



Special Closed & Regular Public Session of February 28, 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

Chairman Goddard reported that bi-annual anti-harassment / anti-discrimination training is now required of Port Commissioners and supervisory staff. He stated he is working with the Port Director to schedule this mandatory training (*Note: the training is scheduled for March 28, 2017*).

Kris Reyes of Santa Cruz Seaside Company thanked Commissioners for their consideration of the Chardonnay Sailing Charters Operational Plan. He expressed his hope that the plan adequately addresses Commissioner concerns. He stated they would like to move forward as quickly as possible and invited Commissioners and staff to contact him with any questions they may have.

2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.9, 54957, 54956.8.

At 5:05 PM, Chairman Goddard announced the Commission will meet in closed session to discuss agenda items 3, 4, and 5.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: L. Ekers
Negotiating Parties: 790 A Mariner Park Way (Chardonnay)
Under Negotiation: Lease
4. Public Employment

Port Director

5. Conference with Legal Counsel – Potential Litigation (1 Case)

SPECIAL PUBLIC SESSION

6. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.9, 54957, 54956.8.

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

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 7:03 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

7. Pledge of Allegiance
8. Oral Communication

Discussion: Barry Keeler, Santa Cruz Yacht Club Commodore, announced Santa Cruz Yacht Club's new flag officers:

- Joe Altmann, Vice-Commodore
- Ashley Basanese, Rear Commodore
- Chris Sheehy, Representative

Chairman Goddard stated that the Port District looks forward to continuing a mutually beneficial working relationship with the Santa Cruz Yacht Club.

Kem Akol, representative for Santa Cruz County Regional Transportation Commission (SCCRTC) Bicycle Advisory Committee, stated that the City of Santa Cruz recently adopted a plan to improve pedestrian and bicycle traffic that did not include any input from the harbor. Mr. Akol requested that the Santa Cruz Port District review implement a transportation plan and collaborate with the City of Santa Cruz.

Richard Bartlett, slip renter, stated that it is his belief that a 2% slip fee increase is not warranted due to the sound financial position of the Port District (noting the District has a \$4 million reserve fund).

Chairman Goddard stated that agenda Item 24 will be discussed out-of-order, after Item 13.

CONSENT AGENDA

9. Approval of Minutes
 - a) Emergency Meeting of January 11, 2017
 - b) Special Closed Session of January 17, 2017
 - c) Regular Public Session of January 24, 2017
10. Approval of Lease Amendment for UCSC Community Boating Program
11. Review of Emergency Action 17-04 – Emergency Work Due to *Dauntless'* Engine Replacement
12. Approval of Resolution 17-05 – Authorizing Temporary Upgrade Pay or Working Out of Class Pay for the Harbor Management Group

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve the consent agenda (items 9-12).
- *Motion carried unanimously.*

REGULAR AGENDA

13. Approval of Resolution 17-06 – Designating Peace Officer Status to Jordan Rank

Discussion: Harbormaster Marshall introduced Jordan Rank as the Port District's newest Deputy Harbormaster. Deputy Harbormaster Rank was sworn in by Harbormaster Marshall.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Reed to approve Resolution 17-06 – Designating Peace Officer Status to Jordan Rank.
- *Motion carried unanimously.*
24. Written Correspondence – (*discussed out of order*)
 - a) Letter from B. Keeler to Port Commission
 - b) Letter from R. Schwank to Port Commission
 - c) Letter from SDRMA to Port Commission

Discussion: Expressing concern about damage caused by an uninsured vessel during the recent U-Dock fire, audience members urged the Commission to develop and implement a policy which would require slip renters to maintain and provide proof of liability insurance for their vessels. Slip renter Richard Schwank

stated that vessel damage sustained during the recent fire on U Dock makes this a relevant topic, warranting further discussion.

Vice-chairman Smith stated that the Commission will address this issue in a timely manner. He requested that staff begin researching vessel insurance policies/requirements for neighboring harbors.

Port Director Ekers stated that it will be important to engage harbor users and receive community input during the development phase. Commissioner Reed agreed.

There was consensus among the Commission to send this item to the Policy/Operations Committee for additional review.

14. Approval of Six-Pack Charter Permit (Justin Moore)

Discussion: Mr. Moore stated that he is requesting the Commission's approval to operate a 6-pak sailing charter. Mr. Moore stated that he plans to utilize his catamaran for sailing instruction on the Monterey Bay.

In response to a question posed by Commissioner Reed, Mr. Moore stated that the estimated 10 charters/month is his starting goal for his charter business.

Vice-chairman Smith stated that while he appreciates and supports Mr. Moore's request, he will not support the staff recommendation until a comprehensive review of all charter operations is performed and a maximum number of allowable charters is determined.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Reed to approve a six-pack charter permit for Justin Moore of Ruby Jack Charters.
- *Motion carried. Commissioner Goddard, Geisreiter, Reed and Gertler voting YES. Commissioner Smith voting NO.*

15. Review / Approval of FY 18 Budget and 5-Year CIP

Discussion: Port Director Ekers reviewed the proposed FY 18 budget, and highlighted the following:

- 2% increase applied to slip fees (generating approximately \$47,000 per 1%)
- \$290,000 contribution to Dredge Intermediate Fund
- \$346,000 CIP budget for FY 18
- FY18 budget accounts for decline in visitor berthing to accommodate displaced north harbor vessels (shoaling)

Slip renter Joseph Altmann expressed his concern regarding harbor security and the need for electronic key fobs at all dock gates. In response to a question posed by Mr. Altmann, 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 the installation should be completed by harbor maintenance crews in FY 18.

Commissioner Gertler stated that he is not supportive of the 2% slip fee increase, in part due to the entrance channel's accessibility issues. Commissioner Gertler expressed his belief that a rate increase will cause discontent among harbor users.

Commissioner Reed stated that a slip rate increase is not ideal but necessary to maintain harbor infrastructure and cover any unanticipated expenses. He stated that a 2% increase compounded over the next several years will safeguard the harbor's reserve fund. Chairman Goddard agreed.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve the FY 18 Budget and 5-Year CIP, with a 2% slip rent increase.
- *Motion carried unanimously.*

16. Discussion of Port District Vessel *Pappy*

Discussion: Port Director Ekers stated that the Port District's vessel *Pappy* – a Felucca, or traditional wooden fishing boat from the Eastern Mediterranean Sea – is currently being stored in the boatyard. *Pappy*, an iconic vessel in the harbor, was previously owned by Ed Larson and was recently restored to operable condition by a team of volunteers.

Port Director Ekers read aloud Ed Larson's letter to the Port Commission. She asked the Commission for their recommendation regarding *Pappy's* future at the harbor.

Mr. Larson expressed his gratitude to the group of volunteers who helped restore the vessel. He requested that the Commission consider placing the vessel on display, to showcase its rich history.

The Commission expressed support for honoring Mr. Larson by prominently displaying the vessel *Pappy* at the harbor. The Commission recognized the rich history of the vessel and Mr. Larson's many contributions to the harbor over the last several decades. There was consensus among the Commission

to place *Pappy* on display at the harbor, and maintain the ability to launch the vessel for waterside events.

17. Approval of Cash / Payroll Disbursements – January 2017

Discussion: Vice-chairman Smith asked for additional information on Warrant #47038 – Pet Waste Station Bags. Vice-chairman Smith noted that Santa Cruz County uses recycled produce bags for its pet waste stations. He expressed his belief that using recycled produce bags may save the Port District money.

Commissioner Gertler asked for additional information on Warrant #47124 – Fuel for *Twin Lakes*. Port Director Ekers stated that *Twin Lakes* cannot refuel at the harbor's fuel dock because the amount needed would deplete the harbor's tanks.

Vice-chairman Smith asked for additional information on Warrant # 47136 -4th Quarter Sales Tax Payment. Port Director Ekers stated that this payment was submitted "under protest," and the District's request to waive the sales tax for *Twin Lakes* is still under review.

MOTION: Motion made by Vice-chairman Smith, seconded by Commissioner Reed to approve the Cash / Payroll Disbursements for January 2017 in the amount of \$1,489,022.46.
- *Motion carried unanimously.*

INFORMATION

18. Port Director's Report

Port Director Ekers stated that this is her final Port Commission meeting as Port Director. Port Director Ekers stated that it has been a pleasure to work with the Port Commission.

The Commission recognized Port Director Ekers' many accomplishments throughout her time as Port Director. The Commission thanked Port Director Ekers for her leadership and integrity.

Slip renter Eileen Sandet thanked Port Director Ekers for her hard work, especially with regard to the 2011 tsunami.

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

20. Facilities Maintenance & Engineering Manager's Report

FME Kerkes gave an update on the status of *Twin Lakes* and *Dauntless*:

- A new duplex sea strainer was installed on *Twin Lakes* (to prevent the dredge engines from overheating due to clogging from debris)
- Both new engines were installed on *Dauntless*
- New wiring and gauges are the next phase of the *Dauntless*' repair

FME Kerkes stated that *Dauntless* will begin sea trials on Saturday, March 4, 2017. FME Kerkes stated that he would like to keep workboat *Sammy G* at the harbor until the dredge crew is able to break through the shoaling in the entrance channel, and sea trials are complete.

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

22. Review of Financial Reports

Vice-chairman Smith stated that the CA Department of Fish and Wildlife has not announced a date for the opening of salmon season. He stated that seasonal revenue (launch revenue) will be impacted if there is a delay, or no season at all.

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

23. Crime / Incident / Citation Report – January 2017

Chairman Goddard asked for additional information regarding the incident on January 23, 2017. Harbormaster Marshall stated that staff actively combats the issue of unleashed dogs in the harbor.

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

Chairman Goddard adjourned the regular public session at 8:49 pm.

Toby Goddard, Chairman