



Special Closed & Regular Public Session of November 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 (*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 5:01 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 & T. Davis
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 6:55 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.

5. Pledge of Allegiance
6. Oral Communication

Ryan Althaus introduced himself as the executive director of the Sweaty Sheep & Bright Vision Hydroponic Homeless Solutions program and former captain of the sailing vessel, *Wave Dancer*.

Slip renter Rick Eiserling expressed his concern about the status of north harbor dredging. Port Director Olin stated that dredge crews are actively working to address the material shoaling the north harbor.

Commissioner Gertler stated that he had the opportunity to observe an impressive U.S. Navy parachute water rescue training in Santa Cruz, California.

CONSENT AGENDA

7. Approval of Minutes
 - a) Special Closed Session of October 12, 2017
 - b) Regular Public Session of October 24, 2017
8. Approval of Resolution 17-09 – Designating Port District Officers as Authorized Local Agency Investment Fund (LAIF) Agents
9. Approval of Resolution 17-10 – Designation of Applicant’s Agent for Non-State Agencies for the Purpose of Obtaining Federal Financial Assistance

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

REGULAR AGENDA

10. Approval of Resolution 17-11 – Designating Peace Officer Status to Reserve Deputy Harbormaster R. Wall

Discussion: Harbormaster Marshall introduced Ryan Wall as the Port District’s newest Reserve Deputy Harbormaster. Reserve Deputy Wall was sworn in by Harbormaster Marshall.

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-Chairman Smith, to approve Resolution 17-11 – Designating Peace Officer Status to Reserve Deputy Harbormaster R. Wall.
- *Motion carried unanimously.*

11. Presentation by Bartel & Associates on CalPERS' Unfunded Pension Liability

Discussion: Mary Beth Redding, Senior Actuary for Bartel & Associates, gave a presentation on CalPERS' Unfunded Pension Liability, which included a projection of future rate increases for public agencies.

The Commission thanked Ms. Redding for her contribution and for the clarity of her report.

12. Consideration of Approval of Claim – C. Yeung-Lopez

Discussion: Port Director Olin stated that Ms. Yeung-Lopez has submitted a claim to the Port District in the amount of \$5,662.26 for damages sustained to her vessel, after a mechanical malfunction caused the District's workboat *Dauntless* to collide with her vessel on October 28, 2017, during north harbor dredge operations.

Port Director Olin stated that Ms. Yeung-Lopez's claim exceeds \$5,000 in value, so Port Commission action is required.

Harbormaster Marshall stated Ms. Yeung-Lopez seeks reimbursement for vessel repairs, Boat US tow service, boatyard haul out and lay days, surveyor services and services by Johnson Marine Services. Harbormaster Marshall recommended approval of the claim.

Vice-Chairman Smith stated that he is supportive of the request as it was the District's equipment malfunction that caused the accident.

Commissioner Gertler asked if the mechanical issue on *Dauntless* has been fixed. Facilities Maintenance & Engineering Manager (FME) Kerkes stated that the malfunction was caused by a nut that backed out, which caused the the shift cable to stay engaged. FME Kerkes stated that the crew successfully replaced the cables and secured the nut on *Dauntless*, which resolved the issue.

In response to a question posed by Chairman Goddard, Harbormaster Marshall stated that only one engine was damaged in the accident, so Monterey Bay Marine's invoice has been divided in half ($\$1,836.46/2=\918.23) to reflect the repair and servicing costs for one engine.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter, to approve the claim submitted by C. Yeung-Lopez (\$5,662.26).
- *Motion carried unanimously.*

13. Approval of Capital Improvement Program Project Close-Out for *Seabright* Replacement Project and Reallocation of Capital Improvement Project Funding to Dredge Intermediate Fund

Discussion: Port Director Olin stated that staff recommends the transfer of \$100,000 from US Army Corps of Engineers dredging reimbursement (general fund transfer) and \$38,223 from the Capital Improvement Program project F010, Trailer Launch Ramp repair, to the:

- Capital Improvement Program to fully fund and close-out project D001, *Seabright* Replacement Project in the amount of \$91,470;
- Dredge Intermediate Fund in the amount of \$46,753.

Port Director Olin stated that in FY14 the District budgeted \$45,000 for the Capital Improvement Program project F010, Trailer Launch Ramp repair. She stated that only \$6,777 of the in funding was expended during the project, which resulted in \$38,223 of surplus funding. She stated that no further work is anticipated to be necessary other than routine maintenance and repair and recommends the surplus of \$38,223 be re-allocated to the Dredge Intermediate Fund.

In response to a question posed by Chairman Goddard, Port Director Olin reported that the following were funded out of the Dredge Intermediate Fund for this fiscal year (FY18) to date:

- Beach Valve Box
- Ford F250 Truck
- Caterpillar Dozer
- McElroy Pipe Fuser

Facilities Maintenance & Engineering Manager Kerkes reported on additional items funded out of the Dredge Intermediate Fund this fiscal year.

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Reed to authorize transfer of \$100,000 from US Army Corps of Engineers reimbursement (general fund transfer) and \$38,223 from the Capital Improvement Program project F010, Trailer Launch Ramp repair, to the:

- Capital Improvement Program to close-out project D001, *Seabright* Replacement Project in the amount of \$91,470;
- Dredge Intermediate Fund in the amount of \$46,753.

- *Motion carried unanimously.*

14. Approval of Cash / Payroll Disbursements – November 2017

Discussion: Commissioner Geisreiter asked for additional information on Warrant #48607 paid to Costco Membership for asphalt sealant, bearing for *Dauntless*, wasp deterrent spray, tires for maintenance truck, break room supplies. Port Director Olin stated that the incorrect vendor was paid (the correct vendor is CitiBank). She stated that the vendor returned the check, and the issue has been resolved.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve the Cash / Payroll Disbursements for November 2017, in the amount of \$665,819.24.
- *Motion carried unanimously.*

INFORMATION

15. Port Director's Report

September 2017 Budget Report

Port Director Olin stated that ten days of fuel revenue was not included in the September 2017 budget report. She stated that there was a malfunction in the fuel communication system, and the issue has been fixed.

US Army Corps of Engineers Work Plan

Port Director Olin stated that she has invoiced the U.S. Army Corps of Engineers for fourth quarter dredging expense reimbursement in the amount of \$32,250. She stated that this leaves a \$64,000 shortfall in Corps' funding. She reported that she will submit a request for work plan funding to cover the cost of the shortfall, plus \$385,000 in annual funding reimbursement.

Twin Lakes Beachfront Improvement Project

Port Director Olin stated that the County of Santa Cruz will begin one-way traffic circulation eastbound on East Cliff Drive between 5th Avenue and 7th Avenue. She stated that the two-way circulation will be restored when the project is complete, which is scheduled for May 2018.

Native Plant Enhancement Project

Port Director Olin stated that the Port District is working with Groundswell Coastal Ecology and California State Parks to promote habitat enhancement in the area of Seabright Beach, which includes the area along the west jetty walkway to Walton Lighthouse. She stated that non-native invasive vegetation (iceplant) will be removed and replaced with native California plants that evolved in these coastal habitats.

In response to question posed by Commissioner Reed, Port Director Olin stated that Groundswell has cited studies which show that the re-introduction of native plants can help

reduce wind transported sand in the area (i.e. help prevent wind transported sand from entering the harbor entrance channel).

Recruitment for Harbor Maintenance Work I, II, or III (Assigned to Dredging)

Port Director Olin stated that the recruitment for the Harbor Maintenance Worker I, II, or III (assigned to dredging) position is ongoing. She stated that applications have been received. The application period for this position is open until filled.

Aldo's Restaurant

Port Director Olin stated that the Commission will meet on December 12, 2017, in closed session, to discuss lease negotiations.

Assembly Bill 1129

Port Director Olin stated that Assembly Bill 1129, introduced by Assembly Member Mark Stone, is currently inactive. The bill addresses permitting requirements for seawall structures and coastal armoring. She stated that she will schedule a meeting with Assembly Member Stone and requested Chairman Goddard, or another Commissioner, to accompany her, if available.

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

Facilities Maintenance & Engineering Manager (FME) Kerkes stated that crews are assessing how to mobilize the Toyo pump so it can address the remaining material shoaling the north-west corner of the entrance channel.

A discussion ensued regarding the most effective way to dredge the north-west corner of the entrance channel. Commissioners agreed that it is a priority to address this area of the entrance channel.

Vice-Chairman Smith asked for an update on the electronic gate/restroom key installation. FME Kerkes stated that the dock gates cannot support the technology for the electronic key system being proposed, so staff is currently researching options (i.e. dock gate retrofit or replacement) and obtaining cost estimates. Port Director Olin explained that the vendor who installed the first phase of the project has been unresponsive, so other options are being explored.

18. Review of Delinquent Accounts (*There was no discussion on this agenda item*)
19. Annual Review of Business Use of Slip

Chairman Goddard suggested that the charter operator column list the current lessees.

Chairman Goddard noted that *Marie Celine* is not currently operating as a charter but is being assessed a monthly charter fee.

Commissioner Geisreiter asked that minute record be reviewed to ensure that the charter fee for operator K. Thomas is being charged correctly.

20. Review of Financial Reports *(There was no discussion on this agenda item)*.
 - a) Comparative Seasonal Revenue Graphs
21. Crime / Incident / Citation Report – November 2017 *(There was no discussion on this agenda item)*
22. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Goddard adjourned the regular public session at 8:57 pm.



Toby Goddard, Chairman