



Special Closed Session of June 9, 2016

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Toby Goddard, Chairman
Dennis Smith, Vice-chairman
Reed Geisreiter, Commissioner

Stephen Reed, Commissioner
Bill Lee, Commissioner

SPECIAL PUBLIC SESSION

Chairman Goddard brought the special public session to order at 4:00 PM at the Santa Cruz Harbor office conference room, 135 5th Avenue, Santa Cruz, CA 95062.

1. Oral Communication (*There was no discussion during Oral Communication*)
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.9 and 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 Legal Counsel
Potential Litigation (1 Case)
4. Conference with Real Property Negotiators
Property: 790 Mariner Park Way, Suite A, Santa Cruz, CA
Agency Designated Representative: L. Ekers
Negotiating Parties: J. Beauregard (Chardonnay)
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 re-convened the special public session at 6:07 pm and announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Goddard adjourned the special public session at 6:08 PM.

Toby Goddard, Chairman



Regular Public Session of June 28, 2016

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

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

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.

1. Pledge of Allegiance
2. Oral Communication

The Port Commission observed a moment of silence for Boatyard Supervisor Phil Worthen, who passed away earlier in the month.

Chairman Goddard stated that agenda items 19 and 20 will be discussed at the beginning of the regular agenda.

Slip renter Niels Kisling provided the Commission with details on his pending criminal case, which is being brought against him for fabricating fraudulent Santa Cruz Harbor parking stickers. Mr. Kisling requested that the District consider settling this matter out of court.

Commissioner Lee stated that he is supportive of considering Mr. Kisling's request. Port Director Ekers stated that the Commission may wish to review the case with legal counsel in closed session to determine an appropriate course of action, noting that a deliberation of the pending case is not an appropriate topic for public session. There was consensus among the Commission to meet in closed session to discuss Mr. Kisling's case.

CONSENT AGENDA

Vice-chairman Smith requested that item #8 be pulled from the Consent Agenda.

3. Approval of Minutes
 - a) Regular Public Session of May 24, 2016

4. Approval of Month-to-Month lease – 413 Lake Avenue, Suite 103
5. Approval of Lease Assignment – 365 B Lake Avenue
6. Approval of Subleases – 2222 East Cliff Drive, Suites 204 and 234 (L. Andres & Surfrider)
7. Approval of Claim – R. Obert
8. Denial of Claim – S. Bruce

MOTION: Motion made by Vice-chairman Smith, seconded by Commissioner Lee to approve consent agenda items 3 – 7.
- *Motion carried unanimously.*

REGULAR AGENDA

8. Denial of Claim – S. Bruce

Discussion: Vice-chairman Smith stated that the claim submitted by Mr. Bruce seeks to recover costs for vessel damage and lost revenue. Vice-chairman Smith noted that similar claims for damage have been settled by the Commission and stated that he is supportive of awarding a partial claim to Mr. Bruce in the amount of \$4,663 to reimburse for actual damages sustained to the vessel's propeller and shaft.

Port Director Ekers stated that legal counsel has advised not to attempt settlement of a partial claim, as it would jeopardize Mr. Bruce's ability to seek recovery of the entire claimed amount (vessel damage and lost revenue) through civil action.

Mr. Bruce stated that he is unwilling to accept a partial settlement, in the amount of \$4,663.

Commissioner Geisreiter stated that given the fact that Mr. Bruce is unwilling to accept payment for vessel damage and would like to pursue recovery of the entire claimed amount through civil action, that he is supportive of the staff recommendation to deny the claim.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-chairman Smith to deny the claim submitted by Mr. Bruce
- *Motion carried unanimously.*

19. 2015/16 Dredging Operations Review (Discussed Out of Order)

Ancil Taylor of Bean Consulting stated that the staff report accurately recaps the 2015-16 dredge season.

Chairman Goddard stated that the new dredge, *Twin Lakes*, will be equipped with a density meter, which will assist in gauging the actual amount of material moved throughout a season. He stated that the amount of material moved during the 2015-16 season (approximately 500,000 CY) is the largest volume of material moved within the last 20 years and can be attributed to the extraordinary weather events that were experienced.

20. Dredge Build Update (Discussed Out of Order)

Discussion: Ancil Taylor of Bean Consulting discussed the anticipated schedule for launching *Twin Lakes*.

A discussion ensued regarding the timeline and feasibility of decommissioning *Seabright*. Port Director Ekers stated the following:

- Bellingham Marine Inc. has expressed interest in purchasing and removing *Seabright* from the harbor. Timeline for removal remains unknown.
- Quotes for salvaging *Seabright* will be obtained. Cost for removal is unknown, but scrap material and fluid removal could be included in the price.
- CenterLift (currently assisting in the launch of *Twin Lakes*) is mobilized and available to haul *Seabright*. Cost for removal is approximately \$21,000 (one day) or \$25,500 (two days), plus \$7,500 for utilization of DSC's wench.
- If haulout is not performed now, remobilization costs are estimated at approximately \$44,000.

In response to a question posed by Vice-chairman Smith, Port Director Ekers stated that \$75,000 remains budgeted for decommissioning of *Seabright*.

Vice-chairman Smith stated that he is supportive of hauling *Seabright* now, rather than remobilizing at a later date. Commissioner Lee and Commissioner Reed agreed.

Port Director Ekers provided the following information on equipment for *Twin Lakes*:

- Density Meter- A quote for delivery and installation of a density meter has been requested.
- Fendering System- Cost for installation of a fendering system is estimated at \$30,000. Item will be brought back before the Commission for approval, once a quote is received.

- Freshwater Tank- A 300 gallon freshwater tank will be installed. The freshwater will assist with cleaning, and will decrease maintenance costs.

9. Consider Termination of Lease if Restaurant Not Closed June 26, 2016 (Aldo's Restaurant)

Agenda item was not discussed. Restaurant closed on June 26, 2016.

10. Approve Use of Lawn Area as Aldo's Restaurant's Temporary Site

Discussion: Port Director Ekers stated that Aldo's Harbor Restaurant closed at its current location on Sunday, June 26, 2016, while plans to construct a new seawall and restaurant are developed. She stated that the restaurant will temporarily relocate to Mariner Park Lawn, where a fully self-contained food service trailer will be utilized to continue operation.

Restaurant owners John Mootz and Mauro Olivieri were in attendance and thanked staff and the Commission for their support. Mr. Mootz provided the Commission with a diagram of the proposed setup area for Mariner Park Lawn.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Reed to grant approval for use of a portion of the west side lawn area as Aldo's Harbor Restaurant's temporary site, and authorized the Port Director to sign a letter of intent to negotiate terms of a month-to-month rental agreement for the site.

- *Motion carried unanimously.*

11. O'Neill Sea Odyssey Program Presentation

Discussion: Dan Haifley, Executive Director of O'Neill Sea Odyssey (OSO), gave a presentation on the OSO program.

The Commission expressed their appreciation for the program and thanked Mr. Haifley for his contributions.

12. Approval of Sublease Extension and Administrative Terms (Crow's Nest Restaurant)

Discussion: Port Director Ekers stated that Harbor Services Inc., owner of the Crow's Nest Restaurant, is changing its name to Reliable Equipment, LLC (Reliable). She stated that the name change necessitates a revision to current lease language.

Chairman Goddard confirmed that the Commission is not assigning the current lease to Sea Eagle as part of tonight's action. Port Director Ekers

stated that assignment to Sea Eagle will only occur at the conclusion of the sublease period and only if Sea Eagle is in good standing with the Port District and is meeting all the requirements set forth in the 2003 lease, and any other cross-defaulted leases.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-chairman Smith to approve changes to the lease agreement between Harbor Services Inc., and the Port District:

1. Changing the named entity in the lease from "Harbor Services" to "Reliable Equipment, LLC" (Reliable) with no change in actual ownership of the entity; and
 2. Extending the sublease by five years to December 31, 2024; and
 3. Agreeing to approve a lease assignment from Reliable Equipment, LLC, to Sea Eagle, LP, upon written request by Reliable.
- *Motion carried unanimously.*

13. Approval of Business Use of Slip (R. Repass, West Marine)

MOTION: Motion made by Vice-chairman Smith, seconded by Commissioner Reed to approve business use of slip for R. Repass, West Marine.
- *Motion carried unanimously.*

14. Use of Force Policy

Discussion: Port Director Ekers stated that a revision to the staff report should reflect that the policy "Law Enforcement in the Marina" was adopted by the Port Commission in 1983, rather than 2007.

Harbormaster Marshall stated that the proposed Use of Force Policy, authored by Lexipol, will provide state standard operating policies for the Harbor Patrol.

Commissioner Geisreiter asked if updates distributed by Lexipol are automatically incorporated into the policy. Harbormaster Marshall stated that Lexipol updates are published as recommendations and are only included if applicable. She stated that staff determines the applicability of each update.

Vice-chairman Smith expressed his support for the proposed Lexipol policy stating that the current policy may expose the District to potential claims.

MOTION: Motion made by Vice-chairman Smith, seconded by Commissioner Reed to rescind the Law Enforcement in the Marina Policy adopted in 1983, and subsequent revisions "Santa Cruz Port District Harbor Patrol Law

enforcement Policies Use of Force Standard” and approve use of the state standard (Lexipol) Use of Force Policy.
- *Motion carried unanimously.*

15. Approval of Cash / Payroll Disbursements – May 2016

Vice-chairman Smith asked for additional details on warrant #54485 – Lien Fee. Harbormaster Marshall stated that a lien fee is paid to Marine Lien Sales to initiate the lien process on a vessel.

In response to a question posed by Vice-chairman Smith regarding warrant #45555 – Mold Inspection, Port Director Ekers stated that mold was discovered in the elevator chase at 493 Lake Avenue. A full inspection was performed and mold abatement performed.

In response to a question posed by Commissioner Lee regarding warrant #45473 – Citation Tax, Harbormaster Marshall stated that the citation tax is a portion of our parking citation revenue that is paid to the County of Santa Cruz.

MOTION: Motion made by Commissioner Lee, seconded by Vice-chairman Smith to approve cash/payroll disbursements for May 2016, in the amount of \$562,298.61.
- *Motion carried unanimously.*

INFORMATION

16. Port Director’s Report
FY16 Audit

Port Director Ekers stated that fieldwork for the FY16 audit has begun.

Vessel Pappy

A re-commissioning ceremony will take place at the Boatyard for the vessel *Pappy*, which was launched after approximately 300 volunteer hours and countless donations were put into the vessel’s restoration. Vice-chairman Smith requested that a proclamation of appreciation be generated to all the volunteers / donors.

17. Harbormaster’s Report

18. Facilities Maintenance and Engineering Manager’s Report

19. 2015/16 Dredging Operations Review (*Discussed Out of Order*)

20. Dredge Build Update (*Discussed Out of Order*)

There was no discussion on agenda items 21-26.

21. Denial of Permit to Operate 49-Passenger Charter "Chardonnay III"
22. Review of Delinquent Accounts
23. Review of Financial Reports
 - a) Comparative Seasonal Revenue Graph
 - b) Preliminary Budget Report as of March 31, 2016
24. Crime/Incident/Citation Report – May 2016
25. Written Correspondence
 - a) Letters from Second Grade Class (Mintie White Elementary) to Deputy Harbormasters
26. Port Commission Review Calendar/Follow-Up Items

Chairman Goddard adjourned the regular public session at 9:00 PM



Toby Goddard, Chairman