



Special Closed & Regular Public Session of April 24, 2018

**Santa Cruz Port Commission
MINUTES**

Commissioners Present:

Dennis Smith	Chairman
Stephen Reed	Vice-Chairman
Toby Goddard	Commissioner
Reed Geisreiter	Commissioner
Darren Gertler	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 5:01 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda items 3 and 4.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: PG&E
Under Negotiation: Easements and Quit Claim
4. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 2222 East Cliff Drive (O'Neill Sea Odyssey)
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.

Chairman Smith announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Smith adjourned the special open session following the closed meeting at 6:40 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Smith brought the regular public session to order at 7:02 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

6. Pledge of Allegiance
7. Oral Communication

Slip renter Greg Cotten requested that the Commission review the existing vessel use policy and how it is implemented. Commissioner Reed suggested that the vessel use policy should be reexamined and crafted to support vessel partnerships and increase the number of boaters in the community. Port Director Olin stated that review of the vessel use policy is on the Commission's list of upcoming topics for discussion. Commissioner Goddard suggested that Mr. Cotten provide a written copy of his request to staff.

In response to a statement made by slip renter Niels Kisling at the regular public session of March 27, 2018, in which he accused slip renter Skip Ely of inappropriately acquiring additional parking stickers through his relationship with Commissioner Geisreiter, Harbormaster Marshall stated that staff researched the allegation and found that Commissioner Geisreiter never received more than his two allotted parking stickers. Additionally, staff researched the parking distribution records for Mr. Ely, which show that Mr. Ely purchased additional parking stickers in accordance with Port District policies. Harbormaster Marshall stated that Mr. Kisling's allegation is unsubstantiated.

Slip renter Rob Nichols encouraged the Commission to consider installing additional dock ladders throughout the harbor to increase safety.

CONSENT AGENDA

8. Approval of Minutes
 - a) Special Closed & Regular Public Session of March 27, 2018
9. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 208 (Tenant: Dr. Donald Markle)
10. General Election of November 2018
 - a) Approval of Resolution 18-04 – Serving Notice to County Clerk of Elective Office to be Filled and Transmittal of Map and Boundaries
 - b) Approval of Resolution 18-05 – Ordering an Election, and Requesting Consolidation of the Election
 - c) Administrative Calendar

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

REGULAR AGENDA

11. Presentation by Monterey Bay Fisheries Trust

Discussion: Port Director Olin introduced Sherry Flumerfelt, Executive Director of Monterey Bay Fisheries Trust (MBFT), and Steve Scheiblauber, Chair of MBFT's Board of Directors. Port Director Olin stated that Commissioner Geisreiter has agreed to serve as a volunteer advisor for MBFT.

Ms. Flumerfelt gave a presentation about MBFT's organization, mission, programs and strategies. Ms. Flumerfelt introduced MBFT's new Marketing and Supply Chain Manager, Roger Burleigh.

Ms. Flumerfelt fielded questions from the Commission about MBFT's scope, current initiatives, marketing strategies and partnerships. She highlighted the following:

- MBFT is a small, non-profit organization with a mission is to advance the social, economic and environmental sustainability of Monterey Bay fisheries;
- MBFT's new, "Fish Hub" initiative helps support the viability, longevity and growth of sustainable commercial fishing and seafood businesses in Monterey Bay;
- MBFT hopes to expand its influence and create partnerships with more fishermen and businesses in the Santa Cruz area.

The Commission expressed their appreciation for MBFT's efforts and thanked Ms. Flumerfelt for her contribution.

Commissioner Goddard thanked Commissioner Geisreiter for volunteering as an advisor for MBFT.

12. Update on the Electronic gate and Restroom Key Installation – Review of Project Scope, Costs, and Schedule

Discussion: Facilities Maintenance and Engineering Manager (FME) Kerkes provided an update on the Harbor Security Upgrades Project.

FME Kerkes stated that Phase I of the Harbor Security Upgrades Project provided electronic access to all shower facilities. He stated that Phase II of the project will provide electronic access to all gates and restroom facilities. FME Kerkes stated that although the current system has proven to be reliable for the shower facilities, the vendor, ALX Technology, has indicated that they are not interested in pursuing or assisting the District with Phase II of the project.

FME Kerkes stated that he is now working with Erik Ruffison, the District's current marina management software provider, in an effort to move Phase II of the project forward, and develop a Request for Proposals for the project.

FME Kerkes stated that prior to moving Phase II of the project forward, staff will need direction from the Commission on whether to retrofit current dock gates or fabricate new dock gates to support the technology required for electronic access.

OPTION 1 – DOCK GATE RETROFIT

- Staff proposes to retrofit existing dock gates (made of galvanized steel with cyclone fence extensions), with the lock box needed for electronic card readers;
- Staff estimates that approximately 8 hours per dock gate will be required for the retrofit;
- Staff acknowledges that a retrofit of all dock gates is cumbersome and does not increase dock gate uniformity and security.

OPTION 2 – FABRICATION OF NEW DOCK GATES

- Staff proposes to fabricate new dock gates out of ¼" thick aluminum with hydraulic closing mechanisms that will support the technology needed for electronic card readers;
- Staff proposes to increase the height of each gate by 14" for added security;
- Staff estimates approximately 10 hours per dock gate for fabrication;
- Gates would initially be fitted with a key lock and later be retrofitted to an electronic locking mechanism.

Port Director Olin stated that the Capital Improvement Plan (CIP) includes approximately \$127,166 in funding for the Harbor Security Upgrade Project, and approximately \$83,841 available for fabrication of new dock gates (additional \$50,000 anticipated in FY20).

A discussion ensued regarding the electronic card readers and the fabrication of new dock gates.

Chairman Smith asked if the proposed card readers are battery operated. FME Kerkes confirmed that the card readers are battery operated, with a minimum life of one year. He stated that staff will perform routine service checks on the card readers to ensure operability.

Chairman Smith asked if all the dock gates will be standardized when staff fabricates new dock gates. FME Kerkes stated that the dock gates will be

standardized, but dock gates on the south-west side of the harbor will require some customization as each is unique.

Commissioner Goddard expressed concern about discontinuing use of the ALX technology used for the shower facilities, noting that the equipment has been paid for and has proven to be reliable. Port Director Olin agreed, but stated that expanding the ALX system is not an option.

There was consensus among the Commission to direct staff to fabricate new aluminum dock gates as part of Phase II of the Harbor Security Upgrades Project.

FME Kerkes stated that staff has compiled information necessary to solicit a request for proposals for Phase II of the project and that the project will be placed out to bid in the near future.

The Commission thanked FME Kerkes and staff for continuing to move forward with this project.

13. Approval of Long-Term Lease – 2222 East Cliff Drive, Suites 140 & 150
(Tenant: Intero Real Estate)

Discussion: Port Director Olin recommended approval of a long-term lease agreement for Debra Frey (dba Intero Real Estate), at 2222 East Cliff Drive, Suites 140 and 150.

Port Director Olin stated that the lease language strengthens triple net provisions. Additionally, she reported that Ms. Frey takes no issue with signing the personal guarantee.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Goddard to award a five-year lease with one five-year option to Debra Frey (dba Intero Real Estate), at 2222 East Cliff Drive, Suites 140 & 150.
- *Motion carried unanimously.*

14. Approval of FY19 Fee Schedule

Discussion: Port Director Olin summarized changes to the FY19 Fee Schedule:

- Implementation of winter end-tie berthing program (October – March)
- Adjustment of hourly staff services rates to be commensurate with 2018 salaries
- Introduction of \$150 encroachment permit fee

Commissioner Goddard questioned if the winter-end tie berthing program should begin later in the year, noting the high number of cruising vessels that typically arrive in October. Administrative Services Manager Mac Laurie stated

that the large cruising groups requiring end-tie space often coordinate with staff prior to arrival in order to arrange berthing assignments. She stated that the cruising groups usually utilize one or two end-ties, and availability is typically not an issue.

MOTION: Motion made by Vice-Chairman Reed, seconded by Commissioner Goddard to approve the FY19 fee schedule and authorize the Port Director to waive or adjust fees as deemed appropriate.
- *Motion carried unanimously.*

15. Approval of the FY19 Boatyard Fee Schedule

Discussion: Port Director Olin summarized changes to the FY19 Boatyard Fee Schedule:

- Increase the boatyard contractor application fee (\$100 to \$250)
- Increase the boatyard contractor annual registration fee (\$20 to \$100)

In response to a question posed by Chairman Smith, Port Director Olin confirmed that the proposed contractor application fee of \$250 will only apply to new applicants, and that all registered contractors will pay the proposed \$100 on an annual basis.

Commissioner Goddard commented that a \$250 application fee seems high. Port Director Olin explained that the proposed application fee (\$250) is in line with other application fees assessed by the District (i.e. liveaboard, charters).

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Geisreiter to approve the FY19 Boatyard fee schedule and authorize the Port Director to waive or adjust fees as deemed appropriate.
- *Motion carried unanimously.*

16. Approval of Cash / Payroll Disbursements – March 2018

Discussion: Commissioner Goddard noted that there is an increase in electronic funds transfer (EFT) payments. Accounting Technician Mark Eldridge confirmed that internal accounting methods have separated individual EFT payments that were previously combined in the report.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Gertler to approve the Cash / Payroll Disbursements for March 2018, in the amount of \$488,381.29.
- *Motion carried unanimously.*

INFORMATION

17. Port Director's Report

Special Public Meeting - Vessel Insurance Policy

Port Director Olin stated that a third special public meeting will be held on Thursday, April 26, 2018, at 3:00 PM, to review the proposed vessel insurance policy and discuss implementation timeline and enforcement strategies. She stated that the committee's recommendations will be brought to the full Port Commission for consideration at a future public meeting.

Twin Lakes Beachfront Improvement Project

Port Director Olin stated that construction is ongoing, with recent work focusing on the coastal protection structure and roundabout at the intersection of 5th Avenue and East Cliff Drive. She stated that the Port District is working with the County to re-route traffic in an out of the concession parking lot while construction of the roundabout is underway.

Port Director Olin stated that the County hopes to complete construction of the coastal protection structure and return sandy beach areas to public use by Memorial Day weekend, weather permitting.

345 Lake Avenue, Suites F and G

Port Director Olin stated that the Coastal Watershed Council has provided the Port District with 30-days' notice of termination of lease at 345 Lake Avenue, Suites F and G.

Port District Insurance

Port Director Olin stated that the Port District realized a 7% insurance savings in FY19, and has utilized some of the savings to purchase a new Cyber Liability policy, which offers protection from security breach-related claims.

Aldo's Seawall Project

Port Director Olin stated that she approved Mesiti-Miller Engineering's (MME) request to extend the submission date for 100% plans from April 30, 2018, to May 21, 2018. She stated that Project Engineer, Dale Hendsbee, will provide a project update at the regular public session in June 2018.

U.S. Army Corps of Engineers Work Plan

Port Director Olin stated that the U.S. Army Corps of Engineers' FY 18 Work Plan will be published by May 23, 2018.

303(d) Listing – Impaired Waterway

Port Director Olin stated that the U.S. Environmental Protection Agency (EPA) approved the 303(d) Listing of Impaired Waterways on April 6, 2018, which lists Santa Cruz Harbor for arsenic, copper, dieldren, dissolved oxygen, and PCB's. Port Director Olin stated that results are based on a very small sample size taken in 2004.

She stated that the EPA's next step is to determine a Total Daily Max Limit (TDML), which is anticipated to be completed in 2027. She stated that Santa Cruz Harbor is a low priority site and the TMDL timeline is likely to be extended.

White Paper Study of Dredged Volumes

Port Director Olin stated that the Port District is working with the engineering firm, Moffatt & Nichol, to evaluate differences between historic volume records and data collected by the District's new density meter. Preliminary findings confirm that the density meter is reporting lower, inconsistent volumes. She stated that the final report will be completed in mid- to late-May.

18. Harbormaster's Report

Commissioner Goddard acknowledged the Travelift inspection. Chairman Smith asked how often the Travelift's cables are replaced. Harbormaster Marshall stated that the cables are replaced as needed, explaining that the Boatyard Supervisor conducts monthly inspections and the manufacturer completes an annual inspection.

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

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

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

a) Comparative Seasonal Revenue Graphs

22. Crime / Incident / Citation Report – March 2018. *(There was no discussion on this agenda item)*

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

a) Letter from Port Commission to Pacific Fisheries Management Council

b) Letter from T. O'Neill to Port Commission

24. 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