



Special Public Session of May 14, 2024

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Stephen Reed	Chair
Dennis Smith	Vice-chair
Toby Goddard	Commissioner
Reed Geisreiter	Commissioner
Darren Gertler	Commissioner

SPECIAL PUBLIC SESSION – 4:00 PM

Chair Reed convened the special public session at 4:00 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

1. Pledge of Allegiance
2. Oral Communication
3. Review of Liability Insurance Coverage

Discussion: Port Director MacLaurie stated that on March 8, 2024, the incumbent carrier of the District's \$1 million Marine General Liability policy (including Excess Liability Layers) issued a non-renewal notice for FY25. She stated that the District's insurance broker is actively seeking renewal options, but preliminary indications suggest that the renewal rates will significantly exceed FY25 budgeted amounts.

Port Director MacLaurie summarized the renewal options presented in the staff report and noted that despite the anticipated cost increase, the District's Debt Service Ratio (DSR) is still expected to meet the minimum 1.25x covenant.

A discussion ensued regarding the feasibility of the Port District self-insuring 25% of the \$1 million Marine General Liability policy. Port Director MacLaurie stated if the Commission opts to become a quota share partner on the Marine General Liability Policy, then the Port District will be responsible for 25% of each claim (and all associated expenses) filed against the policy (\$1 million per occurrence / \$2 million aggregate). Commissioner Geisreiter expressed support for becoming a 25% quota share partner.

After careful deliberation, there was consensus among the Commission to proceed with Option 2 and self-insure 25% of the Marine General Liability policy and purchase \$9.75 million in remaining liability coverage for approximately \$1,725,000 (pricing subject to change). Additionally, the

Commission directed staff to self-restrict \$250,000 and designate the funds for use in the event of a claim or unexpected loss.

Chair Reed stated that it will be beneficial to perform public outreach to inform users of the significant cost increases associated with the FY25 insurance renewal process and subsequent budgetary impacts. Commissioner Goddard agreed.

Chair Reed adjourned the special public session at 4:55 PM.



Stephen Reed, Chair