



# SANTA CRUZ HARBOR

Gateway to the Monterey Bay  
National Marine Sanctuary

Special Closed / Regular Public Session of October 25, 2011

## Santa Cruz Port Commission MINUTES

### Members Present:

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

Chairman Geisreiter brought the special open portion of the closed session to order at 6:00 pm at the Harbor Office Conference Room, 135 5<sup>th</sup> Avenue, Santa Cruz, CA 95062.

### Special Public Session

1. Oral Communication (No discussion during oral communication)
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8

Chairman Geisreiter announced that the Commission will meet in closed session to discuss agenda items #3 and #4 (listed below).

### Special Closed Session

3. Conference with Real Property Negotiators  
Property: U.C.S.C. Community Boating Center  
Agency Negotiator: L. Ekers  
Negotiating Parties: U.C.S.C  
Under Negotiation: Lease
4. Conference with Real Property Negotiators  
Property: 616 Atlantic Avenue, Santa Cruz  
Agency Negotiator: L. Ekers  
Negotiating Parties: M. Olivieri  
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

In open session, Chairman Geisreiter announced that the Commission took no reportable action in closed session on items #3 and #4.

Chairman Geisreiter adjourned the special open portion of the closed session at 6:57pm.

**Regular Public Session**

Chairman Geisreiter brought the regular public session to order at 7:03 pm at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

- 6. Pledge of Allegiance
- 7. Oral Communication (No discussion during oral communication)

**CONSENT AGENDA**

- 8. Approval of Minutes
  - a) Special Public and Public Portion of Closed Session of September 2, 2011
  - b) Regular Public and Public Portion of Closed Session of September 27, 2011
- 9. Amendment to Employment Agreement  
Title: Port Director

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Smith to approve consent agenda items 8 and 9.  
- *Motion carried unanimously.*

**REGULAR AGENDA**

- 10. O'Neill Sea Odyssey Program Presentation

Discussion: Dan Haifley, Executive Director of O'Neill Sea Odyssey (OSO), gave a presentation on the OSO program. Mr. Haifley discussed short and long term impacts of the program, as well as the relevance of the curriculum, which aligns with state standards.

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

- 11. Approval of Contract with Pacific Constructors, Inc. for Replacement of Suction Through-hull on Dredge "Seabright" (\$35,000)

Discussion: Port Director Ekers reported that work on "Seabright's" through-hull fitting is complete and dredging of the north harbor has commenced, in the fairway between "X" and "J" docks.

Port Director Ekers stated that a \$22,000 contract was executed with Pacific Constructors Inc. for replacement of the through-hull. She stated that this contract amount was within staff's contract approval authority, and was based on an estimate of time and materials using the contractor's typical wage scale. She stated that it was later determined that the State prevailing wage was required for workers, which raised the contract amount by approximately 30%. She stated that in addition to increased wages, an

unanticipated purchase required to replace a missing wire-feed welding tool attachment raised the contract amount to \$34,000, which is above staff's contract approval authority.

Dave Harrison, Local No. 3 Operating Engineers representative, spoke on behalf of the former dredge crew. Mr. Harrison stated that he believes there is a conflict of interest between the District's new dredge consultant and recent contracts awarded to his company, Pacific Constructors, Inc. Mr. Harrison questioned why the District did not place this contract out to bid and stated that he believes it is in the District's best interest to investigate whether Pacific Constructors, Inc. carries workers' compensation insurance. Mr. Harrison recommended that the Commission not approve this contract.

Port Director Ekers reported that Pacific Constructors, Inc. has furnished the District with all required documentation. She stated that California Public Contract Code allows informal bidding if the amount is less than \$175,000.

Commissioner Goddard clarified that this contract is being brought before the Commission because the contract amount exceeded staff contract approval limits and not because a bidding issue is raised. Port Director Ekers confirmed.

**MOTION:** Motion made by Commissioner Goddard, seconded by Commissioner Martin to approve the contract with Pacific Constructors, Inc. for replacement of suction through-hull on dredge "Seabright" (\$35,000)  
- *Motion carried unanimously.*

## 12. Mid-Year Budget Review

**Discussion:** Port Director Ekers began by reviewing handout material, including a corrected balance sheet, FEMA project worksheet, and budget review document. Port Director Ekers stated that the District has secured more than 200% of construction cost in financing, which places the District in a strong position to continue the rebuilding process.

Port Director Ekers stated that the FEMA project worksheet is intended to inform the Commission and public where the District stands with FEMA funding obligated to date. She stated that the District has received obligations for nearly all projects.

Port Director Ekers stated that lost revenue from tsunami-related damages has decreased from \$1,000/day to approximately \$550/day, due to the quick rebuilding of damaged docks. She stated that there has been an increase to visitor berthing revenue, as well as fuel sales.

Port Director Ekers recommended that the Commission defer the District's annual loan payment to California Department of Boating and Waterways

(DBAW). She stated that the offer of deferment presented by DBAW will allow the District to better manage funds and cash flow in the near future.

Chairman Geisreiter stated that it was his impression that the Commission agreed to defer the DBAW loan payment at last month's Commission meeting. Port Director Ekers stated that she believed that was the Commission's intention, but wanted to clarify, because this decision will impact future budget cycles.

Port Director Ekers reported that the current budget assumes that all line items will be expended at 100% of budgeted levels. She stated that this is a conservative forecast, however, and staff is currently working to cut 5% from each department.

A list of Capital Improvement Projects was discussed. The Commission directed staff to modify the list as follows:

- Leave budgeted funds for building repairs and maintenance intact
- Defer replacement of harbor office generator
- Defer H and I-dock reconfiguration for now. Staff to continue to evaluate options
- Defer purchase of parking pay stations
- Defer inspection of west side seawall
- Draw retention and close DBAW loan (retention = \$60,000)

A discussion ensued about the District's relatively strong revenues in light of the damage to harbor infrastructure from the tsunami. Port Director Ekers noted that parking revenue has been very strong so far this fiscal year.

### 13. Review of Port District Priorities for November 2011 – October 2012

Discussion: Commissioner Goddard stated that planning priorities for the coming year should remain realistic. He stated that the Commission should set goals that can be accomplished within the next nine to twelve months.

Vice-chairman Smith stated that the list of draft priorities should stand as they are presented. He questioned whether it was beneficial for staff to continue to pursue the West Jetty project, as it may consume a large portion of staff time. Administrative Services Manager Olin reported that plans for the project will be completed very soon.

Commissioner Lee stated that he would like to see the West Jetty project move forward. Commissioner Goddard agreed and suggested that because the project has grant funding, it should continue. Chairman Geisreiter suggested that the planning effort should continue, but the Commission should then consider the implementation schedule.

Port Director Ekers asked the Commission if any additions need to be made to the list. No additions were made.

14. Approval of Cash / Payroll Disbursements – September 2011

MOTION: Motion made by Commissioner Martin, seconded by Vice-chairman Smith to approve the cash / payroll disbursements for September 2011, in the amount of \$1,757,029.28  
- *Motion carried unanimously.*

15. Port Director's Report (No verbal report)

16. Harbormaster's Report

Harbormaster Izenstark reported as follows:

Alcohol Regulations: In an attempt to better regulate events on Harbor Beach, staff has implemented a no alcohol policy. This new policy may impact permitting for events like the volleyball tournaments. Harbormaster Izenstark reported that if a person wishes to have alcohol at an event, the event must be catered through the Crow's Nest Restaurant. The Crow's Nest has required use and ABC permits which reduce liability to the District.

17. Facilities Report (There was no discussion on this agenda item)

18. Port Engineer's Report (There was no discussion on this agenda item)

19. Delinquent Accounts over 90 and 120 Days – (There was no discussion on this agenda item).

20. Comparative Seasonal Revenue Graphs – (There was no discussion on this agenda item).

21. Crime/ Incident / Citation Report (September 2011) – (There was no discussion on this agenda item).

22. Written Correspondence – (There was no discussion on this agenda item).

a) Letter from Port Director Ekers, to East Cliff Drive Neighbors

23. Port Commission Review Calendar – (There was no discussion on this agenda item).

24. Follow-Up Items – (There was no discussion on this agenda item).

Chairman Geisreiter adjourned the regular public session at 7:35 PM

APPROVED:

  
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Reed Geisreiter, Chairman