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SANTA CRUZ HARBOR

PORT COMMISSIONERS
Toby Goddard
Reed Geisreiter
Stephen Reed
Bill Lee
Robert DeWitt

Special Closed and Regular Public Session of August 25, 2026

**Santa Cruz Port Commission**
**MINUTES**

*Commission Members Present:*

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| Reed Geisreiter | Chair |
| Robert DeWitt | Vice-chair *(Via Zoom)* |
| Toby Goddard | Commissioner |
| Stephen Reed | Commissioner |
| Bill Lee | Commissioner |

**SPECIAL PUBLIC SESSION – 4:30 PM**

Chair Geisreiter convened the special public session at 4:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA.

1. Oral Communication

2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) §54956.8

   At 4:30 PM, Chair Geisreiter announced that the Commission will meet in closed session to discuss agenda item 3.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators
   Property: 493B Lake Avenue
   Agency Designated Representative: H. MacLaurie
   Negotiating Parties: Johnny's Harborside Restaurant
   Under Negotiation: Lease

**SPECIAL PUBLIC SESSION**

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

Chair Geisreiter announced that the Commission took no reportable action in closed session on item 3.

Chair Geisreiter adjourned the special open session following the closed meeting at 5:20 PM.

**REGULAR PUBLIC SESSION – 5:30 PM**

Chair Geisreiter 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).

5. Pledge of Allegiance

6. Oral Communication

Chair Geisreiter announced that the Commission took no reportable action in closed session on item 3.

The Commission expressed appreciation for the recently completed Harbor Beach refuse receptacle improvements.

Commissioner Lee stated that he and Vice-chair DeWitt attended a ribbon-cutting ceremony for the completion of the new floating dock located at slip F-19 for the Santa Cruz Yacht Club Junior Sailing Program.

**CONSENT AGENDA**

7. Approval of Minutes
   a) Regular Public Meeting of July 28, 2026

8. Approval of Sublease Agreement – 2222 East Cliff Drive, Suite 234 (Subtenant: Monterey Bay Sanctuary Fund)

Discussion: Commissioner Goddard expressed support for approval of the sublease agreement for 2222 East Cliff Drive, Suite 234, and noted the following items for correction in future sublease agreements:

- The document should be titled “Sublease Agreement” rather than “Lease Agreement.”
- The signage provisions should reflect the authority and requirements of the Port District rather than the County of Santa Cruz.
- The premise map should be updated to reflect current suite numbers.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Lee, to approve consent agenda items 7 and 8.
- *Motion carried unanimously.*

**REGULAR AGENDA**

9. Review Draft FY26 Audited Financial Statement *(Discussed out of order)*

Discussion: Port Director MacLaurie introduced Jared Solmonsen of the auditing firm, Nigro & Nigro, and thanked Finance Officer Eldridge for his efforts in completing the annual audit.

Mr. Solmonsen reviewed the draft FY26 audit and reported that the District received a clean, unmodified opinion in all respects for the audit year ending

March 31, 2026. Mr. Solmonsen stated that the Port District did not adopt any new accounting policies in FY26.

Mr. Solmonsen highlighted the following:

- Operating revenues increased $386,634 from $11,527,842 to $11,914,476 from the prior fiscal year, primarily due to:
  - Berthing and services revenue increasing by $419k.
- Operating expenses decreased $1.4 million from $11,852,551 to $10,417,601 from the prior fiscal year. Contributing factors include:
  - Salaries and benefits decreased by $31k.
  - Facilities and maintenance expenses decreased by $1.1 million (primarily due to unanticipated storm expenses in FY25).
  - Insurance costs decreased by $424k.
- Non-operating revenues included:
  - Investment earnings of $737k.
  - Grants and contributions received $1.5 million.
  - The Port District received $630k in dredging reimbursements.
- Net cash flow increased by $10.3 million, largely due to:
  - Increased grant and contribution funding by $887k.
  - Increased operating revenues by $419k.
  - Increased principal received by $13.1 million.

In response to a question posed by Commissioner Goddard regarding the adjusting journal entries included in the audit, Finance Officer Eldridge stated that the adjustments primarily consisted of financial statement reclassifications and corrections to minor accounting errors. Mr. Solmonsen confirmed that no material internal control issues were identified.

The Commission provided direction to incorporate the following modification into the FY26 Audited Financial Statement for review and approval at the upcoming regular public session:

- Amend Note 12, Dredging Reimbursement, to reflect that the District entered into a renewal agreement with the U.S. Army Corps of Engineers on July 24, 2025, for annual maintenance dredging of the Santa Cruz Harbor federal navigation channel, and that the agreement exists in perpetuity.

Port Director MacLaurie stated that the final audit will be presented to the Commission for acceptance at the regular public session of September 22, 2026.

The Commission thanked staff for their efforts in preparing this year’s audit.

10. O’Neill Sea Odyssey Annual Presentation *(Discussed out of order)*

Discussion: Tracey Weiss, Executive Director of O’Neill Sea Odyssey (OSO), provided an overview of the OSO Program, emphasizing its continued growth and success in achieving program objectives.

Ms. Weiss reported that OSO celebrated its 30th anniversary on August 21, 2026, marking three decades of connecting more than 136,000 students with the Monterey Bay through ocean education.

Ms. Weiss stated that transportation costs remain a significant barrier to participation and introduced OSO’s new Transportation for Ocean Stewards Fund, established to help offset transportation costs for schools with limited resources.

The Commission expressed appreciation for the program and its longstanding partnership with the harbor.

11. Approval of Additional Services Contract for 616 Atlantic Avenue – Rad Lab Designs, Inc.

Discussion: Port Director MacLaurie stated that the 616 Atlantic Avenue project has been placed on hold due to competing Port District priorities and that staff is preparing to reinitiate the project and advance the design through permitting in preparation for future construction. She stated that Rad Lab Designs, Inc. (Rad Lab) had previously completed architectural construction documents for the project, which must now be reviewed and updated for compliance with the updated 2025 California Building Standards Code, which became effective on January 1, 2026.

Port Director MacLaurie stated that Rad Lab’s proposal for additional services includes $18,500 to reactivate the project and update the construction documents. Of the original $55,000 contract authorization, $44,125 has been expended, leaving an available balance of $10,875. Accordingly, an additional $8,500 is required to complete the proposed scope of work.

In response to a question posed by Commissioner Goddard regarding potential changes to the building code affecting the project, Port Director MacLaurie stated that any required updates would be determined through Rad Lab’s review of the existing construction documents.

In response to a question posed by Commissioner Goddard, Port Director MacLaurie confirmed that the updated plans will be presented to the Commission for future review prior to submission to the California Coastal Commission.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Goddard, to authorize a contract amendment with Rad Lab Designs, Inc. for additional architectural design services for 616 Atlantic Avenue, in an amount not-to-exceed

$8,500, and approve an appropriation in the FY27 budget for the amount of the amendment.

- *Motion carried unanimously.*

12. Adopt Administrative Amendments to Port District Ordinance § 108, 401, and 412

Discussion: Port Director MacLaurie stated that at its regular public meeting on July 28, 2026, the Port Commission authorized legal advertisement of the proposed amendments to Ordinance Sections 108, 401, and 412. She stated that staff now recommends adoption of the revised ordinances, which will become effective thirty (30) days following adoption.

MOTION: Motion made by Commissioner Lee, seconded by Commissioner Goddard, to adopt revised Ordinance Sections 108, 401, and 412.

- *Motion carried unanimously.*

13. Approval of Revised Port District Slip License Agreement

Discussion: Port Director MacLaurie stated that the Policy / Operations Committee met on August 4, 2026, to review proposed revisions to the Port District Slip License Agreement. She stated that the proposed revisions are intended to clarify existing requirements, incorporate current Port District practices, strengthen provisions related to liability and enforcement, and eliminate outdated or redundant language. She stated that, if approved, the revised agreement will be used for all new slip licenses issued following adoption and that staff is also evaluating a process for obtaining electronic acceptance of the revised agreement from existing licensees.

An audience member expressed support for the revised Slip License Agreement and raised concerns regarding enforcement of Section 4, Conditions of Use. A brief discussion followed regarding enforcement of vessel use and condition requirements. Harbormaster Anderson stated that staff continue to work with vessel owners to address deteriorated or unused vessels and reported that more than 40 derelict vessels have been voluntarily surrendered for demolition over the past two years as a result of those efforts. He stated that the revised agreement provides staff with an additional enforcement tool.

The Commission reviewed and discussed the proposed revisions and expressed support for the revised Slip License Agreement as presented by staff.

Commissioner Goddard recommended one minor change to the signature page to remove the reference to the Santa Cruz Port District Board of Commissioners and identify the executing party as the Port District. The Commission expressed support for the revision.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Reed, to approve the revised Slip License Agreement with the revision listed above.

- *Motion carried unanimously.*

14. Approval of Cash/Payroll Disbursements – July 2026 (*There was no discussion on this agenda item*)

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chair DeWitt, to approve cash and payroll disbursements for July 2026, in the amount of $3,763,766.65.

- *Motion carried unanimously.*

**INFORMATION**

15. Port Director's Report (*There was no discussion on this agenda item*)

16. Harbormaster's Report

Harbormaster Anderson stated that work on the G & X Dock Replacement Project continues to progress. He stated that the new electrical pedestals incorporate more sensitive ground-fault protection, which has revealed pre-existing electrical deficiencies on some vessels. Staff is working with affected slip renters to identify and address the issues.

In response to a question posed by Commissioner Goddard, Harbormaster Anderson stated that the dock system for G & X Dock was supplied by a different manufacturer than the system used for Phase 1 of the FF-Dock Replacement Project and has some minor design differences. He stated that compatibility and other project considerations will be evaluated during the design of Phase 2 of the FF-Dock Replacement Project to determine the appropriate dock system.

Harbormaster Anderson provided an update on implementation of the ParkMobile parking payment system. He stated that required signage has been installed throughout the harbor, with installation in the launch ramp parking area to be completed by the end of the month.

A brief discussion ensued regarding the ParkMobile system. Staff stated that ParkMobile provides an additional payment option for visitors, while existing pay-and-display pay stations remain available in applicable parking areas. Staff stated that visitors may use the ParkMobile app, text message, or QR code to pay for parking and may extend their parking time without returning to a pay station. Staff confirmed that the District's parking enforcement procedures have been updated to accommodate ParkMobile payments.

17. Facilities Maintenance & Engineering Manager's Report

Facilities Maintenance & Engineering (FME) Manager Wulf reported that the *Twin Lakes* Dredge Haulout Project continues to progress, with painting underway. He stated that scaffolding for the temporary paint spray area is scheduled for removal on September 9, 2026, followed by reassembly of the dredge. Return to the water is anticipated in early October. He noted that permitted VOC limits have extended the duration of painting operations; however, the overall project remains within the anticipated completion period.

18. Murray Street Bridge Seismic Retrofit & Barrier Replacement Project Update

Port Director MacLaurie stated that the Murray Street Bridge Seismic Retrofit & Barrier Replacement Project remains on schedule and that the contractor continues to make progress on the sanitary sewer force main. She stated that the bridge is anticipated to reopen to one-way traffic in late September.

19. Financial Reports (*There was no discussion on this agenda item*)
   a) Comparative Seasonal Revenue Graph
   b) LAIF & CLASS Statements

20. Delinquent Account Reporting (*There was no discussion on this agenda item*)

21. Harbor Patrol Incident Response Report – July 2026 (*There was no discussion on this agenda item*)

22. Written Correspondence
   a) Letter from Tom Helman to Port Director MacLaurie and the Port Commission

A brief discussion ensued regarding Mr. Helman's parking concern and the implementation of ParkMobile. Staff clarified the available 30-minute customer parking options and stated that ParkMobile provides an additional payment option addressing the concern raised in his correspondence.

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

Chair Geisreiter adjourned the regular public session at 6:38 PM.

Reed Geisreiter

Reed Geisreiter, Chair