



Special Closed and Regular Public Session of January 25, 2022

**Santa Cruz Port Commission
MINUTES**

Commission Members Present (via teleconference):

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

SPECIAL PUBLIC SESSION – 5:00 PM

Chairman Geisreiter convened the special public session at 5:00 PM via teleconference.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.9(d)(4), and 54956.8

At 5:00 PM, Chairman Geisreiter announced that the Commission will meet in closed session to discuss agenda items 3 and 4.

SPECIAL CLOSED SESSION

3. Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation (1 Case)
4. Conference with Real Property Negotiators
Property: 616 Atlantic Avenue
Agency Designated Representative: H. MacLaurie
Negotiating Parties: M. Gilbert
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 Geisreiter announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Geisreiter adjourned the special open session following the closed meeting at 6:35 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Geisreiter convened the regular public session at 7:00 PM via teleconference.

6. Pledge of Allegiance
7. Oral Communication

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

The Commission commended staff for their response efforts during the tsunami event of January 15, 2022.

CONSENT AGENDA

8. Approval of Minutes
 - a) Special Closed and Regular Public Meeting of December 14, 2021
9. Approval of Sublease Agreement – 345 Lake Avenue, Suite G (Tenant: One People, One Reef)
10. Approval of Month-to-Month Rental Agreement – 497 Lake Avenue (Tenant: Healthy Oceans Seafood Co.)
11. Approval of Resolution 22-04 – Reauthorizing Virtual Public Meetings in Accordance with Assembly Bill 361

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Smith to approve the consent agenda.

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

REGULAR AGENDA

12. Approval of Long-Term Lease for Bayside Marine – 333 B Lake Avenue (Lessor: Todd Fraser)

Discussion: Port Director MacLaurie stated that the current lease for Bayside Marine is set to expire on January 31, 2022. She stated that a correction to Section 5 (Rent) of the draft lease is required to reflect that the base rent is \$3,134, rather than \$3,886 (the difference of \$752 is for the paved dry storage lot on the northern side of the building that is not included as part of this lease).

Todd Fraser, owner of Bayside Marine, stated that he has reviewed the lease and is agreeable to the terms as presented.

A brief discussion ensued regarding the condition of the building (333 Lake Avenue) and planned repairs. Staff highlighted the following:

- Electrical upgrades are planned, including installation of submeters to account for multi-tenant usage.
- The electrical upgrade project will have minimal impact on tenants. Generator may be used as needed.
- Current and proposed lease for Bayside Marine outlines tenant responsibilities for utilities.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Gertler to award a five-year lease with two three-year options for 333 B Lake Avenue to Todd Fraser, owner of Bayside Marine.

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

13. Approval of Resolution 22-05, Designating Peace Officer Status to Peter Melrose

Discussion: Chairman Geisreiter stated that he and Commissioner Goddard attended the oath of office ceremony for Deputy Harbormasters (DHM) Peter Melrose and Parker Guy, which was held this afternoon outside of the harbor office.

In response to a question posed by Commissioner Goddard, Harbormaster Anderson stated that there is currently one vacant DHM position. He stated that after the two new DHMs are fully trained, a recruitment for the vacant position may be opened.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Goddard to approve resolution 22-05.

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

14. Approval of Resolution 22-06, Designating Peace Officer Status to Parker Guy (*There was no discussion on this agenda item*)

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Smith to approve resolution 22-06.

- *Motion carried unanimously by roll call.*

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

15. Authorization to Dispose of Surplus Property – Yamaha Outboard Motors (2)

Discussion: Harbormaster Anderson requested that the Commission authorize the surplus of the District's two Yamaha Outboard Motors (valued at approximately \$12,000 to \$15,000) in accordance with the Port Commission's surplus policy, and allocate revenues received from the sale to the General Fund.

In response to a question posed by Commissioner Smith, Harbormaster Anderson stated that a reserve limit will be set for the engines to ensure that a minimum sales price is met.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Reed to declare equipment as surplus property and authorize the Port Director to dispose of the surplus motors, in accordance with Port Commission policies.

- *Motion carried unanimously by roll call.*

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

16. Port District Priorities 2022

Discussion: Port Director MacLaurie stated that the Port District Priorities are reviewed by the Commission on an annual basis and are used to help guide the budget process, provide direction for staff, assist in tracking accomplishments, and assist in conducting Port Director evaluations. She stated that a section was added this year to address the recent tsunami damage.

The Commission expressed support of the Port District priority list for 2022 and suggested the following revisions:

- Accountability Section – Financial Management: move the “development of a comprehensive pension management policy” to the end of the statement.

- Accountability Section – Transparency: replace the word “administer” with “initiate” in regard to the transition to a district-based election system.
- Navigation and Operations Section – Harbor Patrol: include “additional surveillance cameras” to continue to improve harbor security. Port Director MacLaurie will include funding for surveillance cameras as part of the upcoming FY23 Capital Improvement Projects budget.
- Navigation and Operations – Commercial Fishery: rephrase the statement of “Maintain viable commercial fishing activity” to “maintain commercial fishing fleet and landings”.
- Sustainability Section – Infrastructure: Differentiate between 7th and Brommer projects that are designated for Port District-owned parcels and parcels not in Port District control.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Smith to confirm the 2022 Port District Priorities, with the revisions outlined above.

- *Motion carried unanimously by roll call.*

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

17. Approval of Cash / Payroll Disbursements – December 2021 (*There was no discussion on this agenda item*)

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Goddard to approve cash and payroll disbursements for December 2021, in the amount of \$760,116.63.

- *Motion carried unanimously by roll call.*

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

INFORMATION

18. Port Director’s Report

Introduction of New Staff

Port Director MacLaurie introduced Jillian Ritter as the Port District’s new Administrative Services Manager.

Tsunami Advisory of January 15, 2022

Port Director MacLaurie stated that the harbor sustained significant damage during the tsunami event on January 15, 2022. She acknowledged the staff who responded on the day of the tsunami and their efforts in protecting public safety and District assets.

Preliminary damage assessments are anticipated to be \$6,500,000, and staff is currently working with CalOES to pursue disaster assistance funding.

Congressman Panetta Visit

Port Director MacLaurie stated that today, Congressman Panetta and his staff visited the Port District to assess tsunami related damage. Chairman Geisreiter and staff provided a tour of the harbor on the District's new patrol boat.

Draft FY23 Budget

Port Director MacLaurie stated that the special public session to review the draft FY23 budget has been postponed from February 8, 2022, to February 15, 2022. The final budget will be considered at the regular public meeting of February 22, 2020.

Murray Street Bridge Seismic Retrofit Project - Independent Appraisal

Port Director MacLaurie stated that Associated Right of Way Services was onsite on January 5, 2022, to conduct a field review of the appraisal area for the Murray Street Bridge Seismic Retrofit Project. She stated that completion of the independent appraisal report is anticipated in the coming weeks.

US Army Corps of Engineers (USACE) – Dredging Reimbursement

Port Director MacLaurie stated that the final reimbursement request for calendar year 2021, has been submitted to the Corps in the amount of \$131,250.

Dredge Permit

Port Director MacLaurie stated that as part of the application process for a new 10-year dredge permit from the US Army Corps of Engineers, the offshore disposal site located at SF14 has been eliminated as a disposal option.

493 A Lake Avenue – First Three (3) Year Option to Extend Lease

Port Director MacLaurie stated that H&H Fresh Fish has exercised their first option to extend the lease term for three years from February 1, 2022, through January 31, 2025.

19. Harbormaster's Report

Harbormaster Anderson announced the delivery of the District's new patrol vessel, which occurred on January 24, 2022. He stated that over the next several months, Harbor Patrol, in conjunction with other local law enforcement and rescue agencies, will be conducting training on the new vessel. The final grant reimbursement request will be submitted later this week.

Harbormaster Anderson stated that the District's patrol boat *Scout* is limited to inner harbor service after an electrical fire occurred rendering one of the engines inoperable. He stated that the engines were at the end of their useful service life and were anticipated for

replacement in the FY23 budget. Replacement motors have been purchased as an unanticipated expense in the FY22 operating budget. The cost will be offset by the surplus sale of the Almar patrol vessel outboard motors.

Commissioner Smith stated that the inclusion of the annual fisheries landing data is appreciated. Commissioner Goddard agreed.

Commissioner Goddard stated that the annual search and rescue statistics reinforce the District's need for its new patrol vessel. He stated that the new vessel will allow staff to continue providing search and rescue services in the community. He thanked Harbor Patrol for the 66 lives saved in 2021.

20. Facilities Maintenance & Engineering Report

Facilities Maintenance & Engineering Manager (FME) Wulf stated that the District's maintenance and dredge crews have been working hard to address the damage caused by the tsunami event on January 15, 2022. He stated that staff has resumed dredge operations and restored power to impacted docks.

A discussion ensued regarding the tsunami damage, FME Wulf provided the following information:

- North harbor restrooms and showers are all open. All will require renovations due to water saturation/damage.
- Water heaters are still out of service at the I-dock & J-dock restrooms.
- Power has been restored to all docks. The electrical transformers that were submerged will require replacement due to water damage.
- The telephone lines serving 1-2 boats in the area of J-Dock are still out of service.
- Lift stations were unaffected by the flooding.

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

- a) Comparative Seasonal Revenue Graph
- b) Employee Count as of December 31, 2021
- c) Quarterly Budget Report as of December 31, 2021
- d) Quarterly Fuel Sales Report
- e) Quarterly Boatyard Report
- f) Quarterly Concession Percentage Rent Report
- g) LAIF Statement & PMIA/LAIF Performance Report

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

23. Harbor Patrol Incident Response Report – December 2021 (*There was no discussion on this agenda item*)

24. Written Correspondence

- a) Letter to Assembly Member Stone from Chairman Geisreiter
- b) Letter to Senator Laird from Chairman Geisreiter

25. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chairman Geisreiter adjourned the regular public session at 7:58 PM.

A handwritten signature in cursive script that reads "Reed Geisreiter".

Reed Geisreiter, Chairman