



Special Closed & Regular Public Session of February 27, 2018

**Santa Cruz Port Commission
MINUTES**

Commissioners Present:

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

SPECIAL PUBLIC SESSION – 6:00 PM

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

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

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 2222 East Cliff Drive, Suite 140/150
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

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

Chairman Smith announced that the Commission took no reportable action in closed session on item 3.

Chairman Smith adjourned the special open session following the closed meeting at 6:27 PM.

REGULAR PUBLIC SESSION – 7:00 PM

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

5. Pledge of Allegiance
6. Oral Communication

Chairman Smith stated that the Commission took no reportable action in closed session on agenda item #3.

Commissioner Goddard stated that he had the opportunity to meet with the Santa Cruz Yacht Club Board of Directors. He stated that the Port District and Yacht Club continue to maintain a good working relationship, and the Yacht Club looks forward to celebrating its 90th anniversary in April 2018.

CONSENT AGENDA

7. Approval of Minutes
 - a) Special Closed & Regular Public Session of January 23, 2018
8. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 216
(Tenant: Mary Morgan, dba Ancient Waves Wellness)
9. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 220
(Tenant: Estriatus Law)

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Goddard to approve the consent agenda.

Discussion: Commissioner Goddard requested that the sublease agreement for 2222 East Cliff Drive, Suite 220, (tenant: Estriatus Law), be updated to reflect the current year on the signature page.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Goddard to approve the consent agenda.
– *Motion carried unanimously.*

REGULAR AGENDA

10. 2018 Election of Regular Special District Member on the Consolidated Redevelopment Oversight Board for Santa Cruz County

Discussion: There was consensus among the Commission to authorize the Port Director to vote for Reed Geisreiter for regular special district member on the Consolidated Redevelopment Oversight Board for Santa Cruz County.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-Chairman Reed to authorize Port Director Olin to vote for candidate Reed Geisreiter for regular special district member on the Consolidated Redevelopment Oversight Board for Santa Cruz County (LAFCO).
– *Motion carried unanimously.*

11. Authorization to Dispose of Surplus Property and Authorization to Purchase Used Backhoe (NTE \$40,000)

Discussion: Facilities Maintenance and Engineering Manager (FME) Kerkes requested that the Commission authorize the surplus of the District's Caterpillar 924G Front End Loader and the Kubota Backhoe in accordance with Port Commission policies. Additionally, he requested approval to purchase a replacement backhoe in an amount not-to-exceed \$40,000.

FME Kerkes stated that staff anticipates that the surplus of both pieces of equipment (loader and backhoe) at auction, will generate approximately \$35,000 to \$40,000. He stated that the auction proceeds will be applied towards the purchase of a replacement backhoe to offset costs.

In response to a question posed by Vice-Chairman Reed, FME Kerkes stated that the Port District's current loader is used on a minimal basis, and that purchasing a replacement loader is not recommended.

Port Director Olin explained that at the time the loader was acquired, it was hoped that the rubber tires would reduce noise complaints related to the D5G dozer's tracks. Additionally, personnel at the time had specialized experience operating the loader. She reported, the loader has not performed as well as expected, explaining it is more difficult to move pipe with the loader and it is problematic operating in the surf zone. Port Director Olin reported that the Follow-On Dredge Options Analysis Report to the Coastal Commission includes a section about the loader and the District's plans to put it out of service.

FME Kerkes stated that if the surplus items do not generate the expected \$35,000 to \$40,000 at auction, staff will use a combination of line items from the facilities and dredge departments to cover the remaining costs for purchase of a replacement backhoe.

Commissioner Goddard stated that he is not supportive of donating the surplus equipment (an option listed in the staff recommendation), since the auction proceeds are anticipated to help fund the purchase of a replacement

backhoe. Port Director Olin agreed and stated that the donation option proposed in the staff report is included as part of the policy language.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-Chairman Reed to declare the Port District's Caterpillar 924G front-end loader and Kubota backhoe as surplus property and authorize the Port Director to dispose of the equipment through auction or sale, in accordance with Port Commission policies; and approve the purchase of a used backhoe in an amount not-to-exceed \$40,000.

- *Motion carried unanimously.*

12. Review / Approval of FY19 Budget and 5-Year Capital Improvement Projects (CIP)

Discussion: Port Director Olin reviewed the proposed FY19 budget, and highlighted the following:

- 2% increase applied to slip fees (generating approximately \$42,000 per 1%)
- \$2,668,400 CIP budget for FY19, prioritizing the following projects:
 - Pile Replacement Project (\$554,000)
 - West Side Seawall Reconstruction (\$1,600,000)
 - Harbor Security Upgrades (45,000)
- Conversion of two existing provisional employees to full-time equivalent (FTE) status, increasing FTE count from 27 in FY18 to 29 in FY19.

Port Director Olin stated that two proposed projects in the CIP, the Harbor Security Infrastructure/Dock Upgrades Project and *Pappy Park*, will be presented to the Commission for discussion and review prior to implementation.

Slip renter Ed Ekers expressed his support for *Pappy Park*, and requested that an ad hoc committee be formed to receive public input and assist with development. Mr. Ekers suggested that members of the public be included as part of the ad hoc committee.

A discussion ensued regarding *Pappy Park*. There was consensus among the Commission to work with staff to determine a location for the park, and consider forming an ad hoc committee to assist with the process.

In response to a question posed by Vice-Chairman Reed, Port Director Olin stated that the Ice Production Program in the Facilities Maintenance and Engineering Summary will be revised to Fishery Support.

A discussion ensued about alternate investment opportunities for the District. Commissioner Goddard suggested that staff research alternate investment opportunities outside of LAIF. Port Director Olin stated that staff is currently working on different investment options and will make a presentation to the Commission at a future meeting.

Commissioner Goddard thanked staff for their time and effort in preparing the FY19 budget. There was consensus among the Commission to approve the FY19 budget and 5-year CIP.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the FY19 budget and capital improvement projects.
- *Motion carried unanimously.*

13. Approval of Cash / Payroll Disbursements – January 2018

Discussion: Vice-chairman Smith asked for additional information on Warrant #49239 – Hazmat Disposal. Port Director Olin stated that she will follow-up to receive additional information.

Vice-chairman Smith asked for additional information on Warrant #49249 – Boatyard TraveLift Repairs. Harbormaster Marshall stated that staff replaced the wire rope on the Boatyard's TraveLift.

Commissioner Goddard asked for additional information on Warrant #49247– Security Patrol. Harbormaster Marshall stated that First Alarm security is utilized nightly from 12 AM to 6 AM, and service is paid on a monthly basis.

MOTION: Motion made by Vice-Chairman Reed, seconded by Commissioner Geisreiter to approve the Cash / Payroll Disbursements for January 2018, in the amount of \$1,065,795.63.
- *Motion carried unanimously.*

INFORMATION

14. Port Director's Report

Twin Lakes Beachfront Project Update

Port Director Olin stated that the County anticipates a project completion date in May 2018. She stated that the two-way traffic circulation along East Cliff drive will be restored when the project is complete. She reported that testing of the concrete footing has delayed application of the shotcrete.

Online Bill Pay System Upgrade

Port Director Olin stated that the harbor's online bill pay system has been experiencing technical difficulties over the last several weeks, and that staff is working to launch a new system, hopefully by the end of the week.

Aldo's Seawall Reconstruction

Port Director Olin stated that Dale Hendsbee of Mesiti-Miller Engineering will give a presentation on the Aldo's Seawall Replacement Project at next month's Commission meeting.

Accounting Technician Position

Port Director Olin welcomed and introduced the District new Accounting Technician, Mark Eldridge.

Form 700 Filing

Port Director Olin stated that the Santa Cruz County Form 700 filing deadline is April 1, 2017. She stated that forms can now be filed electronically on the County's website.

Special Public Policy Committee Meeting

Port Director Olin stated that a special public policy committee meeting is scheduled for Tuesday, March 13, 2018, at 5:30 PM, at Hotel Paradox, to discuss development and implementation of a new policy addressing vessel insurance requirements for slip renters. She encouraged all slip renters to attend and participate in the discussion.

Commissioner Goddard suggested including meeting information on the District's FY19 rate increase mailout.

15. Harbormaster's Report *(There was no discussion on this agenda item)*

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

Facilities Maintenance & Engineering Manager (FME) Kerkes stated that maintenance crews have successfully fabricated an aluminum dock gate prototype to support a new electronic gate key system. He invited Commissioners to view the prototype.

A discussion ensued regarding the dock upgrade / harbor security project. Port Director Olin stated that an update on the project will be presented to the Commission for discussion and review prior to implementation.

17. Review of Delinquent Accounts *(There was no discussion on this agenda item)*

18. Review of Financial Reports *(There was no discussion on this agenda item)*


- a) Comparative Seasonal Revenue Graphs

19. Crime / Incident / Citation Report – January 2018 *(There was no discussion on this agenda item)*
20. Written Correspondence
 - a) Email from D. Doolin to Port Commission
 - b) Email from Harbormaster Marshall to D. Doolin

A discussion ensued regarding Mr. Doolin's email. Harbormaster Marshall stated that Harbor Patrol (and First Alarm security), remains diligent in routine security checks and responding to illegal encampments in the harbor area.

21. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Smith adjourned the regular public session at 8:03 pm.



Dennis Smith, Chairman