

WES WHITE
President

SCOTT R. J. FELLER
Secretary

PATRICK A. BAILEY
Commissioner

RONALD A. PHILLIPS
Commissioner

JAMES RAMSEY
Commissioner

Board of Harbor Commissioners

of the

Crescent City Harbor District

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CHARLIE HELMS
CEO/Harbormaster

ERNEST PERRY
Harbor Planner

MINUTES

Board of Harbor Commissioners of the Crescent City Harbor District Regular Meeting, Tuesday, January 6, 2015, 6:30 P.M.

COMMISSIONERS PRESENT:

Patrick Bailey
Scott Feller, Secretary
Ron Phillips
James Ramsey
Wes White, President

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Charlie Helms, CEO/Harbormaster
Laura Jo Welter, Triplicate
Ted Long, Fashion Blacksmith

Karen Philips, PS Business Services
Don Reynolds, CPA

6:30 P.M. The Board of Harbor Commissioners will meet in open session to discuss the following agenda items.

President White called the meeting to order in open session at 6:30 p.m.

Pledge of allegiance.

The pledge was led by Commissioner Ramsey.

Public Comment.

The following person(s) addressed the Commission: none.

1. Consent agenda.

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

A) Approval of the warrant list since December 16, 2014.

B) Approval of the minutes of the Special Meeting of December 18, 2014.

There were no requests to pull matters from the Consent Agenda or public comments regarding the matters listed above. Commissioners discussed the following warrants: dues for California SDA and the ethics training; the electricity bill for the inner boat basin and getting a comparison of the revenue from the meter readings and whether or not revenue is coming close to the amount of the bill each month; Stover Engineering warrant was mostly for grant work, but some was Harbor expense; warrant #26517 to pay for engineering, staff will look up the project; the water bill of \$2,300, and whether or not further leaks have been found; CAHM&PC membership warrant; interest expense is being paid to Home Depot and should be cut out; warrant to patch the roof for Fashion Blacksmith; Pacific Coast Congress is the group that looks at legislation to support harbors, the warrant for membership was for \$225.00; warrant \$1,009 to Alta Design will be rebilled to the grant for the wind shelters; Mr. Long noted that the crane time for the Fashion Blacksmith roof repairs was donated by Fashion Blacksmith. Staff was asked to track the in-kind donation of services and supplies. The donation could also be tax-deductible for the donor.

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

2. Discussion and consideration of Audited Financial Statements for Fiscal Year 2013-2014. Presentation by Donald R. Reynolds, CPA. Take action as necessary and appropriate.

CPA Don Reynolds presented the statements, and discussion was held regarding the Audited Financial Statement for FY 2013-2014. Mr. Reynolds noted there is an unresolved issue regarding the cost of the dredging being expensed according to the engineer, which will be followed up with by the CPA. This issue was raised today and he has not had time to review and respond to it yet. Discussion was held regarding the dredging being a part of a project or maintenance, etc. The following corrections/revisions were suggested in the narrative and schedules: Page 4 second paragraph, the water treatment facility is gone and will be noted on page 9, which mentions the closure of the treatment plant (4th bullet); Page 5, priority funds, "airport and transportation center" sentence will be removed; Page 8 bullets 7 and 8 should note that the work is completed (notice of completion issued); Page 6 government-wide (last sentence) and Page 15 operating grants and contributions should be capital grants and contributions; Page 20, paragraph B, "acquisition of...operations", funds came from disaster declaration and grants and will be amended; Paragraph D, page 20, needs to indicate that the largest capital asset are the docks at this time; Page 23, on the bottom, regarding PERS will be amended as commissioners are not eligible for retirement funds, excluded by statute; Page 14 liabilities – long term debt appears twice and one line needs to be taken out (long term current); Unearned revenue grants or deferred income include a new definition; Page 16, top of page, needs labels; Same page "Construction other non-current assets" what are they? They are permits for the abalone beds that are carried on the books; Page 15 net position was described as the net assets that are carried over from the previous years audited financials, plus old slip rental receivables that were written off. The depreciation schedule was discussed, no

depreciation is included in this financial statement; it will be included the next fiscal year financial audit. RCAC gave the Harbor a 30 day extension to complete the audited financial statements. The financials will come back to the Commission at the next meeting for acceptance after the resolution of the question on expensing as listed above.

3. **Discussion and Consideration of request by the CEO/Harbormaster to attend the Winter Board Meeting of the California Association of Harbor Masters & Port Captains on March 26 – 27, 2015 in South Lake Tahoe.** Take action as necessary and appropriate.

Discussion was held regarding the meeting, including the worth of attending the conferences.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS, APPROVED THE CEO TRAVELING TO THE WINTER BOARD MEETING OF THE CALIFORNIA ASSOCIATION OF HARBOR MASTERS & PORT CAPTAINS ON MARCH 26-27, 2015 AS REQUESTED.

4. **Discussion and consideration of the stipend for members of the Board of Harbor Commissioners.** Take action as necessary and appropriate.

Commissioner Ramsey stated that he feels the stipends should be cut to save money and balance the budget. Commissioners discussed the stipend, including it staying at the same amount, not taking a large stipend when it is available; or doing nothing. Mr. Long noted that there is a lot involved in being a Commissioner and it is his opinion that the Commissioners deserve their stipend and should keep it.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER PHILLIPS, AND CARRIED ON A FOUR-FIFTHS POLLED VOTE, WITH COMMISSIONER RAMSEY VOTING NO, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS, APPROVED CONTINUING THE CURRENT STIPEND OF \$300.00 PER MONTH TO THE COMMISSIONERS.

5. **Discussion and mid-year review of Budget for FY 2014-2015.** Take action as necessary and appropriate.

Discussion was held regarding the depreciation schedule and analysis. Currently there is a \$215,000 cash deficit in the budget. Commissioners would like more time to review the information that was received today. The matter was continued to the next meeting to allow for review.

6. **Discussion and consideration of Financial Statements for November 2014 (income statement, balance sheet, cash flow projection).** Take action as necessary and appropriate.

President White noted that the numbers don't reflect what the poundage amounts are and he would like to review the information at the second meeting of each month.

- 7. Discussion and consideration of goals for the CEO/Harbormaster.** Take action as necessary and appropriate.

This matter was continued for discussion at a future (TBD) agenda.

- 8. Discussion and Consideration of Electing New Officers for 2015.** Take action as necessary and appropriate.

Commissioner Ramsey expressed interest in changing the officers and that he would like to serve as an officer himself.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER PHILLIPS, AND CARRIED ON A FOUR-FIFTHS POLLED VOTE, WITH COMMISSIONER RAMSEY VOTING NO, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS, KEEPING THE SAME OFFICERS FOR ANOTHER YEAR.

- 9. Committee reports from other standing and ad hoc committees.**

The following committee reports were given:

Dredging - Commissioner Feller asked to have CEO get in touch with the people regarding the dredge materials. The BCRAA said that the materials would not compact to their specifications. The Water Quality wants to have site plans and public hearings here. Staff will review the issue with other port captains at the conference later this month

Events – Commission Ramsey reported that the committee might want to meet regarding Tall Ships event, which is coming up soon.

Lease Committee - needs to meet on January 12th. England Marine has not broken ground yet and has no groundbreaking date.

Zoning and Land Use – staff has not received plan back yet

Maintenance - needs to meet

Tri-Agency – Harbor's turn to lead the agency for a year.

Chamber – this committee met. There are a number of new members, and a retreat will be held this Saturday for planning 2015 at Dr. Woods, and to discuss events that they sponsor. On the 24th the annual dinner is at Lucky Seven Casino in Smith River. No mixer is scheduled for when the Tall Ships are here. If anyone is interested, they will be here April 23rd. Ted Long suggested that the Harbor and Chamber revive the annual seafood festival, which used to be big years ago.

Marine Flare Disposal – there are no other meetings scheduled at this time.

President White noted that the committee appointments need to be made and if any commissioner wants a specific committee they should let him know.

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

The following reports were made, including the written report that appeared in the agenda packet: revenue generation; updates on meeting and activities; project updates; Coastal Conservancy Coastal Trail Project and Harbor Promenade Project; Harbor Treatment Plant Update; Administration Dock; Travelift Dock; harbor maintenance logs; staff update; harbor marketing; harbor maintenance checklist, and; aging summary and bank balances.

Commissioners directed the CEO to have Fashion Blacksmith cut F/V Christie R in half and

move it to the "boat graveyard" and forward the bill to the contractor. The Harbor logo was discussed and the matter will be added to the agenda for the next meeting.

11. Board Comments.

The following Commissioner made comments, reports or asked for information/clarification: Commissioner Ramsey asked about the tsunami theater. Staff is working on the issue. Mr. Ramsey also noted that walking in the harbor has increased and that the cement is cracking on the decorative items, which he feels needs to be reported to the contractor. Staff will follow up with that issue. The meter reading software is not working. Staff noted that they will need to meet and work out the issues. Staff will follow up regarding the galvanic corrosion. President White thanked the Commission and staff for working over the last year to move things forward.

12. Adjournment to o the next Regular Meeting scheduled on Tuesday, January 20, 2015 at 6:30 P.M. at the Harbor District Office, 101 Citizens' Dock Road, Crescent City, California.

There being no further business to come before the Commission, President White adjourned the meeting at 8:31 p.m., until the next regularly scheduled meeting on January 20, 2015.

Wes White, President

Scott Feller, Secretary

Approved this _____ day
of _____, 2015.