



Regular Public Session of February 25, 2020

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Stephen Reed	Chairman
Toby Goddard	Vice-chairman
Dennis Smith	Commissioner
Darren Gertler	Commissioner
Reed Geisreiter	Commissioner

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Reed 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.

1. Pledge of Allegiance
2. Oral Communication

Discussion: Chairman Reed began the meeting by reviewing the protocol for addressing the Port Commission during Oral Communication and other public commenting periods.

Port Director Olin stated that she and Vice-chairman Goddard will be attending the annual CMANC conference in Washington D.C. the first week of March 2020. There was consensus among the Commission to approve the out-of-state travel for Port Director Olin and Vice-chairman Goddard.

Chairman Reed expressed his appreciation for staff's continued efforts to foster strong working relationships with Congressman Panetta's office and other government officials.

CONSENT AGENDA

3. Approval of Minutes
 - a) Special Closed and Regular Public Session of January 28, 2020
4. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 220 (Tenant: Estriatus Law)

Discussion: In response to various questions from the Commission, Port Director Olin confirmed the following:

- A current list of O'Neill Sea Odyssey's (OSO) subtenants will be included for review with each sublease approval.

- A printed name will be included on the signature line of each OSO sublease agreement.
- Premise maps are not typically included for OSO subleases.

5. Approval of Exercise of Lease Option for 2222 East Cliff, Suite 130
(Tenant: Sea Eagle, LP)

Discussion: In response to a question posed by Commissioner Smith, Port Director Olin confirmed that the price per square foot for Suite 130 is \$4.59 and reflects total rentable space, which includes the bakery and coffee shop (coffee shop subleased to Java Junction). Port Director Olin added that a market rent review will be performed in 2025 at the second 5-year option period.

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

REGULAR AGENDA

6. Approval of the FY21 Budget and 5-Year Capital Improvement Program

Discussion: Port Director Olin stated that the Port Commission reviewed the draft FY21 budget and proposed list of Capital Improvement Projects (CIP) at its Special Public Session of February 11, 2020. She noted a correction to the staff report and indicated that the actual Consumer Price Index (San Francisco-Oakland-Hayward) increase for 2019 is 2.5% and not 3.3%.

Port Director Olin reviewed the draft FY21 budget and highlighted the following:

- 2.5% increase to marina fees;
- Increase Dredge Intermediate Fund contribution by \$10,000 to \$416,091, to include an allowance for spare parts replacement;
- Increase CIP funding from \$500,000 to \$590,000, allocating the additional \$90,000 to the CIP reserve account;
- Include revenue category type on the budget worksheets;
- Include a graph summarizing personnel costs by type.
- Projected Debt Service Ratio (DSR) increase from 1.3 to 1.37

The Commission thanked staff for the budget presentation.

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Smith to approve the FY21 Budget and 5-Year Capital Improvement Program.
- *Motion carried unanimously.*

7. Approval of Cash / Payroll Disbursements – January 2020 *(There was no discussion on this agenda item)*

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Smith to approve the cash / payroll disbursements for January 2020, in an amount of 1,307,757.52.
- Motion carried unanimously.

INFORMATION

8. Port Director's Report

Verizon Cell Tower

Port Director Olin stated that Verizon has once again expressed interest in placing a cell tower within the harbor. She stated that Verizon is currently performing a feasibility study, which will be presented before the Commission for review at a future meeting.

Water Taxi

Port Director Olin reported that the USCG has not yet made a final determination on whether the water taxi is required to be subject of regulations for Small Passenger Vessels. She reported that the Officer in charge of marine inspections, Lt. Gayman, has indicated that a final determination on this matter has been pushed to the USCG District Office.

Team O'Neill

Port Director Olin stated that the new Team O'Neill catamaran is anticipated to begin operating by the third week of March, which will initiate the implementation of the new per passenger charter fee structure. Port Director Olin added that Team O'Neill is currently making tenant improvements to the 275 A Lake Avenue office space, which they will utilize for a charter office.

Aldo's Seawall Replacement Project

Port Director Olin stated that she anticipates the notice of completion for the Aldo's Seawall Replacement project to be presented at the March meeting.

Parking Access and Revenue Control System (PARCS) Project

Port Director Olin stated that the PARCS project is complete. She stated that the new equipment required some troubleshooting and Harbormaster Anderson has worked with the manufacturer to resolve identified issues and train staff.

Website Accessibility Update

Port Director Olin stated that the District's website has been upgraded to comply with Section 508 of the Rehabilitation Act of 1973, making the website accessible to navigate for persons with disabilities.

Murray Street Bridge Project

Port Director Olin stated that the City of Santa Cruz now anticipates that construction of the Murray Street Bridge Project will commence sometime between 2021 and 2024. She stated that the timeline may be unrealistic, as the lead time for certain permits can be lengthy.

CMANC Flyer

Port Director Olin distributed an informational flyer about the District's dredge operation and continued partnership with the Army Corps of Engineers. She stated that the flyer will be distributed at CMANC and will aid in the District's request for continued funding for the dredge operation.

9. Harbormaster's Report

Harbormaster Anderson stated that the CA Department of Fish and Wildlife (CDFW) provided the landing data which is included in the packet. He stated that CDFW will require that a public records act request be submitted each time landing data is requested.

Harbormaster Anderson stated that he will be attending a CDFW informational salmon meeting on Thursday, February 27, 2020, to discuss the outlook of the upcoming season.

In response to a question posed by Commissioner Geisreiter, Harbormaster Anderson reported that the replacement patrol vessel contract has been executed and a pre-construction meeting is to be scheduled within the next month. Harbormaster Anderson stated that the design phase is currently in process and construction will take approximately 6-8 months.

A brief discussion ensued regarding the annual inspection of the Boatyard Travelift and the importance of performing the general maintenance required.

10. Facilities Maintenance & Engineering Manager's (FME) Report

FME Kerkes stated that the entrance sounding data continues to show good depths.

FME Kerkes stated that the *Pappy* display cradle project is scheduled to start tomorrow, and construction is anticipated to last 5 days.

11. Sea Scouts Bi-Annual Report

Harbormaster Anderson stated that Sea Scouts sold the vessel, *Steeves*, and is currently searching for a more suitable vessel for the program.

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

a) Comparative Seasonal Revenue Graphs

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

14. Harbor Patrol Incident Response Report – January 2020 *(There was no discussion on this agenda item)*

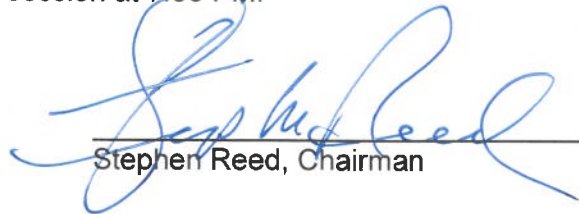
15. Written Correspondence

Vice-chairman Goddard expressed appreciation to staff for their efforts assisting Santa Cruz Police Department with the child abduction incident on January 17, 2020.

16. Port Commission Review Calendar / Follow-Up Items

Port Director Olin stated that the deadline for filing the required Form 700 with County Elections is March 2, 2020.

Chairman Reed adjourned the regular public session at 7:50 PM.



Stephen Reed, Chairman