

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

April 21, 2009

COMMISSIONERS PRESENT:

Scott Feller
Ray Martell, Secretary
Ron Phillips
James Ramsey

COMMISSIONERS ABSENT:

Jack Reese, President

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Kenneth & Rachel Towe, Harbor RV Anchorage
Bob Ginoccio
Robert Black, Commission Counsel
Barbara Burke, SBDC
Mary Young

Karen Phillips, P.S. Secretarial
Kurt Madar, Triplicate
Wayne Gavin, Alber Seafood
Tom Cusmano
Daniel Moore

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

Secretary-Treasurer Martell opened the meeting in regular session at 6:37 p.m.

Pledge of allegiance.

Commissioner Ramsey led the pledge.

Public comment.

The following public comments were made: None.

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 April 7, 2009.**
- B) Approval of the minutes of the Regular Meeting of April 7, 2009**

There were no public comments or request to remove items from the consent agenda.

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

2. Consider and discuss a request from Daniel Moore and Thomas Cusmano to start a boat rental business at the old abalone farm.

Discussion was held regarding the proposed boat rental business, which would be located on Whaler's Island in the leasehold property held by Christ Van Hook, which in the past housed the abalone farm. Mr. Moore and Mr. Cusmano were both present at the meeting to answer questions. The two would sublease the facility from Mr. Van Hook. Counsel indicated that one of the first questions needing to be addressed would be the current lease and determining if the proposed business fits the lease requirements, and if not, the commission could waive the condition or amend the lease as it deems appropriate. The proposed business owners are working with Barbara Burke at the Small Business Development Center (SBDC) to put together a business plan. They intend to rent kayaks, boats and other water equipment. It was suggested that the lease committee meet to review the proposal with the two and come back with recommendations. The boats (row boats and others) would most likely be stored in the on-site building, but the business may want to have a dedicated boat slip for its sole use. Messrs. Cusmano and Moore envision using a rolling kiosk that would be rolled out to the fence and customers would not be allowed in the main building.

A MOTION BY COMMISSIONER PHILLIPS TO TABLE THE MATTER DIED FOR THE LACK OF A SECOND.

Commissioners suggested and concurred that the matter should be referred to the lease ad hoc committee. Commissioners asked questions of the two businessmen and how they intended to conduct business, what kind of activity and number and type of boats they intend to rent. Counsel suggested that Messrs. Moore and Cusmano speak to the County to make sure that they are acting within any County ordinances and zoning regulations. Commissioner Ramsey indicated that he wanted a better feel for what would be leased and a business plan and how boats would get to the ramp and back before we go further. Barbara Burke is working with the two men to write a business plan and the committee will be meeting with them and bring back recommendations.

3. Consider and discuss a presentation from Angelina Countess-Bieber regarding purchasing locally.

Angelina Countess-Bieber was present and discussed how she came up with the "Recruit Locally, Build Locally and Succeed Locally" strategy and workforce declaration that she would to have the City, County, Harbor, Schools and other governmental agencies to adopt. She showed a power point presentation approximately 20 minutes in length, which outlined a strategy to provide local contractors an advantage in bidding and awarding local contracts. Ms. Countess-Bieber indicated that she has made this presentation to three boards in the community. Commissioner Phillips asked if Ms. Countess-Bieber had gone to the Tri-Agency Executive Director with the presentation yet. Ms. Countess-Bieber indicated "no" she had not at this time. She would like to ask that the Harbor, City and County discuss the matter and make progress on this proposal together. District Counsel indicated that the 5% would be the simplest to implement, which would give a 5% discount on bids and acquisitions. Counsel was interested in looking at the contract language; he feels the California Contract Code needs to be researched. Mr. Black also stated that he feels that there are some purchasing items that could be implemented quickly and suggested that his office report back on the matter. An electronic copy of the presentation will be given to staff.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS DIRECTED STAFF TO RETURN WITH A RESOLUTION WITH THE 5% LOCAL CONTRACTOR DISCOUNT FOR APPROVAL AT A FUTURE AGENDA.

Staff will also bring back what is feasible in the realm of public works contracts.

4. Approve a waiver of potential conflicts of interest for Harbor Counsel Robert Black in the matter of annexation of the Harbor to the City of Crescent City.

Discussion was held regarding a conflict of interest with the Harbor in the matter of annexation with the City of Crescent City due to counsel's dual role in providing legal services for both entities. Counsel asked that the commission approve a waiver of the potential conflict.

ON A MOTION BY COMMISSIONER RAMSEY, SECONDED BY COMMISSIONER FELLER, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED WAIVING THE POTENTIAL CONFLICT OF INTEREST FOR HARBOR COUNSEL ROBERT BLACK IN THE MATTER OF ANNEXATION OF THE HARBOR TO THE CITY OF CRESCENT CITY.

5. Appoint a temporary purchasing agent with authority to sign contracts in the absence of CEO Richard Young.

Discussion was held regarding the C.E.O.'s absence from the office over the next several weeks due to medical reasons. Commissioners wanted to have this matter of the agenda to possibly appoint a temporary purchasing agent with authority to sign contract in the C.E.O.'s absence. The suggestion that any two commissioners be able to sign purchasing documents was made as this request falls under the purchasing agent/authority for specific amounts, which are required to be approved and budgeted. Items \$10,000 or under, currently budgeted and approved by the Commission would be the only items that could be signed for.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, WITH COMMISSIONER REESE ABSENT, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS VOTED THAT ANY TWO COMMISSIONERS SHALL HAVE THE AUTHORITY TO SIGN CONTRACTS SUBJECT TO THE RULES GOVERNING THE PURCHASING AGENT DURING THE TERM OF THE C.E.O.'S IMPENDING ABSENCE.

6. Consider a request for a payment plan from Jake Anderson, owner of the vessel Victory at Sea (aka Christie R).

Discussion was held regarding Jake Anderson's account for the vessel Victory at Sea. C.E.O. Young indicated that he had offered an initial payment of \$1,500 and \$1,700 per month until paid in full. Staff indicated that the amount should have fees for court costs, legal fees, etc., added. Mr. Anderson was not present at the meeting as he lives in San Francisco. The total bill is \$5443.37, court filing fee were \$350, approximately \$100 to serve Mr. Anderson and legal fees are in the range of \$650-700, according to counsel Robert Black. Counsel suggested that the Commission give direction to his office to make the arrangements with Mr. Anderson to pay the full arrearage, plus the actual court costs and legal fees incurred in this action. Commissioners asked about the payments, and condition of the vessel. Counsel indicated that the court case against Mr. Anderson could be suspended until paid since the payment are fairly sizable and would be paid off soon. The vessel is in poor condition; it is steel and one of the buy-back vessels, according to the C.E.O. Someone is living aboard the vessel and Mr. Anderson is liable for the live-aboard fees. Counsel will write a letter to Mr. Anderson, have him sign it and send a copy to the court and ask them to suspend the case for the number of months that it will take for Mr. Anderson to pay off the debt. An update on the case will be in given with staff updates until paid off.

Counsel Robert Black handed out a confidential memo updating the Commission on all matters of litigation involving the Commission.

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

The following committee reports were made: Commissioner Phillips indicated that the second half of the Tri-Agency visioning meeting was held on Saturday, with Bill Davis, to review the progress made over the last year and to set goals for the next 3-5 years. Even with the two directors that were hired over the last year, Tri-Agency has still made progress. Commissioner Phillips also related that \$1.6 and \$2.2 million have been dedicated to the Harbor dredging and mentioned that the museum ad hoc committee is working together. Commissioner Phillips asked about the boardwalk at the harbor. Staff and Commissioner indicated that the boardwalk is not on Harbor property. Other projects in the community were touched upon during the Saturday Tri-Agency meeting. Commissioner Feller attended the IGRC meeting and normal updates were given.

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

The C.E.O.'s report consisted of the following topics: 1) Boating and Waterways – follow up with staff regarding status of Harbor's loans and outstanding loan debt, staff was negotiating and will get the exact balances and payment plan to get back on schedule and back in their good graces, these loans are from the original basin building and some go as far back as 30 years, he was also able to talk to staff about other grant opportunities; 2) CDBG Grant Application – has been submitted, they have asked for additional information, which staff has presented to them, staff believes that this will be discussed for approval in June perhaps with possible funding in July 2009; and 3) OES- there have been a number of meeting with OES and they are on board with the scope of work for the basin reconstruction project, staff sees the construction being at least a year away.

9. Board comments.

The following commissioners made comments: Commissioner Phillips thanked C.E.O. Young for getting the funds for dredging and for getting the CDBG application completed. Commissioner Feller commented that he flew to San Francisco to meet with the Army Corps of Engineers and indicated that there is a schedule for dredging. The grain testing will be done soon and they are on board to begin this September; through this meeting and working with congressmen there is an additional \$2.2 million for dredging of the Harbor came from. Robert Black state that he attended a fundraiser for Congressman Thompson last weekend in Davis and thanked him for obtaining the funding. Commissioner Feller indicated he had done the same with Thompson's staff. He has put together a packet of information and sent it out to Thompson's office to help with making sure the dredge pond spoils can be taken to the landfill to save the ponds for the fall dredging.

10. Adjournment

There being no further business to come before the Commission, Secretary Martell adjourned the meeting at 7:58 p.m., until the next regular session scheduled on May 5, 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.