Staff Report

To: Board of Harbor Commissioners

From: Mike Rademaker, CEO/Harbormaster

Date: July 17, 2026

Subject: Appointment of Board Secretary as Board Secretary/Treasurer

Background

At its July 15, 2026 meeting, the Board considered appointing its current Secretary to serve concurrently as District Treasurer under the combined title of Secretary/Treasurer. During the Board's consideration of the matter, an objection was raised concerning (1) whether a sitting Commissioner could lawfully serve as Treasurer and (2) whether the two offices could be held by the same individual. Because District Counsel was not available during the meeting to address those legal questions, the Board continued the matter to its July 22, 2026 meeting.

Following the July 15 meeting, District Counsel Ryan Plotz was specifically consulted regarding both issues. Mr. Plotz advised staff that the Board may legally appoint one of its Commissioners as District Treasurer and that the offices of Board Secretary and District Treasurer may be held concurrently by the same individual under the combined title of Secretary/Treasurer. Although this is not necessarily the most common approach, it is not unusual, and in fact numerous examples are cited below.

Harbors and Navigation Code section 6071 requires the Board to appoint a District Treasurer, who serves at the pleasure of the Board. The statute neither limits the appointment to any particular class of persons - such as a District employee, outside financial professional, or other non-Board individual - nor does it prohibit a sitting Commissioner from serving in that capacity. Accordingly, section 6071 presents no legal barrier to the Board appointing its current Secretary to serve concurrently as District Treasurer.

History

CCHD’s own historical records support the use of a Commissioner as Treasurer. For example, correspondence dated as far back as October 2, 1952 lists five Commissioners and identifies E. J. Lessard as Chairman, Fred W. Endert as Secretary, William Buckner as Treasurer, and George Grant and J. Lyle Prickett as Commissioners. Thus, the District itself has previously assigned the Treasurer office to a sitting Harbor Commissioner. Furthermore, in more recent history, Commissioner Shepherd previously served in a combined Secretary/Treasurer role for a period of time, and the combined title has been used by numerous other California harbor and special districts.

David Negus, the District’s former Director of Operations, was the last person directly appointed by the Board 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, staff understood that the Treasurer responsibilities would be absorbed as part of the consolidated executive position. An earlier draft of Resolution 2026-14 was intended to make that understanding explicit through a formal Board appointment.

Nevertheless, the CEO/Harbormaster subsequently expressed concern that adding another statutory office to the consolidated executive position would further expand an already broad portfolio of executive, operational, financial, regulatory, personnel, grant, emergency-management, and public-facing responsibilities. The Chair then suggested the appointment of the current Secretary of the Board as District Treasurer, with the offices held by a single Secretary/Treasurer.

Discussion

Nature of the Treasurer Office

Within the Crescent City Harbor District, and among many other districts, the Treasurer title is more honorific and nominal in its actual usage, and it does not typically translate into direct operational action. In the District’s current operating structure, most routine financial processing, bookkeeping, reconciliation, document preparation, banking coordination, and audit support are performed by District fiscal staff, outside financial consultants, financial institutions, and professional advisors. The Treasurer will typically not personally perform each clerical or accounting task required of the office. This is particularly true because such duties may be lawfully delegated to one or more Deputy Treasurers, and commonly are delegated that way in practice. If desired, the office can function principally as an oversight, review, authorization, certification, and reporting role, with appropriate staff and professional support doing most of the work. The Treasurer nevertheless remains ultimately responsible for the proper performance of the office and for the acts of any appointed Deputy Treasurer.

Officially, Harbors and Navigation Code section 6071 assigns the Treasurer responsibility for receiving and safely keeping District moneys, complying with laws governing the deposit and security of public funds, paying money only pursuant to duly authorized warrants, and providing written accountings of receipts, disbursements, and fund balances at least monthly. The office also carries oath and faithful-performance protection requirements.

Available Appointment Models

Option 1: Commissioner appointment. Section 6071 permits the Board to appoint a Commissioner as Treasurer. This approach places the statutory office with an elected official who is directly accountable to the Board and the public, avoids adding another office to District staff, and is consistent with CCHD's documented historical practice and the practice of other California harbor districts.

Option 2: Staff appointment. The Board may instead appoint a qualified District employee. A staff appointment can ensure easy access to records and coworkers, but it necessarily adds the statutory responsibilities of Treasurer to the employee's existing position, which could make it overly broad. CCHD used this model when former Director of Operations David Negus served as Treasurer, and the initial version of Resolution 2026-14 proposed the CEO/Harbormaster.

Option 3: Outside professional or contractor appointment. H&N Section 6071 does not require the Treasurer to be a District employee. The Board could appoint a qualified outside accounting or public-finance professional and support the appointment through a professional services agreement.

Comparable California Secretary/Treasurer Practice

A combined Secretary/Treasurer is a recurring governance structure among California special districts and local agencies, particularly where a smaller governing body seeks to consolidate officer functions. The following examples were verified through official agency records:

Agency	Verified Practice	Official Record
San Mateo County Harbor District	Commissioner Pietro Parravano was listed as Secretary/Treasurer in 2003, and Commissioner James J. Tucker was listed as Secretary/Treasurer in 2004. The District's 2026 officer-election report also directs the Board to elect a Commissioner as Treasurer and states that the Commission had previously determined that the Treasurer should be a Commissioner.	Board minutes, Sept. 3, 2003 and July 7, 2004; staff report, Jan. 21, 2026
Humboldt Bay Municipal Water District	Elected Director J. Bruce Rupp is identified by the District as its current Secretary/Treasurer.	Official Board biography and 2025 Board packets
Tranquillity Resource Conservation District	Director Matt Hurley is identified as Secretary/Treasurer on the District's official Board roster.	Official Board roster, accessed 2026

Caspar South Water District	Elected Board member Daniel Keen is identified as Secretary/Treasurer.	Official Board roster, accessed 2026
San Diego County Citrus Pest Control District	Board member Greg Kamin is identified as Secretary/Treasurer. District minutes and agendas show the combined title in regular use over multiple years.	Official Board roster; minutes 2020-2026
Gasquet Community Services District	Del Norte County operational-area hazard-planning records identify Eileen Rutledge as Secretary/Treasurer of the District. The cited planning record does not separately describe whether the officeholder was also a director.	Del Norte County Operational Area Hazard Mitigation Plan

Collectively, these examples show that appointing a governing-board member as Treasurer and combining the Secretary and Treasurer titles are well established California local-agency practices.

Monthly Reporting to the Secretary

Section 6071 requires the Treasurer to submit a written accounting at least monthly to the Secretary and to file a copy with the Board. That transmittal to the Secretary is a ministerial record-receipt and filing act. The statute does not direct the Secretary to audit, independently approve, countersign, or exercise substantive review authority over the Treasurer's report. The substantive accountability mechanism is the preparation of the written accounting and its filing with the full Board.

District Counsel Ryan Plotz has confirmed that when one person holds both offices, the individual may legally review and issue the report in the capacity of Treasurer, receive and maintain it in the capacity of Secretary, and then file or transmit the same report to the full Board. No statutory information is lost, no required recipient is omitted, and the Board receives the report in the same manner it would if the offices were held separately. As a practical matter, fiscal staff or a Deputy Treasurer may prepare the supporting schedules; the Treasurer may review and approve the report; and the Secretary/Treasurer may ensure that it is included in the Board packet and official records.

The combined title therefore eliminates only an internal handoff between two officer titles. It does not have any real-world deleterious impact, such as eliminating Board review, public availability through the Board packet, independent audit, bank reconciliation, warrant authorization, check-signature requirements, or any other existing financial control.

Faithful-Performance Coverage and Oath

Section 6071 requires the Treasurer to provide faithful-performance protection in an amount fixed by Board resolution and to take and file the constitutional oath of office. Government Code section 53226.3 permits a local agency to maintain insurance against losses caused by officers or employees in lieu of individual bonds when the insurance provides the same or greater protection. The Board adopted that approach through Resolution No. 2026-02.

The District's existing policy materials include Commissioners among the scheduled covered positions and provide faithful-performance protection. Before the Treasurer appointment becomes operative, staff will obtain written confirmation that the appointed Commissioner is covered while acting as District Treasurer, secure any necessary endorsement, or arrange a separate Treasurer bond if required by the carrier. The appointee will also take and file the oath applicable to the Treasurer office.

Fiscal Impact

No additional salary or stipend is proposed for the Secretary/Treasurer appointment. The District may incur a modest premium or bond expense if an endorsement or separate Treasurer bond is required. Routine staff and consultant support would be provided within existing assignments, and any additional compensation for a Deputy Treasurer would require separate Board approval. Appointing an outside professional as Treasurer would create a new contracted-services expense and is not included in the recommendation.

Conclusion

Review of Harbors and Navigation Code, consultation with District Counsel, CCHD's own historical records, and the practices of other California harbor and special districts establish that a Commissioner appointment to the office of Treasurer is legally permissible and that a combined Secretary/Treasurer structure is an often used local-agency governance model.

The proposed structure places the Treasurer office with an elected Board officer, avoids further expanding the consolidated CEO/Harbormaster position, retains professional fiscal and administrative support, and preserves all existing Board reporting, audit, authorization, reconciliation, and financial-control mechanisms. Adoption of the revised Resolution 2026-14 allows the option of appointing the current Board Secretary as District Treasurer and allows for a combined title Secretary/Treasurer.