



Special Closed & Regular Public Session of February 26, 2019

**Santa Cruz Port Commission  
MINUTES**

*Commissioners Present:*

Dennis Smith	Chairman
Stephen Reed	Vice-Chairman
Toby Goddard	Commissioner
Darren Gertler	Commissioner
Neli Cardoso	Commissioner

**SPECIAL PUBLIC SESSION – 6:00 PM**

Chairman Smith brought the special public session to order at 6:00 PM at the Santa Cruz Harbor Office, 135 Fifth Avenue, Santa Cruz, CA 95062.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8.

At 6:00 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda item 3.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators  
Agency Designated Representative: M. Olin  
Negotiating Parties: 616 Atlantic Avenue (Aldo's Restaurant)  
Under Negotiation: Lease

**SPECIAL PUBLIC SESSION**

4. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1.

Chairman Smith announced that the Commission took no reportable action in closed session on item 3. Chairman Smith adjourned the special open session following the closed meeting at 6:55 PM.

**REGULAR PUBLIC SESSION – 7:00 PM**

Chairman Smith 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

Harbor user Norman Heaney requested that the Commission consider his request to allow Distinguished Veterans the ability to launch for free at Santa Cruz Harbor, utilizing a California State Parks pass, as outlined in his written correspondence to the District (item 19 (e)).

Commissioner Goddard stated that he attended the Santa Cruz Yacht Club's monthly board meeting and provided information relative to upcoming harbor activities and projects.

**CONSENT AGENDA**

7. Approval of Minutes

a) Regular Public Session of January 22, 2019

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the consent agenda.  
- *Motion carried unanimously.*

**REGULAR AGENDA**

8. Review / Approval of FY20 Budget and 5-Year Capital Improvement Program

Discussion: Port Director Olin reviewed the proposed FY20 budget, and highlighted the following:

- 2.5% increase applied to slip fees (generating approximately \$43,000 per 1%)
- Sliding scale for partnership fees incorporated into the budget (three year term, to be reviewed with the FY23 budget), reducing revenue from this line item.
- \$193,000 Capital Outlay for the following:
  - Water Taxi
  - Harbor Patrol Vehicle
  - Maintenance Vehicles
  - Boatyard Filtration System Media Tank
  - Odd Job Hull
- \$500,000 CIP budget for FY20, with the addition of the following projects for FY20:
  - Boatyard Marine Ways Inspection
  - Dredge Yard Hazmat Shed
  - X/J Kayak Storage

Port Director Olin stated that future funding for the following projects has been allocated in the CIP:

- Harbor WIFI System (FY21)

- West Side Master Plan (FY21)
- Arana Gulch Grade Control Structure (FY22)

Commissioner Goddard thanked staff for the budget presentation and noted that allocating funding for the development of the West Side Master Plan will be beneficial. Additionally, he stated that the District's Debt Service Ratio appears to be favorable.

Commissioner Cardoso asked for additional information on the capital outlay item relative to the purchase of two additional maintenance vehicles. She expressed support for reducing funding from \$50,000 to \$20,000 for both vehicles.

Commissioner Cardoso stated that she is not supportive of a 2.5% slip rent increase. No alternate proposal was provided. Chairman Smith asked for additional clarification from Commissioner Cardoso, noting that in prior correspondence to the District, Commissioner Cardoso expressed support for increasing slip rent by 7-9% to address funding shortfalls for a replacement patrol vessel. Commissioner Cardoso reaffirmed her position.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve the FY20 Budget and Capital Improvement Plan.  
 - *Motion carried. Commissioners Smith, Reed, Gertler and Goddard voting YES. Commissioner Cardoso voting NO.*

9. Approval of Policies and Fee Schedule for Electronic Access to Dock Gates, Restrooms, and Shower Facilities

Discussion: Port Director Olin stated that the Policy and Operations Committee met on February 15, 2019, to develop policies and the fee schedule for electronic access to dock gates, restrooms, and shower facilities. Administrative Services Manager MacLaurie reviewed the proposed recommendations, as outlined in the staff report.

Facilities Maintenance and Engineering Manager Kerkes reviewed features and functionalities of the system, highlighting the following:

- Each electronic lock will be equipped with a battery backup system, which will allow continued access to the docks, restrooms, and shower facilities in the event of a power failure.
- An optional sensor system can be installed on each dock gate to alert staff of a gate left ajar. The timing for receiving an alert can be customized and set to any duration.

A discussion ensued regarding user access rights for Santa Cruz Yacht Club members. Commissioner Goddard recommended that staff work with the Santa Cruz Yacht Club to establish access rights for this active user group.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to adopt the recommendations of the Policy and Operations Committee regarding user access and fees associated with electronic key access to dock gates, restrooms, and shower facilities; and directing staff to work with the Santa Cruz Yacht Club to review access rights for the user group.  
- *Motion carried unanimously.*

10. Approval of Resolution 19-02 – Supporting the County of Santa Cruz’ Development and Community Engagement Process for the 7<sup>th</sup> Avenue and Brommer Street Visitor Accommodation Site.

Discussion: Commissioner Goddard stated that Resolution 19-02 was drafted to memorialize the Port District’s support for the public process undertaken by the County of Santa Cruz for the development of the vacant parcel at 7<sup>th</sup> Avenue and Brommer Street. He stated that although the Port District’s response to the County’s Request for Proposal was not selected, it remains in the District’s best interests to work with the County during the development process.

Vice-chairman Reed expressed support for Resolution 19-02, stating that it will be beneficial for the District to support the County’s process for the development of the parcel. Chairman Smith agreed.

Commissioner Goddard requested copies of Resolution 19-02 be distributed to each County Supervisor and the Clerk of the Board for inclusion on the Board of Supervisors’ agenda as written correspondence. Vice-chairman Reed agreed and requested a copy also be distributed to the County Administrative Officer.

Commissioner Cardoso stated that it is her belief that the County should deed the property to the Port District to support continued use of the vacant lot for overflow trailer parking. She stated that she has obtained 1,150 signatures from neighbors and community members who oppose the proposed development of the vacant parcel.

Commissioner Goddard stated that realities of the current situation must be understood. He stated that the County has entered into a binding contract with the successful proposer, and has oversight of the parcel for a six-year period. He reaffirmed support for the resolution and stated that it will be imperative for the Port District to work with the County during this development process.

In response to a comment made by slip renter Thomas Whieldon, Commissioner Goddard stated that the public process for the development of the parcel must be respected.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve Resolution 19-02 supporting the County of Santa Cruz’

development and community engagement process for the 7<sup>th</sup> Avenue and Brommer Street Visitor Accommodation Site.

- *Motion carried. Commissioners Smith, Reed, Gertler and Goddard voting YES. Commissioner Cardoso voting NO.*

11. Approval of Cash / Payroll Disbursements – January 2019

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the Cash / Payroll Disbursements for January 2019, in the amount of \$1,031,687.85

- *Motion carried unanimously.*

### INFORMATION

12. Port Director's Report

California Marine Affairs and Navigation Conference (CMANC)

Port Director Olin stated that she and Chairman Smith are scheduled to attend the annual CMANC conference in Washington DC (March 3 – 7, 2019).

PG&E Project Update

The Port District received a bankruptcy notification from PG&E, which will freeze remaining funds owed to the District under the temporary construction easement. Remaining funds owed are estimated at approximately \$25,000.

O'Neill Charter Application

Staff has met with representative from O'Neill Yacht Charters, regarding their pending charter permit application. Staff anticipates presenting this item to the Commission at its regular public session in March.

Vessel Collision with *Twin Lakes*

A repair estimate of \$5,500 has been received for railing damage to *Twin Lakes*. The damage was sustained after a vessel collided with *Twin Lakes* in the entrance channel. A claim has been filed with the vessel owner's insurer.

Aldo's Seawall Project

The Request for Proposals for the Aldo's Seawall Replacement Project will be bid this week.

Dredge Consulting / Training

The Port District's dredge consultant, Ancil Taylor was on site earlier in the month to perform crew training and analyze production figures.

CMIA Vice-chairman

Port Director Olin has been elected Vice-chairman of the CMIA.

Termite Treatment – 493 Lake Avenue

Termite treatment has been scheduled for 493 Lake Avenue.

13. Harbormaster's Report

Commissioner Goddard commended Harbor Patrol and USCG for their rescue efforts on December 31, 2018, which resulted in two lives being saved. Commissioner Goddard requested that a letter of appreciation be sent to USCG on the harbor's behalf.

Slip renter Curtis Gandy asked for additional information on the proper procedures for reporting possible crimes in progress. Chairman Smith stated that dialing 9-1-1 is the preferred reporting method and will ensure proper resources are dispatched.

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

In response to a question posed by Chairman Smith, FME Kerkes stated that the two maintenance vehicles proposed for replacement in the FY20 budget currently suffer from severe rot of both the frames and bushings. He stated that these vehicles are often used for out of town travel (parts delivery and pickup in the Bay Area) and need to be in optimal working order.

15. Sea Scouts' Bi-Annual Report

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

17. Review of Financial Reports *(There was no discussion on this agenda item)*

a) Comparative Seasonal Revenue Graphs

18. Crime / Incident / Citation Report – January 2019 *(There was no discussion on this agenda item)*

19. Written Correspondence *(There was no discussion on this agenda item)*

a) Letter from H. Hermansky, MBSTP, to Harbormaster Marshall

b) Letter from E. Driscoll, County of Santa Cruz, to Port Commission

c) Special District Risk Management Authority Notification of Nominations – 2019 Election

d) California Special Districts Association Call for Nominations

e) Letter from N. Heaney, to Port Commission

f) Letter from Port Director Olin, to N. Heaney

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

Chairman Smith adjourned the regular public session at 8:30 pm.



Dennis Smith, Chairman