

Regular Meeting Minutes of the Board of Harbor Commissioners of the Crescent City Harbor District	
Harbor District Office, 101 Citizens Dock Road Crescent City, CA 95531	July 16, 2024 2:00 p.m.



Board of Harbor Commissioners of the Crescent City Harbor District

MINUTES

Regular Session, Tuesday, July 16, 2024, at 2:00 P.M.

CALL TO ORDER: **2:00 PM**

ROLL CALL:

<i>PRESENT:</i>	<i>President</i>	HARRY ADAMS
	<i>Secretary</i>	RICK SHEPHERD
	<i>Commissioner</i>	GERHARD WEBER
	<i>Commissioner</i>	BRIAN STONE
	<i>Commissioner</i>	WES WHITE

ABSENT: None

Following the roll call, the Board immediately adjourned to closed session:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Gov. Code §54956.9(d)(2))

Number of Cases: 1

Upon reconvening back to open session, President Adams reported that there was nothing required to be publicly disclosed from the closed session proceedings.

1) Public Comment

Commissioner Stone addressed the public to express empathy for a child injured during a fireworks explosion on July 4th. He shared a personal story about his own daughter, who was born with a heart defect and underwent surgery at 18 months old. Commissioner Stone urged the community to offer prayers and support for the child and the family affected by the tragedy, hoping for a quick recovery.

2) Grants Update

The Board received several updates of ongoing and pending grant applications from the harbor's contracted grant writer, Aislene Delane from Community Systems Solutions, LLC. The grants update first focused on the Port Infrastructure Development Program (PIDP). The harbor had received a PIDP grant awarded by the U.S. Maritime Administration during the 2022 federal grant cycle, along with a companion grant from the California Coastal Conservancy. The latest update focused on a geotechnical study scheduled for late July. The findings of the study would inform the continued design and environmental reviews of a Citizens Dock rebuild.

Ms. Delane then discussed the California Coastal Conservancy grant for the South Beach bathroom, noting that Moffatt and Nichol had been hired to secure the necessary permits. For the Harbor Mitigation Grant Program (HMGP), an RFP was being prepared for a level one environmental study on the former Fashion Blacksmith property. Next, Ms. Delane briefly discussed a draft harbor strategic plan that would be presented at the next board meeting in August.

Commissioner Shepherd inquired whether the South Beach bathroom project would be completed by spring 2025. Ms. Delane responded that it was possible but not certain, explaining that once the permitting process was finalized, the project would move on to pouring a concrete slab to form the restroom building's foundation. With that completed, a prefabricated restroom could be delivered by the vendor who won the contract, the Public Restroom Company (PRC).

Commissioner White asked if the environmental study for the Fashion Blacksmith property would go out to bid, to which Ms. Delane confirmed that it would. She concluded her presentation by noting that the Del Norte and Tribal Lands (DNATL) Food Council was working with the Coastal Commission to obtain permits for the siting of a fillet station trailer.

3) Consent Calendar

3A) Approve Meeting Minutes of the June 4, 2024 Regular CCHD Board Meeting.

The Board considered the meeting minutes from its June 4, 2024 regular meeting. President Adams explained that he would abstain from approving the minutes because he did not attend the meeting. The other Commissioners did not request any changes, and no members of the public commented. Commissioner White **moved** to approve the minutes, and Commissioner Stone **seconded** the motion.

POLLED VOTE was called, **MOTION CARRIED**

AYES: STONE, WEBER, WHITE, SHEPHERD // **NAYS:** NONE

ABSENT: NONE // **ABSTAIN:** ADAMS

4) New Business

4A) Consider and Vote on Incentive Pay Pursuant to Employment Contract with the CEO/Harbormaster.

Before any discussion commenced, President Adams immediately continued the agenda item for consideration at a future meeting.

4B) Consider Directing Staff to Draft an Ordinance Banning the Use, Sale, and Possession of Fireworks Within the Harbor District.

The Board then moved on to the next agenda item to consider directing staff to draft an ordinance banning the use, sale, and possession of fireworks within the Harbor District. President Adams began by explaining how the Fourth of July used to be his favorite holiday. Nonetheless, he felt that over the years, public order and decency had deteriorated, with the festivities straying from their family-friendly roots. Recently, the destruction caused by fireworks had become intolerable, with disposal bins catching fire multiple times, risking boats and other valuable harbor property catching fire. Large areas had been left covered in trash, littered with multiple abandoned and severely vandalized cars, and a layer of ash residue lingered everywhere. President Adams emphasized the need to stop looking the other way and to take decisive action to address the problem. Given the increasing severity of the issue every year, he stressed the urgency of implementing a complete ban without further delay.

Commissioner Stone expressed his dismay over the problems caused from fireworks, noting that Del Norte County did not have an ordinance regulating fireworks. He highlighted that the issue extended beyond fireworks, to include out of control alcohol consumption and unregulated parking, creating a complex problem. He suggested that the Board needed to consider amending its bylaws, incorporating staff input, and researching what other communities had done. Commissioner Stone proposed a number of changes, including potentially restricting alcohol on the premises during the Fourth of July, regulating parking more comprehensively, and possibly charging fees for designated parking areas. Overall, he urged a thoughtful and deliberative approach to finding solutions, rather than quick knee-jerk reactions that wouldn't actually solve problems. Commissioner Stone emphasized the need for comprehensive planning and collaboration with neighboring agencies to tackle the problem effectively.

Commissioner White objected to making changes to the Board's bylaws. He suggested that the bylaws were intended to be a more general foundational document, and therefore it wasn't an appropriate mechanism to regulate specific issues such as fireworks. Instead, he suggested passing an ordinance. Commissioner Weber emphasized that rigorous enforcement would be the key.

Justin Hanks, a Lieutenant with the Harbor Patrol, recounted how things had changed over the course of his thirteen years working for the Harbor. He spoke about his efforts to manage the chaos during the Fourth of July celebrations. He highlighted the significant challenges he faced working to keep the situation under control. Lt. Hanks advised against a complete ban on fireworks, suggesting that some types of fireworks were relatively harmless, but that other more powerful and already illegal fireworks should be the focus of enforcement efforts.

Lt. Hanks then attempted to illustrate the magnitude of the problem by describing visitors arriving in U-Hauls filled to the brim with tens of thousands of dollars of illegal fireworks. He also brought up the issue of organized fight rings on the beach, specifically mentioning a local organizer who had been running these events for about four years without permission or permits. These fights often spilled over into the adjacent parking areas, causing vandalism and other disturbances. Lt. Hanks then discussed the well-known mass casualty incident that severely injured a toddler, describing the specific location of the incident as approximately 600 yards down the beach from Anchor Way, between the high-water mark and Highway 101.

When it came to recovering from the aftermath, Lt. Hanks highlighted the contributions of local groups like the Smith River Alliance, who had consistently helped to clean up the beach after the Fourth of July for many years. Overall, Lt. Hanks called for more resources, better enforcement, and stronger community involvement to address the recurring issues and ensure safety and order within the Harbor.

During the public comment period, Linda Sutter presented a picture of a sign from Enderts Beach Road as an example of what she wanted to be implemented in the Harbor District to discourage illegal activity. She expressed deep sorrow over the Fourth of July mass casualty incident, which resulted in serious injuries to thirteen people in addition to the widely-publicized three-year-old child. Ms. Sutter criticized the lack of action from law enforcement, recounting how she had urged the Sheriff to enforce bans on overnight parking and camping. She called for the reinstatement of the Sheriff's reserves program, which she argued had previously been effective in ensuring public safety during large events.

Also during the public comment period, Sandy Moreno noted that the mild coastal weather had attracted a larger than usual Fourth of July turnout from heat-stricken inland areas. Ms. Moreno suggested that enforcement should begin a week before the event, as the initial influx of visitors, who often cause the most trouble, could be deterred early. She emphasized the importance of early and clear communication, suggesting that law enforcement agencies should advertise strict enforcement ahead of time. Nonetheless, Ms. Moreno also pointed out the challenges faced by law enforcement due to the sheer number of people who attended Fourth of July festivities. Finally, she expressed her support for an ordinance banning the use, sale, and possession of fireworks within the Harbor District.

Roger Gitlin emphasized the need to consider existing state laws that already made aerial fireworks illegal before creating new ordinances. He advised against acting individually and urged the Harbor District to work collaboratively with other local agencies, such as the city, county, and state parks, to form a united front. Mr. Gitlin also provided an update on the condition of the young toddler who was seriously injured, noting that he was in grave condition with infections throughout his body from the initial burns and other trauma.

Ultimately, the Board expressed consensus that harbor staff needed to work on drafting an ordinance banning fireworks within the Harbor District and to work with other local agencies to ensure effective enforcement. The need for a coordinated effort to address the issue comprehensively was emphasized, with the aim of creating a safer and cleaner harbor environment for all residents and visitors.

5) Communications and Reports

5A) Dredge Update

Assistant Harbormaster Mike Rademaker described how the City of Crescent City had received approval to remove 1,500 cubic yards of the Harbor's dredge spoils for use in the city's roadway islands on Front Street. Approximately one-third of the material had been removed so far. Additionally, the Harbor had begun the permitting process for a significantly larger quantity of dredge material that could be transferred to the city's Front Street Park Project. The project was anticipated to require soil by the spring or summer of 2025.

Mr. Rademaker then discussed a productive meeting led by CEO/Harbormaster Tim Petrick, with representatives from the California Department of Fish and Wildlife, California EPA,

USACE, North Coast Regional Water Board, and the California Coastal Commission to discuss a comprehensive dredge material management plan for the Harbor. The engineering firm Moffatt and Nichol had been engaged to assist in developing the plan. One of the goals was to permit a near-shore disposal site so that transportation costs could be reduced.

5B) Revenue Generation Progress Report

It was reported that CEO/Harbormaster Tim Petrick and Assistant Harbormaster Mike Rademaker had met with Lynnette Braillard from Lulish Marketing and Arielle de Garcia from Orchid Marketing to discuss harbor development and marketing for Bayside RV Park and Redwood Harbor Village RV Park. They initiated a short-term contract with Orchid Marketing for \$700 to increase visibility and reservations, including promotion of a new website and "Beat the Heat" campaigns. This led to a substantial increase in reservations, from an average of 5 per week to an additional 50 per week, generating approximately \$10,000 in new revenue during the July 4th holiday week.

CEO/Harbormaster Petrick had a productive meeting with Steve Opp, from the firm Commercial Real Estate Development Enterprises (CREDE), who was expected to provide a proposal to help with harbor development. CREDE contracts for comprehensive development support, including creating plans, financial layouts, and marketing strategies.

Additionally, Commissioner White and CEO/Harbormaster Petrick met with Brian Sabina and Johnathan Kennedy from Clean Energy Terminals (CET), who expressed interest in CCHD as an operations and maintenance port for Offshore Wind Support. CET was evaluating opportunities and challenges to determine an optimal investment level.

Miscellaneous meetings included courting local investors for projects like Spotty's Car Wash and the old Sheriff's building, and negotiating an amendment to the Port O' Pints lease to expand the leased area and to include percentage rent for food trucks.

The USACE had been preparing for dredging operations in the fall that would screen out rocks over 4 inches. Clean rock, which is valuable, would be accepted by the harbor, pending NCRWB approval, for storage and future sale or use. It was also reported that harbor staff had been working on an updated Strategic Plan with assistance from the firm Community System Solutions, based on the Harbor's 2018 Strategic Plan.

Commissioner Stone emphasized the importance of revisiting and amending the Board's bylaws. He expressed a desire to reinstate certain authorities previously granted to the Board that could help with revenue generation. He highlighted the need to evaluate the CEO/Harbormaster's authority regarding contracts and financial decisions, indicating his dissatisfaction with the current arrangement.

Commissioner Weber supported the need to review and update the Board's bylaws. He acknowledged the ongoing tension between the executive branch, which was tasked with handling day-to-day operations, and the Board of Commissioners that oversees the Harbor's strategic direction. He stressed the importance of defining roles clearly in the Board's bylaws. Commissioner Weber also emphasized the need for mechanisms to control management without resorting to extreme measures such as firing, advocating for authority that provided intermediate disciplinary measures.

5C) Financial Status Update

David Negus introduced himself as the new Director of Finance. He described his background operating his own business, which involved consulting for the U.S. government and other governments around the world, including forensic financial investigations and internal audits. He also described working as a controller in various operations. Mr. Negus emphasized his commitment to transparency and detail. He aimed to provide clear and accurate financial information.

Mr. Negus then presented an analysis of the Harbor's cash situation, providing a detailed look into accounts receivable and accounts payable. He mentioned that some accounts receivable dated back ten years, and he planned to take action to write off non-recoverable receivables. Similarly, he was working on clearing out long-standing payables.

Mr. Negus described working on improving internal controls and ensuring financial operations were transparent and well-documented. He also described collaborating closely with the Harbor office team, including Kristina, Janice, and Gavin, to enhance their skills and streamline processes. Mr. Negus aimed to generate financial reports directly from the Harbor's QuickBooks software without repackaging or editing the data. He was opposed to coloring the data to fit a predefined narrative. He expressed a commitment to providing better accuracy and transparency.

Sandy Moreno raised concerns about reverting to old Harbor practices that could lead to cash being mishandled and possibly stolen by employees. She emphasized the importance of internal controls and suggested that regular financial reports, such as a profit and loss statement, balance sheet, and cash flow report, would provide necessary oversight. She highlighted that these reports would allow for clear visibility of debt and cash flow, ensuring transparency and accountability.

Assistant Harbormaster Mike Rademaker responded by reassuring her that a wide variety of internal controls were in place to prevent theft. As an example, he explained that Harbor Patrol Officers conducted daily checks of the RV parks and docks, using a financial transaction ledger app on their phones to verify payments. Existing Harbor procedures ensured that any RV not recorded in the system would be investigated, adding multiple layers of oversight to prevent internal theft.

5D) Harbor Commissioner and Ad Hoc Committee Reports

Commissioner Stone requested adding a discussion to the next Board meeting on August 6th that would focus on amendments to the Board Bylaws. Commissioner Weber discussed a recent meeting concerning the Harbor's public website, mentioning that he and Commissioner Stone suggested further improvements for Harbor staff to implement. Commissioner Weber was pleased with recent website changes that allowed customers to make payments online. He stressed the importance of transparency by posting all official financial reports on the website as soon as possible. He also noted the need for a functional website, free of outdated content.

President Adams reported on several meetings, including meetings with developers, the nonprofit group Friends of the Harbor, and the Redwood Parks Conservancy. He discussed efforts to organize events, such as a longboard surf contest in September, and securing food vendors for the event. President Adams also described a meeting with the executive director of the California

Division of Boating and Waterways (DBW), who toured the harbor and discussed potential financial assistance from DBW to help remove derelict boats.

ADJOURNMENT TO THE BOARD OF HARBOR COMMISSIONERS NEXT REGULAR MEETING SCHEDULED FOR TUESDAY AUGUST 6, 2024, AT 2 P.M., VIA ZOOM WEB CONFERENCE AND IN-PERSON AT THE MAIN HARBOR OFFICE, LOCATED AT 101 CITIZENS DOCK ROAD.

Approved this ____ day of _____, 2024.

Harry Adams, President

Rick Shepherd, Secretary