



Special Closed and Regular Public Session of October 27, 2020

**Santa Cruz Port Commission
MINUTES**

Commission Members Present (via teleconference):

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

Commission Members Absent:

Stephen Reed Chairman

SPECIAL PUBLIC SESSION – 6:00 PM

Vice-chairman Goddard convened the special public session at 6:00 PM via teleconference at the Santa Cruz Harbor Conference Room, 135 5th 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 6:00 PM, Vice-chairman Goddard announced the Commission will meet in closed session to discuss agenda item 3.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Property: 497 Lake Avenue
Under Negotiation: Potential Acquisition

SPECIAL PUBLIC SESSION

4. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1

Vice-chairman Goddard announced that the Commission took no reportable action in closed session on item 3.

Vice-chairman Goddard adjourned the special open session following the closed meeting at 6:51 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Vice-chairman Goddard reported that Chairman Reed is not in attendance at tonight's meeting and 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.

5. Pledge of Allegiance
6. Oral Communication

Vice-chairman Goddard stated that the Commission took no reportable action in closed session on agenda item 3.

CONSENT AGENDA

7. Approval of Minutes
 - a) Special Closed & Regular Public Meeting of September 22, 2020
8. Approval of Month-to-Month Rental Agreement for 333 Lake Avenue, Suite H (Tenant: Pescavore)
9. Approval of Resolution 20-13, Accepting 2021-22 SAVE Grant from the State of California Division of Boating and Waterways (\$30,500)

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Geisreiter to approve consent agenda items 7, 8, and 9.

- *Motion carried by roll call. Chairman Reed ABSENT.*
 - *Goddard: YES*
 - *Smith: YES*
 - *Gertler: YES*
 - *Geisreiter: YES*

REGULAR AGENDA

10. Consideration of Public Benefit Discount for Santa Cruz Yacht Club Junior Sailing Program

Discussion: Port Director Olin stated that Santa Cruz Yacht Club liaison Vance Landis-Carey recently submitted a second request on behalf of the Santa Cruz Yacht Club Junior Sailing Program for consideration of a reduction or elimination of fees for slip F20, in light of the public service benefit provided by the program.

Port Director Olin reviewed other public benefit discounts that have been issued to similar programs and stated that staff is seeking direction on the level of benefit (if any) to be provided to the Junior Program. Additionally, she highlighted the following:

- Storage for two trailers utilized by the program will need to be assessed fees at a rate of \$75 / trailer per month.
- Formal award of slip F-20 to the Junior Program is needed (slip was previously licensed to Santa Cruz Yacht Club). A new slip license agreement with the Santa Cruz Junior Sailing Foundation will need to be executed.

- Evidence of non-profit status for the program will be required. Program must demonstrate that it is separate from the Santa Cruz Yacht Club.

Ms. Landis-Carey thanked the Commission for considering the request and acknowledged that timing is not ideal due to financial impacts from COVID-19. She stated that the Junior Sailing Program has been hit hard by the pandemic and any financial consideration provided would greatly assist in the program's success.

Ms. Landis-Carey stated that the Junior Sailing Program is currently overseen by the Santa Cruz Sailing Foundation and remains separate from the Santa Cruz Yacht Club.

A discussion ensued regarding the appropriate level of public benefit discount for the program.

Commissioner Smith stated that while he is supportive of providing a public benefit discount to the Junior Sailing Program, it is his opinion that a comprehensive review of all public benefit discounts should be performed within 6-8 months to standardize how discount rates are established and administered. He proposed implementing a 100% discount to the Junior Sailing Program for one year, with a possible rate adjustment after the comprehensive review is performed. Commissioner Gertler agreed.

Commissioner Geisreiter expressed support for providing a public benefit discount to the Junior Sailing Program but was not supportive of performing a future comprehensive review.

- MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to authorize a public benefit discount for the Santa Cruz Yacht Club Junior Sailing Program:
- a. reduce slip F20 rent by 100% for 12 months and revert to a 50% public benefit discount thereafter;
 - b. confirm Port Commission award of slip F20 for small sailboat storage;
 - c. re-execute a slip license agreement with the Santa Cruz Sailing Foundation for slip F20;
 - d. obtain written assurance from the Junior Sailing Program of their separate non-profit status from Santa Cruz Yacht Club;
 - e. charge standard fees for storage of two trailers.

Discussion: Vice-chairman Goddard expressed his belief that it is not unreasonable for an organization utilizing harbor facilities to pay some portion of associated fees. He stated that while he understands the desire to standardize fees and how different groups are treated, the 100% discount was authorized by a prior Commission. He expressed support for the recommendation to reduce the public benefit discount to 50% after one year.

Additionally, Vice-chairman Goddard asked if performing a comprehensive review as suggested by Commissioner Smith is necessary. Commissioner Smith stated that it is his opinion that the comprehensive review will be beneficial and requested that the item be placed on the calendar for future committee review, sooner rather than later.

There was consensus among the Commission to add a committee review item to the Port Commission Review Calendar to discuss public benefit discounts.

- *Motion carried by roll call. Chairman Reed ABSENT.*
 - *Goddard: YES*
 - *Smith: YES*
 - *Gertler: YES*
 - *Geisreiter: YES*

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

Discussion: Port Director Olin stated that this is the second quarterly budget review presented in this format to assist the Commission in reviewing budget impacts related to COVID-19. She stated that although the District is performing well compared to anticipated impacts, some cause for concern remains as winter approaches and restaurants are reliant upon outdoor dining areas.

Port Director Olin highlighted the following:

- Tenant Concession Rent and Visitor Parking revenues are significantly down over the prior year
- Launch revenue exceeds FY21 budgeted figures
- Overall, FY21 revenue is down approximately 9% over the prior 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.

In response to a question posed by Commission Geisreiter, staff confirmed that of the approximately 40 payment plan agreements entered into by landside tenants and marina customers, most all have been paid in full.

12. Approval of Cash / Payroll Disbursements – September 2020

Discussion: In response to a question posed by Commission Smith, staff provided additional information on the following warrant:

- Warrant # 53928 – Refuse Collection
Increased costs for refuse collection is due to additional trash collection on the beach (COVID-19 related expense).

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Smith to approve the cash and payroll disbursements for September 2020, in an amount of \$604,101.36

- *Motion carried by roll call. Chairman Reed ABSENT.*
 - *Goddard: YES*
 - *Smith: YES*
 - *Gertler: YES*
 - *Geisreiter: YES*

INFORMATION

13. Port Director's Report

Regional General Permit Update

Port Director Olin stated that the application process for the Regional General Permit (RGP) continues to move forward and it is anticipated that the application will be submitted to the U.S. Army Corps of Engineers (Corps) in early 2021.

Aldo's Restaurant

Port Director Olin stated that in accordance with the lease agreement, Aldo's Restaurant is working to secure financing from Santa Cruz County Bank for the construction of a new restaurant building. Additionally, she stated that Aldo's is working with the City to extend their temporary use permit on the lawn.

Santa Cruz Yacht Club Paving Project

Port Director Olin stated that the Port District has agreed to cost share (25%) a portion of the repaving work recently completed by the Santa Cruz Yacht Club (SCYC) in the harbor parking lot. The total bid for the project was \$10,900.

East Public Pier Timber Pile Rehabilitation Project – Phase 1

Port Director Olin stated that the project is scheduled to be completed by November 30, 2020.

California Marine Affairs and Navigation Conference (CMANC) Meetings

Port Director Olin stated that the 2020 Fall Virtual Meeting for CMANC is scheduled for November 7, and November 12, 2020.

Bay Planning Coalition Webinar

Port Director Olin stated that she and Administrative Services Manager MacLaurie attended a virtual webinar focused on the beneficial reuse of dredge material.

14. Harbormaster's Report

Harbormaster Anderson provided a CZU Lightning Complex fire update:

- 1 evacuee is currently occupying an RV space and will return home in a few days
- All 11 slip licensees that have reported living aboard their vessel during the evacuation have returned home.

Commissioner Smith and Vice-chairman Goddard expressed their appreciation for the harbor patrol's focus on continued training.

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

In response to questions posed by Commissioner Smith, FME Kerkes stated that the Toyo pump has not been deployed this season, but may be used in the north harbor as the crew approaches the culvert area.

Vice-chairman Goddard thanked maintenance crews for their recent work on the boatyard ways repairs and for the continued grounds work that is being accomplished in the north harbor.

16. Financial Reports (*There was no discussion on this agenda item*)

- a) Comparative Seasonal Revenue Graphs
- b) Employee Count as of September 30, 2020
- c) Quarterly Budget Report as of September 30, 2020
- d) Quarterly Fuel Sales Report
- e) Quarterly Boatyard Report
- f) Quarterly Concession Percentage Rent Report
- g) LAIF Statement & PMIA/LAIF Performance Report
- h) FY20 Debt Services Coverage Ratio

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

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

19. Written Correspondence

- a) Letter from Big Brothers Big Sisters of Santa Cruz County to Port Commission
- b) Email from Monty & Kevin Ann Kurek to Port Commission
- c) State of California, Governor Gavin Newsom Executive Order N-82-20

In regard to Executive Order N-82-20, Vice-chairman Goddard stated the Port District should monitor actions taken under this order and potential impacts to the harbor and commercial and recreational fishing communities. Commissioner Smith agreed.

20. Port Commission Review Calendar / Follow-Up Items

Commissioner Smith requested a committee review item be added to the calendar to discuss and outline guidelines for standardizing public benefit discounts.

Vice-chairman Goddard adjourned the regular public session at 8:15 PM.



Toby Goddard, Vice-Chairman