

Harbor meets to discuss liability insurance

June 27, 2023



In a special-called meeting, harbor commissioners met to discuss raising liability insurance coverage to protect commissioners against future law suits and released its first public press release on the Fashion Blacksmith lawsuit.

The Crescent City Harbor District has received and reviewed the arbitrators decision in the Fashion Blacksmith case. CCHD will obtain the required permitting to dredge the area in front of Fashion Blacksmith as soon as possible which we hope to have completed in advance of the deadline set by the arbitration panel.

In 2021 CCHD engaged professional dredge permitting consultants and is actively engaged in the sampling, testing, and permitting process as required by the North Coast Regional Water Quality Control Board, the US Army Corps of Engineers, US Fish and Wildlife, Cal Fish and Wildlife, National Marine Fisheries Service, and the California Coastal Commission and in communication with staff from these agencies weekly.

We remain fully committed to the successful future of the Crescent City Harbor, our lessees, our commercial fishermen, and our harbor patrons.

The meeting was called in the wake of the arbitrators' decision awarding tenant Fashion Blacksmith nearly two million from the Harbor. Harbormaster Tim Petrick advised commissioners there were several tenants who currently have arbitration clauses in their leases, similar to Fashion Blacksmith, and the harbormaster recommended these clauses be removed from future tenants leaseholds, as a result of the Fashion Blacksmith lawsuit.

Any proposed increase would not satiate the arbitration decision. The Superior Court-filed decision continues to accrue interest at seven percent and may incur additional punitive action if it (the harbor) fails to fix several flaws in the building Fashion occupies by September 15, 2023 and satisfactorily dredges underneath the Fashion syncrolift, allowing ingress and egress for larger vessels, by October 31, 2023.

Commissioners learned a two million dollar liability policy would cost just over \$18,000 per annum with a deductible of \$25,000. Currently, the harbor holds a one million dollar liability coverage at a cost of \$13,400, annually with the same deductible.

The vote to increase the liability policy to two million failed to pass.

Commissioners Gerhard Weber and Rick Shepherd attempted to abstain, the Triplicate advised both, Eisenberg's Rules for parliamentary protocol require a reason for abstention, such as a money conflict or the appearance of impropriety.

Weber promptly changed his vote to a no vote, stating he remained unclear of personal liability issues. Commissioner Shepherd continued to hold firm on his abstention vote despite the rules requiring elected to vote, citing he continued to express concern about excessive spending by the Commission.

The vote was 2-2-1, commissioners Wes White and Brian L. Stone voting yes, commissioners Harry Adams and Weber voting no and commissioner Shepherd abstaining from the vote.

Upon completion of the unsuccessful vote, commissioners moved into another Closed Session discussion on the Fashion Blacksmith lawsuit and released the the statement printed within this article.