



Special Closed and Regular Public Session of July 28, 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

SPECIAL PUBLIC SESSION – 4:30 PM

Chairman Reed brought the special public session to order at 4:30 PM at the Santa Cruz Harbor Public Meeting Room, 365A Lake 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 5:00 PM, Chairman Reed announced the Commission will meet in closed session to discuss agenda items 3 and 4.

SPECIAL CLOSED SESSION

3. Public Employee Performance Evaluation
Title: Port Director
4. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 2218 East Cliff Avenue (Crow's Nest Restaurant)
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 Reed announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Reed adjourned the special open session following the closed meeting at 6:23 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Reed convened the regular public session at 7:00 PM via teleconference at the Santa Cruz Harbor Conference Room, 135 5th Avenue, Santa Cruz, CA 95062.

6. Pledge of Allegiance
7. Oral Communication

Chairman Reed stated that the Commission took no reportable action in closed session on agenda items 3 and 4.

Administrative Services Manager MacLaurie read public comment into the record submitted by harbor concessionaire, Michael Spadafora of Java Junction, regarding his concerns about the automated concession parking lot equipment.

CONSENT AGENDA

8. Approval of Minutes
 - a) Special Closed Session of July 12, 2020
 - b) Special Closed & Regular Public Session of June 23, 2020
9. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 234 (Tenant: Surfrider Foundation)

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Geisreiter to approve the consent agenda items 8 and 9.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

REGULAR AGENDA

10. Authorize Temporary Lease Addendum for Use of Outdoor Dining Space by Johnny's Harborside, 493 Lake Avenue, Santa Cruz

Discussion: Port Director Olin stated that due to the recent closure of indoor dining throughout the state, Dan Agonstinis of Johnny's Harborside has requested to use a portion of the fishery pier for outdoor dining. Port Director Olin reviewed the following:

- The proposed 30' x 10' dining area, which will accommodate 8 tables, is located within H&H's leasehold adjacent to the public walkway.
- H&H has consented to allow temporary use of the fishery pier by Johnny's and has agreed to relocate fish storage boxes stored in the area and temporarily move vehicles to the adjacent visitor parking area.

- The temporary lease addendum is cancellable if dining operations negatively impact the resident commercial fish buyer and/or commercial fisheries activities.

In response to a question posed by Chairman Reed, Port Director Olin confirmed that the restaurant tenant is responsible for obtaining any necessary regulatory permits for the temporary outdoor dining operation.

Dan Agostinis of Johnny's Harborside expressed his appreciation to the Port Commission and Port Director for consideration of the temporary lease addendum and stated that he is committed to continuing to adhere to all state and local guidance related to COVID-19, and not negatively impacting fishery operations.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to authorize the Port Director to:

1. execute lease addendum document establishing a temporary outdoor dining area for Johnny's Harborside; and,
2. approve minor modifications to designated areas as may be required to meet regulatory requirements.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

11. Approve Emergency Replacement of a Used 4WD Truck (NTE \$30,000)

Discussion: Port Director Olin stated that the District's 1997 Dodge flatbed truck requires extensive repairs. She stated that the cost of repairs is estimated to exceed the value of the truck, which is why an emergency replacement is being proposed. She noted that replacing the '97 flatbed was an unfunded Dredge Intermediate fund item in the FY21 budget.

Port Director Olin stated that staff proposes to purchase a used truck using unreserved cash in an amount not-to-exceed \$30,000. She stated that no surplus value is anticipated for the existing truck, although staff plans to repurpose the existing flatbed portion of the truck.

In response to a question posed by Commissioner Smith, Port Director Olin confirmed that the replacement truck will be used, not new, and the purchase price will not exceed \$30,000.

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Smith to authorize the emergency replacement of a used 4WD truck for the dredge operation in an amount not-to-exceed \$30,000.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*

- *Geisreiter*: YES

12. Approval of Resolution 20-11 – Twin Lakes Beachfront Project Panoramic Display

Discussion: Vice-chairman Goddard stated that he requested this item be placed on tonight's agenda. He stated that he has been working with a professional cartographer to develop an interpretive panorama of the Monterey Bay, and has begun preliminary discussions with the County of Santa Cruz for placement of the infographic near the Twin Lakes Beachfront Project.

Vice-chairman Goddard stated that the County is requesting a resolution of support from the District. A discussion ensued about the display, its location, and any Port District obligations. Vice-chairman Goddard explained that:

- the panoramic display is proposed to be located at the overlook east of the East Cliff Drive turnaround near the stairs to Twin Lakes State Beach;
- the Port District is under no financial obligation for the panoramic display;
- he will abstain from voting.

MOTION: Motion made by Commission Geisreiter, seconded by Commissioner Smith to approve Resolution 20-11 – Twin Lakes Beachfront Project Panoramic Display.

- *Motion carried by roll call with one abstention:*

- *Reed*: YES
- *Goddard*: ABSTAINED
- *Smith*: YES
- *Gertler*: YES
- *Geisreiter*: YES

13. Quarterly Review of FY21 Budget Impacts and Responses Relative to COVID-19

Discussion: Port Director Olin stated that at the regular session of April 28, 2020, the Port Commission reviewed and approved proposed FY21 budget adjustments in response to impacts related to COVID-19, which included various expense reductions and funding reallocations to be reviewed quarterly by the Port Commission.

Port Director Olin highlighted the following:

- Slip rent revenue exceeds FY21 budgeted figures and prior year's revenue, due in part to restoring depths in previously shoaled north harbor slips (increasing occupancy)
- Launch revenue exceeds FY21 budgeted figures, due in part to increased sales of annual launch passes and demand presumably created by temporary closure of the ramp due to COVID-19
- Visitor parking revenue is down approximately \$113,000 over the prior year due to COVID-19 related closures
- RV Park revenue is down due to COVID-19 related closures

- Fuel revenue is down (fuel expenses are subsequently decreased)
- Overall, revenue has decreased by \$364,000 over the prior fiscal year, though expense reductions are helping to offset this decrease.

Port Director Olin stated that staff will continue to monitor impacts and present quarterly reports for the Commission's review.

14. Approval of Cash / Payroll Disbursements – June 2020

Discussion: Staff provided additional information on the following warrants:

- Warrant # 53534: SWPPP = Storm Water Pollution Prevention Program
- Warrant # 53538: Patrol Vessel Progress Payments are eligible for grant reimbursements prior to project completion.

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Smith to approve the cash and payroll disbursements for June 2020, in an amount of \$872,978.46.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

INFORMATION

15. Port Director's Report

Monterey Bay National Marine Sanctuary (MBNMS) Management Plan Review

Port Director Olin stated that she attended (virtually) the MBNMS June public meeting. She stated that MBNMS has released its Draft Management Plan for review and public comment. She stated that a unified response from all four Monterey Bay Sanctuary Harbors will be submitted.

The Commission was supportive of appointing an ad hoc committee to review the draft management plan and formulate comments for an individual response to the plan for review by the full Commission. Vice-chairman Goddard and Commissioner Gertler were appointed to the ad hoc committee.

Sediment Sampling and Analysis Plan

Port Director Olin stated that the District's Tier One Determination Request was accepted by regulators, which will result in a significant cost savings to the District. No sediment testing will be required for the 2020-21 season.

FEMA Disaster Assistance Grant

Port Director Olin stated that the District's application for the FEMA Disaster Assistance Grant will be submitted once the incident period is closed. She stated that this will help capture all COVID-19 related disaster expenses. The incident period is set to close on September 22, 2020, and will likely be extended.

East Public Pier Timber Pile Rehabilitation Project – Phase 1

Port Director Olin stated that Moffatt and Nichol performed an inspection of the east side public pier pilings in September 2019, and identified three critical piles for repair in Phase 1. She stated that a Request for Proposals will be issued, and hopefully a contract will be brought back in August for Commission approval.

Aldo's Seawall Replacement Project

Port Director Olin stated that Granite Construction has completed sinkhole remediation and drain repair work at the Aldo's site. She stated that staff is prepared to file the Notice of Completion upon satisfactory inspection, which is scheduled for tomorrow.

16. Harbormaster's Report

Harbormaster Anderson stated that he is researching procurement options for a replacement water taxi vessel and will present additional information to the Commission at the August meeting.

A brief discussion ensued regarding the specifications of the vessel and the selection of suitable manufacturers.

Vice-chairman Goddard expressed support of Harbor Patrol's ongoing training efforts with the U.S. Coast Guard.

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

Supervising Harbor Maintenance Worker, Nick Gullo stated that the Concession Lot Restroom Rehabilitation Project is underway. He stated that maintenance crews have been delayed due to unanticipated electrical and plumbing repairs but indicated that the completion date is planned for the first week of August.

Commissioner Smith commended the maintenance crew on the high-quality construction work achieved by staff.

18. 2019 Vessel Use List Review

Chairman Reed stated that as a way of encouraging partnership agreements in the harbor, he is supportive of the District creating a one-page advocacy statement regarding partnership rules for distribution.

19. O'Neill Sea Odyssey (OSO) Annual Report

Administrative Services Manager MacLaurie reviewed the annual OSO reporting response to a question posed by Vice-chairman Goddard, ASM MacLaurie stated that future reporting will be reflective of provisions of the new 99-pak charter permit.

20. Sea Scouts' Bi-Annual Report

Sea Scouts' Director, Kevin Melrose, stated that the program's new vessel, *Bosso*, recently had its failed starboard engine removed and will be rebuilt.

21. Financial Reports

- a) Comparative Seasonal Revenue Graphs
- b) Quarterly Budget Report as of June 30, 2020

- c) Quarterly Boatyard Report as of June 30, 2020
- d) Quarterly Fuel Dock Report as of June 30, 2020
- e) Quarterly Employee Count as of June 30, 2020
- f) Quarterly Concession Income Report as of June 30, 2020
- g) LAIF Statement

Commissioner Geisreiter thanked staff for a very good report. He also thanked slip holders for their resiliency and digging deep to make monthly payments and keeping slip occupancy high. He commented that the resiliency and support shown by harbor slip renters will help the Commission avoid having to make more drastic cuts. He expressed his appreciation to staff, and senior deputy harbormaster Don Kinnamon in particular, for their work to fill the slips.

Commissioner Geisreiter stated that the Quarterly Concession Income Report also highlights how COVID-19 related mitigation measures are impacting harbor restaurants. He stated that it will be important for the harbor to continue to support harbor restaurants during this difficult time.

- 22. Delinquent Account Reporting (*There was no discussion on this agenda item*)
- 23. Harbor Patrol Incident Response Report – June 2020 (*There was no discussion on this agenda item*)
- 24. Written Correspondence
 - a) Submittal from Supervisor Coonerty to Santa Cruz Board of Supervisors
 - b) Email from Michael Spadafora to Port Commission
 - c) Email from Jean Brocklebank to Port Commission

In regard to Item 24 (c), the letter from J. Brocklebank, Port Director Olin stated that the Port District removed the trash bins from the west jetty area. She stated that while beach visitors may feel free to leave their trash next to a full bin, they may be less likely to simply leave trash where there is no bin. She expressed her hope that this will cause more beach visitors to pack their trash.

- 25. Port Commission Review Calendar / Follow-Up Items

Vice-chairman Goddard expressed support for scheduling the future calendar item "Port Commission Policies and Procedures Manual Update: Human Resource Role".

Chairman Reed adjourned the regular public session at 8:08 PM.



Stephen Reed, Chairman