



Regular Public Session of September 24, 2019

Santa Cruz Port Commission MINUTES

Commission Members Present:

Dennis Smith	Chairman
Stephen Reed	Vice-chairman
Toby Goddard	Commissioner
Darren Gertler	Commissioner
Neli Cardoso	Commissioner

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Smith brought the regular public session to order at 7:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

1. Pledge of Allegiance
2. Oral Communication

Discussion: Chairman Smith began the meeting with a moment of silence to honor the 34 victims onboard the vessel *Conception*, which caught fire and sank on September 2, 2019, off the Santa Cruz Islands.

Commissioner Goddard stated that he has accepted a position on the CMANC Board of Directors and will be participating in the upcoming Fall meeting. Vice-chairman Reed thanked Commissioner Goddard and stated that having Port District representation on the Board is beneficial.

Chairman Smith stated that it will be beneficial to monitor future climate events and the associated impacts on the local commercial fishery. Vice-chairman Reed suggested that the Port District invite an expert in fishery management to present relevant information to the Commission. Port Director Olin stated that staff will research that possibility.

Port Director Olin announced that Harbormaster Marshall will retire effective December 3, 2019. She stated that as of September 23, 2019, Harbormaster Marshall is utilizing leave balances and no longer on duty. Assistant Harbormaster Anderson has been appointed to fill the position on an interim basis.

The Commission expressed their support for Assistant Harbormaster Anderson filling the role of interim Harbormaster.

CONSENT AGENDA

3. Approval of Minutes
a) Special Closed and Regular Public Session of August 27, 2019

Discussion: Commissioner Cardoso stated that it is her opinion that the meeting minutes from August 27, 2019 (item 22), do not accurately reflect her intentions, as she did not intend to make personal accusations.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the consent agenda.
- *Motion carried. Commissioner Cardoso voting NO.*

REGULAR AGENDA

4. Authorization to Acquire a Replacement Patrol Vessel:
a) Approval of Resolution 19-08 – Authorizing the Port Director to Execute Grant Agreement Documents with the State of California for Patrol Vessel Funding
b) Authorization to Purchase Replacement Patrol Vessel from Moose Boats (NTE \$537,675)

Discussion: Assistant Harbormaster Anderson summarized the staff report and recommended the Commission authorize staff to pursue a sole-source acquisition of a replacement patrol vessel from Moose Boats. He stated that after extensive research, he is confident that Moose Boats will supply the best possible rescue craft available to meet the needs of the District's search and rescue operation. He outlined the following vessel specifications available from Moose Boats:

- High viewing platform and freeboard
- Ample storage compartments
- Ample deck space
- Proprietary hull design with a consistent 20-degree deadrise
- Local manufacturing facility in Vallejo, California

A brief discussion ensued regarding the extensive research staff performed to identify the most suitable replacement option. Assistant Harbormaster Anderson stated that performing site visits and test driving various models of vessels was beneficial in identifying and determining which vessel would perform best in the waters of the Monterey Bay.

In response to a question posed by Vice-chairman Reed, Assistant Harbormaster Anderson stated that the Moose Boats M3 vessel is well suited for carrying multiple passengers/victims due to its increased size and deck

space. He stated that the vessel will be equipped with two "cut outs" (in lieu of a swim step) that will aid in assisting victims onto the vessel.

Commissioner Goddard expressed support for the sole-source acquisition and stated that the walkaround cabin design feature will provide additional safety benefits to the crew.

In regards to funding, Port Director Olin stated that a final grant agreement will be drafted once all project information forms are submitted to the State. She stated that reimbursement under the grant will be issued upon project completion. Deficit spending from the CIP (currently \$18,277 allocated for vessel replacement) will occur until reimbursement is received.

The Commission was supportive of moving forward with a sole-source acquisition of a Moose Boats M3 patrol vessel. Commissioner Goddard noted that the new patrol vessel will be a tremendous resource for the community.

- MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to:
- a) Approve Resolution 19-08 – Authorizing the Port Director to execute grant agreement documents with the State of California for patrol vessel funding; and
 - b) Authorize the purchase of a replacement patrol vessel manufactured by Moose Boats in an amount not to exceed \$537,675.
- *Motion carried unanimously.*

5. Approval of Resolution 19-09 – Adopting the Personnel Policies Handbook

Discussion: Port Director Olin stated that the District's current handbook has not been updated since January 2012. She stated that the revised policies are intended to strengthen current processes and provide greater transparency to both employees and administrators.

Port Director Olin stated that revisions can be classified into the following categories:

- Legal Compliance (changes necessary to comply with applicable laws)
- Best Practices (changes for improved management)
- Substantive Changes (significant changes to current policies)

Commissioner Goddard stated that it may be beneficial for the Port District to develop an appendix to the Port Commission's Policies/Procedures Manual to define and outline the roles, purpose, and function the Port Commission plays relative to Human Resources. Port Director Olin stated that this item can be added to the calendar as a future item.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve Resolution 19-09 – Adopting the Personnel Policies Handbook, dated September 24, 2019.
- *Motion carried unanimously.*

6. Acceptance of Final FY19 Audited Financial Statement

Discussion: Port Director Olin presented the final FY19 audited financial statement, noting the only variances from the draft audit presented in August are two minor changes based on input from the Commission during the review of the draft audit:

- Note 2 Cash and Cash Equivalents has been modified to include a statement about the investment policy adopted by the Port Commission in November 2018.
- Note 8 Operating Leases has been modified to clarify that minimum future lease income to be received is based on non-cancelable rent and concession leases.

In response to a questioned posed by Commissioner Goddard, Port Director Olin confirmed that the FY19 financial statements were reported in a single-year format, due to the implementation of GASB 75. She stated that the FY20 financial statement will revert to a two-year format for comparison purposes.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Gertler to accept the FY19 audited financial statement.
- *Motion carried unanimously.*

7. Approval of Cash / Payroll Disbursements – August 2019

Discussion: Chairman Smith commented that the District's expenses for legal consultation and utilities are significant.

In response to a question posed by Commissioner Goddard, Port Director Olin confirmed that Warrant #52142 – Beach Dozer Rental, pays multiple invoices that were not received until recently.

A brief discussion ensued regarding Warrant #52161 – Generator for *Twin Lakes*. Port Director Olin stated that the previous generator was not under warranty and in need of replacement due to the marine environment. She stated that a protective cover has been fabricated for the new generator to mitigate exposure to environmental factors.

In response to a question posed by audience member Tom Whieldon, Port Director Olin stated that First Alarm provides overnight security at the harbor

and has done so for many years. She stated that scheduling changes have been made to ensure there is more overlap and training between First Alarm and Deputy Harbormaster staff, to enhance harbor security.

In response to a question posed by audience member Tom Whieldon regarding Washington Representation, Commissioner Goddard stated that the small monthly expense results in a significant return on investment to the Port District.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve cash/payroll disbursements for August 2019, in the amount of \$1,176,057.77.
- *Motion carried unanimously.*

INFORMATION

8. Port Director's Report

October Commission Meeting

Port Director Olin announced that the Regular Public Session of October 22, 2019, has been rescheduled to October 29, 2019, at 7:00 PM.

Monterey Bay Air Resources District (MBARD)

Port Director Olin stated that Administrative Services Manager MacLaurie has worked with MBARD to finalize revisions to the District's hydrogen sulfide nuisance protocol for the 2019-20 dredge season.

Aldo's Seawall Replacement Project

Port Director Olin stated that work on the Aldo's Seawall Replacement Project continues. She stated that Granite Construction is driving the last of the sheet piles this week, and then will begin preparations for the tieback installation.

Pile Removal and Replacement Project

Port Director Olin stated that Phase 2 of the Pile Repair and Replacement Project is underway. Bellingham Marine has assembled two barges to assist with the project and will mobilize to the north harbor within the coming days. Once work in the north harbor is complete, Bellingham will return to the south harbor to finish the remaining piles.

Boatyard Marine Ways Support Piles

Port Director Olin stated that Bellingham Marine will repair three support piles at the Boatyard marine ways as part of a change order to Phase 2 Pile Repair and Replacement Project. She stated that repair costs are estimated to be \$66,000 for all three piles.

Eastside Public Pier Pile Inspection

Port Director Olin stated that Moffatt & Nichol recently performed an inspection of the east side public pier pilings. She stated that a final inspection report is pending, but at least five piles have been identified for potential repair / jacketing.

Claims

Port Director Olin stated that the following claims have been settled:

- Klee - \$4,800 for vessel damage (struck by *Dauntless*)
- Flint - \$50 for miscellaneous damage to RV items (Sewage spill at RV Park)

Army Corps of Engineers Reimbursement

Port Director Olin stated that the reimbursement request for Quarters 1 and 2 have been paid by the Corps in the amount of \$192,500.

Pappy

Port Director Olin reported that Hogan Land Services has completed the design of a display cradle for *Pappy* and the District has authorized additional services for a preliminary cost estimate, which will be presented to the Commission for review at next month's meeting.

California Association of Harbormasters and Port Captains (CAHMPC)

Port Director Olin announced that Senior Deputy Harbormaster Kinnamon was recently honored with a Distinguished Service Award by the California Association of Harbormasters and Port Captains.

9. Harbormaster's Report (*There was no discussion on this agenda item*)
10. Review Vessel Insurance Compliance Report

Port Director Olin reviewed compliance statistics and reported that a majority of slip licensees are in compliance with the vessel insurance policy requirements. She stated that enforcement measures were not implemented when the policy was implemented. She recommended that the Policy-Operations Committee meet and consider enforcement options and develop a recommendation for consideration by the Commission.

11. Facilities Maintenance & Engineering Manager's (FME) Report

Chairman Smith commented on the District's new serrated cutterhead, which was recently installed on *Squirt*. Port Director Olin stated that the crew is hopeful the new cutterhead will increase productivity for inner-harbor dredging.

12. Sea Scouts' Bi-Annual Report

In response to a question posed by Chairman Smith, Port Director Olin stated that she has been in contact with Sea Scouts' Director, Kevin Melrose, and informed him that if he wishes to replace *Steeves* with a more suitable vessel, he is advised not to proceed until he has an approved plan and berthing for the vessel.

13. Delinquent Account Reporting (*There was no discussion on this agenda item*)
14. Review of Financial Reports (*There was no discussion on this agenda item*)
 - a) Comparative Seasonal Revenue Graphs

15. Crime/Incident/Citation Report – August 2019 *(There was no discussion on this agenda item)*
16. Written Correspondence *(There was no discussion on this agenda item)*
 - a) Letter from Aimee S. Mangan, Executive Director of BBBS, to Port Commission
17. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Smith adjourned the regular public session at 8:05 PM.



Dennis Smith, Chairman