



Special Closed and Regular Public Session of June 23, 2020

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present (Via teleconference):*

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

**SPECIAL PUBLIC SESSION – 5:00 PM**

Chairman Reed brought the special public session to order at 5:00 PM via teleconference at the Santa Cruz Harbor Conference Room, 135 5<sup>th</sup> Avenue, Santa Cruz, CA 95062.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8

At 5:00 PM, Chairman Reed announced the Commission will meet in closed session to discuss agenda items 3 and 4.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators  
Agency Designated Representative: M. Olin  
Negotiating Parties: 616 Atlantic Avenue (Aldo's Restaurant)  
Under Negotiation: Lease
4. Conference with Real Property Negotiators  
Agency Designated Representative: M. Olin  
Negotiating Parties: 2218 East Cliff Avenue (Crow's Nest Restaurant)  
Under Negotiation: Lease

**SPECIAL PUBLIC SESSION**

5. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1

Chairman Reed announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Reed adjourned the special open session following the closed meeting at 6:23 PM.

## **REGULAR PUBLIC SESSION – 7:00 PM**

Chairman Reed convened the regular public session at 7:00 PM via teleconference at the Santa Cruz Harbor Conference Room, 135 5<sup>th</sup> Avenue, Santa Cruz, CA 95062.

1. Pledge of Allegiance
2. Oral Communication

Chairman Reed stated that the Commission took no reportable action in closed session on agenda items 3 and 4.

Commission Gertler expressed his appreciation for staff's efforts in partnering with CA State Parks Division of Boating and Waterways to implement a life jacket loaner program at the Santa Cruz Harbor launch ramp.

## **CONSENT AGENDA**

3. Approval of Minutes
  - a) Regular Public Session of May 26, 2020
4. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 200 (Tenant: State Farm Insurance)
5. Approval of Resolution 20-06 – Designation of Applicant's Agent for Non-State Agencies for the Purpose of Obtaining Federal Assistance
6. Approval of Resolution 20-07 – Designating Port District Officers as Authorized Local Agency Investment Fund (LAIF) Agents
7. Public Hearing to Approve Resolution 20-08 – Adopting a Conflict-of-Interest Code

Discussion: Commissioner Goddard requested that item 7, Public Hearing to Approve Resolution 20-08 – Adopting a Conflict-of-Interest Code, be moved to the regular agenda to allow for public comment and discussion.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to approve the consent agenda items 3 through 6.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

## **REGULAR AGENDA**

7. Public Hearing to Approve Resolution 20-08 – Adopting a Conflict-of-Interest Code

Discussion: Vice-chairman Goddard requested that Resolution 20-08 be revised to indicate that no amendment to the agency's conflict of interest code is required.

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Geisreiter to approve Resolution 20-08, adopting a conflict-of-interest code, with the requested revision.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

8. Approve Extended Warranty Contract with Scheidt and Bachmann for Concession Parking Lot Equipment

Discussion: Port Director Olin requested approval of the extended warranty contract with Scheidt and Bachman for a one-year term, with four, one-year options to renew. She stated that the routine preventative maintenance performed and software updates provided under this warranty will ensure the equipment remains in top operating condition.

Port Director Olin reviewed the annual warranty costs (paid to Scheidt and Bachmann on a monthly basis):

Year 1 (April 1, 2021)	\$27,800
Year 2 (April 1, 2022)	\$28,634
Year 3 (April 1, 2023)	\$29,493
Year 4 (April 1, 2024)	\$30,378
Year 5 (April 1, 2025)	\$31,289

Port Director Olin stated that adequate funding will be included in the FY22 budget for this expense.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to approve the extended warranty contract with Scheidt and Bachmann USA, Inc., for a one-year term, with four, one-year options to renew.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

9. Consider Amendments to Concession-Operated Charter Permits and Review Charter Fee Schedule

Discussion: Port Director Olin stated that as a result of the recent shelter-in-place closure, staff has received numerous requests from charter operators seeking various permit modifications. She stated that staff has reviewed and considered each request, and developed the following recommendations to bring continuity to the charter program and fee schedule:

- Require charters to commence operations within 60 days of permit issuance
- Rescind currently inactive charter permits:
  - O'Neill – *Marie Celine*
  - Dolan – *Second charter permit*
- Apply 6-pak charter fee to J. Thomas, rather than business use of slip at 1.5X slip rent;
- Schedule a future comprehensive committee review of the charter program and fee schedule

Vice-chairman Goddard stated that he is supportive of requiring charters to commence operations within 60 days of permit issuance or upon a mutually agreed upon start date. He stated that it will be beneficial to grant the Port Director discretion to approve extensions to the effective date, in the event of unforeseen delays (i.e. Coast Guard certification, etc.).

Commissioner Geisreiter agreed and stated that the motion should clarify that the 60-day provision to commence operations for any inactive charters begins from the date of tonight's meeting.

Vice-chairman Goddard suggested it may be useful to define "inactive" to ensure consistency. A brief discussion ensued about how to define inactive charters. Port Director Olin stated, for now, she is taking a simplistic view of inactivity:

- No vessel
- Permit holder requests an extended leave
- Permit holder states they don't conduct charters

Port Director Olin stated that inactivity due to COVID-19 or similar disruptions would not be grounds to rescind a permit. It was generally agreed that future discussion to define a policy on inactivity would be beneficial.

Charter operator, Tom Dolan, expressed his intent to commence operations under his second permit, which was issued in March 2018, and requested at least 90 to 120 days to begin operating due to COVID-19 setbacks.

The Commission discussed extending the 60-day provision allow operators to commence in 90-days.

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Geisreiter to:

1. Require charter operators to commence charter operations within 90 days of permit issuance, or a mutually agreed upon start date;
2. Rescind inactive charter permits;
3. Apply charter fee to J. Thomas 6-pak charter business;
4. Perform a comprehensive review of charter fees at a future committee meeting
5. Modifications made as part of this motion take effect immediately and are not to be imposed retroactively.
  - *Motion carried unanimously by roll call.*
    - *Reed: YES*
    - *Goddard: YES*
    - *Smith: YES*
    - *Gertler: YES*
    - *Geisreiter: YES*

10. General Election of November 2020

- a) Approval of Resolution 20-09 – Serving Notice to County Clerk of Election Office to be Filled and Transmittal of Map and Boundaries
- b) Approval of Resolution 20-10 – Ordering an Election and Requesting Consolidation of the Election
- c) Administrative Calendar

Discussion: In response to a question posed by Vice-chairman Goddard, Port Director Olin confirmed that approval of Resolution 20-10 consolidates the election. She stated that additional information regarding the estimated cost of this year's election can be obtained from the County.

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Geisreiter to approve Resolution 20-09, serving notice to County Clerk of Election Office to be filled and transmittal of map and boundaries; and Resolution 20-10, ordering an election and requesting consolidation of the election.

- *Motion carried unanimously by roll call.*
  - *Reed: YES*
  - *Goddard: YES*
  - *Smith: YES*
  - *Gertler: YES*
  - *Geisreiter: YES*

11. Approval of Cash / Payroll Disbursements – May 2020

Discussion: Port Director Olin noted that warrant #53491 to SDRMA for 2020-2021 workers' compensation insurance in the amount of \$112,309 exceeded the budgeted amount of \$105,000, due to an increased experience rating, which reduces the District's discount. In FY19 the Port District budgeted \$116,000 for workers' compensation and actual costs were \$85,000.

MOTION: Motion made by Commissioner Smith, seconded by Chairman Reed to approve the cash and payroll disbursements for May 2020 in an amount of \$522,29.61.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

## **INFORMATION**

### 12. Port Director's Report

#### FEMA Public Assistance Grant

Port Director Olin stated that on June 1, 2020, she applied for the FEMA Public Assistance Grant. If accepted, the District will be eligible for reimbursement of certain COVID-19 related services and supplies. Labor and legal services are being tracked, but not likely to be eligible for reimbursement.

#### Murray Street Bridge

Port Director Olin stated that the City anticipates issuing a Request for Proposals for the Murray Street Bridge Seismic Retrofit Project in early-2021, and noted that the project will not likely commence for another several years.

#### COVID-19 Landside Tenant Extended Payment Plans

Port Director Olin stated that 10 landside tenants have executed extended payment plans.

### 13. Harbormaster's Report

Harbormaster Anderson stated that he received a total of 32 marina customer extended payment plan requests; 13 declined; 19 were executed.

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

Port Director Olin stated that FME Manager Kerkes is not in attendance at tonight's meeting. She reported that the crews have been performing work on *Dauntless* to patch the deck and will begin preparations for replacing the disposal pipeline on harbor beach, which is scheduled to take approximately 2 weeks.

### 15. Dredge Report 2019-20

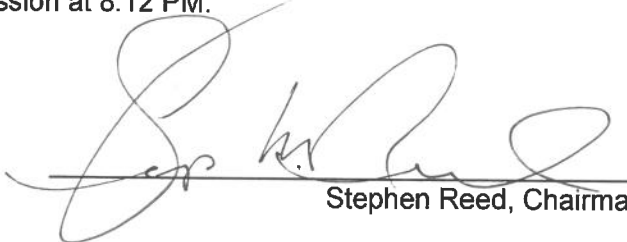
Administrative Services Manager MacLaurie stated that the dredge crew had a very successful 2019-20 season. She stated that the crew continues to hone their skills and achieve increased production.

Administrative Services Manager MacLaurie stated that the staff is currently developing a plan to transition north harbor dredging duties back to the dredge department for the 2020-21 season.

A brief discussion ensued regarding the methodology used for estimating daily dredge volumes. Staff confirmed that several factors, including total run time, pumping hours, dredge location, and the presence of debris are taken into consideration when calculating the estimated daily total.

16. Financial Reports (*There was no discussion on this agenda item*)
  - a) Comparative Seasonal Revenue Graphs
17. Delinquent Account Reporting (*There was no discussion on this agenda item*)
18. Harbor Patrol Incident Response Report – May 2020 (*There was no discussion on this agenda item*)
19. Written Correspondence (*There was no discussion on this agenda item*)
  - a) Letter to Chairman Reed from Law Office of Steven J. Andre
  - b) Letter to Chairman Reed from Mr. Wilson
  - c) Letter to Mr. Wilson from Chairman Reed
20. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chairman Reed adjourned the regular public session at 8:12 PM.



Stephen Reed, Chairman