

**MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

April 23, 2009

PRESENT:

Commissioner Curless
Commissioner Pellegrini
Commissioner Wilson
Commissioner Higgins
Commissioner Hunter

The Closed Session was called to order at 6:00 p.m. Closed Session adjourned at 6:07 p.m.

President Hunter called the regular meeting of the Board of Commissioners to order at 7:01 p.m.

President Hunter led those present in the Pledge of Allegiance.

District Counsel reported on the items discussed during Closed Session: Status of negotiations with the Harbor District employee union. No action was taken.

PUBLIC COMMENT

David Elsebusch said conspicuous by its absence is an agenda item to decertify or eliminate the positions of Bar Pilots, yet there is the agenda item that addresses the Director of Maritime Commerce position. He said if the Board of Commissioners considers one of those items, they should address the other as well.

Pete Oringer announced the Timber Heritage Association fundraiser on May 2 at the River Lodge. Currently railroad equipment is being moved from the property at Glendale to the Roundhouse in Samoa. He was happy to report the Hammond locomotive is back in its original bay in the Roundhouse. Mr. Oringer said the Board of Commissioners should be proud of the broad community support of the THA and the improvements to the Harbor District's property. THA is hoping to offer speeder rides later in the summer on a 2.5- mile track.

Jerry Tomczak made a PowerPoint presentation highlighting THA and the moving of the railroad equipment to the Roundhouse, clearing tracks and the improvements to the District's property. He said in the future, THA hopes to offer tourist and excursion train rides, a timber heritage museum and a world- class tourist destination for Humboldt County.

CONSENT CALENDAR: None

CEO REPORT

- ❖ The FY2009/10 Preliminary Budget is available for review at the District's office and on the Harbor District's website. The next budget hearing will be on May 28.
- ❖ District staff has been working with HSU to install the current meter on the dock at the Fairhaven Terminal.
- ❖ Dockmaster met with representatives from the Coast Guard, County of Humboldt and Fish & Game regarding developing a plan to deal with abandoned vessels and other marine debris. Three more abandoned dock floats have been recovered from the North Spit. Chris Kjer is working with BLM to removed floats from the South Spit.
- ❖ Dredge *Yaquina* has been working in South Bay on the Fields Landing Channel to prepare it for the PG&E ships that will be bringing in engines for the power plant re-powering project. The dredge *Essayons* arrived yesterday and will work on Humboldt Bay's bar and entrance channels, dredging to the authorized depth. The Coast Guard Buoy Tender *Aspen* will be in Humboldt Bay next week, moving the buoys out of the dredge's way. Recently Buoy 22 came loose and was recovered 150 miles west of San Francisco Bay.
- ❖ Attended a meeting with Samoa landowners to discuss water availability issues based on the pulp mill's closure.

DISTRICT COUNSEL REPORT: None

STAFF REPORT: None

COMMISSIONERS REPORTS

Commissioner Pellegrini:

- ❖ Fishing Vessel *Dandy Bill* that almost sunk at Woodley Island Marina some years ago, is now up against the bridge at San Mateo. This was a federal “buy-back” vessel that the District had unsuccessfully lobbied NOAA to destroy when the fishing permits were taken so that this type of incident would not occur.
- ❖ Has had many inquiries regarding the budget discussion at the last Board of Commissioners Meeting as a result of the article in the Times-Standard.

Commissioner Wilson:

Met with Samantha Murray of the Ocean Conservancy, an organization interested in the MLPA process. He referred Ms. Murray to the other Commissioners as well.

Commissioner Higgins:

- ❖ Also met with Ms. Murray regarding the MLPA and MPAs and how important it is to make decisions based on rational, local, science-based information.
- ❖ Received information on Nelson, New Zealand and how they have capitalized on a partnership of bike trails and railroads.

Commissioner Hunter:

- ❖ Fishing Vessel Winga, built in 1932, has now been demolished.

ADVISORY COMMITTEE REPORTS

Commissioner Hunter reported the Human Resources Committee met with the representatives of the District's employee labor union.

Commissioner Higgins reported there will be a North Coast Local-Interest Marine Protected Area Work Group meeting on May 11th at 2 p.m. in the Woodley Island Meeting Room.

OTHER

Presentation of Sea Scout Ship #101 Charter to District

CEO introduced Angela Lapaige, who has taken a leadership role in the District's Sea Scouts program. She presented the charter to the Board of Commissioners and introduced the Sea Scouts members.

Presentation by Wilson Lacy and Stephen Pepper on local Short Sea Shipping opportunities

Mr. Lacy, District's Director of Maritime Commerce, gave a PowerPoint presentation on the Marine Highway concept and West Coast marine highway corridor.

Stephen Pepper, Humboldt Maritime Logistics, gave a PowerPoint presentation on his proposal to implement a short sea shipping project using Humboldt Bay as its homeport.

Commissioner Pellegrini asked Mr. Pepper what he thought was the biggest impediment to starting this service. He said it is the lack of funding, but he is currently garnering financial support from various potential partners.

A Question and Answer period followed and President Hunter thanked both for their presentations.

NON-AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF ONE-YEAR EXTENSION OF PERMIT NO. 07-08 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FUEL OIL PIPELINE REMOVAL PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF ONE-YEAR EXTENSION OF PERMIT NO. 07-08 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FUEL OIL PIPELINE REMOVAL PROJECT. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF TRAVEL EXPENSES TO ATTEND CALIFORNIA MARITIME LEADERSHIP SYMPOSIUM, MAY 12-14, 2009 IN SACRAMENTO, CA.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF TRAVEL EXPENSES FOR CEO, DIRECTOR OF ADMINISTRATIVE SERVICES AND BOARD PRESIDENT TO ATTEND CALIFORNIA MARITIME LEADERSHIP SYMPOSIUM, MAY 12-14, 2009 IN SACRAMENTO, CA. COMMISSIONER PELLEGRINI SECONDED.

Commissioner Wilson said he would like to attend the symposium. Commissioner Curless stated it is important to minimize costs in light of the current budget considerations. Commissioner Wilson said he could minimize costs by staying with a friend.

Mark Matteoli said it is a good idea to spread knowledge about Humboldt Bay and he supported Commissioner Wilson's attendance.

Pete Oringer asked for a report that would help define what a "green" port is.

COMMISSIONER PELLEGRINI WITHDREW HER SECOND OF THE MOTION. MOTION DIES FOR LACK OF A SECOND.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE TRAVEL EXPENSES FOR CEO, DIRECTOR OF ADMINISTRATIVE SERVICES, BOARD PRESIDENT AND COMMISSIONER WILSON TO ATTEND CALIFORNIA MARITIME LEADERSHIP SYMPOSIUM, MAY 12-14, 2009 IN SACRAMENTO, CA. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITH COMMISSIONER CURLESS DISSENTING.

C. CONSIDERATION OF APPROVAL OF THE DISTRICT'S HUMBOLDT BAY ECONOMIC DEVELOPMENT COMMITTEE'S OBJECTIVE, STRUCTURE AND MEMBERSHIP.

Commissioner Higgins stated there will be approximately 8 meetings beginning in May. The purpose of the committee is to provide support for potential businesses and to help them overcome some of the impediments involved. The first meeting will be held on May 27 at 7:00 p.m.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE DISTRICT'S HUMBOLDT BAY ECONOMIC DEVELOPMENT COMMITTEE'S OBJECTIVE, STRUCTURE AND MEMBERSHIP AS PROPOSED WITH OPPORTUNITY FOR EXPANSION. COMMISSIONER WILSON SECONDED.

Discussion was held regarding the addition of more committee members. Commissioner Wilson said there was no privilege with regard to being named a committee member. The public is welcome to attend and participate.

Mark Matteoli said it is a creative opportunity and hopes good ideas will come from the meetings.

Dave Spreen asked about a timeline for the meetings. Commissioner Higgins said the meetings will be held on the 4th Wednesday of each month from May through December.

Mike Hart asked if any specific ideas/propositions had been presented to the Harbor District.

Randy Gans said he feels the committee needs someone with serious trade and commerce understanding and someone to represent labor.

Commissioner Higgins said it was an oversight to not include a labor representative. After much discussion, it was decided to ask Dave Borgeson to participate.

David Elsebusch said this committee will possibly upstage the County of Humboldt's failed attempt at economic development.

COMMISSIONER HIGGINS AMENDED HIS ORIGINAL MOTION TO INCLUDE DAVE BORGESON ON THE COMMITTEE. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF THE CESSATION OF FUNDING FOR THE POSITION OF DIRECTOR OF MARITIME COMMERCE EFFECTIVE MAY 25, 2009.

COMMISSIONER WILSON MOVED FOR THE CESSATION OF FUNDING FOR THE POSITION OF DIRECTOR OF MARITIME COMMERCE EFFECTIVE MAY 25, 2009. COMMISSIONER HIGGINS SECONDED.

Commissioner Wilson stated the projection in two years, based on the draft Preliminary Budget for FY 2009/10 is no operating cash. There is no real projection of increased revenues, so the idea was to cut/reduce the positions of Bar Pilot and Director of Maritime Commerce (DMC). He said with the elimination of these positions at the current annual revenue, the Harbor District might survive another four years. Commissioner Wilson said this is not meant to be a personnel review; it is about the position. He said the Harbor District will not derive any benefit from the position of Director of Maritime Commerce in the next two years. He said the Board of Commissioners' alternative is to look at reducing staff in the "rank and file".

Commissioner Wilson said the Harbor District's current position is focused on ship traffic; but ships will not be coming here within the next two years. He said the Board of Commissioners should be focused on other economic development issues.

Commissioner Pellegrini said at this point, a discussion of this type is mean, spiteful and unnecessary.

Commissioner Curless said he thought this discussion was premature and that it is not appropriate at this time for the Board of Commissioners to get involved. This is the CEO's area of responsibility.

Commissioner Higgins stated the DMC has a 30-day termination clause. He suggested the discussion should be tabled so that nothing was done abruptly or clumsily; however, he said ultimately he does not believe the District can afford the position.

President Hunter said the Board of Commissioners hired the CEO to run the day-to-day operations and the Board's job is to set policy. He said to make a decision like this would be tying the staff's hands. The message

to the CEO was to cut \$250,000 from the Salaries/Wages category of the budget. He said the CEO deserves the opportunity to be creative with how that would be accomplished.

Mike Hart asked why this position should be eliminated now. He said some of the Board members would like to put money into other investments, but where are these people with their proposals. He said more review of the position needs to happen before the elimination.

Jan Brown said if it is the job of the DMC to bring in business, who will do it when the position is eliminated. She said Humboldt County needs growth, or it will die.

Dave Spreen said he will vote for the re-election of Commissioner Wilson because he is doing a good job and can make the hard recommendations.

Randy Gans said the businesses utilizing Humboldt Bay should be asked how the DMC is doing. He said the company he works for pays \$25,000 per year for a tideland lease and now the Board of Commissioners is saying there will not be anymore shipping through Humboldt Bay. He said it is extremely short-sided and arrogant to make this decision without talking to the customers currently working with the DMC. The Harbor District needs to have someone looking for businesses to attract, someone who knows the trade and has the knowledge needed for the position.

Kurt Kramer said it is not easy to generate business for Humboldt Bay and he feels the Board of Commissioners has not given the DMC adequate time. He said he cannot afford to pay his tideland lease if the Harbor District does not support their customers. Humboldt County needs jobs and businesses. These are difficult times and it is time to beat the bushes and work with the CEO. The Board of Commissioners should tell the CEO the guidelines they expect for the DMC. Mr. Kramer said many people have a heavy investment in the bay and he urged the Board of Commissioners to not eliminate the DMC position.

David Elsebusch said this issue is being politicized – the Board of Commissioners are taking sides. He said the real issue is that the DMC has achieved nothing, the position has not worked. It is an unnecessary expenditure to maintain the position and the expense should be stopped immediately.

Mark Matteoli said it is refreshing to see government worrying about expenses. When you start laying off sales staff, you start laying off other positions because there is no income. He said the real estate business is challenging too; but you continue to try to make sales. Mr. Matteoli told the Board somehow they will find the funds to maintain the position.

Bill Thompson said a marketing person should earn his own salary; this position has not turned out to be what it should.

Melvin McKinney said he supports Commissioner Wilson's recommendation. He said the DMC has not made a report to the Board of Commissioners since he started. He also said the CEO needs to be replaced if he is not doing his job.

Mike Hart asked without facts how does anyone make a good decision.

Stephen Pepper said maybe the Board of Commissioners needs to define the role of the DMC. He said there is no new business yet, but there will be.

John Shafer said it is precipitous to eliminate the position because the Harbor District is in a death spiral. He said the position has not generated what its advocates expected.

Stephen Pepper said since he is a member of the Humboldt Bay Management Plan Advisory Committee, he feels he has a conflict of interest and will not comment.

Jerry Tomczak said nothing ever happens until a sale is made. If there is no salesman, there will definitely be a death spiral. Sometimes it takes months or even years to realize the benefits of maintaining a marketing position. He said he supports retention of the DMC.

Penny Elsebusch suggested the DMC position be put on commission. She said the DMC did not find Stephen Pepper and his short sea shipping project.

Stephen Pepper said he has received beneficial collaboration from DMC.

Sid Berg said it takes money to make money. Currently the entire economy is in a downturn. But is it advantageous to continue to let the world know about Humboldt Bay in order to keep the port open. He said this is the worst time to eliminate the DMC.

Lawrence LaBranche said there will be a ripple effect if the Board of Commissioners eliminates the DMC position.

Commissioner Higgins suggested tabling this item. He said the Harbor District needs to keep the bar pilots in order to keep the ships coming across the bar, but it is expensive. Commissioner Higgins suggested waiting a couple of months before making these decisions.

Commissioner Wilson stated two weeks ago the Board of Commissioners voted for the draft budget which included cutting positions; this is not a sudden decision. He said the Board of Commissioners needs to discuss marketing efforts that will not cost \$100,000.

President Hunter said putting this item on the agenda created the discussion the Board of Commissioners needed to have. Leave it up to staff to bring back recommendations to the Board on how to cut the \$250,000 in Salaries/Wages out of the budget. It may or may not be approved.

Commissioner Wilson said the point is the Harbor District can't wait for staff's recommendation. Let the Board discuss and deal with it now. He said he appreciates the comments from Randy Gans and Kurt Kramer, but there are others not impressed with the marketing. Focus should be put on others around the bay, not just the tideland lease holders because tideland lease revenue is not a main revenue source; property taxes are. He said the DMC position is too narrowly focused and there are other land use opportunities worth considering.

COMMISSIONER HIGGINS WITHDREW HIS SECOND OF THE MOTION. MOTION DIES FOR LACK OF A SECOND.

Commissioner Wilson thanked everyone for the discussion.

COMMISSIONER WILSON REPEATED HIS MOTION FOR THE CESSATION OF FUNDING FOR THE POSITION OF DIRECTOR OF MARITIME COMMERCE EFFECTIVE MAY 25, 2009. MOTION DIES FOR LACK OF A SECOND.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 10:13 p.m.

APPROVED BY:

RECORDED BY:

____Signature on File_____
Mike Wilson

____Signature on File_____
Patricia L. Tyson

Minutes
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Humboldt Bay Harbor, Recreation and Conservation District
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Secretary

Director of Administrative Services