



Regular Public Session of August 22, 2023

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Darren Gertler           Chair  
Dennis Smith           Commissioner  
Toby Goddard           Commissioner (via Zoom)  
Reed Geisreiter        Commissioner

*Commission Members Absent:*

Stephen Reed           Vice-chair

**REGULAR PUBLIC SESSION – 5:30 PM**

Chair Gertler convened the regular public session at 5:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

1. Pledge of Allegiance
2. Oral Communication

Commissioner Geisreiter reported that he was in attendance for the August 1, 2023, site visit with Third District Supervisor Justin Cummings. He stated that the visit was beneficial and provided a good opportunity for Supervisor Cummings to learn more about the harbor's operation.

**CONSENT AGENDA**

3. Approval of Minutes
  - a) Special Closed & Regular Public Meeting of July 25, 2023

MOTION: Motion made by Commissioner Smith, seconded by Commission Geisreiter to approve consent agenda item 3.  
- *Motion carried. Vice-chair Reed ABSENT.*

**REGULAR AGENDA**

4. Review Draft FY23 Audited Financial Statement

Discussion: Port Director MacLaurie introduced Kim Said of the auditing firm, Hutchinson and Bloodgood.

Ms. Said reviewed the draft FY23 audit and reported that the District received a clean, unmodified opinion in all respects for the audit year ending March 31, 2023.

Ms. Said highlighted the following:

- As of March 31, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,165,484.
- Operating revenues for the District totaled \$11,171,967 for fiscal year 2023, compared to \$10,821,395 for fiscal year 2022.
- Operating expenses for the District (before depreciation, amortization and non-cash OPEB liability) met budget expectations and totaled \$8,479,730 (\$37,154 over budget), and were approximately \$913,725, or 12% higher than the prior year.
- Non-operating revenues for the District totaled \$3,384,109 for fiscal year 2023, compared to \$1,036,913 for fiscal year 2022. This increase is due primarily to non-cash pension income, receipt of insurance proceeds from the January 2022 tsunami, and receipt of dredging reimbursement from the U.S. Army Corps of Engineers.
- The District's net position as of March 31, 2023, totaled \$35,165,484. This represents an increase of \$3,796,252 or approximately 12% over the previous fiscal year.
- In FY23, the Port District implemented one new accounting policy – GASB Statement No. 87, Leases.

The Commission provided direction to incorporate the following modifications into the FY23 Audited Financial Statement for review and action at the upcoming regular public session of September 26, 2023:

- Include updated verbiage to Operating Expenses (page 7).
- In reference to GASB 87, change "Adoption" of New Accounting Standards to "Implementation" of New Accounting Standards (page 15).
- Add language to address increased insurance premium costs in Note 7 (page 26).
- Update the calculation for plan's proportion of the net pension liability (page 32).
- Include total cost for annual insurance premiums (page 40).

Commissioners thanked staff for their efforts in preparing this year's audit.

5. Consideration of 6-Pak Charter Permit Application – Valhalla of Santa Cruz Charters (J. & R. Coffin)

Discussion: Harbormaster Anderson requested that the Commission consider authorization of a 6-pak charter operation in the southwest harbor. He stated that approval of this request would have minimal impact in the area.

In response to a question posed by Commissioner Smith, Harbormaster Anderson confirmed that there is a high demand for eco-tour charters such as the one being proposed by Valhalla of Santa Cruz Charters.

Commissioner Smith expressed support for approving the proposed charter operation.

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Geisreiter to approve the south harbor charter operation (6-pak) for Jefferey and Ruth Coffin of Valhalla of Santa Cruz Charters.  
- *Motion carried. Vice-chair Reed ABSENT.*

#### 6. Review Status of North Harbor Transformer Replacement Project

Discussion: Port Director MacLaurie stated that the Commission previously authorized this critical infrastructure repair project to proceed on a design-build basis (under emergency authorization), with TranSystems providing design and engineering services for the District. She stated that TranSystems has completed the necessary construction drawings and the new transformer placement locations are being presented for Commission review.

Port Director MacLaurie stated that in order for this project to move forward, a funding source will need to be identified (funding options outlined in the staff report).

The Commission reviewed the construction drawings and discussed the proposed final placement of the new equipment.

Commissioner Geisreiter expressed support for moving this critical project forward. A discussion ensued regarding identifying a funding source for this project. There was consensus among the Commission to utilize unrestricted cash to fund this project.

Port Director MacLaurie stated that unrestricted cash will be allocated toward this project at the time of contract award.

#### 7. Approval of Cash / Payroll Disbursements – July 2023

Discussion: In response to questions posed by the Commission, staff provided additional information on the following warrants:

- Warrant # 58520 – Bay Building Janitorial, Inc.  
Port Director MacLaurie stated that contract janitorial services have been expanded to replace the part-time weekend janitorial position.
- Warrant # 58641 – Crane Rental for *Twin Lakes* Demobilization  
Facilities Maintenance & Engineering Manager Wulf stated that due to the tsunami and storm related damages to the east side embankment crane

pad, a larger crane (with an extended boom) was rented to facilitate off-season dredge maintenance.

- Warrant # EFT – Comerica Commercial Card Monthly Statement  
Port Director MacLaurie stated that the itemized list of charges was inadvertently omitted. Purchase details are provided below:

*When/ Work Subscription, Patrol Vehicle Firearm Locks, CALE Locks, Zoom Subscription, Promotional Photography, Newsletter Template, Commission Meeting Refreshments, Equipment Fuel, Restroom Door Levers, Distilled Water, Toll, Public Meeting Room Supplies, Prosper Forms Subscription, Aerator Cooling Fan, Commissioner Photograph Framing, Padlock, Janitorial Supplies, Pest Control, Deposit Bag, Leak Test, Table Covers, Pile Repair Grout, AED Battery Replacement, Hazardous Waste Training Course, Canopy, Impact Driver, Penetrating Oil, Welding Hood Repair, Porto-Power Ram, Respirator Assembly, Face Shield, Compression Fittings, Drill Press Arbor, Electrolyte Solution, Annular Cutter*

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to approve cash and payroll disbursements for July 2023, in the amount of \$1,532,227.11.  
- *Motion carried. Vice-chair Reed ABSENT.*

## **INFORMATION**

### 8. Port Director's Report

Port Director MacLaurie stated that the District is currently reviewing a proposal from The Ferguson Group for grant writing consulting services.

### 9. Harbormaster's Report

Harbormaster Anderson stated that Cushman Contracting has completed all forty-five (45) pile replacements and will begin installing the HDPE sleeves and pile caps next week.

On behalf of the Santa Cruz Yacht Club, audience member Bob Dewitt thanked staff and the Commission for their support of the 31<sup>st</sup> Annual Day on the Bay Regatta event.

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

### 11. 2022-23 Dredge Report

In response to a question posed by Commissioner Smith, Facilities Maintenance & Engineering (FME) Manager Wulf stated that an updated entrance channel sounding will be performed this week.

In response to a question posed by Commissioner Goddard, FME Manager Wulf stated that he would confirm that the replacement suction pipes referenced in recommendation number 8 (replace jetting and suction pipes on ladder) are on hand at the dredge yard.

Chair Gertler expressed his appreciation for the detailed report.

12. Financial Reports (*There was no discussion on this agenda item*)
  - a) Comparative Seasonal Revenue Graph
  - b) Review of FY24 Budget Impacts – Salmon Season Closure
  - c) CLASS Statement
  - d) LAIF Statement
13. Delinquent Account Reporting (*There was no discussion on this agenda item*)
14. Harbor Patrol Incident Response Report – July 2023 (*There was no discussion on this agenda item*)
15. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chair Gertler adjourned the regular public session at 6:41 PM.



---

Darren Gertler, Chair