



Special Closed and Regular Public Session of April 26, 2016

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Toby Goddard            Chairman  
Dennis Smith           Vice-chairman  
Reed Geisreiter        Commissioner  
Bill Lee                 Commissioner

*Commission Members Absent:*

Stephen Reed           Commissioner

**SPECIAL PUBLIC SESSION**

Chairman Goddard brought the special public session to order at 5:00 PM at the Santa Cruz Harbor office conference room, 135 5<sup>th</sup> Avenue, Santa Cruz, CA 95062.

1. Oral Communication

O'Neill Sea Odyssey (OSO) Executive Director Dan Haifley thanked Commissioners for considering their request for a lease option for the second story of 2222 East Cliff Drive. He stated that OSO is honored to be partners with the Port District. He stated that OSO's marine education program is compatible with the Port District's mission statement, and noted that the education program depends on the boat, foundation and building. Mr. Haifley stated that the building renovation helped the District accomplish its development plan for the Lower East Harbor. He reviewed benefits of the OSO program, and stated that OSO would like to continue its partnership with the Port District. Mr. Haifley stated that OSO is requesting a lease option now because donors want to see that the program has long-term stability.

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

Chairman Goddard announced the Commission will meet in closed session to discuss agenda items 3 and 4.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators  
Property: 2222 East Cliff Drive  
Agency Designated Representative: L. Ekers  
Negotiating Parties: O'Neill Sea Odyssey  
Under Negotiation: Lease

4. Conference with Real Property Negotiators  
Property: UCSC Leasehold Area  
Agency Designated Representative: L. Ekers  
Negotiating Parties: UC Santa Cruz  
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 Goddard announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Goddard adjourned the special open session following the closed meeting at 6:20 PM.

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

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

6. Pledge of Allegiance
7. Oral Communication (*There was no discussion during oral communication*)

### **CONSENT AGENDA**

8. Approval of Minutes
  - a) Special Public Session of March 1, 2016
  - b) Special Closed and Regular Public Session of March 22, 2016
9. General Election of November 2016
  - a) Approval of Resolution 16-05 – Serving Notice to County Clerk of Elective Office to be Filled and Transmittal Map and Boundaries
  - b) Approval of Resolution 16-06 – Ordering an Election and Requesting Consolidation of the Election
  - c) Administrative Calendar
10. Approval of Resolution 16-07 – Approving Salary Schedules
11. Approval of Purchase of Coin and Currency Counter
12. Award of Roofing Contract for Harbor Office
13. Award of Contract for 2016-17 Sediment Sampling and Analysis Plan Services

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-chairman Smith, to approve the consent agenda.  
- Motion carried unanimously. Commissioner Reed ABSENT.

## REGULAR AGENDA

14. Approval of Resolution 16-08 – Designating Peace Officer Status to Reserve Deputy Harbormaster S. McCauley

Discussion: Harbormaster Marshall introduced Shannon-Koby McCauley as the Port District's newest Reserve Deputy Harbormaster. Reserve Deputy McCauley was sworn in by Harbormaster Marshall.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-chairman Smith to approve Resolution 16-08.  
- *Motion carried unanimously. Commissioner Reed ABSENT.*

15. Presentation by USGS on El Niño Winter / Ocean Energy

Discussion: Dr. Patrick Barnard of the United States Geological Survey's Coastal and Marine Geology Program presented information on storm and climate conditions as they relate to the 2015-16 El Nino winter and coastal impacts / erosion.

16. Approval of Lease for 413 Lake Avenue, Suite 103

Discussion: Port Director Ekers introduced Paul Quimby, owner of Custom Tables, and his business partner Tom Haid. Port Director Ekers stated that the proposed business model is suitable for the premises, noting that the business will have minimal impacts on parking.

Port Director Ekers stated that as part of the lease, the tenant will receive a temporary credit toward base rent in exchange for building improvements.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-chairman Smith to approve the month-to-month lease for 413 Lake Avenue, Suite 103.  
- *Motion carried unanimously. Commissioner Reed ABSENT.*

17. Review of Charter Fee and Waiting List Bypass Fee

Discussion: Vice-chairman Smith requested that this item be tabled, stating that it is his opinion that additional outreach to charter operators should be performed prior to conducting a review of charter fees, especially if a fee increase is discussed.

Chairman Goddard stated that tonight's discussion will focus on gaining a better understanding of the District's current charter fee structure and the

assessment of the waiting list bypass fee. He stated that a fee increase is not being recommended as part of this initial review.

Commissioner Lee and Commissioner Geisreiter agreed that conducting an initial review of the charter fee structure at tonight's meeting will be beneficial.

Port Director Ekers reviewed current charter vs. non-charter fee assessments. She stated that as part of tonight's review the Commission may wish to discuss the following:

- Assessment of the waiting list bypass fee.
- Consideration of establishing a maximum number of charter passengers by vessel rating that can be accommodated in the harbor.
- Establishing a waiting list for new charters.
- Consideration of applying a different fee structure for 6-paks and larger charter vessels.
- Review the 15% discount established in 2003 for large fishing charters.

Charter operator Ken Stagnaro stated that he is not opposed to reviewing the current charter fee formula for his slip, noting that adjustments may need to be made to account for increases to his vessel's passenger rating. Mr. Stagnaro stated that he is opposed to implementing a charter fee formula that would assess fees on a "per passenger" basis. Charter operator Tim O'Neill agreed that a "per passenger" fee assessment would be unsustainable for his business.

A discussion ensued about the assessment of the waiting list bypass fee. Commissioner Geisreiter confirmed that the fee is charged on an annual basis at a rate of \$2,000 for the north harbor and \$6,000 for the south harbor. Commissioner Lee emphasized the importance of the waiting list bypass fee, noting that the fee helps maintain the integrity of the waiting list.

Commissioner Geisreiter asked if there is any benefit in adjusting the waiting list bypass fee from a flat rate to a multiplier of slip rent (ex: 1/3 slip rent). He stated that tying the waiting list bypass fee to a multiplier of slip rent would ensure that a reasonable fee increase is assessed to the fee, every time a slip rent increase is implemented.

Commissioner Lee stated that it is his belief that \$2,000 for the north harbor and \$6,000 for the south harbor are appropriate fees to assess for the waiting list bypass fee. He stated that if the Commission desires to tie the waiting list bypass fee to a multiplier of slip rent, that the end result be similar to the current fee of \$2,000 and \$6,000. Chairman Goddard stated that as part of a

future fee review, it will be important to determine an appropriate method for calculating the waiting list bypass fee.

Vice-chairman Smith asked if there is any benefit to establishing a maximum number of charter operations within the harbor. Port Director Ekers stated that it may be beneficial to establish a maximum number of charter operations due to parking demands and limitations. She stated that other harbors do impose a maximum number.

Commissioner Lee stated that reviewing each charter application on a case-by-case basis may be more beneficial than imposing a maximum number of allowable charters. Vice-chairman Smith agreed.

A discussion ensued about the feasibility of implementing a waiting list for new charter operations. Commissioner Lee stated that he is not supportive of a waiting list, explaining that assigning a chronological order to new/proposed charter operations would limit the Port Commission's ability to review and approve charter applications on a case-by-case basis. He stated that a waiting list would obligate the Commission to award charter operations on a chronological basis, even if the proposed operation is not suitable for the harbor. Commissioner Geisreiter agreed.

Port Director Ekers reviewed the current 15% discount that is applied to charter operators who do not charter their vessel at full passenger capacity. Commissioner Lee stated that he is supportive of reviewing requests to down rate an operation's passenger rating on a case-by-case basis.

MOTION: Motion made by Commission Lee, seconded by Commissioner Geisreiter to:

- Maintain annual waiting list bypass fee for commission allocated slips at \$2,000 for north harbor and \$6,000 for south harbor. Subject to Commission approval, fee may be recalculated as a multiplier of slip rent.
- Maintain current charter fee formula of \$119\*passenger capacity/12, subject to future review.
- Authorize the Port Director to apply 15% discount for passenger down rating, on a case-by-case basis, depending on use of vessel.
- Maintain 10% fish cleaning discount.

*- Motion carried unanimously. Commissioner Reed ABSENT.*

#### 18. Adoption of Modification to Port Commission Policies / Procedures Manual

Discussion: Vice-chairman Smith stated that he is supportive of the proposed modifications to the manual. He asked for additional information on why the

Policy Committee decided to eliminate section 2110.2 relating to email correspondence.

Chairman Goddard stated that in an effort to move the Policies / Procedures Manual forward for approval, the section relating to email correspondence was removed. He stated that a notice has been placed on the District's website informing members of the public that email correspondence sent to the District's general mailbox ([scpd@santacruzharbor.org](mailto:scpd@santacruzharbor.org)), is a matter of public record.

Vice-chairman Smith stated that it is his opinion that emails between constituents and elected officials are considered private, however they are subject to disclosure through the Public Records Act. He also expressed his opinion that emails directed to the Commission as a whole are public records. (Note: Vice-chairman Smith clarified his position at the regular public session of May 24, 2016, during approval of the consent agenda, and subsequently via email dated May 30, 2016).

MOTION: Motion made by Vice-chairman Smith, seconded by Commissioner Lee to adopt Policy-Operations Committee recommendations on amendments / additions to the Port commission Policies / Procedures Manual.  
- *Motion carried unanimously. Commissioner Reed ABSENT.*

19. Approval of Cash / Payroll Disbursements – March 2016

MOTION: Motion made by Vice-chairman Smith, seconded by Commissioner Geisreiter to approve cash/payroll disbursements for March 2016, in the amount of \$2,482,803.21.  
- *Motion carried unanimously. Commissioner Reed ABSENT.*

## **INFORMATION**

20. Port Director's Report  
Dredge Update

Approximately 80,000 cubic yards of sand remain to be dredge from the harbor entrance, equating to approximately 16 more working days.

Camera Installation for Viewing New Dredge

Live video streaming of the dredge build process in the launch ramp will be available on the Port District's website.

Citizenship – A. Taber

Port Director Ekers announced that Port District employee, Anne Taber has completed the process to gain American citizenship.

21. Harbormaster's Report

In response to a question posed by Vice-chairman Smith, Harbormaster Marshall reviewed the criteria for placing a licensee on the vessel use list.

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

23. Update on Parking Management Plan

Port Director Ekers provided an update on the recent changes to parking regulations within the harbor. She stated that there has been little push-back from concessionaires regarding the change.

24. Update on *Seabright* Replacement Project

Port Director Ekers stated that Chairman Goddard, Vice-chairman Smith, and staff are scheduled to travel to Louisiana to inspect construction of the new dredge.

25. Delinquent Account Reporting

26. Review of Financial Reports

- a) Comparative Seasonal Revenue Graph
- b) Tsunami Financial Overview
- c) Employee Count
- d) Quarterly Fuel Sales Report (Preliminary Year-End)
- e) Quarterly Boatyard Sales Report (Preliminary Year-End)

27. Crime/Incident/Citation Report – March 2016

Chairman Goddard asked staff to consider publishing the monthly crime report on the Port District's website.

28. Written Correspondence

- a) Letter from Santa Cruz Commercial Fisherman's Association to Harbormaster Marshall

29. Port Commission Review Calendar/Follow-Up Items

Chairman Goddard adjourned the regular public session at 9:31 PM



---

Toby Goddard, Chairman