



Special Closed & Regular Public Session of September 26, 2017

**Santa Cruz Port Commission
MINUTES**

Commissioners Present:

Toby Goddard	Chairman
Dennis Smith	Vice-Chairman
Reed Geisreiter	Commissioner
Stephen Reed	Commissioner

Commissioners Absent:

Darren Gertler	Commissioner
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SPECIAL PUBLIC SESSION – 6:00 PM

Chairman Goddard brought the special public session to order at 6:00 PM at the Santa Cruz Harbor Office, 135 Fifth Avenue, Santa Cruz, CA 95062.

1. Oral Communication (*There was no discussion on this agenda item*)
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.6.

At 6:01 PM, Chairman Goddard announced the Commission will meet in closed session to discuss agenda item 3.

SPECIAL CLOSED SESSION

3. Conference with Labor Negotiators
Agency Designated Representative: M. Olin
Employee Organization: Harbor Employee Association, Operating Engineers Local No. 3 and Harbor Management Group

SPECIAL PUBLIC SESSION

4. 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 item 3.

Chairman Goddard adjourned the special open session following the closed meeting at 7:02 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Goddard brought the regular public session to order at 7:06 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

5. Pledge of Allegiance
6. Oral Communication

Slip renter Eileen Sundet suggested that the sign directing customers to Aldo's Restaurant be relocated to a more visible location.

Chairman Goddard stated that this year's annual California Marine Affairs and Navigation Conference (CMANC) was held in Santa Cruz on September 13 - 15, 2017.

CONSENT AGENDA

7. Approval of Minutes
 - a) Special Closed Session of August 16, 2017
 - b) Regular Public Session of August 22, 2017
8. Approval of Resolution 17-07 – Authorizing Port Director to Accept Division of Boating and Waterways (DBW) SAVE Grant

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve the consent agenda.
- *Motion carried. Commissioner Gertler ABSENT.*

REGULAR AGENDA

9. Approval of 30-Pak Charter Permit (J. Stoops)

Discussion: Port Director Olin introduced Joe and Raina Stoops of *Chartle Charters*.

Harbormaster Marshall stated that Joe and Raina Stoops are requesting Commission approval to increase their charter passenger rating from a 6-pak operation to a 30-pak operation.

Harbormaster Marshall stated that the Stoops have operated a 6-pak charter business, *Chartle Charters*, out of the harbor for over 20 years. Harbormaster Marshall stated that the Stoops are in good standing with the Port District, and recommends approval.

Harbormaster Marshall stated that Mr. Stoops was present at the policy and operations committee meeting on August 16, 2017, and understands that the

new mid-sized charter fee will apply to his 30-pak charter operation ($\$119 \times 2 = \$238 \times 30 \text{ pak} = \$7,140/\text{year}$). She stated that the mid-sized charter fee is presented for approval at tonight's meeting, as part of Item 9 – Approval of the FY18 Fee Schedule.

Mr. Stoops thanked the Commission for their consideration and stated that he and his wife, Raina, have purchased a 48' commercial fishing vessel that is currently located in Moss Landing. He stated that he intends to berth the new 30-pak vessel, *Sea Spirit*, in commercial fishery slip T-13, which Harbormaster Marshall confirmed is available and offered outside of the regular waiting list through the commercial fishery slip program.

Mr. Stoops stated that upon approval of the new 30-pak charter, he will cease operation of his current 6-pak charter and pursue the sale of both his vessels (*Taylor-Gene* and *Lauren Rose*). Mr. Stoops reported that though they will continue to fish on their vessels commercially, they have signed up on the regular waiting list.

A discussion ensued regarding potential parking impacts associated with the approval of a mid-sized charter.

Mr. Stoops stated that he will encourage customers to carpool, park in the north harbor, and utilize the water taxi when it is operational. He added that his charter operation will not significantly impact visitor parking, as he usually operates during off-peak times. Mrs. Stoops stated that they are considering the purchase of a shuttle van to facilitate parking for their customers as well.

In response to a question posed by Commissioner Geisreiter, Port Director Olin stated that parking impacts can be discussed as part of the annual business use of slip review.

Commissioner Reed stated that he is supportive of the Stoops' request. Commissioner Geisreiter agreed.

In response to a question posed by Chairman Goddard, Mr. Stoops stated that his new vessel will operate as both a commercial fishing and charter vessel, similar to the *Taylor-Gene*.

Vice-Chairman Smith stated that he is supportive of the request and expressed support on behalf of Commissioner Gertler who could not be in attendance at tonight's meeting.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve a 30-Pak charter operation for Joe and Raina Stoops of *Chartle Charters*.

- Motion carried. Commissioner Gertler ABSENT

10. Approval of FY18 Fee Schedule

Discussion: Port Director Olin summarized changes to the FY18 Fee Schedule:

- **Charter Fee:**
 - Small (6 Pak Charters) = \$119*passenger capacity / 12 per month
 - Medium (7-48 Pak Charters) = 6 pak rate (currently \$119)*2*passenger capacity / 12 per month
 - Large (49+ Pak Charters) = \$2 per passenger (base fee may apply)
- **Beach / Visitor Parking Fee:** Increase from \$12.50 to \$13.00
- **Daily Trailer Launch Fee:** Increase from \$16.00 to \$17.00 (includes parking for truck and trailer)
- **Daily Cartop Launch Fee:** Increase from \$12.50 to \$13.00
- **RV (with trailer) in Launch Ramp:** Decrease from \$75.00 to \$69.00 (reflects cost of single RV (\$52) and launch (\$17))

Port Director Olin stated that although a new charter fee structure is being proposed, it is intended to be used as guidance for charter applicants and staff. She stated that the Commission has sole authority to approve charter operations and associated fees.

Vice-Chairman Smith asked if the new charter fee structure will apply to existing charters. Port Director Olin stated that no fee changes are recommended for existing charter operations.

A discussion ensued regarding the beach / visitor parking fee.

Commissioner Reed proposed that the beach / visitor parking fee increase from \$12.50 to \$15.00, rather than \$13.00.

Vice-Chairman Smith stated that it is his opinion that the monthly \$3.00 electrolysis fee be discontinued, as monthly electrolysis testing is not performed on a regular/recurring basis. He suggested that the service be performed upon request.

Vice-Chairman Smith proposed that the overnight visitor berthing rate for commercial vessels be reduced from \$.75 / ft / day to \$.60 / ft / day, noting that the commercial rate for visiting vessels is significantly less at neighboring harbors.

MOTION: Motion made by Commissioner Reed, seconded by Vice-Chairman Smith to authorize the Port Director to waive or adjust fees as deemed appropriate and approve the FY18 fee schedule as presented, with the following modifications:

- Increase beach / visitor parking fee from \$12.50 to \$15.00;
- Discontinue monthly \$3.00 electrolysis testing fee;
- Reduce overnight visitor berthing rate for commercial vessels to \$.60 / ft / day;
- Add comment to the FY18 fee schedule, stating that charter fees are subject to Port Commission review and approval.

A discussion ensued about beach / visitor parking.

Port Director Olin stated that the beach / visitor parking fee and the daily cartop launch fee should remain equal to avoid discrepancies at the pay stations. She stated that charging different rates for visitor parking and cartop launching gives customers the ability to select a lower cost option at the pay station. Vice-Chairman Smith noted that if the daily cartop launch fee is increased to \$15.00, it will be within \$2.00 of a regular boat launch, creating some inequities.

Commissioner Geisreiter stated that he is supportive of the staff recommendation to increase beach / visitor parking to \$13.00. Chairman Goddard agreed.

After additional discussion there was consensus among the Commission to approve the recommended \$13.00 beach / visitor parking fee. Commissioner Reed withdrew his motion.

MOTION: Motion made by Commissioner Reed, seconded by Vice-Chairman Smith to authorize the Port Director to waive or adjust fees as deemed appropriate and approve the FY18 fee schedule, with the following modifications:

- Discontinue monthly \$3.00 electrolysis testing fee;
 - Reduce overnight visitor berthing rate for commercial vessels to \$.60 / ft / day;
 - Add comment to the FY18 fee schedule, stating that charter fees are subject to Port Commission review and approval.
- *Motion carried. Commissioner Gertler ABSENT.*

11. Acceptance of FY17 Audited Financial Statement

Discussion: Port Director Olin presented the final FY17 audited financial statement. She stated that the report is unchanged from the draft reviewed by the Port

Commission in August. She reported that the auditors' required communications letter to management included a comment on the insurance accrual correcting journal entry made during audit field work, and other client-provided journal entries (GASB 68 and disposal of *Seabright*).

Chairman Goddard suggested that a CalPERS representative give a presentation at an upcoming meeting to discuss and explain the District's unfunded liability. Port Director Olin stated that a meeting will be scheduled in the next few months.

Commissioner Reed thanked staff for their efforts with the audit.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Geisreiter to accept the FY17 audited financial statement.
- *Motion carried. Commissioner Gertler ABSENT.*

12. Approval of Amendment to Taxable Loan Agreement with BBVA Compass Bank

Discussion: Port Director Olin stated that BBVA Compass Bank has provided draft Amendment No. 5 to the District's taxable loan, which extends the term of the revolving line of credit (RLOC) to August 1, 2019.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-Chairman Smith to approve Amendment 5 to the loan agreement between the Port District and BBVA Compass Bank to extend the maturity of the Revolving Line of Credit (RLOC) from October 1, 2017, to August 1, 2019, and authorize the Port Director to execute the loan amendment document.
- *Motion carried. Commissioner Gertler ABSENT.*

13. Approval of Resolution 17-08 – Honoring M. Entwistle

Discussion: Port Director Olin stated that Resolution 17-08 recognizes Milt Entwistle, on his 100th birthday, for his dedication to boating safety and the harbor community.

MOTION: Motion made by Commissioner Reed, seconded by Vice-Chairman Smith to approve Resolution 17-08 – Honoring Milt Entwistle.
- *Motion carried. Commissioner Gertler ABSENT.*

14. Approval of Cash / Payroll Disbursements – August 2017

Discussion: Port Director Olin reported that the amount omitted from the previous month's Warrant Report (June & July) for warrant #47839 (Plumbing Supplies, W-Dock Water Piping Supplies, Vacuum Breakers) was \$351.83.

Commissioner Reed asked for additional information on Warrant #48259 – Project Management Services for Twin Lakes Beachfront Improvement Project. Port Director Olin stated that the fee paid to Mesiti-Miller Engineering is not a monthly retainer, but is billed on a time and materials basis.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve the Cash / Payroll Disbursements for August 2017, in the amount of \$432,946.02.
- *Motion carried. Commissioner Gertler ABSENT.*

INFORMATION

15. Port Director's Report

California Marine Affairs and Navigation Conference (CMANC)

Port Director Olin stated that the California Marine Affairs and Navigation Conference (CMANC) was held on September 13 - 15, 2017, in Santa Cruz, California. She stated that the event was well-attended and productive.

U.S. Army CORPS of Engineers Work Plan

Port Director Olin stated that the District has received the U.S. Army Corps of Engineers payment of \$452,750 for reimbursement of dredging operations and maintenance costs.

2017-18 Dredge Operations

Port Director Olin stated that the District has received authorization from regulators to begin north harbor dredging on October 1, 2017. She stated that south harbor dredging can commence November 1, 2017.

Port District Recruitment

Port Director Olin introduced and welcomed Patrick Herrick to his new position as Accounting Technician.

Twin Lakes Beachfront Project Update

Port Director Olin stated that the County of Santa Cruz's Twin Lakes Beachfront Improvement Project has been delayed. She reported that Christina Crocker, the County's resident engineer for the project, has provided assurances that vehicle and heavy-equipment access to Harbor Beach will be maintained, regardless of where the western end of the seawall ends.

Commissioner Reed suggested that the District's project engineer review the County's final project design plans.

Air Resources Board

Port Director Olin stated that she believes the District's agreement with the Air Resources Board regarding a revised hydrogen sulfide protocol will be finalized soon.

Harbor Office Phone System

Port Director Olin stated that the District' phone system was not accepting calls and properly routing messages, but the problem has been fixed. She apologized for the inconvenience.

16. Harbormaster's Report

In response to a question posed by Vice-Chairman Smith, Harbormaster Marshall reported that there have been over 13,000 water taxi riders for the 2017 season.

Chairman Goddard thanked Harbormaster Marshall for her work on obtaining SAVE Grant funding.

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

Facilities Maintenance & Engineering Manager Kerkes stated that north harbor dredging was anticipated to commence on October 2, 2017, but is delayed to October 9, 2017. He stated that crews are currently awaiting the arrival of a repaired jet pump (currently in transit), as well as hydraulic cylinders for the snorkel. He stated that crews will perform the necessary installations and begin dredging once the equipment arrives.

In response to a question posed by Chairman Goddard, FME Kerkes stated that entrance channel dredging remains on schedule, and that *Twin Lakes* will move to the entrance channel on November 3, 2017, and mobilize for dredge operations.

Vice-Chairman Smith expressed his concern about the bow listing on *Twin Lakes*. A discussion ensued about the walkway installation which may have impacted the barge's trim.

18. Bi-Annual Slip Vacancy Report / Waiting List Statistics

In response to a question posed by Chairman Goddard, Administrative Services Manager Mac Laurie stated that multi-hull slips are not excluded from the use list.

19. Review of Delinquent Accounts

In response to a question posed by Vice-Chairman Smith, Harbormaster Marshall confirmed that there are nine slip license revokes effective at the end of the month.

20. Review of Financial Reports

a) Comparative Seasonal Revenue Graphs

21. Crime / Incident / Citation Report – August 2017

Vice-Chairman Smith asked for additional information about the theft incident at a harbor restaurant on August 17, 2017. Harbormaster Marshall stated that the theft occurred at Aldo's Restaurant.

In response to a question posed by Chairman Goddard, Harbormaster Marshall stated that Harbor Patrol assisted Santa Cruz Police at Seabright Brewery on August 19, 2017.

22. Written Correspondence

- a) Letter from F. Roberts to Port Commission
- b) Letter from M. Cubillas to Port Commission
- c) Letter from O'Neill Wetsuits LLC to Port Commission

Chairman Goddard thanked O'Neill Wetsuits LLC for their letter acknowledging the harbor's role in the paddle out honoring Jack O'Neill.

23. Port Commission Review Calendar / Follow-Up Items

Chairman Goddard stated that Chris Schneiter with the City of Santa Cruz Public Works is prepared to update the Commission on the Murray Street Bridge Project in the next several months.

Chairman Goddard adjourned the regular public session at 9:00 pm.



Toby Goddard, Chairman

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Commissioner Smith Absent