



Regular Public Session of August 22, 2023

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Darren Gertler Chair
Dennis Smith Commissioner
Toby Goddard Commissioner (via Zoom)
Reed Geisreiter Commissioner

Commission Members Absent:

Stephen Reed Vice-chair

REGULAR PUBLIC SESSION – 5:30 PM

Chair Gertler convened the regular public session at 5:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

1. Pledge of Allegiance
2. Oral Communication

Commissioner Geisreiter reported that he was in attendance for the August 1, 2023, site visit with Third District Supervisor Justin Cummings. He stated that the visit was beneficial and provided a good opportunity for Supervisor Cummings to learn more about the harbor's operation.

CONSENT AGENDA

3. Approval of Minutes
 - a) Special Closed & Regular Public Meeting of July 25, 2023

MOTION: Motion made by Commissioner Smith, seconded by Commission Geisreiter to approve consent agenda item 3.
- *Motion carried. Vice-chair Reed ABSENT.*

REGULAR AGENDA

4. Review Draft FY23 Audited Financial Statement

Discussion: Port Director MacLaurie introduced Kim Said of the auditing firm, Hutchinson and Bloodgood.

Ms. Said reviewed the draft FY23 audit and reported that the District received a clean, unmodified opinion in all respects for the audit year ending March 31, 2023.

Ms. Said highlighted the following:

- As of March 31, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,165,484.
- Operating revenues for the District totaled \$11,171,967 for fiscal year 2023, compared to \$10,821,395 for fiscal year 2022.
- Operating expenses for the District (before depreciation, amortization and non-cash OPEB liability) met budget expectations and totaled \$8,479,730 (\$37,154 over budget), and were approximately \$913,725, or 12% higher than the prior year.
- Non-operating revenues for the District totaled \$3,384,109 for fiscal year 2023, compared to \$1,036,913 for fiscal year 2022. This increase is due primarily to non-cash pension income, receipt of insurance proceeds from the January 2022 tsunami, and receipt of dredging reimbursement from the U.S. Army Corps of Engineers.
- The District's net position as of March 31, 2023, totaled \$35,165,484. This represents an increase of \$3,796,252 or approximately 12% over the previous fiscal year.
- In FY23, the Port District implemented one new accounting policy – GASB Statement No. 87, Leases.

The Commission provided direction to incorporate the following modifications into the FY23 Audited Financial Statement for review and action at the upcoming regular public session of September 26, 2023:

- Include updated verbiage to Operating Expenses (page 7).
- In reference to GASB 87, change "Adoption" of New Accounting Standards to "Implementation" of New Accounting Standards (page 15).
- Add language to address increased insurance premium costs in Note 7 (page 26).
- Update the calculation for plan's proportion of the net pension liability (page 32).
- Include total cost for annual insurance premiums (page 40).

Commissioners thanked staff for their efforts in preparing this year's audit.

5. Consideration of 6-Pak Charter Permit Application – Valhalla of Santa Cruz Charters (J. & R. Coffin)

Discussion: Harbormaster Anderson requested that the Commission consider authorization of a 6-pak charter operation in the southwest harbor. He stated that approval of this request would have minimal impact in the area.

In response to a question posed by Commissioner Smith, Harbormaster Anderson confirmed that there is a high demand for eco-tour charters such as the one being proposed by Valhalla of Santa Cruz Charters.

Commissioner Smith expressed support for approving the proposed charter operation.

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Geisreiter to approve the south harbor charter operation (6-pak) for Jefferey and Ruth Coffin of Valhalla of Santa Cruz Charters.
- *Motion carried. Vice-chair Reed ABSENT.*

6. Review Status of North Harbor Transformer Replacement Project

Discussion: Port Director MacLaurie stated that the Commission previously authorized this critical infrastructure repair project to proceed on a design-build basis (under emergency authorization), with TranSystems providing design and engineering services for the District. She stated that TranSystems has completed the necessary construction drawings and the new transformer placement locations are being presented for Commission review.

Port Director MacLaurie stated that in order for this project to move forward, a funding source will need to be identified (funding options outlined in the staff report).

The Commission reviewed the construction drawings and discussed the proposed final placement of the new equipment.

Commissioner Geisreiter expressed support for moving this critical project forward. A discussion ensued regarding identifying a funding source for this project. There was consensus among the Commission to utilize unrestricted cash to fund this project.

Port Director MacLaurie stated that unrestricted cash will be allocated toward this project at the time of contract award.

7. Approval of Cash / Payroll Disbursements – July 2023

Discussion: In response to questions posed by the Commission, staff provided additional information on the following warrants:

- Warrant # 58520 – Bay Building Janitorial, Inc.
Port Director MacLaurie stated that contract janitorial services have been expanded to replace the part-time weekend janitorial position.
- Warrant # 58641 – Crane Rental for *Twin Lakes* Demobilization
Facilities Maintenance & Engineering Manager Wulf stated that due to the tsunami and storm related damages to the east side embankment crane

pad, a larger crane (with an extended boom) was rented to facilitate off-season dredge maintenance.

- Warrant # EFT – Comerica Commercial Card Monthly Statement
Port Director MacLaurie stated that the itemized list of charges was inadvertently omitted. Purchase details are provided below:

When/ Work Subscription, Patrol Vehicle Firearm Locks, CALE Locks, Zoom Subscription, Promotional Photography, Newsletter Template, Commission Meeting Refreshments, Equipment Fuel, Restroom Door Levers, Distilled Water, Toll, Public Meeting Room Supplies, Prosper Forms Subscription, Aerator Cooling Fan, Commissioner Photograph Framing, Padlock, Janitorial Supplies, Pest Control, Deposit Bag, Leak Test, Table Covers, Pile Repair Grout, AED Battery Replacement, Hazardous Waste Training Course, Canopy, Impact Driver, Penetrating Oil, Welding Hood Repair, Porto-Power Ram, Respirator Assembly, Face Shield, Compression Fittings, Drill Press Arbor, Electrolyte Solution, Annular Cutter

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to approve cash and payroll disbursements for July 2023, in the amount of \$1,532,227.11.
- *Motion carried. Vice-chair Reed ABSENT.*

INFORMATION

8. Port Director's Report

Port Director MacLaurie stated that the District is currently reviewing a proposal from The Ferguson Group for grant writing consulting services.

9. Harbormaster's Report

Harbormaster Anderson stated that Cushman Contracting has completed all forty-five (45) pile replacements and will begin installing the HDPE sleeves and pile caps next week.

On behalf of the Santa Cruz Yacht Club, audience member Bob Dewitt thanked staff and the Commission for their support of the 31st Annual Day on the Bay Regatta event.

10. Facilities Maintenance & Engineering Manager's Report (*There was no discussion on this agenda item*)

11. 2022-23 Dredge Report

In response to a question posed by Commissioner Smith, Facilities Maintenance & Engineering (FME) Manager Wulf stated that an updated entrance channel sounding will be performed this week.

In response to a question posed by Commissioner Goddard, FME Manager Wulf stated that he would confirm that the replacement suction pipes referenced in recommendation number 8 (replace jetting and suction pipes on ladder) are on hand at the dredge yard.

Chair Gertler expressed his appreciation for the detailed report.

12. Financial Reports (*There was no discussion on this agenda item*)
 - a) Comparative Seasonal Revenue Graph
 - b) Review of FY24 Budget Impacts – Salmon Season Closure
 - c) CLASS Statement
 - d) LAIF Statement
13. Delinquent Account Reporting (*There was no discussion on this agenda item*)
14. Harbor Patrol Incident Response Report – July 2023 (*There was no discussion on this agenda item*)
15. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chair Gertler adjourned the regular public session at 6:41 PM.

Darren Gertler, Chair

Santa Cruz Port District
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Santa Cruz, CA 95062
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www.santacruzharbor.org



PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

To: Port Commission

From: Blake Anderson, Harbormaster

Date: September 19, 2023

Subject: Approval of Resolution 23-07 – Accepting a Boating Safety and Enforcement Equipment Grant in the Amount of \$9,500

Recommendation: *Approve Resolution 23-07.*

BACKGROUND

Earlier this year, the Port District applied for a Safety and Enforcement Equipment Grant from the Division of Boating and Waterways (DBAW). The grant will be used to upgrade marine navigation electronics on the *P/B Kinnamon*, including new multifunction displays (MFDs) and a new high-resolution radar array.

ANALYSIS

The Port District's application has been accepted, reviewed, and approved by the DBAW. An original copy of the Port District's resolution, authorizing the execution of this contract is required. The agreement will expire on September 30, 2024.

IMPACT ON PORT DISTRICT RESOURCES

DBAW has approved the grant application for the purchase of new marine electronics for a maximum amount of \$9,500. There is no match requirement associated with this grant. This grant will help reduce overall costs to the District associated with the maintenance of the patrol boat.

ATTACHMENTS: A. Resolution 23-07

Santa Cruz Port District
Resolution 23-07
September 26, 2023

On the motion of _____

Duly seconded by _____

A resolution authorizing the Port Director to execute documents accepting a Boating Safety and Enforcement Equipment Grant from the State of California Division of Boating and Waterways.

WHEREAS, the State of California Division of Boating and Waterways funds a Safety and Enforcement Equipment Program; and,

WHEREAS, the Division of Boating and Waterways has approved an application by the Santa Cruz Port District to fund a \$9,500 Boating Safety and Enforcement Equipment for purchasing marine navigation electronics on the *P/B Kinnamon*, including new multifunction displays (MFDs) and a new high-resolution radar array; and,

WHEREAS, this grant will help reduce overall costs to the District associated with the maintenance of the patrol boat; and,

WHEREAS, the terms of the contract expire on September 30, 2024; and,

WHEREAS, the Port District is not required to match a contribution for participation in this grant program.

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz Port District Commission hereby authorizes the Port Director to execute contract documents for the Boating Safety and Enforcement Equipment Grant Program.

PASSED AND ADOPTED, by the Santa Cruz Port District Commission this 26th day of September, 2023, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Approved by:

Darren Gertler, Chair

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PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission
FROM: Holland MacLaurie, Port Director
DATE: September 15, 2023
SUBJECT: Acceptance of Final FY23 Audited Financial Statement

Recommendation: Accept the FY23 audited financial statement.

BACKGROUND

At the Port Commission meeting of August 22, 2023, Hutchinson and Bloodgood (H&B) auditor Kim Said reviewed the draft FY23 audit. H&B's opinion was unmodified, meaning the District received a clean audit. The audit is appended as Attachment A.

ANALYSIS

Staff recommends acceptance of the final FY23 audit.

After acceptance, the final audited figures will be used to prepare the Debt Service Ratio (DSR) report for PNC Bank (formerly BBVA Compass Bank) in accordance with our loan agreement. The DSR report will be included in the Commission's October regular meeting packet as an information item.

IMPACT ON PORT DISTRICT RESOURCES

There is no cost to the Port District associated with accepting the audited financial statement.

ATTACHMENTS: A. Audited Financial Statement as of March 31, 2023

SANTA CRUZ PORT DISTRICT

FINANCIAL REPORT

Year ended March 31, 2023

DRAFT

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Santa Cruz Port District
Santa Cruz, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Santa Cruz Port District (the "District"), which comprise the statement of net position as of March 31, 2023, and the related statements of revenues, expenses, and change in net position and cash flows for the year then ended, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Santa Cruz Port District, as of March 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions – defined benefit pension plans, and the schedule of changes in the net OPEB liability and related ratios, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **September 26, 2023** on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

September 26, 2023

SANTA CRUZ PORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2023

This discussion and analysis of the Santa Cruz Port District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended March 31, 2023. Please read in conjunction with the District's basic financial statements.

FINANCIAL HIGHLIGHTS

- As of March 31, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,165,484.
- Operating revenues for the District totaled \$11,171,967 for fiscal year 2023, compared to \$10,821,395 for fiscal year 2022.
- Operating expenses for the District (before depreciation, amortization and non-cash OPEB liability) met budget expectations and totaled \$8,479,730 (\$37,154 over budget), and were approximately \$913,725, or 12% higher than the prior year.
- Non-operating revenues for the District totaled \$3,384,109 for fiscal year 2023, compared to \$1,036,913 for fiscal year 2022. This increase is due primarily to non-cash pension income, receipt of insurance proceeds from the January 2022 tsunami, and receipt of dredging reimbursement from the U.S. Army Corps of Engineers.
- The District's net position as of March 31, 2023, totaled \$35,165,484. This represents an increase of \$3,796,252 or approximately 12% over the previous fiscal year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENT

The Port District is accounted for as an enterprise activity, and therefore follows the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and notes to the financial statements. Management's discussion and analysis provides a narrative of the District's financial performance and activities for the year ended March 31, 2023. The basic financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses, and Change in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.

The *Statement of Cash Flows* presents information showing how the District's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

SANTA CRUZ PORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2023

STATEMENT OF NET POSITION

The District's net position as of March 31, 2023, totaled \$35,165,484. This represents an increase of \$3,796,252 or approximately 12% over the previous fiscal year. The District's financial position as of March 31, 2023, and 2022 is presented below:

| | 2023 | 2022 |
|------------------------------------|----------------------|----------------------|
| Assets | | |
| Current and other assets | \$ 16,053,582 | \$ 12,836,137 |
| Capital assets net of depreciation | 35,441,044 | 36,908,146 |
| Other assets | 14,239,955 | 1,017,008 |
| Total Assets | 65,734,581 | 50,761,291 |
| Deferred outflows | 2,337,567 | 1,036,310 |
| | <u>\$ 68,072,148</u> | <u>\$ 51,797,601</u> |
| | 31% | 4% |
| Liabilities | | |
| Current liabilities | \$ 2,978,914 | \$ 2,715,995 |
| Long-term debt | 9,549,108 | 10,912,376 |
| Unearned revenue | -- | 316,086 |
| Net pension liability | 5,417,181 | 2,908,996 |
| Net OPEB liability | 807,791 | 776,506 |
| Total Liabilities | 18,752,994 | 17,629,959 |
| Deferred inflows | 14,153,670 | 2,798,410 |
| | <u>\$ 32,906,664</u> | <u>\$ 20,428,369</u> |
| | 61% | 3% |
| Net position | | |
| Net investment in capital assets | \$ 24,246,416 | \$ 24,283,200 |
| Restricted for debt service | 1,029,556 | 1,017,008 |
| Unrestricted | 9,889,512 | 6,069,024 |
| Total net position | <u>\$ 35,165,484</u> | <u>\$ 31,369,232</u> |
| | 12% | 4% |

Net investment in capital assets represents the District's long-term investment in capital assets, net of accumulated depreciation and related debt. The net investment in capital assets is not available for current operations.

SANTA CRUZ PORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2023

Key changes to the statement of net position are outlined below:

Current Assets

Current assets increased \$3,217,445 in FY23, which is attributable to an increase in cash and cash equivalents (including receipt of \$525,000 in dredging reimbursement from the U.S. Army Corps of Engineers and \$887,363 in insurance proceeds for the January 2022 tsunami) and lease receivables related to the implementation of GASB Statement No. 87 lease accounting standards (GASB 87 is discussed in more detail later in this analysis).

Deferred Outflow of Resources

Deferred outflows of resources increased by \$1,301,257 in FY23, to \$2,337,567. This change is primarily related to an increase in deferred outflows from pension plan as calculated per GASB Statement No. 68 (from \$829,012 in FY22 to \$2,146,081 in FY23), and a reduction in deferred outflows from the OPEB plan as calculated per GASB Statement No. 75 (from \$207,298 in FY22 to \$191,486 in FY23). Actual OPEB contribution (expense) for retirees in FY23 was \$3,067.

Current and Other Liabilities

Current and other liabilities increased by \$2,486,303 in FY23, to \$9,203,886. This is due primarily to an increase in net pension liability. In FY23, the District's long-term portion of unearned revenue was reduced from \$316,086 to \$0 after cancellation of a cost sharing agreement with a not-for-profit tenant for the reconstruction of the building at 2222 East Cliff Drive. Additionally, the City of Santa Cruz released \$400,000 in escrow funding to the Port District for project related costs associated with the Murray Street Bridge Seismic Retrofit Project. As of March 31, 2023, the Port District expended \$121,454 in project related costs. The remaining \$278,546 is recognized as an unearned revenue liability in FY23.

Long-Term Debt Obligations

Long-term debt obligations continue to decrease and were reduced from \$10,912,376 in FY22 to \$9,549,108 in FY23.

Deferred Inflows of Resources

Deferred inflows of resources increased by \$11,355,260 in FY23, to \$14,153,670. This increase is primarily due to the implementation of GASB 87 lease accounting standards. GASB Statement No. 87 requires the Port District to recognize a lease's total potential receivable as well as a deferred inflow of resources, thereby enhancing the transparency of the District's leasing activities. The total deferred amounts from leases is \$13,527,701, which partially offsets the \$741,113 of current lease receivable and \$13,210,399 long-term lease receivable.

SANTA CRUZ PORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended March 31, 2023

CAPITAL ASSETS

As of March 31, 2023, the Port District's capital assets, net of accumulated depreciation, totaled \$35,441,044. The FY23 budget provided \$382,000 in new funding for capital improvement projects and assigned \$240,000 in existing "unallocated" Capital Improvement Plan (CIP) funds to support identified projects.

Major capital improvement project and equipment purchases in FY23 are outlined below:

- Completion of design work for the rehabilitation of the I-Dock restroom and shower facility.
- Completion of priority piling repair at the east side public pier.
- Initiation of work to complete necessary repairs and reconstruction of tsunami damaged facilities.
- Initiation of work to complete necessary repairs to the second story deck at 2222 East Cliff Drive.
- Initiation of a comprehensive condition assessment/inspection of the west side seawall.
- Installation of additional security cameras throughout the harbor.
- Upgrades to parking pay stations.

OPERATING REVENUE

Operating revenues in FY23 totaled \$11,171,967¹ or approximately 110% of budgeted revenues. Operating revenues in FY23 were \$350,572, or approximately 3% higher than the prior year.

Visitor-Related Income

Overall, visitor-related income sources (visitor berthing fees, launch fees, parking, and RV) were \$1,580,866, which exceeded budget projections by \$205,866. Despite exceeding budget projections, FY23 visitor-related revenue was \$79,970 or 5% lower than the prior year. This decrease is attributed to a series of atmospheric river events that occurred during the winter months, as well as unseasonably wet and cool weather that extended through Spring 2023, which reduced visitorship to the harbor.

Slip Rent

Slip rent, at \$4,801,809, met budget projections, and was approximately \$111,609 higher than the prior year due to a 3.2% fee increase implemented April 1, 2022.

Concession Income

Concession income was significantly impacted by the COVID-19 pandemic in FY21 but saw a marked improvement in FY22 and a near return to normal in FY23. FY23 concession income of \$2,111,024 was 12% or \$226,024 higher than budget, and 4% higher than FY22 revenue.

Boatyard Revenue

Boatyard revenue in FY23, at \$445,574, exceeded budget projections by \$116,574. While this represents a decrease of \$21,845 over the prior year, additional proceeds to support expenditures were not required in FY23.

¹ Commencing in FY23, operating revenue is no longer reduced by the non-cash lease revenue from O'Neill Sea Odyssey.

SANTA CRUZ PORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2023

OPERATING EXPENSES

Operating expenses (before depreciation, amortization and non-cash OPEB liability) totaled \$8,479,730 and exceeded budget by \$37,154. Expenses were approximately \$913,725, or 12% higher than the prior year. Dredging expenses of \$1,503,071 were lower than budget by \$65,966. Non-dredging expenses of \$6,976,659 exceeded budget by \$103,120 and were \$735,284 or 12% higher than the prior year. This increase in expenses is attributed to increased insurance premium costs of \$443,539 or 128% and increased fuel purchases (which are offset by increased fuel sales/revenue).

DEBT ADMINISTRATION

The District's debt, acquired in 2013, is related to facilities modernization and up-front funding for acquisition of the dredge vessel *Twin Lakes*. New debt totaling \$3.35 million was acquired in FY19 to fund two capital infrastructure projects, a Seawall Replacement Project at 616 Atlantic Avenue (formerly referred to as the Aldo's Seawall Replacement Project) and the Pile Removal and Replacement Project. In FY22, new debt totaling \$950,000 was assumed for the purchase of 497 Lake Avenue. No new debt was incurred in FY23.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's accountability for the District's assets. If you have questions about this report or need additional financial information, contact the Santa Cruz Port District office at 135 5th Avenue, Santa Cruz, California, 95062.

DRY

SANTA CRUZ PORT DISTRICT

STATEMENT OF NET POSITION

March 31, 2023

ASSETS

CURRENT ASSETS

| | |
|-----------------------------|---------------|
| Cash and cash equivalents | \$ 14,712,539 |
| Trade receivables | 370,963 |
| Interest receivable | 90,362 |
| Intrrest receivable, leases | 36,735 |
| Inventory | 15,832 |
| Lease receivable (Note 8) | 704,378 |
| Prepaid expenses | 122,773 |

Total current assets 16,053,582

RESTRICTED ASSETS

| | |
|------------------------------------|------------------|
| Cash and cash equivalents (Note 2) | <u>1,029,556</u> |
|------------------------------------|------------------|

NON-CURRENT ASSETS

| | |
|---|-------------------|
| Lease receivable, net of current (Note 8) | <u>13,210,399</u> |
| Capital assets (Note 3) | |
| Nondepreciable assets: | |
| Land | 2,201,360 |
| Construction in progress | 998,052 |
| Depreciable assets: | |
| Structures and improvements | 30,720,555 |
| Docks | 27,161,298 |
| Equipment | 11,361,555 |
| Office equipment | 54,374 |
| | <u>72,497,194</u> |
| Less accumulated depreciation | <u>37,056,150</u> |

35,441,044

Total non-current assets 48,651,443

Total Assets 65,734,581

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|-----------|
| Deferred amounts from pension plans (Note 6) | 2,146,081 |
| Deferred amounts from OPEB plan (Note 9) | 191,486 |

Total Deferred Outflows of Resources 2,337,567

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 68,072,148

The notes to financial statements are an integral part of these statements.

SANTA CRUZ PORT DISTRICT

STATEMENT OF NET POSITION

March 31, 2023

LIABILITIES

CURRENT LIABILITIES

| | |
|--|------------|
| Accounts payable and accrued expenses | \$ 316,941 |
| Accrued interest | 62,257 |
| Payroll liabilities | 284,338 |
| Current portion of long-term debt (Note 4) | 1,366,974 |
| Unearned revenue | 278,546 |
| Prepaid slip rents | 246,859 |
| Deposits | 422,999 |

Total current liabilities 2,978,914

LONG-TERM DEBT, less current portion (Note 4) 9,549,108

OTHER LONG-TERM LIABILITIES

| | |
|--------------------------------|-----------|
| Net pension liability (Note 6) | 5,417,181 |
| Net OPEB liability (Note 9) | 807,791 |

6,224,972

Total Liabilities 18,752,994

DEFERRED INFLOWS OF RESOURCES

| | |
|--|------------|
| Deferred amounts from pension plans (Note 6) | 460,211 |
| Deferred amounts from OPEB plan (Note 9) | 165,758 |
| Deferred amounts from leases (Note 8) | 13,527,701 |

Total Deferred Inflows of Resources 14,153,670

NET POSITION

| | |
|----------------------------------|------------|
| Net investment in capital assets | 24,246,416 |
| Restricted for: | |
| Debt service | 1,029,556 |
| Unrestricted | 9,889,512 |

Total Net Position 35,165,484

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$ 68,072,148

SANTA CRUZ PORT DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION Year Ended March 31, 2023

| | |
|-------------------------------------|----------------------|
| Operating revenues: | |
| Charges for berthing and services | \$ 9,060,943 |
| Rent and concessions | 2,111,024 |
| | <u>11,171,967</u> |
| Operating expenses: | |
| Depreciation and amortization | 2,184,840 |
| Dredging operations | 1,503,071 |
| Administrative services | 902,926 |
| Grounds | 909,106 |
| Harbor patrol | 806,715 |
| Fuel services | 805,610 |
| Property management | 686,549 |
| Marina management | 542,949 |
| Parking services | 388,936 |
| Buildings | 387,540 |
| Boatyard operations | 364,793 |
| Docks, piers, marine structures | 502,201 |
| Finance and purchasing | 184,083 |
| Environmental and permitting | 145,693 |
| Rescue services | 107,898 |
| Utilities | 103,385 |
| Non-cash OPEB liability | 95,254 |
| Port commission support | 55,713 |
| Aeration | 37,456 |
| Events | 22,570 |
| Capital projects | 36 |
| Fishery support | 12,014 |
| Tsunami expense | 10,486 |
| | <u>10,759,824</u> |
| Operating income | <u>412,143</u> |
| Non-operating revenues (expenses): | |
| County revenues for public services | 50,000 |
| Grants | 32,393 |
| Dredging reimbursement (Note 10) | 525,000 |
| Interest income | 228,918 |
| Interest income on leases (Note 8) | 439,356 |
| Other income | 605,227 |
| Interest expense | (394,410) |
| Tsunami insurance reimbursement | 887,363 |
| Non-cash pension income | 1,010,262 |
| | <u>3,384,109</u> |
| Increase in net position | 3,796,252 |
| Net position, beginning | <u>31,369,232</u> |
| Net position, ending | <u>\$ 35,165,484</u> |

The notes to financial statements are an integral part of these statements.

SANTA CRUZ PORT DISTRICT

STATEMENTS OF CASH FLOWS

Year Ended March 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|--------------------|
| Cash received from customers | \$ 9,803,406 |
| Cash paid to suppliers and employees | <u>(8,468,481)</u> |
| Net cash provided by operating activities | <u>1,334,925</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|--|------------------|
| County revenues received for public services | 50,000 |
| Grant monies received | 32,393 |
| Government revenues received for dredge operations | 525,000 |
| Cash received from other nonoperating activities | 616,411 |
| Tsunami insurance reimbursement received | 887,363 |
| Interest received on long-term leases | 402,621 |
| Principal received from long-term leases | <u>662,412</u> |
| Net cash provided by noncapital financing activities | <u>3,176,200</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|--------------------|
| Capital expenditures | (728,922) |
| Interest paid on long-term debt | (404,661) |
| Principal paid on long-term debt | <u>(1,326,234)</u> |
| Net cash used by capital and related financing activities | <u>(2,459,817)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|----------------|
| Interest received from investments | <u>147,452</u> |
| Net increase in cash and cash equivalents | 2,198,760 |

CASH AND CASH EQUIVALENTS, BEGINNING

13,543,335

CASH AND CASH EQUIVALENTS, ENDING

\$ 15,742,095

SANTA CRUZ PORT DISTRICT

STATEMENT OF CASH FLOWS
Year Ended March 31, 2023

**RECONCILIATION OF OPERATING INCOME
TO NET CASH FLOWS FROM
OPERATING ACTIVITIES**

| | |
|---|---------------------|
| Operating income | \$ 412,143 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation and amortization | 2,184,840 |
| Non-cash OPEB liability | 95,254 |
| (Increase) decrease in: | |
| Trade receivables | (177,898) |
| Inventory | 492 |
| Prepaid expenses | (31,248) |
| Deferred outflows from OPEB plan | (19,220) |
| Increase (decrease) in: | |
| Accounts payable and accrued expenses | 61,225 |
| Unearned revenue | (104,084) |
| Prepaid slip rents | (4,487) |
| Deposits | (32,604) |
| Deferred inflows from leases | (1,049,488) |
| Net cash provided by operating activities | <u>\$ 1,334,925</u> |

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET POSITION**

| | Current Assets | Restricted Assets | Statements of Cash Flows Total |
|--------------------------------------|----------------------|----------------------|--------------------------------------|
| Year ended March 31, 2023 | | | |
| Cash and cash equivalents, beginning | \$ 12,526,327 | \$ 1,017,008 | \$ 13,543,335 |
| Net increase (decrease) | <u>2,186,212</u> | <u>12,548</u> | <u>2,198,760</u> |
| Cash and cash equivalents, ending | <u>\$ 14,712,539</u> | <u>\$ 1,029,556</u> | <u>\$ 15,742,095</u> |

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: The Santa Cruz Port District (the "District") is a political subdivision of the State of California. The District was organized on November 20, 1950, in conformity with Division 8, Part 4 of the Harbors and Navigation Code, Section 6200 et seq. The District was formed for the purpose of creating a legal entity to negotiate with various governmental agencies for the financing and construction of a small craft harbor and the subsequent operation of the facility. The District began the operation of the small craft harbor in January 1964.

Accounting Policies: The District is accounted for as an enterprise activity, and therefore follows the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Other significant accounting policies are:

Basis of Accounting: The accounting methods and procedures adopted by the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental enterprise funds.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to certain limitations. The District has elected not to follow subsequent private-sector guidance.

The District distinguishes operating revenues and expense from non-operating items. Operating revenues and expenses generally result from fees charged to users of the harbor facilities and maintaining harbor facilities. Operating expenses include maintenance, security, dredging, general and administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses, and Change in Net Position.

Use of Restricted/Unrestricted Net Assets: When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

Use of Estimates: Preparing the District's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Trade Receivables: Trade receivables consist of tenant and slipholder rents. The District believes its receivables to be fully collectible and, accordingly, no allowance for doubtful accounts is recorded.

Interest Receivable: Interest receivable consists of accrued interest from the Local Agency Investment Fund.

Federal and State Grants: Federal and state grants for the construction, acquisition, improvement of capital assets, or assistance for dredging costs are recorded as capital contributions. Revenues for reimbursement grants are recorded when allowable expenditures are made.

Liability for Compensated Absences: The District is required to recognize a liability for employees' rights to receive compensation for future absences. This obligation consists of the vested portion of leave balances, including vacation and compensatory time off, which are payable upon retirement. The liability for compensated absences at March 31, 2023, included in payroll liabilities on the Statement of Net Position, was \$164,946.

Revenues (Pledged): By resolution of the Board of Directors, all District revenues are pledged to secure debt service. The District derives its revenue principally from fees charged to users of the harbor facilities, rents, and concession fees.

Income Taxes: The District is a government agency that falls under Internal Revenue Code Section 115 and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to federal or state income taxes.

Inventory: Inventory is stated at the lower of cost or market determined by the first-in, first-out method. Inventory consists of boat supplies and merchandise for resale.

Capital Assets: District capital assets, purchased or constructed, are recorded at cost. The cost of assets built by the District includes direct costs and eligible interest. Contributed assets are recorded at fair market value at the date of contribution.

The amount of interest capitalized as part of the District-constructed assets is the difference between the interest the District must pay on the bonds and loans issued to finance improvements, and the interest the District earns on bond and loan proceeds not yet expended. The interest as defined above is capitalized until the projects are placed in service at which time any remaining interest is expensed.

The District's policy is to capitalize all assets that cost \$5,000 or more, and to charge to current operations all additions under that limit. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are also expensed in the current period, even if greater than \$5,000.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation and Amortization: Depreciation expense is computed using the straight-line method over estimated useful lives ranging from three to fifty years.

Restricted Assets: Certain cash and investments of the District are classified as restricted because their uses are limited by commitments made by the District to its lenders.

Net Position: Net position as shown in the Statement of Net Position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments, as reduced by related outstanding debt.

Unrestricted – This amount is all remaining net position that does not meet the definition of “net investment in capital assets” or “restricted”.

Implementation of New Accounting Standards: As of April 1, 2022, the District implemented GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right-to-use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the District recognized a lease receivable and deferred inflow of resources in the amount of \$11,237,517 and \$11,279,704 as of April 1, 2022, respectively. There was no restatement of net position. The additional disclosures required by this standard are included in Note 8.

Lessor Leases: The District recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (continued): The District has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension liability / total OPEB liability.
- Deferred outflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.
- Deferred outflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the pension plans.
- Deferred outflows related to pensions resulting from the net difference between projected and actual earnings on plan investments of the pension plans fiduciary net position. These amounts are amortized over five years.
- Deferred outflows related to pension plans for the changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.

In addition to liabilities, the Statement of Net Position will sometimes report on a separate section for deferred inflow of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.
- Deferred inflows from pensions and OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the pension plans.
- Deferred inflows related to pensions for the changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 2. CASH AND CASH EQUIVALENTS

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

Subsequent to year end the majority of funds invested in LAIF were transferred to a California CLASS Prime investment account. CLASS Prime is a newly established joint powers authority pool sponsored by the California Special Districts Association and the League of California Cities.

The District’s investment policy, adopted by the Port Commission on November 27, 2018, requires that all funds not required for immediate use be invested in investment vehicles authorized by the Government Code of the State.

The District has adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Under this statement, disclosures of these risks are required for uninsured and unregistered investments and deposits collateralized with securities held by the broker or pledging financial institution’s trust department or agent, but not in the District’s name. The District did not hold any investments or deposits falling into this category of risk (generally known as Category 3) at March 31, 2023.

Restricted Cash: Restricted cash consists of the following as of March 31:

| | |
|--|---------------------|
| Restricted cash and cash equivalents for debt service: | |
| Money market funds/government obligations | <u>\$ 1,029,556</u> |

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended March 31, 2023:

| | March 31, 2022 | Additions | Deletions and Transfers | March 31, 2023 |
|-----------------------------|----------------------|-----------------------|----------------------------|----------------------|
| Nondepreciable assets: | | | | |
| Land | \$ 2,201,360 | \$ -- | \$ -- | \$ 2,201,360 |
| Construction in progress | 574,372 | 517,509 | (93,829) | 998,052 |
| Depreciable assets: | | | | |
| Structures and improvements | 30,705,762 | 14,793 | -- | 30,720,555 |
| Docks | 27,122,552 | 38,746 | -- | 27,161,298 |
| Equipment | 11,510,070 | 168,952 | (317,467) | 11,361,555 |
| Office equipment | 63,621 | -- | (9,247) | 54,374 |
| | <u>72,177,737</u> | <u>740,000</u> | <u>(420,543)</u> | <u>72,497,194</u> |
| Accumulated depreciation | <u>(35,269,591)</u> | <u>(2,184,840)</u> | <u>398,281</u> | <u>(37,056,150)</u> |
| | <u>\$ 36,908,146</u> | <u>\$ (1,444,840)</u> | <u>\$ (22,262)</u> | <u>\$ 35,441,044</u> |

In January of 2015 the District accepted a 16,000 square foot vacated right of way along Brommer Street Extension, adjacent to lands owned by the District. Due to the very limited marketability of subject property, and the time and expense involved in getting a market appraisal, the District has opted to record the asset at zero value.

NOTE 4. LONG-TERM DEBT

Long-term debt and related current portion as of March 31, 2023, is presented below:

| | March 31, 2022 | Additions | Reductions | March 31, 2023 |
|--|----------------------|--------------------|-----------------------|---------------------|
| PNC Bank taxable loan | \$ 845,512 | \$ -- | \$ (234,713) | \$ 610,799 |
| PNC Bank tax-exempt loan | 7,774,104 | -- | (869,768) | 6,904,336 |
| PG&E loan | 15,045 | -- | (13,889) | 1,156 |
| 2018A Revenue Obligation | 1,291,354 | -- | (92,978) | 1,198,376 |
| 2018B Revenue Obligation | 1,412,420 | -- | (101,694) | 1,310,726 |
| 497 Lake Avenue | 945,880 | -- | (16,898) | 928,982 |
| | <u>12,284,315</u> | <u>--</u> | <u>(1,329,940)</u> | <u>10,954,375</u> |
| Less revenue obligation issuance costs | (41,999) | -- | 3,706 | (38,293) |
| Less current portion | <u>(1,329,940)</u> | <u>(37,034)</u> | <u>--</u> | <u>(1,366,974)</u> |
| | <u>\$ 10,912,376</u> | <u>\$ (37,034)</u> | <u>\$ (1,326,234)</u> | <u>\$ 9,549,108</u> |

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 4. LONG-TERM DEBT (Continued)

Total interest incurred and charged to expense during the year ended March 31, 2023, was \$394,410.

During the fiscal year ended March 31, 2014, the District refinanced its outstanding debt with loans privately placed with PNC Bank (formerly BBVA Compass Bank). The financing package included \$4,000,000 in new debt to be used to purchase a new dredge to replace the *Seabright*, which had reached the end of its useful life. The new dredge was placed in service in July 2016.

The loans also reduced the District's payback period, with payoff occurring in 2029 rather than 2042 under the prior loans. Through this combined financing and new debt, the District will realize cash flow savings of approximately \$3.8 million over the 16-year life of the loans.

The PNC Bank taxable loan, in the amount of \$2,384,445 was part of the refinance package noted above. Proceeds of the loan were used to payoff the existing Series 2004C revenue bonds, as well as to provide funding to payoff the OE3 pension liability. Terms of the note call for semi-annual principal and interest payments in May and November, ranging from \$114,000 to \$229,000, with an average payment of \$140,000, including interest at 4.74% per annum. Final payment on the loan is due November 1, 2026.

The PNC Bank tax-exempt loan, in the amount of \$14,418,961 was part of the refinance package noted above. Proceeds of the loan were used to pay off the existing Series 2004A revenue bonds, all of the Department of Boating and Waterways loans, as well as providing funding for the new dredge. Terms of the note call for semi-annual principal and interest payments in February and August, ranging from \$547,000 to \$590,000, including interest at 3.09% per annum. Final payment on the loan is due August 1, 2029.

PG&E loan – In August 2014 the District entered into an on-bill financing loan agreement with PG&E, in the amount of \$120,368, for the purchase of energy efficient equipment. Terms of the loan call for monthly principal payments of \$1,157, to be included in the monthly utilities bill, over a period of 104 months.

On September 1, 2018, the District entered into an installment sale agreement with PNC Bank for 2018A Revenue Obligations in the amount of \$1,750,000, for the Santa Cruz Harbor Pile Replacement Project. Terms of the agreement call for semi-annual payments of \$75,123 beginning February 1, 2019, including interest at the rate of 3.5% per annum. The final payment is due August 1, 2033.

On September 1, 2018, the District entered into an installment sale agreement with PNC Bank for 2018B Revenue Obligations in the amount of \$1,600,000, for the Santa Cruz Harbor Seawall Replacement Project. Terms of the agreement call for semi-annual payments of \$68,684 beginning February 1, 2019, including interest at the rate of 3.5% per annum. The final payment is due August 1, 2033.

The borrowing agreements with PNC Bank for the taxable and tax-exempt loans and the 2018A and 2018B revenue obligations include a restrictive covenant requiring net revenues for the fiscal year to be equal to at least 1.25 times the debt service. At March 31, 2022, the District was in compliance with the covenant.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 4. LONG-TERM DEBT (Continued)

During the year ended March 31, 2022, the District purchased property at 497 Lake Ave. The purchase price was \$1,200,000, of which \$950,000 was financed with the seller. The terms of the finance agreement call for monthly payments of \$4,535.45 beginning January 1, 2022, including interest at the rate of 4.00% per annum. A final balloon payment of \$452,500 plus any accrued interest is due December 1, 2041.

Debt service required under the notes for each of the succeeding five years and thereafter in five year increments are:

| | Principal | Interest | Total |
|-------------------|----------------------|---------------------|----------------------|
| 2024 | \$ 1,366,974 | \$ 344,588 | \$ 1,711,562 |
| 2025 | 1,413,057 | 294,301 | 1,707,358 |
| 2026 | 1,273,550 | 252,523 | 1,526,073 |
| 2027 | 1,241,518 | 212,420 | 1,453,938 |
| 2028 | 1,266,080 | 172,659 | 1,438,739 |
| 2029 Through 2033 | 3,534,749 | 363,518 | 3,898,267 |
| 2033 Through 2038 | 283,551 | 181,875 | 465,426 |
| 2039 Through 2043 | <u>574,896</u> | <u>77,164</u> | <u>652,060</u> |
| | <u>\$ 10,954,375</u> | <u>\$ 1,899,048</u> | <u>\$ 12,853,423</u> |

NOTE 5. UNEARNED REVENUE

In 2002, the District entered into a joint venture agreement with a not-for-profit tenant to recapitalize and reconstruct the building at 2222 East Cliff Drive. The agreement stated the tenant would pay 47% of the cost of the construction project and the District would pay 53% of the cost of the project. Title for the building remains with the District. In return for the cost sharing agreement, the tenant received a 24-year lease with payment terms similar to a ground only lease which was extended through December 31, 2028.

The tenant's total contribution to the project was \$1,558,239. That amount was established as unearned revenue to be amortized to concession rental income over the term of the lease. During the year ended March, 31, 2023, the lease was terminated and the remaining amount included in unearned revenue of \$371,539 was recognized as a gain and included in other income.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 6. PENSION PLANS

Deferred Compensation Plan (457(a)):

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to District employees based on eligibility, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Defined Benefit Pension Plan (CalPERS):

General Information:

Plan Description: Effective April 1, 2003, the District adopted a cost-sharing multiple employer defined benefit pension plan (the Plan) that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All qualified employees are eligible to participate in the District's Plan administered by the California Public Employees' Retirement System (CalPERS).

State statutes within the Public Employees' Retirement Law establish a menu of benefit provisions as well as other requirements. The District selected its optional benefit provisions from the benefit menu when it contracted with CalPERS and adopted those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814, or on their website.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

Funding Policy: Active plan members are required to contribute a percentage of their annual covered salary. The District has a 3-tiered CalPERS plan system for miscellaneous employees – 2.5% @ 55; 2% @ 60; and 2% @ 62. Plan placement is dependent on the eligible employee's status as an existing member or new member. Depending on plan placement, active members contribute between 6.25% and 8% of their annual covered salary: 8% contribution for 2.5% @ 55; 7% contribution for 2% @ 60; and 6.25% contribution for 2% @ 62.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 6. PENSION PLANS (Continued)

Funding Policy (continued): The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS' Board of Administration. The required employer contribution rate for the 2.5% @ 55 tier was 11.59% for April 2022 – March 2023. For the 2% @ 60 tier, the employer rate was 8.65% from April 2022 – June 2022 and 8.63% from July 2022 – March 2023. For the 2% @ 62 tier, the employer rate was 7.59% from April 2022 – June 2022 and 7.47% from July 2022 - March 2023. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions:

As of March 31, 2023, the District reported a \$5,417,181 net pension liability for its proportionate share of the net pension liability of the Plan.

As of March 31, 2023, the net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of March 31, 2023 was as follows:

| | |
|-----------------------------|----------|
| Proportion - March 31, 2022 | 0.0538% |
| Proportion - March 31, 2023 | 0.0469% |
| Change - Decrease | -0.0069% |

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
 Year Ended March 31, 2023

NOTE 6. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (continued):

For the year ended March 31, 2023, the District recognized net pension income of \$387,896. At March 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|--|-----------------------------------|----------------------------------|
| Differences between actual and expected experience | \$ 108,787 | \$ 72,861 |
| Change in assumptions | 555,103 | -- |
| Net differences between projected and actual earnings on plan investments | 992,284 | -- |
| Change in employer's proportion | 19,646 | 285,828 |
| Differences between the employer's contributions and the employer's proportionate share of contributions | -- | 101,522 |
| Pension contributions subsequent to measurement date | 470,261 | -- |
| Total | \$ 2,146,081 | \$ 460,211 |

The \$470,261 reported as deferred outflows of resources relates to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending March 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will increase (decrease) recognized pension expense as follows:

| Year ending March 31, | Amount |
|-----------------------|---------------------|
| 2024 | \$ 269,610 |
| 2025 | 222,241 |
| 2026 | 116,843 |
| 2027 | 606,915 |
| | \$ 1,215,609 |

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 6. PENSION PLANS (Continued)

Actuarial Assumptions: The March 31, 2023 total pension liability was determined using the following actuarial methods and assumptions:

| | |
|----------------------------------|--|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial assumptions: | |
| Discount rate | 6.90% |
| Inflation | 2.30% |
| Salary Increase | Varies by entry age and service. |
| Mortality | Derived using CalPERS' Membership Data for all Funds. The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website. |
| Post Retirement Benefit Increase | Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies. |

The underlying mortality assumptions and all other actuarial assumptions used in the valuations were based on the results of a 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% for the year ended March 31, 2023. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 6. PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

| Asset class | Assumed asset allocation | Real return years 1-10 (a) | Real return years 11+ (b) |
|------------------|--------------------------|----------------------------|---------------------------|
| Public equity | 50.00% | 4.80% | 5.98% |
| Fixed income | 28.00% | 1.00% | 2.62% |
| Inflation assets | 0.00% | 0.77% | 1.81% |
| Private equity | 8.00% | 6.30% | 7.23% |
| Real assets | 13.00% | 3.75% | 4.93% |
| Liquidity | 1.00% | 0.00% | -0.92% |

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 6. PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | | |
|-----------------------|----|-----------|
| 1% Decrease | | 5.90% |
| Net Pension Liability | \$ | 7,966,039 |
| Current Discount Rate | | 6.90% |
| Net Pension Liability | \$ | 5,417,181 |
| 1% Increase | | 7.90% |
| Net Pension Liability | \$ | 3,320,104 |

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At March 31, 2023, the District had no outstanding contributions payable to the pension plan required for the year ended March 31, 2023.

NOTE 7. RISK MANAGEMENT

The District covers its liability for significant claims by purchasing workers’ compensation, property, and liability insurance. There have been no significant reductions in insurance coverage in the current year. Settlement amounts have not materially exceeded insurance coverage for the current and prior year.

NOTE 8. LEASES

The District is the lessor of land and improvements under month to month and long-term, non-cancelable operating leases, expiring in various dates through December 2043. Of the District’s total capital assets, a portion of total land, structures and improvements is available for rent and concessions, and docks (berths) are available for slip licensing, while the remainder is held for District use. The District recognized \$1,049,488 and \$439,356 in lease revenue and interest revenue, respectively, on non-cancelable rent and concession leases for the year ended March 31, 2023.

Certain long-term, noncancelable leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 8. LEASES (Continued)

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset that are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the period in which payments are due. During the year ended March 31, 2023, the District recognized in income variable payments required to be paid by the lease agreements totaling \$746,031.

Total future minimum lease payments to be received under lease agreements are as follows:

| Year Ending March 31, | Principal | Interest | Total |
|-----------------------|----------------------|---------------------|----------------------|
| 2024 | \$ 704,378 | \$ 431,192 | \$ 1,135,570 |
| 2025 | 757,614 | 409,319 | 1,166,933 |
| 2026 | 793,593 | 385,779 | 1,179,372 |
| 2027 | 767,062 | 361,923 | 1,128,985 |
| 2028 | 788,266 | 337,846 | 1,126,112 |
| 2029 Through 2033 | 3,742,870 | 1,334,342 | 5,077,212 |
| 2033 Through 2038 | 3,086,710 | 774,531 | 3,861,241 |
| 2039 Through 2043 | 3,249,316 | 246,674 | 3,495,990 |
| 2044 Through 2048 | 24,968 | 336 | 25,304 |
| | <u>\$ 13,914,777</u> | <u>\$ 4,281,942</u> | <u>\$ 18,196,719</u> |

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Public Employees’ Medical and Hospital Care Act (PEMHCA)

The District administers a multiple-employer defined benefit healthcare plan (the Plan). The Plan provides medical healthcare insurance for eligible retirees and their spouses through the CalPERS Health Benefits Program under the Public Employees’ Medical and Hospital Care Act (PEMHCA). No dental, vision, or life insurance benefits are provided by the Plan. Currently there are 4 retired employees and 32 active employees participating in the Plan.

Funding Policy: There is no statutory requirement for the District to pre-fund its OPEB obligation. The District has currently chosen to pay Plan benefits on a pay-as-you-go basis and does not maintain a trust fund for its OPEB obligation. The District’s fixed dollar benefit contribution cannot be less than the PEMHCA minimum for PEMHCA actives and retirees. The District accrued these benefits at the monthly statutory rate (\$151 for 2023) for each participant in the PEMCHA plan. The total amount paid directly by the District to CalPERS for the District’s health premium contributions under PEMHCA for retiree medical health care plan postemployment benefits for the year ending March 31, 2023 was \$2,961.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy (continued): Including the implicit rate subsidy of \$19,220 and administrative expenses of \$106, the District’s total contributions to the plan for the year ended March 31, 2023, were \$22,287.

Total OPEB liability: For the year ended March 31, 2023, the District’s total OPEB liability was measured as of March 31, 2022 and was determined by an actuarial valuation as of April 1, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

| | |
|---|--|
| Valuation Date | April 1, 2021 |
| Measurement Date | March 31, 2022 |
| Contribution Policy | No pre-funding |
| Actuarial assumptions: | |
| Discount rate | 2.73% at March 31, 2022 (Bond buyer 20-bond index) |
| General inflation | 2.5% annually |
| Mortality, retirement, disability and termination | CalPERS 2000-2019 experience study |
| Mortality improvement | Mortality projected fully generational with Scale MP-2021 |
| Medical trend | Non-medicare: 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare: 5.65% for 2023, decreasing to an ultimate rate of 3.75% for 2076 |
| PEMHCA minimum increase | \$149 and \$151 per month in 2022 and 2023 respectively increasing 4.00% annually in 2024+ |
| Participation at retirement | Actives: 35% in 2020, increasing to 50% in 2034 Retirees: based on current election |

Discount Rate

The discount rates used to measure the total OPEB liability as of March 31, 2023 was 2.73%. This rate is equal to the municipal bond twenty-year bond index rate as the District’s OPEB plan does not have any fiduciary net position.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability: The changes in the Total OPEB liability as of March 31, 2023 are as follows:

| | |
|---|-------------------|
| Balance at 3/31/22 (3/31/21 measurement date) | <u>\$ 776,506</u> |
| Changes in the year: | |
| Service cost | 76,692 |
| Interest | 20,274 |
| Assumption changes | (48,735) |
| Benefit payments | <u>(16,946)</u> |
| Net changes | <u>31,285</u> |
| Balance at 3/31/23 (3/31/22 measurement date) | <u>\$ 807,791</u> |

Change of Assumptions

The discount rate changed from 2.4% for the measurement period ended March 31, 2021, to 2.73% for the measurement period ended March 31, 2022 as a result of the change in the municipal bond 20-year high grade rate index.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

| | | |
|-----------------------|----|---------|
| 1% Decrease | | 1.73% |
| Total OPEB Liability | \$ | 968,476 |
| Current Discount Rate | | 2.73% |
| Total OPEB Liability | \$ | 807,791 |
| 1% Increase | | 3.73% |
| Total OPEB Liability | \$ | 681,416 |

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Trend Rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage point lower and 1-percentage point higher than the current healthcare trend rate:

| | | |
|----------------------|----|-----------|
| 1% Decrease | | 5.50% |
| Total OPEB Liability | \$ | 656,389 |
| Current Trend | | 6.50% |
| Total OPEB Liability | \$ | 807,791 |
| 1% Increase | | 7.50% |
| Total OPEB Liability | \$ | 1,010,220 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended March 31, 2023, the District recognized OPEB expense of \$98,321. At March 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred outflows of resources</u> | <u>Deferred inflows of resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 37,717 | \$ 48,283 |
| Change in assumptions | 131,482 | 117,475 |
| OPEB contributions made subsequent to the measurement date | <u>22,287</u> | <u>--</u> |
| Total | <u>\$ 191,486</u> | <u>\$ 165,758</u> |

The OPEB contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending March 31, 2024.

Payable to the OPEB Plan: At March 31, 2023, the District had no outstanding amount of contributions to the OPEB plan required for the year ended March 31, 2023.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 10. DREDGING REIMBURSEMENT

In November, 2015, the District entered into an agreement with the Department of the Army Corps of Engineers (Corps) to reimburse the District for a portion of expected dredging costs, only if funds are specifically appropriated for that purpose. The agreement terminates on April 1, 2025. Due to the uncertainty of the availability of funds, revenue will be recorded when the funds are ultimately received. During the year ended March 31, 2023, the District received \$525,000 in payments from Department of the Army Corps of Engineers for dredging operations, which occurred January-December 2022.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated its March 31, 2023 financial statements for subsequent events through **September 26, 2023**, the date of issuance of the financial statements. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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SANTA CRUZ PORT DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years*

| | <u>March 31, 2023</u> | <u>March 31, 2022</u> | <u>March 31, 2021</u> | <u>March 31, 2020</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement date | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| Plan's proportion of the net pension liability | 0.0469% | 0.0538% | 0.0430% | 0.0423% |
| Plan's proportionate share of the net pension liability | \$ 5,417,181 | \$ 2,908,996 | \$ 4,674,819 | \$ 4,338,392 |
| Plan's covered - employee payroll** | \$ 2,167,772 | \$ 2,211,919 | \$ 2,222,678 | \$ 2,239,940 |
| Plan's proportionate share of the net pension liability as a percentage of its covered - employee payroll | 249.90% | 131.51% | 210.32% | 193.68% |
| Plan's proportionate share of the fiduciary net position as a percentage of the proportionate share of the Plan's total pension liability | 76.68% | 88.29% | 75.10% | 75.26% |
| Plan's proportionate share of aggregate employer contributions | \$ 688,880 | \$ 584,290 | \$ 550,939 | \$ 491,504 |

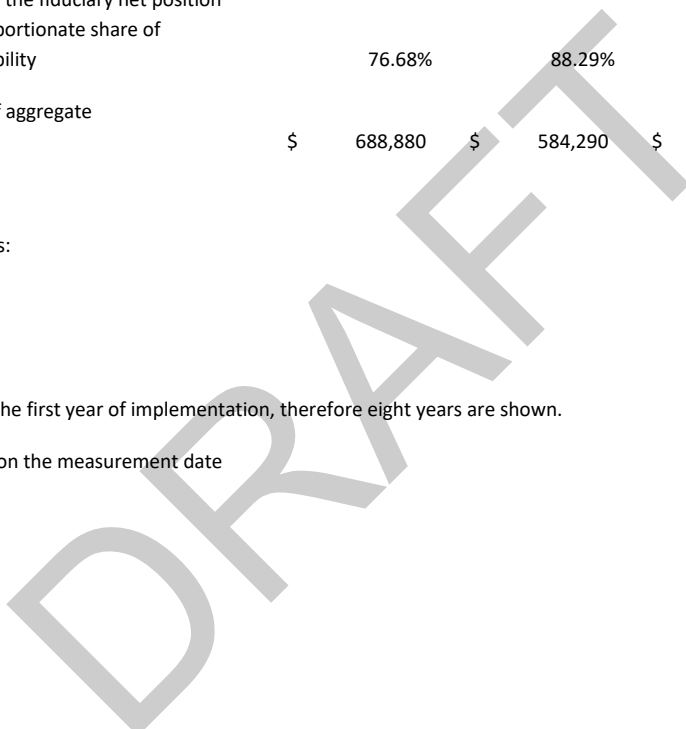
Notes to Schedule:

Changes in Benefit Terms:
None

Change in Assumptions:
None

* - Fiscal year 2016 was the first year of implementation, therefore eight years are shown.

** - For the year ending on the measurement date



SANTA CRUZ PORT DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
Last 10 Fiscal Years*

| | <u>March 31, 2019</u> | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>March 31, 2016</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement date | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Plan's proportion of the net pension liability | 0.0414% | 0.0409% | 0.0406% | 0.0400% |
| Plan's proportionate share of the net pension liability | \$ 3,990,879 | \$ 4,052,992 | \$ 3,509,957 | \$ 2,745,051 |
| Plan's covered - employee payroll** | \$ 2,174,449 | \$ 1,995,472 | \$ 1,730,361 | \$ 1,680,148 |
| Plan's proportionate share of the net pension liability as a percentage of its covered - employee payroll | 183.54% | 203.11% | 202.85% | 163.38% |
| Plan's proportionate share of the fiduciary net position as a percentage of the proportionate share of the Plan's total pension liability | 75.26% | 73.31% | 74.06% | 78.40% |
| Plan's proportionate share of aggregate employer contributions | \$ 430,069 | \$ 400,662 | \$ 365,656 | \$ 343,279 |

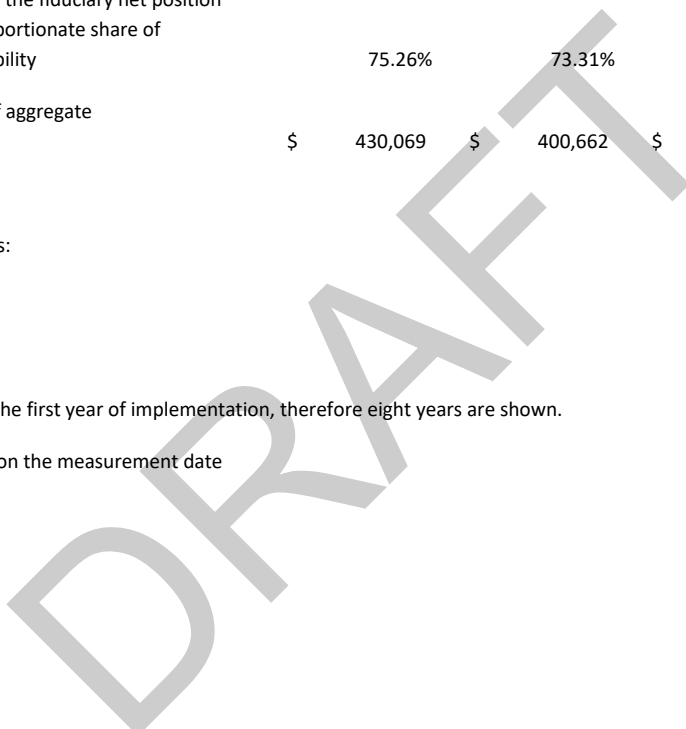
Notes to Schedule:

Changes in Benefit Terms:
None

Change in Assumptions:
None

* - Fiscal year 2016 was the first year of implementation, therefore eight years are shown.

** - For the year ending on the measurement date



SANTA CRUZ PORT DISTRICT

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLANS
Last 10 Fiscal Years*

| | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|--|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 622,001 | \$ 578,577 | \$ 528,402 | \$ 465,337 |
| Contributions in relation to the actuarially determined contribution | <u>(622,001)</u> | <u>(578,577)</u> | <u>(528,402)</u> | <u>(465,337)</u> |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Covered-employee payroll** | \$ 2,367,608 | \$ 2,141,686 | \$ 2,182,330 | \$ 2,267,137 |
| Contributions as a percentage of covered-employee payroll | 26.27% | 27.02% | 24.21% | 20.53% |

Notes to Schedule:

Changes in Benefit Terms:
None

Change in Assumptions:
None

* - Fiscal year 2016 was the first year of implementation, therefore eight years are shown.

** - For the fiscal year ending on the date shown

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SANTA CRUZ PORT DISTRICT

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLANS (CONTINUED)
Last 10 Fiscal Years*

| | <u>March 31, 2019</u> | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>March 31, 2016</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Actuarially determined contribution | \$ 397,547 | \$ 332,430 | \$ 309,357 | \$ 188,042 |
| Contributions in relation to the actuarially determined contribution | <u>(397,547)</u> | <u>(332,430)</u> | <u>(309,357)</u> | <u>(188,042)</u> |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Covered-employee payroll** | \$ 2,227,398 | \$ 2,160,998 | \$ 1,912,027 | \$ 1,692,156 |
| Contributions as a percentage of covered-employee payroll | 17.85% | 15.38% | 16.18% | 11.11% |

Notes to Schedule:

Changes in Benefit Terms:
None

Change in Assumptions:
None

* - Fiscal year 2016 was the first year of implementation, therefore eight years are shown.

** - For the fiscal year ending on the date shown

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SANTA CRUZ PORT DISTRICT

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

| | <u>March 31, 2023</u> | <u>March 31, 2022</u> | <u>March 31, 2021</u> | <u>March 31, 2020</u> | <u>March 31, 2019</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement date | March 31, 2022 | March 31, 2021 | March 31, 2020 | March 31, 2019 | June 30, 2018 |
| Total OPEB liability: | | | | | |
| Service cost | \$ 76,692 | \$ 79,892 | \$ 53,462 | \$ 54,348 | \$ 53,126 |
| Interest on total OPEB liability | 20,274 | 18,250 | 20,235 | 20,887 | 18,141 |
| Actual vs. expected experience | -- | 45,917 | -- | (78,459) | -- |
| Changes in assumptions | (48,735) | (87,155) | 177,131 | 5,778 | (2,705) |
| Benefit payments, including refunds and the implied subsidy benefit payments | <u>(16,946)</u> | <u>(8,916)</u> | <u>(5,538)</u> | <u>(3,883)</u> | <u>(1,705)</u> |
| Net change in total OPEB liability | 31,285 | 47,988 | 245,290 | (1,329) | 66,857 |
| Total OPEB liability - beginning of the year | <u>776,506</u> | <u>728,518</u> | <u>483,228</u> | <u>484,557</u> | <u>417,700</u> |
| Total OPEB liability - end of the year (a) | <u>807,791</u> | <u>776,506</u> | <u>728,518</u> | <u>483,228</u> | <u>484,557</u> |
| Plan fiduciary net position: | | | | | |
| Contributions - employer | -- | -- | -- | -- | -- |
| Net investment income | -- | -- | -- | -- | -- |
| Administrative expenses | -- | -- | -- | -- | -- |
| Benefit payments, including refunds and the implied subsidy benefit payments | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net change in plan fiduciary net position | -- | -- | -- | -- | -- |
| Plan fiduciary net position - beginning of the year | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Plan fiduciary net position - end of the year (b) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net OPEB Liability - Ending (a)-(b) | <u>\$ 807,791</u> | <u>\$ 776,506</u> | <u>\$ 728,518</u> | <u>\$ 483,228</u> | <u>\$ 484,557</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Covered - employee payroll** | \$ 2,384,186 | \$ 2,430,838 | \$ 2,458,539 | \$ 2,411,907 | \$ 2,127,435 |
| Net OPEB liability as a percentage of covered - employee payroll | 33.88% | 31.94% | 29.63% | 20.04% | 22.78% |

Notes to Schedule:

Changes in Benefit Terms:
None

Change in Assumptions:

The discount rate changed from 3.79% for the measurement period ended March 31, 2019, to 2.27% for the measurement period ended March 31, 2020, to 2.40% for the period ended March 31, 2021, to 2.73% for the period ended March 31, 2022 as a result of the change in the municipal bond 20-year high grade rate index.

* - Fiscal year 2019 was the first year of implementation, therefore five years are shown.

** - For the year ending on the measurement date

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Santa Cruz Port District
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Port District (the District), as of and for the year ended March 31, 2023, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated **September 26, 2023**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 26, 2023

DRAFT



YOUR PARTNER FOR SUCCESS
SINCE 1922

(831) 724-2441
579 Auto Center Dr.
Watsonville, CA 95076

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Commissioners
Santa Cruz Port District
Santa Cruz, California

Our report on our audit of the basic financial statements of the Santa Cruz Port District as of and for the year ended March 31, 2023, appears on pages 1-2. The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Insurance Coverage on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

September 26, 2023

DRAFT

SANTA CRUZ PORT DISTRICT

Schedule of Insurance Coverage

March 31, 2023

As of March 31, 2023, the District's insurance coverage was as follows:

| | <u>LIMITS</u> | <u>DEDUCTIBLE</u> |
|--|---------------|-------------------|
| UMBRELLA / BUMBERSHOOT LIABILITY | \$10,000,000 | \$25,000 |
| Each Occurrence, excess of \$1,000,000 primary | | |
| PROPERTY | | |
| Building , Business Personal Property, Business Income, Contractor's Equipment, Piers, Wharves, and Docks (Loss Limits and Deductibles are given as total, subject to sublimit described in policy) | \$38,488,543 | See policy |
| MARINA OPERATORS LEGAL LIABILITY | | |
| Each Occurrence | \$1,000,000 | \$10,000 |
| BUSINESS AUTO | | |
| Liability, Combined Single Limit | \$1,000,000 | \$1,000 |
| Medical Payments | \$5,000 | None |
| Uninsured/Underinsured Motorist | \$1,000,000 | None |
| HULL AND MACHINERY / PROTECTION AND INDEMNITY | | |
| Hull and Machinery | \$5,296,600 | Per Schedule |
| Protection and Indemnity | \$1,000,000 | \$1,000 |
| PUBLIC OFFICIALS Liability | | |
| Each Claim and in the Aggregate | \$2,000,000 | \$25,000 |
| Includes Employment Practices Liability | | \$50,000 |
| UNDERGROUND STORAGE TANKS | | |
| Each Incident | \$1,000,000 | \$25,000 |
| Total Policy Aggregate Limit | \$2,000,000 | |
| GENERAL LIABILITY | | |
| General Aggregate | \$2,000,000 | None |
| Products/Completed Operations Aggregate | \$1,000,000 | None |
| Each Occurrence | \$1,000,000 | None |
| FLOOD | | |
| Each Incident and Aggregate (2 Properties) | \$500,000 | \$1,250 |
| | \$500,000 | \$1,250 |
| TOTAL FISCAL YEAR 2023 INSURANCE PREMIUMS: | | \$777,685 |



TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: September 15, 2023

SUBJECT: Approval of Architectural and Design Services for 616 Atlantic Avenue
(NTE \$55,000)

Recommendation: *Authorize the Port Director to execute an agreement with Rad Lab Designs, Inc. for architectural design and construction support services for 616 Atlantic Avenue in an amount not-to-exceed \$55,000; and approve an appropriation in the FY24 budget for the amount of the contract plus contingency.*

BACKGROUND

In June 2016, the restaurant site at 616 Atlantic Avenue was vacated due to accelerated failure of the supporting seawall and the discovery of a large sinkhole in the adjacent public access area.

Over the last seven years, reconstruction of a restaurant building at 616 Atlantic Avenue has remained one of the highest priority projects for the District. Since the conclusion of seawall construction in 2019, the Port District has worked persistently to identify a prospective tenant to capitalize construction of a new restaurant building at the site. Despite these ongoing and significant efforts, a tenant has not been identified and forward progress on the project has stalled.

As a result, the Port Commission recently initiated discussions to determine the feasibility of designing and constructing a restaurant building on a build-to-suit basis at the sole cost of the District. To contain costs and expedite construction, the Commission explored alternative building methods, like utilizing a custom shipping container design.

To assist in the development of a conceptual design rendering for a custom shipping container restaurant, a proposal for design services was solicited from Rad Lab Designs, Inc. (Rad Lab). The proposal submitted by Rad Lab includes design, construction document preparation, and construction support services for restaurant reconstruction at 616 Atlantic Avenue. The proposal totals \$52,500.

ANALYSIS

Rad Lab is an architectural firm based out of San Diego that specializes in shipping container design and construction. The firm has extensive experience designing custom shipping container restaurants, and staff is confident that Rad Lab is qualified to deliver the needed design work in an efficient and cost-effective manner.

Rad Lab will complete design work in the following phases:

PHASE 1

Schematic Design – 6 weeks

- Complete one site visit to review project location.
- Outline modular building and permitting process.
- Develop specific design criteria (i.e., wish list vs. needs).
- Analyze the area, demographics, and neighborhood to assist in developing a concept.
- Present conceptual material board for Commission review.
- Present preliminary floor plans.
- Identify primary building system needs.

PHASE 2

Design Development – 8 to 10 weeks

- Conduct virtual meetings to share concept in 3D modeling program.
- Conduct code research to confirm design elements are within state and federal standards.
- Create a rendering package to confirm design elements.
- Produce conceptual drawings: site plan, floor plan per level, building elevations, etc.

PHASE 3

Construction Documents and Permitting – 8 to 10 weeks

- Develop construction documents (for modular building components only) in accordance with building codes and zoning ordinances.
- Manage, coordinate, and review plans from other consultants necessary to compile a complete construction document plan set.
- Provide stamped architectural plans.

PHASE 4

Construction Administration

- Act as an agent of the Port District and consult during construction.

The figures below represent the estimated contract costs based on design and construction milestones:

| | |
|--|-----------------|
| Milestone 1 – Start of Schematic Design | \$12,750 |
| Milestone 2 – Start of Development Phase | \$14,875 |
| Milestone 3 – Start of Construction Drawings & Permitting | \$24,875 |
| Contingency (approximately 5%) | \$2,500 |
| Total Contract Amount: | \$55,000 |

It is important to note that the proposal submitted by Rad Lab excludes engineering services for site-built items (i.e., foundation, landscape design, parking design, etc.) and does not provide local zoning, design guideline, or planning support. These services will be contracted separately with individual firms outside of this contract.

IMPACT ON PORT DISTRICT RESOURCES

Funding for this contract was not included in the FY24 budget and will be an unanticipated capital expense. It is not anticipated that the entire contract amount will be expended within the remainder of the current fiscal year, due to the phased design approach.



TO: Port Commission
FROM: Holland MacLaurie, Port Director
DATE: September 14, 2023
SUBJECT: Reject Bids for the G-Dock Lift Station Upgrade Project

Recommendation: Reject the bids for the G-Dock Lift Station Upgrade Project.

BACKGROUND

The Port District maintains nine sanitary sewer lift stations throughout the harbor. In FY23, a comprehensive assessment of the nine lift stations was completed by the District's engineering consultant, MKN & Associates (MKN). As a result of that assessment, the G-Dock lift station was prioritized for repair / upgrade in FY24.

On August 17, 2023, the Port District solicited bids for the G-Dock Lift Station Upgrade Project. Work required as part of the project consists of the rehabilitation and upgrade of the sanitary sewer lift station, including appurtenant hardware and portions of the gravity main and force main pipeline. The Engineer's Estimate for the project was \$262,000 (including a 5% contingency).

On September 8, 2023, the following three bids were received for the project:

- Pipe & Plant Solutions, Inc. – \$562,810
- Monterey Peninsula Engineering – \$645,000
- Ceau Co. – \$823,100

All three bids exceed the Engineer's Estimate for the project, as well as available funding in the Capital Improvement Program (CIP).

ANALYSIS

As of August 31, 2023, the CIP had \$341,065 allocated to the sanitary sewer lift station project. Based on the three bids that were received, adequate funding is not available to complete the work. Supplemental funding options, such as utilizing approximately \$280,000 in unrestricted cash, would be required to move this project forward¹.

MKN has indicated that the bids received are exorbitantly high and recommended that the District rebid the project at a later date (i.e., Spring 2024). Prior to rebidding the project, alternative rehabilitation methods will be considered, and other project design changes may be implemented to reduce overall construction costs.

¹ In the current fiscal year, the Commission has allocated \$160,000 in unrestricted cash reserves for the 2023 Pile Repair and Replacement Project and anticipates allocating approximately \$800,000 in unrestricted cash reserves for the North Harbor Transformer Replacement Project.

Staff recommends that the Commission reject all bids and authorize staff to re-bid the project in accordance with Section 22038 of the Public Contract Code.

IMPACT ON PORT DISTRICT RESOURCES

There is no impact on Port District resources associated with rejecting all bids for this project.

Santa Cruz Port District
Accounts Payable Monthly Check Register
August 2023

| Date | No. | Vendor | Description | Amount |
|----------|-------|--|--|---------------|
| 8/4/2023 | 58645 | Ace Portable Services | Portable Toilet Rental | \$ 214.67 |
| 8/4/2023 | 58646 | Allied Administrators for Delta Dental | Dental Insurance | \$ 2,733.88 |
| 8/4/2023 | 58647 | APED | V-Dock Restroom Water Heater Part | \$ 75.20 |
| 8/4/2023 | 58648 | Batteries + Bulbs | CALE Batteries & Chargers | \$ 488.83 |
| 8/4/2023 | 58649 | Bay Building Janitorial, Inc. | Janitorial Services, Refuse Collection | \$ 10,492.00 |
| 8/4/2023 | 58650 | Bay Plumbing Supply, Inc. | Harbor Office Restroom Parts, Drain Flushers, Concession Lot Restroom Sink Parts, FF-Dock Jet Float Fitting, J-Dock Shower Fittings | \$ 442.61 |
| 8/4/2023 | 58651 | Bayside Oil II, Inc. | <i>Twin Lakes</i> Oil, Contaminated Oil Testing | \$ 1,524.60 |
| 8/4/2023 | 58652 | Big Creek | G-Dock Deck Repair Lumber, Drill Bits, Fasteners, <i>Dauntless</i> Deck Plywood | \$ 1,226.03 |
| 8/4/2023 | 58653 | Burke, Williams & Sorensen, LLP | Legal Consultation | \$ 238.00 |
| 8/4/2023 | 58654 | Citi Cards | Employee Recognition, Breakroom Supplies, Lodging Expense Reimbursement, 5-Year Lake & Streambed Alteration Program License for Pile Repair & Replacement Project | \$ 7,706.25 |
| 8/4/2023 | 58655 | Comcast | Business Internet | \$ 167.67 |
| 8/4/2023 | 58656 | County of Santa Cruz Auditor | Citation Tax (June) | \$ 4,206.00 |
| 8/4/2023 | 58657 | County Specialty Gases | Welding Gas | \$ 55.24 |
| 8/4/2023 | 58658 | Crow's Nest Restaurant | 1/2 Concession Lot Garbage (Tenant Reimbursable) | \$ 2,457.18 |
| 8/4/2023 | 58659 | Cushman Contracting Corporation | Pile Repair & Replacement Project Progress Payment | \$ 377,397.00 |
| 8/4/2023 | 58660 | Darco Printing & Paper | Visitor Parking Permits | \$ 223.14 |
| 8/4/2023 | 58661 | Data Ticket, Inc. | Citation Processing (June) | \$ 687.09 |
| 8/4/2023 | 58662 | Foster & Foster, Inc. | ActuarialServices: GASB68 Pension Liability Reporting | \$ 1,650.00 |
| 8/4/2023 | 58663 | Grainger | Painting Supplies, Metal Cleaner, Fuel Biocide, Disposable Gloves, Gate Wheel Replacement, Cutting Oil, Blast Media, Hazmat Drum Labels, Hook & Pick Set, Spray Bottles, Power Cord, Hole Saw | \$ 2,820.82 |
| 8/4/2023 | 58664 | Home Depot Credit Services | Tile Flooring Supplies for Common Area at 333 Avenue Lake, RV Park Electrical Fittings, Tool Bag, J-Dock Restroom Shower Head, Concession Lot Restroom Drywall & Tile Supplies, Scraper Tool, CALE Electrical Supplies, Pruning Blades, Heavy Duty Hose, Ratchet Straps, Adhesive, Fasteners | \$ 1,288.80 |
| 8/4/2023 | 58665 | Kelly-Moore Paint Company, Inc. | Rust Converting Primer | \$ 1,876.57 |
| 8/4/2023 | 58666 | Kimball Midwest | Boatyard Retail Items | \$ 502.60 |
| 8/4/2023 | 58667 | McMaster-Carr Supply Company | <i>Twin Lakes</i> Christmas Tree Steel Plate, Steel Wire, Gaskets, Fasteners, <i>Dauntless</i> Hardware, Silicone Sealant, <i>Squirt</i> Trunnion Hardware | \$ 1,654.80 |
| 8/4/2023 | 58668 | Mid County Auto Supply | <i>Twin Lakes</i> Transmission Oil, Brake Cleaner, Boatyard Retail Items, Air Compressor Parts | \$ 502.52 |
| 8/4/2023 | 58669 | Mission Uniform Service | Uniform Service | \$ 819.93 |
| 8/4/2023 | 58670 | Mutual of Omaha | Lift/LTD/AD&D Insurance | \$ 4.64 |
| 8/4/2023 | 58671 | Capital One Trade Credit | Pile Sleeve Hex Bolts | \$ 45.09 |
| 8/4/2023 | 58672 | Pacific Gas & Electric Company | Utilities | \$ 19,259.89 |

Santa Cruz Port District
Accounts Payable Monthly Check Register
August 2023

| Date | No. | Vendor | Description | Amount |
|-----------|-------|---|---|---------------|
| 8/4/2023 | 58673 | Paim, Sandra | Parking Overpayment Refund | \$ 8.00 |
| 8/4/2023 | 58674 | Palace Business Solutions | Office Supplies | \$ 118.24 |
| 8/4/2023 | 58675 | Peterson | Dauntless Hydraulic System Parts | \$ 963.31 |
| 8/4/2023 | 58676 | PNC Bank, N.A. | Tax Exempt Loan Principle & Interest | \$ 143,817.83 |
| 8/4/2023 | 58677 | Quadient Leasing USA, Inc. | Postage Meter Lease | \$ 207.04 |
| 8/4/2023 | 58678 | RDO Equipment Co. | Dauntless Coolant | \$ 784.31 |
| 8/4/2023 | 58679 | Michael Smith | Backflow Testing | \$ 200.00 |
| 8/4/2023 | 58680 | SC Fuels | Fuel Dock Gas & Diesel | \$ 30,306.75 |
| 8/4/2023 | 58681 | Scheidt & Bachmann | Monthly Concession Lot Equipment Warranty | \$ 2,685.09 |
| 8/4/2023 | 58682 | Santa Cruz Municipal Utilities | Utilities | \$ 14,334.95 |
| 8/4/2023 | 58683 | Southland Printing | Concession Lot Parking Machine Tickets | \$ 4,771.51 |
| 8/4/2023 | 58684 | Staples Credit Plan | Office Supplies | \$ 38.23 |
| 8/4/2023 | 58685 | Total Secure Technology | E-mail Scanning & Backup | \$ 484.60 |
| 8/4/2023 | 58686 | U.S. Bank Equipment Finance | Copier Lease | \$ 151.31 |
| 8/4/2023 | 58687 | Mark Larsen DBA: Viking | Window Cleaning | \$ 35.00 |
| 8/4/2023 | 58688 | West Marine Pro | Dauntless Bottom Paint, Caulking | \$ 750.56 |
| 8/4/2023 | 58689 | Wex Bank | Fleet Fuel | \$ 1,912.08 |
| 8/18/2023 | 58690 | Allied Administrators for Delta Dental | Dental Insurance | \$ 3,079.42 |
| 8/18/2023 | 58691 | Allied Universal | Security Patrol | \$ 4,563.00 |
| 8/18/2023 | 58692 | American Textile & Supply, Inc. | Oil Absorbent Pads | \$ 2,021.24 |
| 8/18/2023 | 58693 | Amerigas | Ancillary Equipment Fuel | \$ 72.68 |
| 8/18/2023 | 58694 | Aramark | Uniform Sweatshirts | \$ 169.96 |
| 8/18/2023 | 58695 | AT&T | Telephone | \$ 848.18 |
| 8/18/2023 | 58696 | Atchison Barisone Condotti & Kovacevich | Legal Consultation | \$ 5,667.90 |
| 8/18/2023 | 58697 | Bow Wow Pet Waste Products | Pet Waste Station Bags | \$ 210.88 |
| 8/18/2023 | 58698 | Brooks, William | Security Deposit Refund | \$ 725.50 |
| 8/18/2023 | 58699 | Comcast | Business Television | \$ 12.10 |
| 8/18/2023 | 58700 | Complete Mailing Service | Statement Mailing & Postage | \$ 633.03 |
| 8/18/2023 | 58701 | Cooper, Brian | Credit Balance Refund | \$ 100.00 |
| 8/18/2023 | 58702 | Downey Brand | Legal Consultation | \$ 1,852.00 |
| 8/18/2023 | 58703 | Ewing Irrigation Products, Inc. | Irrigation Tubing | \$ 133.54 |
| 8/18/2023 | 58704 | Ferguson Enterprises, Inc. | Pressure Reducing Valve | \$ 149.28 |
| 8/18/2023 | 58705 | Fritz, Doug | Security Deposit Refund | \$ 123.94 |
| 8/18/2023 | 58706 | Garda CL West, Inc. | Deposit Courier Service | \$ 610.11 |
| 8/18/2023 | 58707 | Grainger | Disposable Gloves, Paint Roller Cover | \$ 192.68 |
| 8/18/2023 | 58708 | Gsolutionz | Annual Software Support, Telephone System Support | \$ 648.83 |
| 8/18/2023 | 58709 | Hausman, Craig | Security Deposit Refund | \$ 253.34 |

Santa Cruz Port District
Accounts Payable Monthly Check Register
August 2023

| Date | No. | Vendor | Description | Amount |
|-----------|---------|---|--|-------------|
| 8/18/2023 | 58710 | Henderson Marine Supply, Inc. | Pile Rings | \$ 2,121.72 |
| 8/18/2023 | 58711 | Hose Shop | Squirt Hydraulic Motor, Twin Lakes Hose Adapters | \$ 3,029.12 |
| 8/18/2023 | 58712 | Large's Metal Fabrication, Inc. | Twin Lakes Christmas Tree Plates | \$ 489.00 |
| 8/18/2023 | 58713 | Lawson | Squirt Hydraulic Hoses & Fittings, Dauntless Hydraulic Tank Fittings, Spacer Rings, Crimp Rings | \$ 2,710.34 |
| 8/18/2023 | 58714 | Linde Gas & Equipment, Inc. | Welding Gas & Rod | \$ 736.76 |
| 8/18/2023 | 58715 | Marina Ware | Security Camera Installation Final Payment | \$ 2,239.63 |
| 8/18/2023 | 58716 | MBS Business Systems | Copier Usage Charges | \$ 446.70 |
| 8/18/2023 | 58717 | McMaster-Carr Supply Company | Twin Lakes Pipe Fittings, Twin Lakes Christmas Tree Aluminum Rods, Dauntless Hardware, Twin Lakes Snorkel Hardware | \$ 1,223.51 |
| 8/18/2023 | 58718 | Mesiti-Miller Engineering, Inc. | Engineering Services: West Side Seawall Replacement Project | \$ 4,598.20 |
| 8/18/2023 | 58719 | Mid County Auto Supply | Hydraulic Oil, Brake Cleaner, Diesel Exhaust Fluid, Disposable Gloves, Oil Filter, Rags | \$ 945.79 |
| 8/18/2023 | 58720 | Mission Uniform Service | Uniform Service | \$ 225.23 |
| 8/18/2023 | 58721 | Moore & Sons Outboard Motors, Inc. | Patrol Boat Kinnamon 100-Hour Service | \$ 1,852.86 |
| 8/18/2023 | 58722 | Operating Engineers Local Union No. 3 | Union Dues (Payroll Deduction) | \$ 272.00 |
| 8/18/2023 | 58723 | Peterson | Dauntless Atomizer, Torque Wrench | \$ 1,581.67 |
| 8/18/2023 | 58724 | RDO Equipment Co. | Squirt Filters & Gaskets | \$ 1,087.01 |
| 8/18/2023 | 58725 | Rowe Machinery | Aluminum Machining | \$ 407.78 |
| 8/18/2023 | 58726 | San Lorenzo | G-Dock Ramp Lumber, Brow Pier Lumber | \$ 371.69 |
| 8/18/2023 | 58727 | Santa Cruz County Environmental Health Services | Underground Storage Tank Permit Fee | \$ 3,612.00 |
| 8/18/2023 | 58728 | Scholz, Keith | Security Deposit Refund | \$ 258.00 |
| 8/18/2023 | 58729 | Santa Cruz Municipal Utilities | Utilities | \$ 2,524.90 |
| 8/18/2023 | 58730 | The Home Depot Pro Institutional | Janitorial Supplies | \$ 2,231.06 |
| 8/18/2023 | 58731 | Triton Construction | Equipment Repair, Designate Operator Service | \$ 906.25 |
| 8/18/2023 | 58732 | Verizon Wireless | Cell Phone & Tablet Service | \$ 322.47 |
| 8/18/2023 | 58733 | West, Adrienne | Citation Overpayment Refund | \$ 73.00 |
| 8/18/2023 | 58734 | West Coast Wire Rope | Sling Strap | \$ 135.89 |
| 8/18/2023 | 58735 | West Marine Pro | Odd Job Dock Line, Dauntless Anodes | \$ 174.67 |
| 8/18/2023 | 58736 | West Marine Pro | Boatyard Retail Items | \$ 235.76 |
| 8/18/2023 | 58737 | Wood, Alden | Security Deposit Refund | \$ 130.16 |
| 8/25/2023 | 58738 | RDO Equipment Co. | Squirt Impeller Kit | \$ 1,718.67 |
| 8/25/2023 | 58739 | Alexis Alaya | 493 Lake Avenue Fire Sprinkler Inspection | \$ 750.00 |
| 8/30/2023 | 58740 | Employee #1901 | Holiday Payout | \$ 898.94 |
| 8/4/2023 | Various | Various Employees | 7/16/23-7/31/31 Payroll | \$ 9,599.45 |
| 8/18/2023 | Various | Various Employees | 8/1/23-8/15/23 Payroll | \$ 9,559.12 |
| 8/1/2023 | EFT | ElectronicPayments | Fuel Dock Credit Card Fees | \$ 1,004.02 |
| 8/1/2023 | EFT | Gravity Payments | Front Desk Credit Card Fees | \$ 2,655.51 |

Santa Cruz Port District
Accounts Payable Monthly Check Register
August 2023

| Date | No. | Vendor | Description | Amount |
|--|-----|-----------------------------------|--|------------------------|
| 8/1/2023 | EFT | Gravity Payments | RV Park Credit Card Fees | \$ 30.00 |
| 8/1/2023 | EFT | Merchant Services | CALE Credit Card Fees | \$ 2,954.63 |
| 8/1/2023 | EFT | Merchant Services | Boatyard Credit Card Fees | \$ 443.03 |
| 8/1/2023 | EFT | Merchant Services | Online Billpay Credit Card Fees | \$ 256.41 |
| 8/1/2023 | EFT | Transaction Express | Online Billpay ACH Fees | \$ 621.40 |
| 8/1/2023 | EFT | Windcave, Inc. | Concession Lot Credit Card Fees | \$ 4,229.65 |
| 8/4/2023 | EFT | PAYCHEX | 7/16/23-7/31/31 Payroll Direct Deposit | \$ 68,824.80 |
| 8/4/2023 | EFT | PAYCHEX | 7/16/23-7/31/31 Payroll Taxes | \$ 32,945.28 |
| 8/4/2023 | EFT | PAYCHEX | Payroll Service Fee | \$ 372.72 |
| 8/4/2023 | EFT | CalPERS | Health Insurance | \$ 47,832.42 |
| 8/4/2023 | EFT | CalPERS | Unfunded Accrued Liability Additional Discretionary Payment | \$ 21,642.00 |
| 8/4/2023 | EFT | CalPERS | Retirement Contributions (Employee & Employer) | \$ 8,660.10 |
| 8/4/2023 | EFT | CalPERS | Retirement Contributions (Employee & Employer) | \$ 7,202.02 |
| 8/4/2023 | EFT | CalPERS | Retirement Contributions (Employee & Employer) | \$ 2,879.30 |
| 8/4/2023 | EFT | CalPERS | 457 Contributions (Payroll Deduction) | \$ 4,310.40 |
| 8/4/2023 | EFT | Empower Retirement | 457 Loan Repayments (Payroll Deduction) | \$ 677.71 |
| 8/7/2023 | EFT | Comerica Commercial Card Services | WhenIWork Subscription, Training Ammunition, Active 911 Subscription, USB Drive, Zoom Subscription, Microsoft License, Commission Meeting Refreshments, Recruitment Advertising, Gate Latch, Hazmat Training, Mast Stand Wheels, Bench Grinder Wheels, Amazon Prime Subscription, Training Refreshments, Blasting Media, High Temperature Paint, Vehicle Signage, <i>Twin Lakes</i> Jet Pump Oil, Breakroom Supplies, Gate Arm Controls, Pile Repair Wraps & Forms | \$ 8,132.32 |
| 8/9/2023 | EFT | Comerica Bank | Service Charges | \$ 1,216.98 |
| 8/10/2023 | EFT | Gravity Payments | Front Desk Credit Card Gateway Fee | \$ 24.10 |
| 8/18/2023 | EFT | PAYCHEX | 8/1/23-8/15/23 Payroll Direct Deposit | \$ 65,043.37 |
| 8/18/2023 | EFT | PAYCHEX | 8/1/23-8/15/23 Payroll Taxes | \$ 30,961.32 |
| 8/18/2023 | EFT | PAYCHEX | Payroll Service Fee | \$ 427.65 |
| 8/20/2023 | EFT | PAYCHEX | Time & Attendance Fees | \$ 119.90 |
| 8/22/2023 | EFT | CalPERS | Health Insurance | \$ 47,832.42 |
| 8/22/2023 | EFT | CalPERS | Retirement Contributions (Employee & Employer) | \$ 8,077.65 |
| 8/22/2023 | EFT | CalPERS | Retirement Contributions (Employee & Employer) | \$ 7,206.10 |
| 8/22/2023 | EFT | CalPERS | Retirement Contributions (Employee & Employer) | \$ 2,879.30 |
| 8/22/2023 | EFT | CalPERS | 457 Contributions (Payroll Deduction) | \$ 4,018.93 |
| 8/22/2023 | EFT | CalPERS | GASB68 Reporting Fees | \$ 1,050.00 |
| 8/23/2023 | EFT | Empower Retirement | 457 Loan Repayments (Payroll Deduction) | \$ 677.71 |
| 8/30/2023 | EFT | Windcave, Inc. | Concession Lot Credit Card Device Charges | \$ 999.20 |
| Total August 2023 Disbursements | | | | \$ 1,108,075.17 |



TO: Port Commission
FROM: Holland MacLaurie, Port Director
DATE: September 12, 2023
SUBJECT: Port Director's Report – September 22, 2023

Grant Writing Consulting Services

The Port District has contracted with The Ferguson Group (TFG) for grant writing consulting services. The contract was executed in an amount not to exceed \$20,400, with a term ending August 31, 2024. TFG will complete a comprehensive needs assessment for the District and perform project specific research to identify available grant opportunities. The Port District currently has several large-scale infrastructure projects in queue that are likely to meet eligibility requirements for various grant opportunities. Pursuing grant funding for these projects will provide critical financial support to the District and supplement Capital Improvement Program funding.

Right of Entry Permit – Dredging

The Port District recently obtained a new, five year Right of Entry permit from California State Parks to allow for the disposal of dredged material on Twin Lakes State Beach. The District's previous Right of Entry permit expired on September 3, 2023.

Loan Arbitrage Report

Willdan Financial Services has been retained to complete an arbitrage compliance report for the District's 2013 non-taxable debt, which is required every five years (last compliance report was performed by Willdan in 2018). The compliance report is performed to ensure that the District does not earn excess interest on its non-taxable debt. The final report will be available in November.

Site Visit – Coastal Rail Trail Project (Segments 8 and 9)

On August 24, 2023, staff met with representatives from the City of Santa Cruz, Coastal Commission, Regional Transportation Commission (RTC), and County of Santa Cruz to discuss the future Rail Trail Project. The meeting included an extensive walkthrough of the site, and staff provided valuable feedback regarding the potential impacts associated with the proposed installation of a west and/or east harbor trail connection, public safety, and traffic safety. At the conclusion of the meeting, it was evident that the Coastal Commission, RTC, and County are strong proponents for the proposed trail connections.

Murray Street Bridge Project Update

Port District counsel has completed a review of the following documents related to the City's Murray Street Bridge Project:

- Easement Agreement (i.e., "Settlement Agreement")
- BMP Maintenance Agreement for Proposed Retention Basins
- Waterline Easement Agreement

The draft documents will be presented to the Commission at an upcoming meeting for review and comment. Staff is hopeful that all project related agreements will be presented for Commission approval by the end of this year.

Memorandum of Agreement – U.S. Army Corps of Engineers (USACE)

Staff continues to work with the USACE to renew the current Memorandum of Agreement (MOA) for operation and maintenance of the federal entrance channel. The current agreement is set to expire on December 31, 2024. An update on the renewal process is below:

- A new, 10-year MOA has been drafted and reviewed by Corps legal counsel.
- The average annual operation and maintenance expense for calendar years 2025-2029 (first 5-year term of the agreement) will be established by calculating the actual average annual expenses for the five-year period 2019-2023 (2019-2022 data has been provided to the Corps, while 2023 data pends).
- The Federal share for purposes of reimbursement will remain at 35%.
- Approval of the new MOA will likely occur at the District level, rather than requiring the signature of the Assistant Secretary of the Army.
- Approval of the new agreement is anticipated in Spring or Summer of 2024.

Site Visit - U.S. Army Corps of Engineers (USACE)

Staff is currently in the process of coordinating a site visit with members of the USACE, including LTC Timothy Shebesta, who assumed command of the San Francisco District on June 23, 2023. The purpose of the site visit, which is tentatively scheduled for January 31, 2024, is to introduce LTC Shebesta to the Port District's dredge operation program and familiarize him with the long-standing, mutually beneficial relationship that exists between the Port District and USACE.

FEMA Update – Disaster Recovery Assistance for 2023 Storm Damage

Staff is currently awaiting confirmation of funding obligations from FEMA for losses sustained during the January 2023 storm event. The following obligations are pending (not yet guaranteed):

- Debris Removal (Dredging Shoaled Entrance Channel) - \$529,000
- Pavement Repairs (493 Lake Avenue) - \$17,000



TO: Port Commission
FROM: Blake Anderson, Harbormaster
DATE: September 15, 2023
SUBJECT: Harbormaster's Report

Anchovy Die-Off Avoided

During the evening of August 27, 2023, a large school of anchovies entered the harbor. Due to the volume of fish observed, staff deployed the aeration system, began monitoring dissolved oxygen (DO) levels throughout the harbor, and started preparing for a clean-up effort. The DO levels recorded were the lowest staff has seen since the 2014 die-off. Thankfully, the fish left the harbor abruptly on Friday, September 1, 2023. During this event, baitfish were also observed very near shore throughout the local coastline and the DO readings taken offshore, about ½ mile out from the harbor, were much lower than what we typically record. It is possible that lack of DO in offshore waters drove fish toward the beach for that period of time.



Tsunami Preparedness

Staff met with representatives from CalOES, Cal Geological Society, NOAA, and allied fire/law agencies on August 29, 2023, to review and provide feedback on the upcoming version of the California Maritime Tsunami Playbook for Santa Cruz County. The Playbook, which is updated periodically, is intended to assist local agencies during a tsunami event by informing evacuation plans and procedures based on varying threat levels. Updated Playbooks are expected to be released in early 2024.

Equipment Grant Award

The Port District was awarded a \$9,500 equipment grant by the CA Division of Boating and Waterways for the replacement of select electronics aboard *P/B Kinnamon (PBK)*. When the *PBK* was built, the electronics were removed from the District's previous patrol boat, *Almar*, and reinstalled on the *PBK* to lower overall construction costs. With the grant funding, both 12" MDF screens will be replaced and a new high-definition radar will be installed. The grant funds are provided by the U.S. Coast Guard from the Sport Fish Restoration and Boating Trust Fund and administered through DBW's Boating Safety and Enforcement Equipment Grant program.

Training Manager Meeting

Harbor Patrol staff attended a training managers meeting on August 31, 2023, at the Capitola police station. The training managers group is made up of representatives from each local law enforcement agency. The monthly meetings are an opportunity to discuss upcoming trainings, departmental needs, and to share other information related to law enforcement training in the county.

Officer Wellness Seminar

Harbor Patrol staff attended a seminar hosted by the Santa Cruz Regional 911 Center (Netcom) on August 23, 2023, regarding officer wellness. The seminar was based around a recent critical incident that occurred in the county. The first responders involved in the incident gave a presentation on their experiences during and after the incident, including insight into resources for professional help and the tools used to overcome psychological trauma.

Water Taxi Season

The water taxi season came to a close on Labor Day, September 4, 2023. This season, the District’s water taxi, *Never Late*, ran a total of 50 days and served 9,190 riders.

Fisheries Update

On August 21, 2023, the CA Department of Fish and Wildlife announced an in-season closure of nearshore rockfish. The closure, effective September 1, 2023, made it unlawful to take rockfish in waters less than 50 fathoms (300 ft) deep. In the Santa Cruz area, 300’ of water can be found approximately six miles offshore, making it difficult, if not impossible, for small vessels and kayaks to access waters open to fishing.

Fisheries Report

The fisheries report consists of data from two sources: the Department of Fish and Wildlife (DFW) and the H&H Fresh Fish (resident fish buyer). The data from DFW is partially redacted in accordance with federal fisheries laws. Data is considered confidential when less than three separate vessels land species at any one port. For species landed by three or more separate vessels, the full data is made public and includes weight and value. For other data, the species landed is shown with no weight data.

August 2023 – Total Port Landings:

| Species | Weight (lbs.) | Ex-Vessel (per lbs.) | Approx. Value |
|------------------|---------------|----------------------|---------------|
| CA Halibut | 17,454.05 | \$4.91 | \$85,714.79 |
| Lingcod | 386.55 | \$2.92 | \$1,131.35 |
| Thresher Shark | 163.60 | \$1.02 | \$167.60 |
| Jack Mackerel | 13,169.15 | \$1.24 | \$16,418.20 |
| Pacific Mackerel | 1,931.60 | \$1.36 | \$2,646.03 |
| Jacksmelt | 331.50 | \$1.09 | \$363.50 |

Total Weight (lbs.) Reported: 33,436.45

Total Ex-Vessel: \$106,441.47

Species also landed* - Bluefin Tuna, Pacific Pompano, Pacific Sardine, Northern Anchovy, Sablefish (blackcod), Rock Crab, Rockfish (various), Petrale Sole, White Croaker, Starry Flounder, White Seabass

**weight and value data redacted by Fish and Wildlife pursuant to Fish and Game Code, Section 8022.*

August 2023 – Resident Buyer Landings:

| Species | Weight (lbs.) | Ex-Vessel (per lbs.) | Approx. Value |
|--------------------|---------------|----------------------|---------------|
| CA Halibut | 4,767.00 | \$5.00 | \$23,835.00 |
| Rock Crab | 915.00 | \$3.00 | \$2,745.00 |
| Rockfish (various) | 2,860.40 | \$2.50 | \$7,151.00 |
| Lingcod | 203.05 | \$3.00 | \$609.15 |
| White Seabass | 731.85 | \$6.00 | \$4,391.10 |
| Soles | 21.50 | \$2.00 | \$43.00 |
| Smelt | 11.00 | \$1.00 | \$11.00 |
| Flounder | 20.35 | \$2.00 | \$40.70 |
| Mackerel | 99.65 | \$1.00 | \$99.65 |
| Sardines | 37.45 | \$1.00 | \$37.45 |

Total Weight (lbs.) Reported: 9,667.25

Total Ex-Vessel: \$38,963.05



TO: Port Commission
FROM: Carl Wulf, Facilities Maintenance & Engineering Manager
DATE: September 26, 2023
SUBJECT: Facilities Maintenance & Engineering Manager's Report

Dredging Operations:

Twin Lakes

Off-season dredge maintenance is wrapping up. The dredge crew has completed all repairs and maintenance on the snorkel and Christmas Tree, which will be installed back on *Twin Lakes* in the coming weeks.



Squirt

Squirt was splashed at the boatyard on Wednesday, September 13, 2023. *Squirt* has been moved to J-Dock in preparation for the start of north harbor dredging, which is anticipated to commence on October 2, 2023.

Dauntless

Dauntless was splashed at the boatyard on Tuesday, September 20, 2023. The crew successfully completed repair work, including rewiring of the winch cables.

Maintenance:

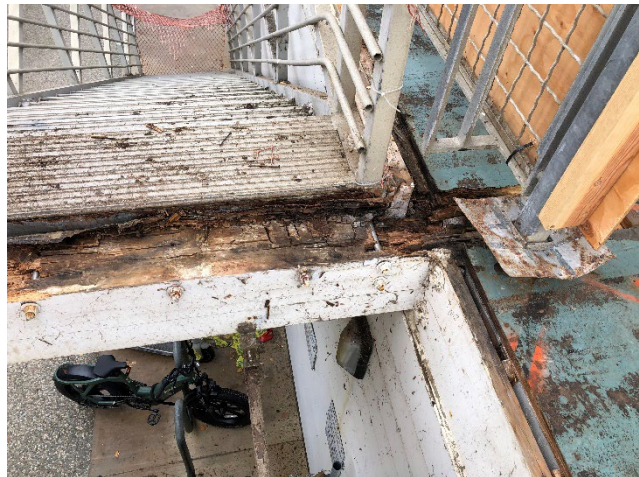
Additional Security Cameras

Maintenance staff are working on installing six additional security cameras throughout the harbor.

2222 East Cliff Drive Deck Replacement Project

The 2222 East Cliff Drive Project is underway and the contractor, SSB Construction, is currently ahead of schedule. SSB has completed all demolition and framing work along the southwest corner of the building.

The temporary fencing and scaffolding that is currently erected along the southwest corner of the building will be moved to the southeast corner of the building early next week.



SEA SCOUT SHIP 669

QUARTERLY REPORT

SEPTEMBER 2023

Santa Cruz Sea Scouts continue to keep themselves busy these past few months. We've added new scouts to our ship, now totaling 34+ boys and girls. We had 4 scouts when we took over from Jim Bosso in 2018. We've added a new ship, 38' Defever Trawler and a 23' Ranger sailboat. We were hoping that we could get the Ranger repaired and sailing this summer. But our repairs have been slow and hopefully by the end of September she'll be ready to start our new sailing program for scouts.

Our calendar is full. Our scouts have attended 3 regattas in the bay area. We've done fundraising for our scouts attending Sea Base in June. We've helped a new Sea Scout Ship starting in Monterey. Our scouts attended Emerald Bay Scout Base in Catalina Island in July and learned to scuba dive. We've done multiple day trips on the SSS Pearls around the bay.

Our long summer cruise to San Francisco and the Delta was completed in August. We had 10-15 scouts attend. We joined two other scout ships from San Francisco and cruised up the delta for 10 days. They did lots of training with the other ships and enjoyed swimming activities and visiting different ports along the way.

We've done 3 work parties on the SSS Pearls this summer and while servicing the engine discovered an oil leak. They patched it for our long cruise and will have to repair it in November. Our generator is also inoperable. We are hoping that a friend of a friend will help us diagnose and repair it.

We continue to work with the Coast Guard Auxiliary. They have attended our meetings doing training and our scouts have participated in patrols. The SSS Pearls is an official facility with the Auxiliary.

We were able to sell the Columbia 50 to a gentleman from North Carolina. He plans to berth her in the Puget Sound area. She is due to depart Santa Cruz around Sept. 15th.

Funding continues to be one of our top priorities. With our engine and generator repairs, getting the Ranger ready and continuing maintenance on our fleet there is always a need to fundraise. We are planning on a few fundraisers this next year and as always, we welcome donations from the public.

We welcome volunteers that would like to help us with a variety of things. Getting our sailing program up and running, mechanical repairs, fundraising and training among other things. We sponsor 3 scouts in our program. We take care of membership and activity costs. We don't want a child to miss out on scouting because of financial issues.

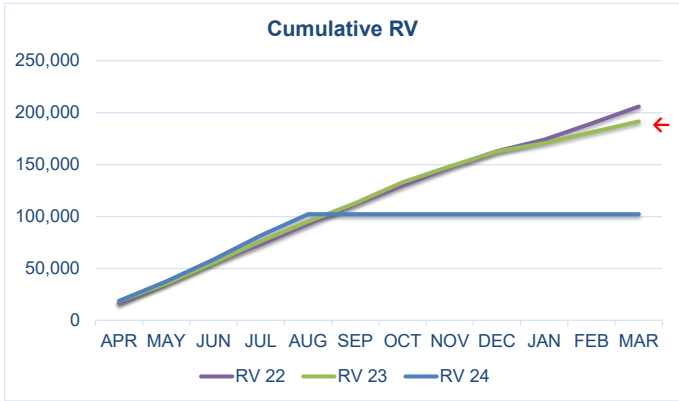
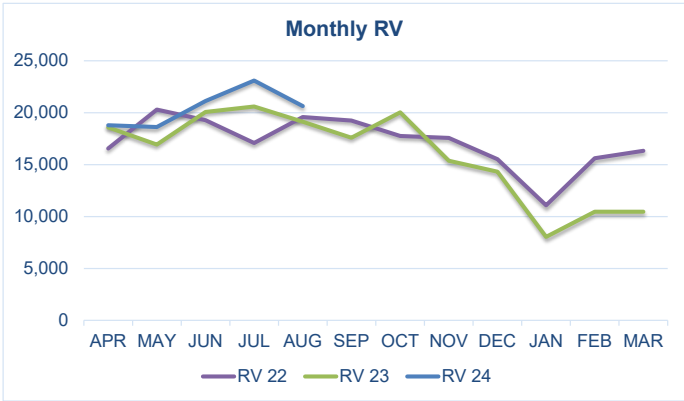
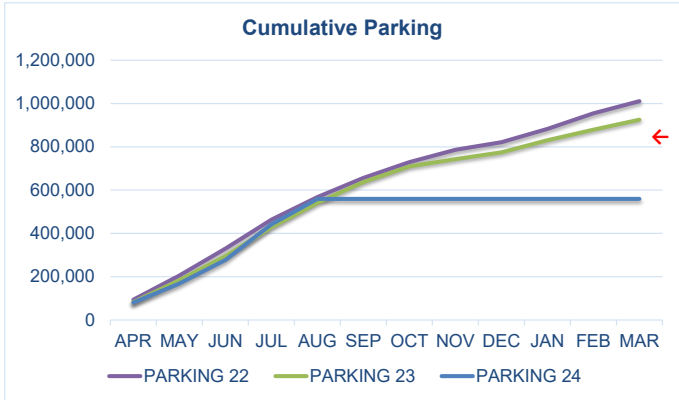
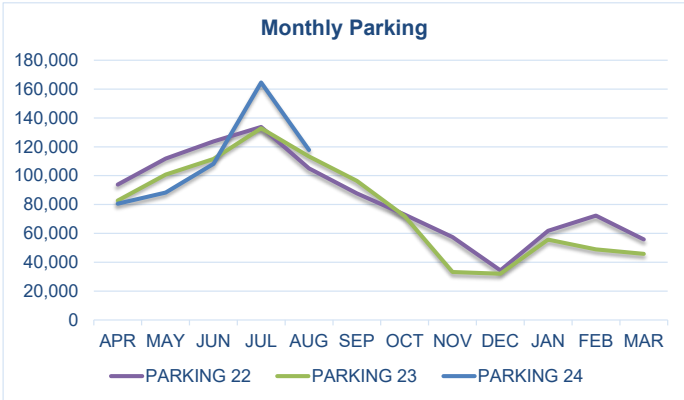
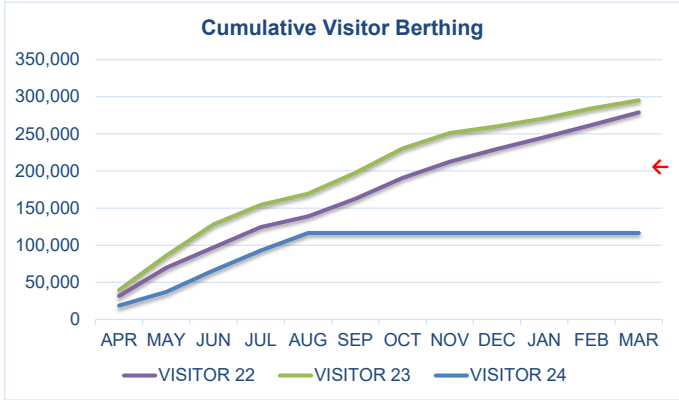
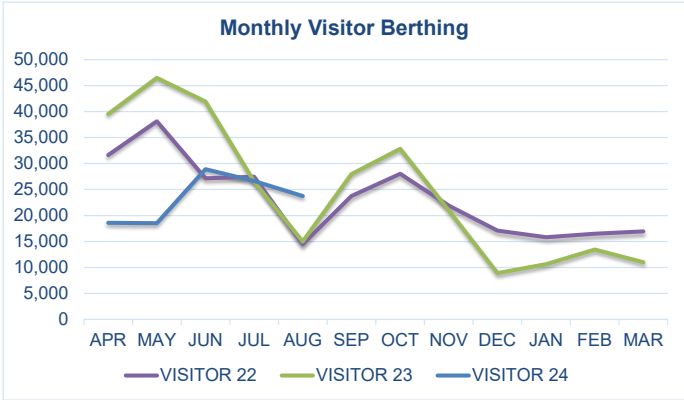
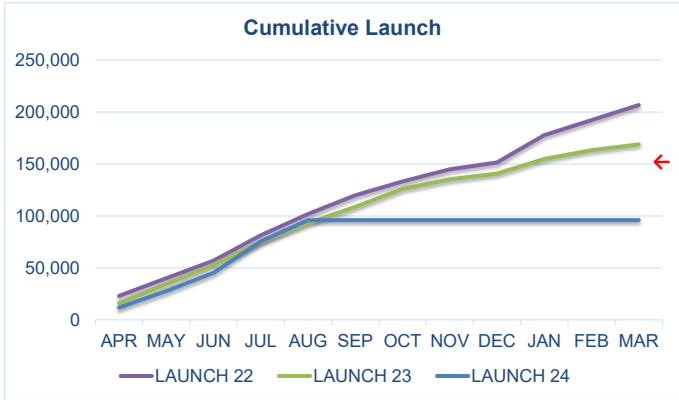
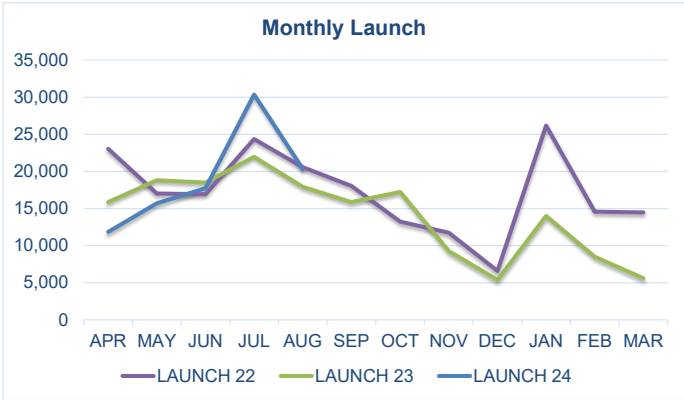
As always without your continued support of Santa Cruz Sea Scouts we would not be able to provide this program for our youth. The growth in our membership shows the need to continue this program for the benefit of our community.

Thank you,

Skipper Kevin Melrose

Santa Cruz Port District
SEASONAL INCOME
 For the Five Months Ending August 31, 2023

FY24 Budget ←



Santa Cruz Port District
Monthly Budget Report
For the Five Months Ending August 31, 2023

| Account | Description | YTD | FY24 BUDGET | % BUDGET | FY23 YTD | Variance |
|-------------------------|---------------------------------|--------------------|---------------------|------------|--------------------|--------------------|
| OPERATING INCOME | | | | | | |
| 000-000-000-0000-4000 | Slip Rent Permanent | \$2,085,621 | \$5,030,700 | 41% | \$2,017,088 | \$68,533 |
| 000-000-000-0000-4002 | Slip Rent Visitors | \$116,409 | \$210,000 | 55% | \$169,457 | (\$53,048) |
| 000-000-000-0000-4003 | Annual Slip Rent Discount | (\$335) | (\$1,225) | 27% | (\$639) | \$304 |
| 000-000-000-0000-4006 | Tenant Concession Rent | \$866,820 | \$2,054,400 | 42% | \$896,532 | (\$29,712) |
| 000-000-000-0000-4008 | Misc. Tenant Rent (Sewer) | \$28,685 | \$135,000 | 21% | \$29,203 | (\$518) |
| 000-000-000-0000-4010 | Launch Fees | \$95,976 | \$155,000 | 62% | \$93,047 | \$2,930 |
| 000-000-000-0000-4012 | Liveaboard | \$43,722 | \$75,000 | 58% | \$32,316 | \$11,406 |
| 000-000-000-0000-4014 | Catamaran Storage | \$12,204 | \$26,000 | 47% | \$12,152 | \$52 |
| 000-000-000-0000-4016 | North Harbor Dry Storage | \$86,413 | \$195,000 | 44% | \$82,799 | \$3,614 |
| 000-000-000-0000-4018 | 7th Ave Dry Storage | \$51,707 | \$122,000 | 42% | \$50,852 | \$855 |
| 000-000-000-0000-4020 | Waiting List | \$10,177 | \$120,000 | 8% | \$9,000 | \$1,177 |
| 000-000-000-0000-4024 | Slip Leave Option | | \$3,000 | 0% | (\$250) | \$250 |
| 000-000-000-0000-4026 | Partnership Fees | \$13,910 | \$30,000 | 46% | \$13,318 | \$592 |
| 000-000-000-0000-4028 | Sublease Fees | \$18,514 | \$35,000 | 53% | \$20,007 | (\$1,493) |
| 000-000-000-0000-4030 | Variable/Utility Fees | \$100,815 | \$207,250 | 49% | \$89,034 | \$11,781 |
| 000-000-000-0000-4032 | Late Fees | \$22,024 | \$50,000 | 44% | \$24,084 | (\$2,060) |
| 000-000-000-0000-4036 | Citations | \$72,780 | \$98,000 | 74% | \$55,988 | \$16,792 |
| 000-000-000-0000-4040 | Credit Card Convenience Charges | \$11,781 | \$22,000 | 54% | \$11,113 | \$668 |
| 000-000-000-0000-4100 | Parking - Concession Lot | \$322,417 | \$880,000 | 62% | \$298,973 | \$23,444 |
| 000-000-000-0000-4102 | Parking - Launch Area | \$14,998 | | | \$26,796 | (\$11,798) |
| 000-000-000-0000-4104 | Parking - Southwest | \$109,900 | | | \$99,716 | \$10,184 |
| 000-000-000-0000-4106 | Parking - North | \$18,989 | | | \$20,525 | (\$1,536) |
| 000-000-000-0000-4108 | Parking - Southeast | \$76,051 | | | \$78,486 | (\$2,434) |
| 000-000-000-0000-4118 | Meter Permits | \$7,039 | | | \$8,459 | (\$1,421) |
| 000-000-000-0000-4120 | Slip Renter Parking Permits | \$10,060 | \$26,000 | 39% | \$8,275 | \$1,785 |
| 000-000-000-0000-4122 | RV Parking | \$102,240 | \$195,000 | 52% | \$95,311 | \$6,929 |
| 000-000-000-0000-4200 | Fuel Sales Gasoline | \$143,428 | \$345,000 | 42% | \$249,835 | (\$106,406) |
| 000-000-000-0000-4202 | Fuel Sales Diesel | \$152,848 | \$465,000 | 33% | \$414,775 | (\$261,927) |
| 000-000-000-0000-4210 | Wash Rack | \$4,774 | \$6,500 | 73% | \$5,662 | (\$889) |
| 000-000-000-0000-4220 | Boatyard Retail | \$8,364 | \$16,500 | 51% | \$13,418 | (\$5,054) |
| 000-000-000-0000-4225 | Boatyard Labor | \$622 | \$750 | 83% | \$65 | \$557 |
| 000-000-000-0000-4230 | Boatyard Rental | \$1,125 | \$3,000 | 38% | \$2,385 | (\$1,260) |
| 000-000-000-0000-4235 | Boatyard Misc. | \$18,538 | \$32,000 | 58% | \$19,011 | (\$473) |
| 000-000-000-0000-4240 | Lay Days/Storage | \$45,490 | \$140,000 | 32% | \$104,104 | (\$58,614) |
| 000-000-000-0000-4245 | Vessel Haulout | \$73,220 | \$132,000 | 55% | \$71,916 | \$1,304 |
| 000-000-000-0000-4250 | Vessel Berthing | \$18,340 | \$32,000 | 57% | \$23,683 | (\$5,343) |
| | OPERATING INCOME | \$4,765,666 | \$10,840,875 | 44% | \$5,146,493 | (\$380,827) |

Santa Cruz Port District
Monthly Budget Report
For the Five Months Ending August 31, 2023

| Account | Description | YTD | FY24 BUDGET | % BUDGET | FY23 YTD | Variance |
|---------------------------------------|---------------------------------------|----------------------|--------------------|---------------|--------------------|--------------------|
| EXPENSE SUMMARY BY PROGRAM | | | | | | |
| | Administrative Services (110) | \$346,124 | \$889,563 | 39% | \$325,882 | \$20,243 |
| | Finance & Purchasing (120) | \$77,121 | \$239,618 | 32% | \$99,485 | (\$22,364) |
| | Property Management (130) | \$325,083 | \$842,315 | 39% | \$256,931 | \$68,151 |
| | Environmental & Permitting (140) | \$33,253 | \$189,158 | 18% | \$34,356 | (\$1,102) |
| | Port Commission Support (190) | \$28,052 | \$78,653 | 36% | \$27,414 | \$638 |
| | Harbor Patrol (210) | \$312,570 | \$863,451 | 36% | \$357,258 | (\$44,689) |
| | Marina Management (220) | \$233,466 | \$611,835 | 38% | \$249,515 | (\$16,049) |
| | Rescue Services (230) | \$40,285 | \$144,756 | 28% | \$39,881 | \$404 |
| | Parking Services (240) | \$188,588 | \$384,271 | 49% | \$197,467 | (\$8,879) |
| | Events (250) | \$5,739 | \$33,179 | 17% | \$10,062 | (\$4,324) |
| | Fuel Services (280) | \$213,787 | \$516,338 | 41% | \$496,391 | (\$282,605) |
| | Docks, Piers, Marine Structures (310) | \$311,881 | \$679,068 | 46% | \$212,419 | \$99,462 |
| | Utilities (320) | \$31,910 | \$109,072 | 29% | \$48,042 | (\$16,132) |
| | Buildings (330) | \$161,428 | \$465,185 | 35% | \$160,151 | \$1,277 |
| | Grounds (340) | \$352,560 | \$865,519 | 41% | \$399,860 | (\$47,300) |
| | Aeration (350) | \$19,315 | \$59,229 | 33% | \$17,480 | \$1,835 |
| | Fishery Support (360) | \$3,776 | \$17,024 | 22% | \$6,727 | (\$2,950) |
| | Capital Projects (390) | \$180,462 | \$363,503 | 50% | \$203,249 | (\$22,787) |
| | Dredging Operations (400) | \$631,815 | \$1,653,480 | 38% | \$689,151 | (\$57,335) |
| | Boatyard Operations (500) | \$141,620 | \$408,535 | 35% | \$170,410 | (\$28,791) |
| | OPERATING EXPENSES | \$3,638,834 | \$9,413,753 | 39% | \$4,002,130 | (\$363,296) |
| | OPERATING PROFIT | \$1,126,832 | \$1,427,122 | 79% | \$1,144,363 | (\$17,531) |
| NON OPERATING INCOME/(EXPENSE) | | | | | | |
| 000-000-000-0000-4300 | Harbor Services Charge | \$4,866 | \$10,000 | 30% | \$450 | \$4,416 |
| 000-000-000-0000-4308 | Interest Income | \$251,771 | \$125,000 | 48% | \$23,435 | \$228,335 |
| 000-000-000-0000-4310 | Other Income | \$35,052 | \$85,000 | 33% | \$28,938 | \$6,113 |
| 000-000-000-0000-4375 | USACE Reimbursement | \$262,500 | \$525,000 | 0% | | \$262,500 |
| 000-000-000-0000-4405 | Grants - DBAW | \$13,552 | \$12,000 | 113% | \$8,604 | \$4,948 |
| 000-000-000-0000-4406 | County Rescue Contribution | \$25,000 | \$50,000 | 50% | \$25,000 | \$0 |
| 000-000-000-0000-4408 | Waste Oil Grant | \$5,802 | \$12,000 | 48% | \$7,408 | (\$1,605) |
| 000-000-000-0000-4500 | Gain/(Loss) on Asset Disposal | \$3,050 | | 0% | | \$3,050 |
| 000-000-000-0000-4412 | Tsunami Insurance Reimbursement | | \$0 | 0% | \$270,000 | (\$270,000) |
| 000-000-000-0000-4600 | Cash Over/Under | (\$747) | | 0% | (\$247) | (\$500) |
| 000-000-000-0000-4900 | Election Expense | | | 0% | (\$127,578) | \$127,578 |
| | Principal Debt Payments | (\$680,484) | (\$1,365,818) | 9% | (\$655,692) | (\$24,793) |
| | Capital Improvement Program | (\$1,391,016) | (\$500,000) | 45% | (\$143,440) | (\$1,247,576) |
| | Capitalized Expenses | (\$117,840) | (\$212,500) | 45% | (\$121,915) | \$4,074 |
| | Depreciation | (\$700,008) | \$0 | 0% | (\$700,008) | \$0 |
| | NET INCOME/(LOSS) | (\$1,161,670) | \$167,804 | (692%) | (\$240,680) | (\$920,990) |



Summary Statement

August 31, 2023

Page 1 of 3

Investor ID: CA-01-0076

0000072-0000270 PDF 565401

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062

California CLASS

California CLASS

Average Monthly Yield: 5.4471%

| | | Beginning Balance | Contributions | Withdrawals | Income Earned | Income Earned YTD | Average Daily Balance | Month End Balance |
|-----------------|--------------------|----------------------|-------------------|-------------------|------------------|-------------------|-----------------------|----------------------|
| CA-01-0076-0001 | Port District Main | 12,963,462.97 | 350,000.00 | 350,000.00 | 59,293.68 | 172,756.65 | 12,841,182.12 | 13,022,756.65 |
| TOTAL | | 12,963,462.97 | 350,000.00 | 350,000.00 | 59,293.68 | 172,756.65 | 12,841,182.12 | 13,022,756.65 |



Port District Main

Account Summary

Average Monthly Yield: 5.4471%

| | Beginning Balance | Contributions | Withdrawals | Income Earned | Income Earned YTD | Average Daily Balance | Month End Balance |
|------------------|-------------------|---------------|-------------|---------------|-------------------|-----------------------|-------------------|
| California CLASS | 12,963,462.97 | 350,000.00 | 350,000.00 | 59,293.68 | 172,756.65 | 12,841,182.12 | 13,022,756.65 |

Transaction Activity

| Transaction Date | Transaction Description | Contributions | Withdrawals | Balance | Transaction Number |
|------------------|------------------------------|---------------|-------------|---------------|--------------------|
| 08/01/2023 | Beginning Balance | | | 12,963,462.97 | |
| 08/07/2023 | Withdrawal | | 350,000.00 | | 1481 |
| 08/18/2023 | Contribution | 350,000.00 | | | 1534 |
| 08/31/2023 | Income Dividend Reinvestment | 59,293.68 | | | |
| 08/31/2023 | Ending Balance | | | 13,022,756.65 | |



California CLASS

California CLASS

| Date | Dividend Rate | Daily Yield |
|------------|---------------|-------------|
| 08/01/2023 | 0.000148899 | 5.4348% |
| 08/02/2023 | 0.000148984 | 5.4379% |
| 08/03/2023 | 0.000148991 | 5.4382% |
| 08/04/2023 | 0.000447180 | 5.4407% |
| 08/05/2023 | 0.000000000 | 5.4407% |
| 08/06/2023 | 0.000000000 | 5.4407% |
| 08/07/2023 | 0.000149051 | 5.4404% |
| 08/08/2023 | 0.000149054 | 5.4405% |
| 08/09/2023 | 0.000149086 | 5.4416% |
| 08/10/2023 | 0.000149113 | 5.4426% |
| 08/11/2023 | 0.000447144 | 5.4402% |
| 08/12/2023 | 0.000000000 | 5.4402% |
| 08/13/2023 | 0.000000000 | 5.4402% |
| 08/14/2023 | 0.000149096 | 5.4420% |
| 08/15/2023 | 0.000149329 | 5.4505% |
| 08/16/2023 | 0.000149463 | 5.4554% |
| 08/17/2023 | 0.000149422 | 5.4539% |
| 08/18/2023 | 0.000448026 | 5.4510% |
| 08/19/2023 | 0.000000000 | 5.4510% |
| 08/20/2023 | 0.000000000 | 5.4510% |
| 08/21/2023 | 0.000149386 | 5.4526% |
| 08/22/2023 | 0.000149232 | 5.4470% |
| 08/23/2023 | 0.000149178 | 5.4450% |
| 08/24/2023 | 0.000149186 | 5.4453% |
| 08/25/2023 | 0.000447834 | 5.4486% |
| 08/26/2023 | 0.000000000 | 5.4486% |
| 08/27/2023 | 0.000000000 | 5.4486% |
| 08/28/2023 | 0.000149391 | 5.4528% |
| 08/29/2023 | 0.000149639 | 5.4618% |
| 08/30/2023 | 0.000149832 | 5.4689% |
| 08/31/2023 | 0.000149762 | 5.4663% |

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

September 18, 2023

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

SANTA CRUZ PORT DISTRICT

PORT DIRECTOR
135 5TH AVENUE
SANTA CRUZ, CA 95062

[Tran Type Definitions](#)

Account Number:

August 2023 Statement

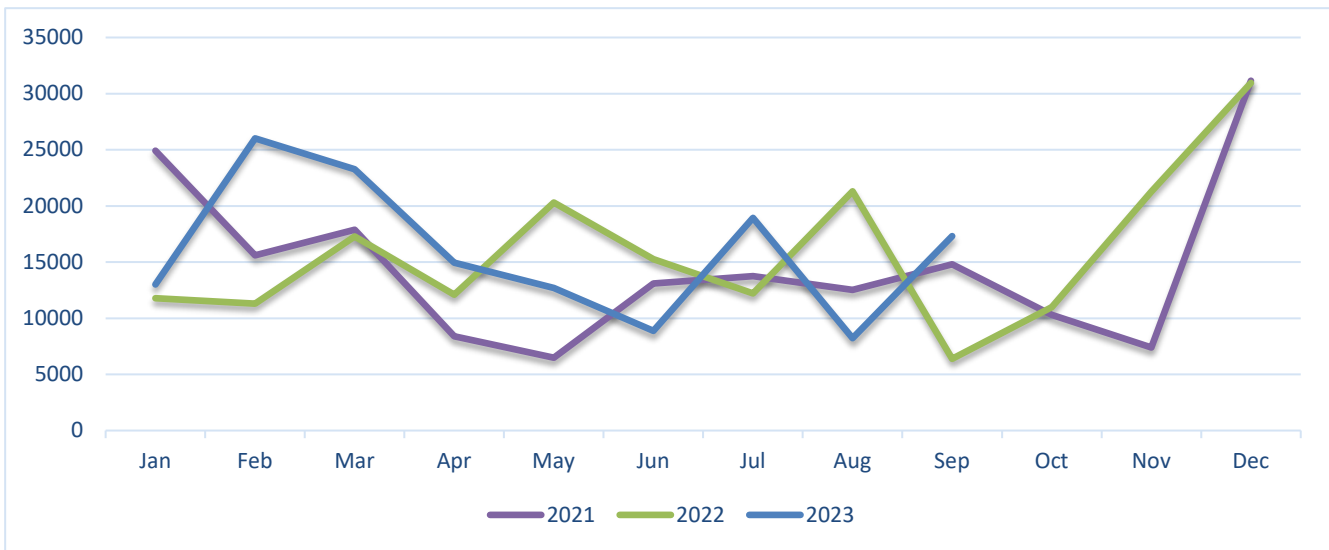
Account Summary

| | | | |
|-------------------|------|--------------------|------------|
| Total Deposit: | 0.00 | Beginning Balance: | 286,575.64 |
| Total Withdrawal: | 0.00 | Ending Balance: | 286,575.64 |

Santa Cruz Port District
60 DAY DELINQUENT ACCOUNTS

The following accounts have balances 60 days delinquent as of September 20, 2023

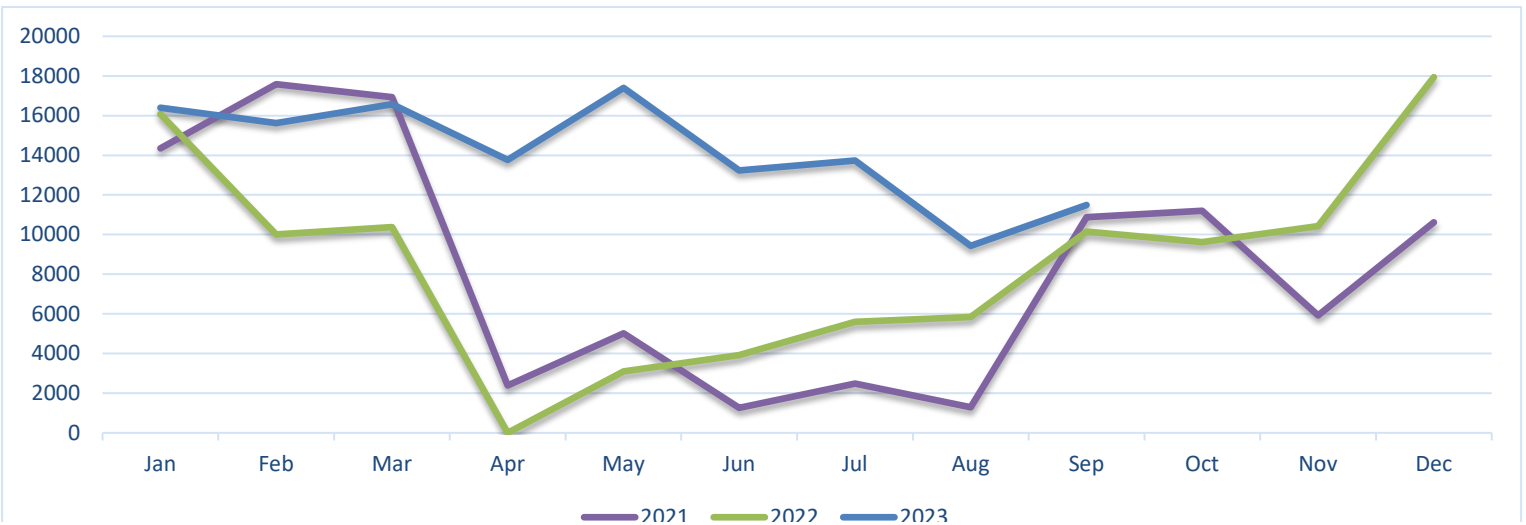
| Account Number | Current Month | 30 Day Balance | 60 Day Balance | 90 Day Balance | Total Balance |
|----------------|--------------------|--------------------|--------------------|----------------|---------------------|
| 55454 | 1,126.35 | 1,092.32 | 535.86 | 0.00 | 2,754.53 |
| 58005 | 1,228.64 | 1,201.79 | 320.72 | 0.00 | 2,751.15 |
| 55834 | 1,119.67 | 1,096.02 | 3.07 | 0.00 | 2,218.76 |
| 29573 | 1,019.98 | 994.98 | 25.00 | 0.00 | 2,039.96 |
| 2093 | 509.83 | 489.48 | 266.94 | 0.00 | 1,266.25 |
| 48319 | 477.86 | 526.40 | 25.00 | 0.00 | 1,029.26 |
| 55602 | 460.29 | 438.29 | 5.63 | 0.00 | 904.21 |
| 56297 | 324.79 | 363.96 | 168.78 | 0.00 | 857.53 |
| 55382 | 455.26 | 352.35 | 24.44 | 0.00 | 832.05 |
| 58496 | 289.20 | 265.96 | 75.38 | 0.00 | 630.54 |
| 58897 | 214.63 | 206.63 | 6.43 | 0.00 | 427.69 |
| 58184 | 27.84 | 116.59 | 227.50 | 0.00 | 371.93 |
| 47843 | 160.45 | 134.33 | 25.00 | 0.00 | 319.78 |
| 2036 | 96.68 | 68.29 | 90.03 | 0.00 | 255.00 |
| 59015 | 89.19 | 63.67 | 88.14 | 0.00 | 241.00 |
| 60164 | 93.11 | 67.55 | 73.02 | 0.00 | 233.68 |
| 57229 | 88.67 | 64.19 | 25.00 | 0.00 | 177.86 |
| Total | \$ 7,782.44 | \$ 7,542.80 | \$ 1,985.94 | \$ - | \$ 17,311.18 |



Santa Cruz Port District
90+ DAY DELINQUENT ACCOUNTS

The following accounts have balances 90 days delinquent or greater as of September 20, 2023

| Account Number | Current Month | 30 Day Balance | 60 Day Balance | 90+ Day Balance | Total Balance | Commercial Slip | Action |
|----------------|--------------------|--------------------|--------------------|--------------------|---------------------|-----------------|----------|
| 4134 | 1,056.86 | 1,121.24 | 1,135.81 | 1,767.73 | 5,081.64 | X | Revoke |
| 47438 | 761.55 | 663.16 | 682.78 | 143.05 | 2,250.54 | X | Revoke |
| 2002 | 430.85 | 402.57 | 424.30 | 794.82 | 2,052.54 | | Revoke |
| 58520 | 185.88 | 159.57 | 183.27 | 181.96 | 710.68 | | Revoke |
| 58758 | 162.66 | 136.54 | 160.42 | 155.92 | 615.54 | | Revoke |
| 29726 | - | - | - | 420.21 | 420.21 | | Bad Debt |
| 58302 | 67.15 | 67.15 | 67.15 | 161.47 | 362.92 | | Revoke |
| Total | \$ 2,664.95 | \$ 2,550.23 | \$ 2,653.73 | \$ 3,625.16 | \$ 11,494.07 | | |





TO: Port Commission
FROM: Sean Rothwell, Assistant Harbormaster
DATE: September 6, 2023
SUBJECT: Harbor Patrol Incident Response Report – August 2023

Search and Rescue, Patrol Boat Response

- 8/8/23 Harbor Patrol responded to a report of a capsized kayak in the area of Seabright Beach. Upon arrival, Harbor Patrol assisted two victims on board the patrol boat and provided transport back to the harbor. No injuries reported.
- 8/19/23 Harbor Patrol responded to a report of a swimmer in distress in the area of Mitchell's Cove Beach. Prior to arrival, the swimmer self-rescued. Harbor Patrol returned to the harbor without incident.
- 8/21/23 Harbor Patrol responded to a report of a surfer in distress in the area of Steamer Lane. Prior to arrival, the surfer self-rescued. Harbor Patrol returned to the harbor without incident.
- 8/25/23 Harbor Patrol responded to a report of a kite surfer in distress in the area of West Cliff Drive. Upon arrival, Harbor Patrol contacted the kite surfer who indicated they were not in distress. Harbor Patrol returned to harbor without incident.
- 8/27/23 Harbor Patrol responded to a report of a man overboard in the area of the Capitola Wharf. Prior to arrival, the subject self-rescued. Harbor Patrol returned to harbor without incident.

Crime Reports, Assist Outside Department, and Incident Reports

- 8/2/23 Harbor Patrol responded to a report of a medical emergency at a harbor concessionaire after an elderly subject fainted. Harbor Patrol administered first aid until paramedics arrived on scene. The patient was transported to Dominican Hospital by ambulance for further evaluation.
- 8/4/23 Harbor Patrol cited an individual for violation of *Santa Cruz Municipal Code 5601.1.2 - Use of Fireworks Prohibited* after observing the discharge of an illegal firework from a vessel berthed at the fuel dock.
- 8/8/23 Harbor Patrol responded to a report of a medical emergency at a harbor concessionaire after a subject suffered a possible heart attack. Harbor Patrol administered CPR until paramedics arrived on scene. The patient was transported to Dominican Hospital by ambulance for further evaluation.
- 8/11/23 Harbor Patrol responded to a report of a subject suffering from dizziness and nausea at a harbor concessionaire. The subject was transported to Dominican Hospital for further evaluation.

- 8/17/23 Harbor Patrol attempted to make a traffic stop after a subject on an electric bicycle failed to stop at a stop sign. The suspect fled the scene and was later detained by Santa Cruz Police in the area of Ocean View Park. The suspect was taken into custody by Harbor Patrol for multiple violations including reckless driving and resisting arrest.
- 8/19/23 Harbor Patrol took an incident report after a bicyclist lost control and fell in the area of S-Dock. Harbor Patrol assisted the victim until paramedics arrived on the scene. Minor injuries were reported.
- 8/27/23 Harbor Patrol took a stolen property report after a lock was found cut and two bicycles were reported missing from the area of B-dock. No suspect information available.

Parking Citations:

| | |
|-------------------------------|-----|
| August 2023 Parking Citations | 482 |
| August 2022 Parking Citations | 433 |

Santa Cruz Port District

Port Commission Review Calendar / Follow-Up Items 2023-24

2023

January-March

- ✓ Committee Assignments for 2023
- ✓ Sea Scouts' Biannual Report
- ✓ FY 24 Budget
- ✓ Review 5-year CIP
- ✓ Slip Vacancy Biannual Report / Waiting List Statistics
- ✓ Form 700 Filing (due by 3/31 each year)
- ✓ Biennial Anti-Harassment/Anti-Discrimination Training
- ✓ Crow's Nest Beach Market Rent Review at Option Period Ending 4/30/2023
2 (5) year options to extend
- ✓ Intero Real Estate Rent Review at Option Period Ending 5/31/2023
1 (5) year option to extend

April-June

- ✓ Dredge Report 2022-23 (moved to August)

July-September

- ✓ Annual O'Neill Sea Odyssey Report (annual review of slip rent reduction. PC action Jul-07)
- Sea Scouts' Biannual Report
- Slip Vacancy Biannual Report / Waiting List Statistics

October-December

- Mid Fiscal Year Review of CIP
- Review of CalPERS Actuarial Valuation Report
- Annual Vessel Use List Review
- Annual Review of Business Use of Slips
- Ethics Training Update (due by year end)
- Port Commission Officers for 2024

Committee Review Items

- ✓ Comprehensive Review of Charter Fees and Public Benefit Discount Policy (January – April 2023)

2024

January-March

- Committee Assignments for 2024
- Sea Scouts' Biannual Report
- FY 25 Budget
- Review 5-year CIP
- Slip Vacancy Biannual Report / Waiting List Statistics
- Form 700 Filing (due by 3/31 each year)

April-June

- Café El Palomar Lease Exp. 7/31/2024
2 (5) year option to extend / rent review at first or second option period
- Biennial Update to Conflict-of-Interest Code

July-September

- Annual O'Neill Sea Odyssey Report (annual review of slip rent reduction. PC action Jul-07)
- Dredge Report 2023-24
- Sea Scouts' Biannual Report
- Slip Vacancy Biannual Report / Waiting List Statistics

October-December

- Mid Fiscal Year Review of CIP
- Review of CalPERS Actuarial Valuation Report
- Annual Vessel Use List Review
- Annual Review of Business Use of Slips
- Ethics Training Update (due by year end)
- Port Commission Officers for 2024

Future Calendar

- 7th and Brommer Property Assessment
- ABC End-Tie Review after Murray Street Bridge Retrofit
- Pedestrian Traffic Safety Improvements Review

Key

- | |
|----------------------------------|
| <input type="checkbox"/> Pending |
| → In process |
| ✓ Done |

Updated 9/20/2023
CommissionReviewCalendar-2023.doc