



Special Closed & Regular Public Session of January 24, 2017

**Santa Cruz Port Commission
MINUTES**

Commissioners Present:

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

SPECIAL PUBLIC SESSION – 5:00 PM

Chairman Goddard brought the special public session to order at 5:00 PM at the Santa Cruz Harbor Office, 135 Fifth Avenue, Santa Cruz, CA 95062.

1. Oral Communication

John Mootz, proprietor of Aldo's Restaurant, stated that he looks forward to beginning the process of working with the Port District on long-term lease negotiations.

2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8 and 54957.

At 5:03 PM, Chairman Goddard announced the Commission will meet in closed session to discuss agenda items 3, 4, 5, and 6.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Property: 616 Atlantic Avenue, Santa Cruz, CA
Agency Designated Representative: L. Ekers
Negotiating Parties: Aldo's Restaurant
Under Negotiation: Lease
4. Conference with Real Property Negotiators
Property: 2222 East Cliff Drive, Santa Cruz, CA
Agency Designated Representative: L. Ekers
Negotiating Parties: O'Neill Sea Odyssey
Under Negotiation: Lease

5. Conference with Real Property Negotiators
Property: UCSC Leasehold Area
Agency Designated Representative: L. Ekers
Negotiating Parties: UC Santa Cruz
Under Negotiation: Lease
6. Public Employment
Port Director

SPECIAL PUBLIC SESSION

7. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8 and 54957.

Chairman Goddard announced that the Commission took no reportable action in closed session on items 3, 4, 5, and 6.

Chairman Goddard adjourned the special open session following the closed meeting at 6:45 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.

8. Pledge of Allegiance
9. Oral Communication

Discussion: Slip renter Richard Bartlett requested that a slip rent increase not be imposed for FY18, noting that the federal government did not grant social security recipients a cost-of-living increase this year.

Mr. Bartlett thanked Port Director Ekers for her hard work and commitment to the harbor and stated that she will be missed upon her retirement.

Chairman Goddard stated that the Commission will discuss the FY18 budget and any proposed slip fee increases at the special public budget session on February 14, 2017 at 7 PM.

In response to a question posed by Mr. Bartlett, Port Director Ekers stated that a Request for Quotation (RFQ) for Phase II of the Harbor Security Project (electronic key system for gates and restrooms) will be completed

soon. Port Director Ekers stated that funds have been allocated for this project in the Capital Improvement Program (CIP) and should be completed in FY18.

CONSENT AGENDA

10. Approval of Minutes
 - a) Special Closed and Regular Public Session of November 22, 2016
 - b) Special Public and Special Closed Session of December 14, 2016
11. Approval of Declaration Authorizing Check Signers (T. Goddard and S. Reed)
12. Approval of Exercise of Lease Option for Santa Cruz Yacht Club Dry Storage
13. Approval of O'Neill Sea Odyssey Subleases – 2222 East Cliff Drive, Suites 208 and 212
14. Approval of Nexus Wealth Advisors' Sublease Agreement – 365B Lake Avenue (Tenant: B. Cooper)
15. Approval of Resolution 17-02 – Adopting Amendments to the Santa Cruz Port District's Salary Schedule

Discussion: Chairman Goddard requested that Item 15, Approval of Resolution 17-02 – Adopting Amendments to the Santa Cruz Port District's Salary Schedule, be moved to the regular agenda for discussion.

Commissioner Geisreiter stated that he will abstain from Item 11 – Approval of Declaration Authorizing Check Signers (T. Goddard and S. Reed).

MOTION: Motion made by Commissioner Reed, seconded by Vice-Chairman Smith to approve the consent agenda items, 10, 11, 12, 13 and 14.
- *Motion carried unanimously. Commissioner Geisreiter ABSTAINED from Item 11.*

REGULAR AGENDA

15. Approval of Resolution 17-02 – Adopting Amendments to the Santa Cruz Port District's Salary Schedule

Discussion: Chairman Goddard requested additional information regarding the potential budgetary impacts associated with approving this resolution. Chairman Goddard suggested that Item 15 be moved to the special public budget

session on February 14, 2017, for discussion. There was consensus among the Commission to take action on this item at tonight's meeting.

In response to a question posed by Commissioner Geisreiter, Administrative Services Manager Olin stated that the timing of this resolution coincides with the increase in minimum wage (\$10.00 to \$10.50/hr) that was effective January 1, 2017. ASM Olin stated that Resolution 17-02 consolidates staff positions to better reflect job duties.

Chairman Goddard stated that his primary budgetary concern relates to the increase in salary range for the Reserve Deputy Harbormaster (\$15.00-\$25.88/hr to \$23.66-\$31.71/hr).

In response to a question posed by Chairman Goddard, Harbormaster Marshall stated that the adjustments to the Reserve Deputy Harbormaster pay rate make it equal to that of a full-time Deputy Harbormaster. Harbormaster Marshall stated that Reserve Deputy Harbormasters perform equivalent work, participate in trainings and carry the same responsibilities as full-time Deputy Harbormasters. Harbormaster Marshall stated that the harbor relies heavily on Reserve Deputy Harbormasters for special events, training, long-term leave, etc.

Administrative Services Manager Olin stated that the harbor's two Reserve Deputy Harbormasters currently earn within this salary range, so approval of this amendment will not significantly impact the FY18 budget.

In response to a question posed by Commissioner Reed, Harbormaster Marshall stated that this amendment will only affect the budget as new Reserve Deputy Harbormasters are hired. Harbormaster Marshall stated that she anticipates losing one Reserve Deputy Harbormaster in July 2017. Harbormaster Marshall stated that all deputies' starting salaries are based on one's qualifications and training.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-Chairman Smith to approve Resolution 17-02 – Adopting Amendments to the Santa Cruz Port District's Salary Schedule.
- *Motion carried unanimously.*

16. Approval of Resolution 17-03 – Honoring J. Berg and A. Alt

Discussion: Commissioner Reed stated that Resolution 17-03 recognizes two Crow's Nest employees, Jessica Berg and Adrian Alt, for their heroic actions on January 7, 2017, which saved two lives at the harbor.

MOTION: Motion made by Commissioner Reed, seconded by Vice-Chairman Smith to approve Resolution 17-03 – Honoring J. Berg and A. Alt.
- *Motion carried unanimously.*

17. Award Contract for Executive Search Firm (NTE \$25,000)

Discussion: Chairman Goddard thanked the ad hoc committee (Commissioner Reed and Commissioner Geisreiter) for their work in reviewing proposals and interviewing executive search firm candidates.

Commissioner Geisreiter stated that he and Commissioner Reed reviewed proposals and developed a recommendation for the selection of an executive search firm to conduct recruitment for the Port Director position.

Commissioner Geisreiter stated that five proposals were received, two of which were selected for interviews. There was consensus among the Commission to select Bob Murray & Associates due to their scope of work, capability, and sensitivity to the situation. Commissioner Geisreiter stated that there is no price difference between the firms and the recruitment process is similar for both. Chairman Goddard noted that Bob Murray & Associates shows similar recruitment experience on their resume.

In response to a question posed by Hans Haveman, proprietor of H & H Fresh Fish, Commissioner Geisreiter stated that the Committee asked both firms questions specifically relating to their experience with maritime agencies.

Commissioner Geisreiter stated that Bob Murray & Associates estimates a four month recruitment process for the Port Director position.

Port Director Ekers stated that Bob Murray & Associates offered to arrange a meeting with the full Port Commission to discuss the recruitment process in detail. Chairman Goddard stated that Commissioners should try to maintain a flexible schedule throughout the recruitment process. Vice-Chairman Smith stated that he is supportive of the Commission meeting as a whole with Bob Murray & Associates.

Vice-chairman Smith suggested that the advertised job description for Port Director remain broad to ensure that potential candidates are not deterred.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Reed to award a contract for an executive search firm to conduct recruitment for the position of Port Director, and authorize the Port Director to execute the

agreement in an amount to not exceed \$25,000, to the firm selected by the ad hoc committee.

- *Motion carried unanimously.*

18. Approval of Long Term Lease for Resident Fish Buyer and Retail Fish Market
Property: 493A Lake Avenue, Santa Cruz, CA (Tenant: H & H Fresh Fish)

Discussion: Port Director Ekers noted the following changes to the lease agreement for property 493A Lake Avenue (Tenant: H & H Fresh Fish):

- The official title is H & H Fresh Fish Company LLC.
- Page 1, paragraph C: the previously “non-operable” hoist is now operable
- Page 6, paragraph B: Deleted provision for 50% profit share of ice sales.
- Page 30, Exhibit B: Add Item 7 – “Walk-in Refrigerator”

Port Director Ekers stated that H & H Fresh Fish (H & H) currently operates on a month-to-month lease agreement with the Santa Cruz Port District. She stated that H & H has an excellent working relationship with the fishermen in the harbor and thanked Mr. Haveman for his patience during the negotiation process.

Port Director Ekers recommended approval of a long-term lease agreement for H & H Fresh Fish.

Hans Haveman, proprietor of H & H Fresh Fish, thanked the harbor for its support in the transition to a long-term lease agreement. Mr. Haveman stated that he maintains successful working relationships with the fishermen, regulators and harbor staff, and that he will continue these relationships under the new lease.

Mr. Haveman stated that with the approval of a long-term lease, he plans to invest more into the business, including a retail fish market, which he plans to have open by early spring.

Chairman Goddard thanked Mr. Haveman for his energy and commitment throughout the process negotiations.

In response to a question posed by Commissioner Geisreiter, Mr. Haveman stated that he is willing to sign a personal guaranty, in addition to the lease agreement.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Gertler to award a five-year lease with two three-year options to H & H Fresh Fish for operation of a resident fish buyer and retail fish sales business at 493 A Lake Avenue, with the provision that a person guaranty is signed by Mr. Haveman.
- *Motion carried unanimously.*

19. Approval of Cash / Payroll Disbursements – November and December 2016

Discussion: Vice-Chairman Smith asked for additional information on Warrant #46590 – ½ Concession Lot Garbage, Generator Purchase. Port Director Ekers stated \$20,000 was paid to the Crow's Nest for the purchase of a used generator, which was acquired in November 2015.

Accounting Technician Scott stated that the omitted vendor for Warrant #46644 – Cell Phone & Tablet Service is Verizon Wireless.

Commissioner Reed asked for additional information on Warrant #46831 – Leaf Blower. Accounting Technician Scott stated that the item purchased was a backpack style leaf blower for the maintenance department.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-Chairman Smith to approve the Cash / Payroll Disbursements for November and December 2016 in the amount of \$975,654.82.
- *Motion carried unanimously.*

INFORMATION

20. Port Director's Report

CMANC Conference

Port Director Ekers stated that the annual CMANC conference is scheduled for the week of March 6, 2017. There was consensus among the Commission to approve out-of-state travel for Administrative Services Manager Olin and Chairman Goddard to attend the conference.

Emergency Declaration

After the most recent set of storms, the State of California is collecting preliminary damage assessments to trigger a federal declaration of emergency. A federal declaration will allow the Port District to seek reimbursement from FEMA, for a portion of the estimated \$12 million worth of damage that occurred within the harbor.

Recruitment for Supervising Harbor Maintenance Worker

Port Director Ekers stated that the recruitment for the Supervising Harbor Maintenance Worker position is ongoing. She stated that applications have been received. The application period for this position closes on February 10, 2017.

Dredging Update

Port Director Ekers stated that the dredging work has temporarily stopped in the north harbor to focus on dredging the entrance channel. Port Director Ekers stated that the January storms, with heavy rain and high surf, brought a lot of sand and debris into the harbor. She stated that the dredge crew is actively working to regain a safe and navigable entrance channel.

A discussion ensued about the new duplex seachest strainer, which is scheduled to arrive during the week of January 30, 2017.

In response to a question posed by Vice-Chairman Smith, Port Director Ekers stated that consideration has been given to hiring outside contractors to assist with dredging the entrance channel.

21. Harbormaster's Report

Commissioner Reed stated that he is pleased to see an increase in Harbor Patrol training.

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

23. Close-Out of FEMA 1986 Disaster Recovery Claim – March 11, 2011 Tsunami

In response to a question posed by Commissioner Geisreiter, Administrative Services Manager Olin stated that FEMA will perform an audit of the District's records as a final step to close out the project. She stated that a date for the audit has not been scheduled.

24. 2017 Committee Assignments

25. Delinquent Account Reporting *(There was no discussion on this agenda item)*

26. Review of Financial Reports

- a) Seasonal Revenue Graph
- b) Quarterly Boatyard Report
- c) Quarterly Fuel Dock Report
- d) Financial Statements as of December 31, 2016

In response to a question posed by Commissioner Reed, Port Director Ekers stated that lost revenue associated with the launch ramp closure is not reimbursable from CalEMA or FEMA. Port Director Ekers stated that monthly launch ramp revenues are comparable with past years.

27. Crime / Incident / Citation Report – November and December 2016

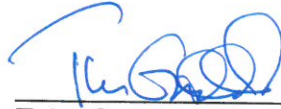
Vice-Chairman Smith noted an increase in harbor activity and stated that he is pleased to see Harbor Patrol actively responding to all events and incidents.

Chairman Goddard commended Harbor Patrol for their response to the incident on December 28, 2016.

28. Written Correspondence (*There was no discussion on this agenda item*)

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

Chairman Goddard adjourned the regular public session at 8:12 pm.



Toby Goddard, Chairman