Staff Report

To: Board of Harbor Commissioners

From: Mike Rademaker, CEO/Harbormaster

Date: July 12, 2026

Subject: Appointment of the CEO/Harbormaster as District Treasurer

Background

Harbors and Navigation Code section 6071 requires the Board of Harbor Commissioners to appoint a District Treasurer, who serves at the pleasure of the Board. The statute assigns the Treasurer responsibility for receiving and safeguarding District funds, complying with laws governing the deposit and security of public funds, making authorized disbursements, and providing regular written accountings of receipts, disbursements, and fund balances. As a practical matter, these duties can be assigned by the Treasurer to one or more "Deputy Treasurers."

David Negus, the District's former Director of Operations, was previously appointed to serve as District Treasurer. As part of a subsequent organizational restructuring intended to streamline operations and reduce payroll expenses, the Director of Operations position was eliminated and its responsibilities were subsumed into the CEO/Harbormaster position. In implementing that restructuring, it was administratively understood that the Treasurer responsibilities would be absorbed by the consolidated executive position. The attached proposed Resolution# 2026-14 removes any uncertainty by formally appointing the CEO/Harbormaster to serve as District Treasurer.

Discussion

It is not uncommon among California harbor districts and other special districts for the chief executive officer to serve as District Treasurer, particularly where the executive already oversees the District's financial administration and internal controls in practice. This approach provides some level of administrative efficiency, while reserving fiscal oversight for the Board. For example, the Port San Luis Harbor District recently adopted this same governance model after its long-serving outside Treasurer retired. Following more than a year with a vacancy, its Board appointed its chief executive (Harbor Director) to serve as District Treasurer.

The Treasurer appointment proposed in Resolution 2026-14 aligns the statutory office of District Treasurer with the District officer who already exercises overall responsibility for administration, financial oversight, and coordination with the District's fiscal personnel, namely, the CEO/Harbormaster. The appointment does not create independent spending or investment authority. The Treasurer remains subject to applicable law, the District's budget and fiscal policies, Board authorization requirements, and the District's internal controls.

Existing controls should continue to include appropriate separation of authorization, recordkeeping, reconciliation, and disbursement functions; regular financial reporting to the Board; and independent review through the District's annual audit and external financial service providers. Appointment of the CEO/Harbormaster as Treasurer is therefore an assignment of statutory responsibility, not a consolidation of all financial control in one person.

Deputy Treasurer Authority

Section 6071 expressly permits the Treasurer to appoint a deputy or deputies, which logically might be the Office Manager in the case of CCHD. It is therefore legally appropriate to recognize that authority in the resolution. A Deputy Treasurer will ensure operational continuity and perform specifically delegated duties. The Treasurer remains responsible for the acts of a deputy, and the designation does not transfer the Board's authority to appoint or remove the District Treasurer.

Faithful-Performance Coverage and Oath

Harbors and Navigation Code section 6071 requires the Treasurer to furnish faithful-performance bond protection in an amount fixed by the Board and to take and file the constitutional oath of office. However, Government Code section 53226.3 permits a district, by resolution, to insure against losses caused by an officer or employee in lieu of providing individual bonds. The Board previously exercised that authority through Resolution No. 2026-02. Furthermore, the District's existing insurance policy has a $50,000 limit, identifies the Harbormaster among the covered positions, and includes an endorsement adding faithful performance of duty.

Existing insurance coverage appears to exclude any third-party treasurer. Because the proposed Resolution No. 2026-14 places the CEO/Harbormaster in the additional statutory office of Treasurer, staff will ensure existing coverage extends to additional treasurer duties carried out by the CEO/Harbormaster. The proposed resolution provides authorization to obtain any additional insurance coverage that may be necessary, in consultation with District Counsel and the District's insurance broker. Similarly, staff will determine if the filing of a separate oath of office is required.

Fiscal Impact

No salary adjustment or new position is proposed. The action formalizes duties already associated with the streamlined executive structure and preserves the payroll savings achieved by eliminating the former Director of Operations position. There may be a nominal cost if the insurer requires an endorsement or if a separate Treasurer bond must be procured. No Deputy Treasurer would receive additional compensation unless separately authorized by the Board.

Conclusion

Adoption of the proposed resolution will more formally identify the District Treasurer, which in practice has already been the CEO/Harbormaster, following prior consolidation of executive positions. Importantly, the resolution still preserves Board oversight, and provides a lawful mechanism for appointing Deputy Treasurer(s).