end of the next week; 3) HTP – Staff/City completed the ten special tests at the treatment plant, all the tests occurred during fish processing as crab season was over, staff will be preparing a report as soon as the test results are back from the lab; 4) Coastal Conservancy – Ward Stover and the C.E.O. met with Patty McCleary regarding the Coastal Conservancy grant for walkways, design guidelines, and the Harbor portion of the coastal trail, Patty has received assurance from the Conservancy staff that the Harbor is on their short list for consideration at the June meeting, if their financial issues are resolved. The Conservancy has had many of their funds frozen due to the State of California's problems in the bond market; 5) Economic Stimulus Funding – the application sent forward from the County to the regional economic stimulus work group has the following three projects as their top priorities: Crescent City Harbor District Seafood Processing Plants Renovations, Crescent City Harbor Seafood Processing Wastewater Treatment Plant and Crescent City Harbor District Inner Basin Dredging, we will wait and

see how successful we are in obtaining funding for these projects; 6) Tsunami Plan – C.E.O. Young met with Cindy Henderson from the County OES, Lori Dengler from HSU and Troy Nicolini from NOAA, Matt Hardgrove from the Coast Guard and Tim Wiley from the Del Norte County Sheriff’s Office to discuss the formation of a tsunami plan for the Harbor, the consensus is that it would be most efficient to start with the boat tenants in the inner basin, as land tenant will likely be covered in other portions of a tsunami plan. Meeting participants began defining the plan and will schedule future public meetings to get input from fishermen and other harbor users on important elements of the plan, this is a unique activity; so far there does not seem to be this sort of plan in place elsewhere ; and 7) C.E.O. had a meeting with Maggie Kirby regarding looking for ports to include in planning and assistance for working waterfronts program, she suggested that it would be one of three ports included in planning and technical assistance funding request. Discussion was held regarding the Tsunami evacuation plan for the Harbor and where to go in the case of a Cascadia event.

9. Board comments.

The following Commissioners made reports/comments or requested more information or items to be added to subsequent agendas: Commissioner Feller asked about several items in the works, including what do we do or know about the regional plan for the stimulus package. C.E.O. Young indicated that PacifiCorp has called; however staff, needs to call them back. Mayor Schellong asked about the testing information regarding the crab. Mr. Young indicated that he would contact Alber Seafood regarding this process, which he has not been able to do yet. Alber representative, Wayne Gavin, indicated that there is not enough crab to do the testing. President Reese indicated that he will not be at the next meeting and Commissioner Martell will be running the meeting. Commissioner Ramsey asked about the two letters the Commissioners received in their boxes this week. Staff indicated that they were informational at this point.

10. Adjournment

There being no further business to come before the Commission, President Reese, adjourned the meeting at 8:06 p.m., until the next regularly scheduled meeting on April 21, 2009 at 6:30 P.M. at the Flynn Center, 981 H Street, Crescent City, California.

Jack Reese, President

Ray Martell, Secretary

Approved this ____ day
of _____, 2009.