

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

July 11, 2019

The Humboldt Bay Harbor, Recreation and Conservation District met in special session on the above date, Closed Session at 12:00 P.M., Open Session at 12:30 P.M. at the Woodley Island Marina Meeting Room, 601 Startare Drive, Eureka, CA 95501.

CLOSED SESSION – 12:00 P.M.

The Commission met in closed session to discuss the following items:

- a) **CONFERENCE WITH REAL PROPERTY NEGOTIATORS.** Terms of potential lease of District's real property with Assessor's Parcel Numbers 401-031-040 on the Samoa Peninsula, Humboldt County, California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Under negotiation: price and payment terms.

OPEN SESSION – 12:32 P.M.

ROLL CALL:

PRESENT: DALE
 HIGGINS
 KULLMANN
 DOSS

ABSENT: MARKS

QUORUM: YES

PLEDGE OF ALLEGIANCE

REPORT ON EXECUTIVE CLOSED SESSION

- a) District Counsel Ryan Plotz reported that no action was taken.

PUBLIC COMMENT: The following individuals addressed the Commission regarding subject matters not on this meeting's agenda: Susan Penn made a request of the Board that Powerpoint slides from any presentation given at a Board Meeting be made available to the public with the meeting minutes. Vivian Helliwell, Uri Driscoll, Kent Sawatsky, Dennis Mayo and Marian Brady commented. Mr. Driscoll provided comments to be entered into the record (Exhibit A).

UNFINISHED BUSINESS

a) Consideration of Resolution 2019-08, a Resolution to adopt the FY 2019-20 District Budget.

- I. Executive Director presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. The following members of the public provided comment: Kent Sawatsky, Uri Driscoll, Vivian Helliwell, Susan Penn, Scott Frazer, Dennis Mayo, Joan Romo, Mitch Farrow.
 - i. Ms. Romo provided comments to be entered into the record (Exhibit B) and requested a written response to her questions
 - ii. Written response to Ms. Romo provided by Executive Director (Exhibit C)
- IV. Chair Dale moved the discussion back to the Commission.
- V. Executive Director clarified the timeline for budget submission to the Humboldt County Board of Supervisors.
- VI. The Commission discussed the item further.
- VII. **COMMISSIONER HIGGINS MADE A MOTION TO ADOPT RESOLUTION 2019-08 ADOPTING THE FISCAL YEAR 2019-2020 BUDGET. COMMISSIONER KULLMANN SECONDED.**

Adopted Minutes for July 11, 2019 Special Board Meeting

- VIII. ROLL CALL VOTE WAS CALLED. MOTION PASSED WITHOUT DISSENT.
Ayes: DALE, DOSS, HIGGINS, KULLMANN
Noes: NONE
Absent: MARKS
Abstain: NONE

NEW BUSINESS

a) Cancellation of July 25, 2019 Regular Board Meeting and Scheduling of Special Board Meeting Between August 9th-14th of 2019.

- I. Executive Director presented the item.
- II. Commissioner Doss proposed converting the scheduled meeting to a public workshop rather than canceling entirely. Monday August 12, 2019 at 7:00 P.M. was proposed as the date for a Special Meeting to replace the regularly scheduled July 25, 2019 meeting.
- III. The Commission discussed the item.
- IV. Chair Dale opened the item to public comment. The following members of the public provided comment: Kent Sawatsky, Uri Driscoll, Joan Romo, Scott Frazer, Vivian Helliwell.
- V. Chair Dale moved the discussion back to the Commission.
- VI. COMMISSIONER HIGGINS MADE A MOTION TO CANCEL THE REGULARLY SCHEDULED BOARD MEETING OF JULY 25, 2019 AND TO SCHEDULE A SPECIAL MEETING ON AUGUST 12, 2019 AT 7:00 P.M. COMMISSIONER KULLMANN SECONDED.
VOICE VOTE WAS CALLED, MOTION CARRIED WITH DISSENT.
Ayes: DALE, HIGGINS, KULLMANN
Noes: DOSS
Absent: MARKS
Abstain: NONE
- VII. CHAIR DALE DIRECTED STAFF TO INCLUDE AN ITEM ON THE AGENDA OF THE AUGUST 12, 2019 MEETING TO DISCUSS THE FORMATION OF A BUDGET SUBCOMMITTEE.

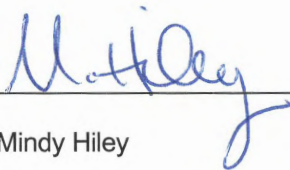
ADJOURNMENT – 2:12 P.M.

APPROVED BY:



Larry Doss
Secretary of the Board of Commissioners

RECORDED BY:



Mindy Hiley
Director of Administrative Services

From: Uri Driscoll [REDACTED] >
Sent: Thursday, July 11, 2019 10:39:24 AM
To: Larry Doss; Larry Oetker
Cc: Pat Higgins
Subject: Dog Ranch

Please distribute to the Commissioners prior to the closed session meeting scheduled 7/11/19

Thank you

Uri

Points to discuss regarding the Dog ranch acquisition by the Harbor district with Larry Oetker and Larry Doss 7/10/19

What are the options for transfer after the HD has title?

FOD, BLM, County?

What are the guarantees and time frames?

Has there been a wall flower survey done yet?

Wetland inventory?

What protections of wall flowers and wetlands would be required of the HD?

How would that impact the Kinetic Sculpture race permit?

Who would need to take out a permit?

Would the HD be the lead agency?

Who is responsible for clean-up of the homeless camps and evaluating the impacts?

Who is responsible for the patrol?

What funding is guaranteed for patrol and clean up?

Will existing recreational uses be curtailed while the HD has title

Following the 7/10 meeting with Mr Doss and Mr Oetker I would like to make these points.

1. The Harbor District is not designed to hold and maintain upland properties
2. The terms of the agreement regarding commitments of resources and enforcement personnel have changed since the vote to enter into a purchase agreement.
3. Costs incurred by the District in terms of staff time and resources has not been defined
4. The extent of long term homeless encampments are likely to cause multiple liability issues including but not limited to the responsibility to provide housing for the displaced homeless population.
5. An accurate assessment of the extent of encampments and homeless population has not been completed.
6. I have it on good authority that the FOD's and the MCSD are not interested or capable of contributing resources or personnel to assist in management as has been suggested.
7. The Kinetic Sculpture race does not have the proper authorization to conduct its event through extensive and valuable wall flower habitat and wetlands. Should the District acquire this property it would be liable for damages to this Environmentally Sensitive Habitat Area

I would like the District to consider

- A. Only agreeing to acquisition of tidal area parcels that are within the boundaries of the "Dog Ranch". Essentially those on the bay side of highway 255. These specific parcels would fit with the Districts stated mission.
- B. Propose permanent acquisition of those tidal parcels. the District would avoid the complex, costly and time consuming process of determining the transfer details. Minimum maintenance and liabilities associated with those tidal lands would be more easily folded into exiting District operations.

Leaving the other parcels in private hands would do these two things. Maintain properties on the tax rolls and perhaps allow the construction of a campground in the area of the existing house and barn complex utilizing existing water and septic facilities.

Following through with this transfer would eliminate the area from being considered for our areas much needed freshwater wetland mitigation sites.

I appreciate being able to contribute input into this process as this area is of very special value. It is not under current threat of development so the urgency factor is not significant.

Thank you

Uri Driscoll

My name is Joan Romo, and I am a Humboldt County resident.

After re-reading the Staff Report –Harbor District Meeting, June 20, 2019, I found there was information that seemed vague and needed to be clarified.

In the Discussion paragraph, it stated:

DISCUSSION: The preliminary budget is essentially the first draft, and Staff and the Board will continue to meet and make adjustments until the final budget is adopted. **The biggest issues that must be addressed are the repayment of the Coast Seafood loan associated with removing contamination; payment of property taxes at RMT II, and payment of expenses associated with dredging. Another big expense is the three retirements that occurred. As a result of Collective Bargaining Agreements, the District is responsible for the Health insurance for retirees will increase from approximately \$36,000 at the beginning of FY 2017-18 to \$96,000 in FY 2019-20. As discussed at pervious meetings, the focus of this year's budget will be on: cost containment, transferring expenses where ever possible, increasing revenues, deferring expenses, and not taking on additional liabilities.**

Questions:

Why isn't the dredging of the marina the **FIRST** of the biggest issues that must be addressed financially instead of third on the list?

What does "transferring expenses" mean as part of the focus for this year's budget? Transfer expenses where and/or to what?

What does "deferring expenses" mean?

How serious is the District to "not taking on additional liabilities"?

What "credit score" do you think the District has financially right now based on your debt-to-income ratio and your credibility to pay off your loans?

Why was the original July 1st Special meeting called a "Budget Review (If Necessary)" when July 11th should have been the latest time a budget approval could be made in order to get to the BOS in a **COMFORTABLE** time for them to approve the budget **BEFORE** August 1st?

Why was a July 25th Regular meeting scheduled for the "Final Budget Review, Adoption and Transmission to Board of Supervisors" when the

agenda has to be posted by July 26th for the July 30th BOS meeting?

How much principle has been paid for the Coast Seafood loan so far?

Is the public going to have any idea how the four grants are going to be used? For example: projected use and then a report on actual use of the funds?

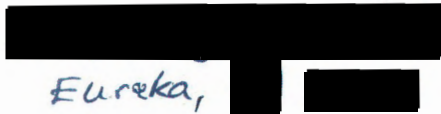
Is any of the \$187,113 Grant money designated for the Harbor going to go to help the dredging crisis?

I would like to have a written copy of the answers to the above questions.

Thank you.



Joan Romo



Eureka,

COMMISSIONERS
 1st Division
 Larry Doss
 2nd Division
 Greg Dale
 3rd Division
 Stephen Kullmann
 4th Division
 Richard Marks
 5th Division
 Patrick Higgins

Humboldt Bay
 Harbor, Recreation and Conservation District
 (707) 443-0801
 P.O. Box 1030
 Eureka, California 95502-1030



STAFF REPORT - HARBOR DISTRICT MEETING
June 20, 2019

TO: Honorable Board President and Harbor District Board Members
FROM: Larry Oetker, Executive Director
DATE: June 18, 2019
TITLE: FY 2019-20 District Budget Preparation – draft goals revenues and expenditures by programmatic activity

RECOMMENDATION: It is recommended that the Board: Receive a report of the draft goals, income and expenditures for Port Operations, Conservation and Recreation Programs, Administrative Services, General Operating and Staffing.

INTRODUCTION: The Budget is prepared annually under direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on June 13, 2019 the Board adopted a preliminary budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors no later than August 1, 2019.

DISCUSSION: The preliminary budget is essentially the first draft and Staff and the Board will continue to meet and make adjustments until the final budget is adopted. The biggest issues that must be addressed are the repayment of the Coast Seafood loan associated with removing contamination; payment of property taxes at RMT II, and payment of expenses associated with dredging. Another big expense is the three retirements that occurred. As a result of Collective Bargaining Agreements, the District is responsible for the Health insurance for retirees will increase from approximately \$36,000 at the beginning of FY 2017-18 to \$96,000 in FY 2019-20. As discussed at previous meetings, the focus of this year's budget will be on cost containment, transferring expenses where ever possible, increasing revenues, deferring expenses, and not taking on additional liabilities.

The Board established the following schedule to review and adopt the 2019-20 Budget.

Date	Meeting Type	Purpose
May 23 rd	Regular	Review Preliminary Budget with Preliminary Goals, Income, and Expenditures: 1. Redwood Marine Terminal I 2. Redwood Marine Terminal II 3. Shelter Cove
June 13 th	Special	Preliminary Goals, Income, and Expenditures: 1. Woodley Island Marina 2. Fields Landing Boat Yard 3. Dredging
June 20 th 12:00 PM	Special	Preliminary Goals, Income, and Expenditures: 1. Woodley Island Marina 2. Fields Landing Boat Yard 3. Dredging
June 27 th 7:00 PM	Regular	Preliminary Goals, Income, and Expenditures: 1. Port Operations 2. Conservation and Recreation Programs 3. Administrative Services 4. General Operating and Staffing 5. Follow up discussion from previous budget meeting topics
July 11 th 12:00 PM	Special	Budget Review (If Necessary)
July 25 th	Regular	Final Budget Review, Adoption and Transmission to Board of Supervisors

Exhibits:

- A) Budget Income draft
- B) Budget Expenses draft

COMMISSIONERS
1st Division
Larry Doss
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Richard Marks
5th Division
Patrick Higgins

Humboldt Bay
Harbor, Recreation and Conservation District
(707)443-0801
P.O. Box 1030
Eureka, California 95502-1030



TO: Joan Romo

FROM: Larry Oetker, Executive Director

DATE: July 12, 2019

SUBJECT: Response to questions raised at the July 11, 2019 Board Meeting.

Why isn't the dredging of the marina the FIRST of the biggest issues that must be addressed financially instead of third on the list?

- There was no priority order of the items listed in the Staff Report.

What does "deferring expenses" mean?

- "deferring expenses" means not paying a specific invoice immediately upon receipt. On the last page of the 7-11-19 Staff Report Attachment B under Assumptions 2d) it states "Property taxed expense for back taxes is not paid until January. That is the specific reference in the Staff Report. All other invoices will be paid upon receipt.

How serious is the District to "not taking on additional liabilities"?

- The District takes liabilities very seriously. Liability come in many forms. Some are unfunded mandates from the state legislature that the District has no discretion.

Why was the original July 11th Special meeting called a "Budget Review (If Necessary) when July 11th should have been the latest time a budget approval could be made in order to get to the BOS in a COMFORT ABLE time for them to approve the budget BEFORE August 1st?

- The July 11th Special meeting was (if Necessary) because there were four previous budget meetings scheduled (two at Regular Meetings and two at Special Meetings). If there were specific questions or topics that needed additional time, then the July 11th Special Meeting was set aside for those purposes. At any of the previous four noticed meetings on this topic no issues or requests for additional information was requested that was not addressed to the Boards satisfaction at the meeting in which it was brought up or at the following meeting. The Draft Budget that was presented at the Regularly scheduled meeting on June 27th was the exact same budget with no changes to any numbers on the final budget adopted by the Board on July 11th.
- In the Staff Report for the Board meeting on May 8, 2019, there was an agenda item Titled: Consideration of Initial 2019-20 District Budget Preparation Schedule. In this Report, Staff recommended and the Board approved a series of budget meetings. "These series of meeting would double as strategy sessions which would be used by the Board, Executive Director and

District Staff to get a clear understanding of where each activity is at financially and what we can reasonably accomplish within our financial means. “ The following are the dates meeting type and purpose of each meetings.

Date	Meeting Type	Purpose
May 23rd	Regular	Review Preliminary Budget with Preliminary Goals, Income, and Expenditures: 1. Redwood Marine Terminal I 2. Redwood Marine Terminal II 3. Shelter Cove
June 13th	Special	Preliminary Goals, Income, and Expenditures: 1. Woodley Island Marina 2. Fields Landing Boat Yard 3. Dredging
June 27 th	Regular	Preliminary Goals, Income, and Expenditures: 1. Port Operations 2. Conservation and Recreation Programs 3. Administrative Services 4. General Operating and Staffing 5. Follow up discussion from previous budget meeting topics
July 11th	Special	Budget Review (If Necessary)
July 25 th	Regular	Final Budget Review, Adoption and Transmission to Board of Supervisors

Why was a July 25th Regular meeting scheduled for the "Final Budget Review, Adoption and Transmission to Board of Supervisors" when the agenda has to be posted by July 26th for the July 30th BOS meeting?

- The District is required to transmit a final budget to the Board of Supervisors. There is not requirement for the Final Budget to be approved by the Board of Supervisors.

How much principle has been paid for the Coast Seafood loan so far?

- Table 7 on page 11 of the year ending June 30, 2018 audited Financial Statements state that the Note Payable to Coast Seafood’s was \$1,156,375.

Is the public going to have any idea how the four grants are going to be used? For example: projected use and then a report on actual use of the funds?

- The Grants were outlined and discussed in one of the four public meetings held by the Board as outlined above.
- Four grants are listed in the Expense section and Income section of the budget. These grants are for

Conservation Grant: Spartina Removal

Recreation Grant: Boating and Waterways grant to assist with the Shelter Cove Fish Cleaning Station project

Harbor Grant: Long Term Sediment Management Plan to complete an Environmental Impact Report to analyze where all dredge material from all marina’s docks, boat ramps

and other areas in Humboldt Bay may be beneficially reused.
Facilities Grant: USEPA Brownfields grant to assess and remove material from the District's Redwood Marine Terminal II facility.

Is any of the \$187,113 Grant money designated for the Harbor going to go to help the dredging crisis?

- Yes, the Long Term Sediment Management Plan will be used to complete and Environmental Impact Report to analyze where all dredge material from all marina's docks, boat ramps and other areas in Humboldt Bay may be deposited in the bay for Beneficial Reuse.

If you have any further questions, do not hesitate to ask. My direct phone number is 443-3401.