



Special Public Committee Meeting of July 19, 2018

Santa Cruz Port Commission Policy-Operations Committee Meeting **MINUTES**

Committee Members Present:

Dennis Smith
Toby Goddard

Staff Present:

Marian Olin, Port Director
Holland Mac Laurie, Admin. Services Manager
Blake Anderson, Senior Deputy Harbormaster
Emma Olin, Admin. Assistant I

Committee-Chair Smith called the special public session to order at 1:30 PM at the Harbor Public Meeting Room, 365A Lake Avenue, Santa Cruz, CA.

1. Oral Communication

Discussion: Committee-Chair Smith stated that agenda will be discussed out-of-order. Item 4 will be discussed at the beginning of the agenda, followed by items 3 and 2.

4. Regular Use of Vessel Ordinance Review (*Discussed Out of Order*)

Discussion: The Policy Committee reviewed the harbor's regular use of vessel ordinance (Sections 302(h)(4) and 302.1), and its development over time. Port Director Olin stated that the purpose of this ordinance is to prevent illegal slip transference, ensure a high level of boating activity at the harbor and fair administration of the paid waiting list for slips.

Port Director Olin stated that enforcement of the vessel use list was suspended earlier this year pending a committee review of policies governing how the vessel use list is administered. She stated that there are currently no written guidelines governing how the vessel use list is developed.

Port Director Olin stated that staff does not recommend any changes to the vessel use ordinance, but requested that the Committee consider developing recommendations on written guidelines for staff's administration of the list.

A discussion ensued regarding the regular use of vessel ordinance and its current administration and enforcement.

Commissioner Goddard suggested that the Committee discuss this item in two parts:

- Discuss the vessel use policy;
- Discuss administration of the vessel use list.

Committee-Chair Smith stated that he is supportive of the policy as written, emphasizing that its administration and implementation should be reviewed. Commissioner Goddard agreed.

Commissioner Goddard expressed his opinion that it will be important to address the “surprise factor,” that occurs when a slip renter is added to the vessel use list. Port Director Olin agreed, noting that people are almost always offended when notified they have been added to the list. Commissioner Goddard suggested that Harbor Patrol walk the docks and reach out to slip renters during the year and discuss the requirement. He suggested that improved outreach will eliminate the “surprise factor.”

Commissioner Goddard suggested that a written policy should be added to Harbor Patrol’s procedure manual that provides guidelines when forming the list. Commissioner Goddard suggested that the policy should continue to provide staff with ample discretion in administering and/or enforcing the list. He added that the policy should not allow a person to be added to the list two years in a row (unless via an extension that has been granted).

Commissioner Goddard further recommended that the letters now used to notify and remind slip renters of vessel use requirements be reviewed and updated to ensure that all reasons for placement on the list and compliance requirements are clearly explained.

Staff fielded a variety of questions posed by the Committee and attendees regarding administration of the vessel use policy.

Slip renter Karen Isaacson introduced herself as a new slip licensee. She stated that it distresses her to see valuable slips not being used and sympathizes with people on the waiting list.

In response to a question posed by Commissioner Goddard, Senior Deputy Harbormaster Anderson stated that slip renters placed on the vessel use list are required to check in with the harbor office to log their vessel use (via VHF radio and/or telephone). He stated that the slip licensee is required to be on board the vessel, noting that this provision helps prevent illegal slip transference.

There was consensus among the Committee for staff to continue enforcement of the regular use of vessel ordinance as currently written, and develop written guidelines for staff’s administration of the list, including the following Committee recommendations:

- Increase outreach to potential slip renters who may be placed on the list (to eliminate the “surprise factor”);
- Ensure that slip licensees who have fulfilled vessel use list requirements are not placed on the list the following year;
- Update the vessel use notification and reminder letters;

- Include a list of criteria used to determine placement on the use list in the notification letter;
- Continue to allow staff discretion in enforcement and administration of the list;
- Recognize ordinance is intended to prevent slip transference, ensure active vessel use and serve the waiting list.

3. Partnership Fee Review

Discussion: The Policy Committee reviewed the harbor's partnership fee, which is currently 10% of slip rent.

Port Director Olin stated that partnerships provide boating opportunities for those who may not have a slip. She stated that like the vessel use list, the partnership provisions are intended to ensure the integrity of the paid waiting list for slips and prevent illegal slip transference.

Port Director Olin stated that the 10% fee currently applies to partnerships, regardless of the number of partners in a vessel. She stated that the fee is generated to cover staff's administration of the program and recoup expenses associated with higher use.

Port Director Olin stated that the Port District anticipates receiving \$41,820 from partnership fees in FY19 (which is comparable to a 1% slip rent increase).

Port Director Olin stated that the committee may wish to discuss whether to:

- leave the fee intact (10% of slip rent per partnership vessel);
- enact a 10% of slip rent fee per partner in a vessel;
- enact a sliding scale fee (e.g., 10% for one partner; 15% for two partners; 20% for 3 partners).

In response to a question posed by Commissioner Goddard, Administrative Services Manager Mac Laurie stated that vessel partnerships receive three slip renter parking permits at no cost (regular slip licensees receive two parking permits at no cost). She stated that one additional parking permit may be purchased for \$50, and any additional permits may then be purchased for \$100 each.

Commissioner Goddard stated that he is supportive of the fee remaining the same, emphasizing that the fee is not intended to be a revenue generating item, but rather offset administration of the program. Commissioner Goddard commented that the partnership fee is an enduring form of revenue as opposed to a temporary revenue generating item (i.e. a sublease fee).

Committee-Chair Smith suggested that the full Commission review the partnership fee during the budget process in February 2019.

The committee did not recommend any changes to the partnership fee (10% of slip rent per partnership vessel). The committee recommended that the Commission consider whether to make any adjustments to the fee as part of the FY20 budget process.

2. Sublet Fee Review (Discussed Out of Order)

Discussion: The Policy Committee reviewed the harbor's sublease fee, which is currently an additional 30% of slip rent per month.

Port Director Olin stated that staff surveyed fourteen harbors on their subletting fee policy and discovered that only three of the fourteen allow subletting of slips. Of the three allowing sublets, one charges 25% of slip rent; another is considering charging an additional fee; and, the third has strict limitations.

Port Director Olin stated that Santa Cruz Harbor permits the subletting of slips for a maximum of six months in any twelve month period, though extensions may be granted.

Port Director Olin reviewed the evolution of sublet fees, noting that fees have remained fairly static over time. She stated that fees generated by sublets are intended to cover staff's administration of the program.

Port Director Olin stated that sublets are not a big revenue generator, reporting that the Port District anticipates receiving \$20,400 from sublet fees in FY19.

A discussion ensued regarding visitor berthing end-tie rates, the winter end-tie berthing program and sublet fees. Audience members expressed support for the sublease program at Santa Cruz Harbor.

Committee-Chair Smith expressed his support for a reduced sublease fee, emphasizing that lower fees may promote increased boating opportunities for the community.

Commissioner Goddard stated that he is supportive of the sublease program, and believes that the sublease fee, which has been the same for nearly forty years, should remain intact (30% of slip rent per month). He noted that subleasing a slip is voluntary.

In response to a question posed by Committee-Chair Smith, Senior Deputy Harbormaster Anderson confirmed that a significant amount of staff time is needed to oversee the sublease program, which includes tracking, billing, parking permits, etc. Port Director Olin stated that subleesees receive one month-to-month slip renter parking permit at no cost for the duration of the sublease.

Senior Deputy Harbormaster Anderson stated that subleases are in high demand in the south harbor and the associated fee does not usually deter interested parties. He stated that he rarely fields complaints regarding the current fee.

Port Director Olin stated that there is not a high demand for subleases in the north harbor. A discussion ensued regarding the disparity in demand for subleases in the south harbor and north harbor. Senior Deputy Harbormaster Anderson noted that the demand for sublease in the north harbor usually is low during the winter months when fishing is slow.

Port Director Olin stated that the Commission could consider establishing a differential rate between the south harbor and the north harbor to determine if this would increase demand for subleases in the north harbor, noting that there was a differential in the past.

Commissioner Goddard stated that while he is supportive of the 30% sublease fee, he is willing to consider a reduced fee for the north harbor. He stated that he does not support changing the fee for the south harbor. Committee-Chair Smith agreed.

There was consensus among the Commission to maintain the current provisions of the sublease policy. The Committee supported presenting a differential sublease fee for the south harbor and the north harbor to the Commission at a future public meeting for consideration.

Committee-Chair Smith adjourned the special public committee meeting at 2:54 PM.



Marian Olin, Port Director