



Special Closed and Regular Public Session of August 23, 2022

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Reed Geisreiter	Chair
Darren Gertler	Vice-chair
Dennis Smith	Commissioner
Stephen Reed	Commissioner
Toby Goddard	Commissioner

SPECIAL PUBLIC SESSION – 6:00 PM

Chair Geisreiter convened the special public session at 6:00 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

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

At 6:00 PM, Chair Geisreiter announced that the Commission will meet in closed session to discuss agenda item 3.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Property: 616 Atlantic Avenue
Agency Designated Representative: H. MacLaurie
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

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

Chair Geisreiter announced that the Commission took no reportable action in closed session on item 3.

Chair Geisreiter adjourned the special open session following the closed meeting at 6:50 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chair Geisreiter convened the regular public session at 7:00 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

5. Pledge of Allegiance
6. Oral Communication

Chair Geisreiter announced that the Commission took no reportable action in closed session on item 3.

Commissioner Goddard reported that he recently attended a Santa Cruz Kiwanis Club meeting, where attendees participated in a “demographer for a day” exercise and provided input on the District’s upcoming redistricting process.

Audience member, Wendy King, requested (via Zoom) a status update on the restoration of the tsunami-damaged jetfloat at FF-Dock.

In response to Ms. King’s request, Port Director MacLaurie stated that a new jetfloat system has been purchased and will be installed upon delivery (estimated 12-week lead time).

CONSENT AGENDA

7. Approval of Minutes
 - a) Special Public Meeting of July 14, 2022
 - b) Special Closed and Regular Public Meeting of July 26, 2022
8. Approval of Resolution 22-18 – Reauthorizing Virtual Public Meetings in Accordance with Assembly Bill 361
9. Approval of Resolution 22-19 – Suspending Emergency Authority Granted to the Port Director under the Tsunami Event of January 15, 2022

MOTION: Motion made by Commissioner Reed, seconded by Commission Goddard to approve consent agenda items 7 through 9.
– *Motion carried unanimously.*

REGULAR AGENDA

10. Review Draft FY22 Audited Financial Statement

Discussion: Port Director MacLaurie introduced Kim Said of the auditing firm, Hutchinson and Bloodgood.

Ms. Said reviewed the draft FY22 audit and reported that the District received a clean, unmodified opinion in all respects for the audit year ending March 31, 2022. Ms. Said stated that the Port District did not adopt any new accounting policies in FY22.

Ms. Said highlighted the following:

- Operating income was \$227k, down approximately \$169k over the prior fiscal year. Contributing factors include:
 - Revenue increased 14% primarily related to concession and parking revenues returning to pre-pandemic levels.
 - Expenses increased 17% (non-cash pension and OPEB liabilities increased \$635k, fuel costs increased \$313k over the prior year, \$187k in unanticipated tsunami expenses)
- Overall increase in non-operating revenue from prior year. Contributing factors include:
 - Increased annual dredge reimbursement (\$525k) and receipt of shortfall funding from 2020 (\$140k).
 - \$519k State funding received for replacement patrol boat.
- Net cash flow increased \$1.5 million in the current year
 - Cash received from operations was \$3.2 million.
 - Cash used to pay down long-term debt was \$1.2 million.
 - Cash used for capital expenditures was \$2.4 million.

In response to a question posed by Commissioner Goddard, Ms. Said stated that that the \$2.4 million capital expenditure figure is comprised of multiple fixed asset additions for the period, including 497 Lake Avenue acquisition, construction in progress, north harbor paving project, replacement patrol boat, and other equipment purchases.

In response to a question posed by Chair Geisreiter, Port Director MacLaurie stated that the preliminary Debt Service Ratio (DSR) is favorable and will exceed the minimum 1.25 threshold.

Port Director MacLaurie stated that the final audit will be presented to the Commission for acceptance at the regular public session of September 27, 2022.

Commissioners thanked staff for their efforts in preparing this year's audit.

11. Review 50% Plan Submittals for Site Development of Port District Owned Property at 1025 7th Avenue

Discussion: Port Director MacLaurie requested that the Commission provide input and direction on the 50% plan submittal prepared by Mesiti-Miller Engineering (MME) for site development of the District's dry storage area on the northwest corner of 7th and Brommer.

Rodney Cahill of MME presented the 50% plans and discussed the following:

- Proposed layout and design of dry storage yards

- Soil conditions and treatment options (lime treatment is preferable)
- Security lighting options
- Construction cost estimates
- Permitting process for the project

Audience member, Jean Brocklebank, thanked the Commission and staff for maintaining transparency and public involvement throughout the design process. She stated that while she understands the constraints surrounding the project, it is her hope that through an alternative design concept, the California Buckeye tree (currently located in the dry storage yard) will remain in place for as long as possible.

Audience member, Michael Lewis, expressed concern regarding the potential conflict between pedestrian/bicycle traffic and vehicle traffic at the proposed entry and exit points along Brommer Street Extension.

After reviewing the plans, the Commission provided the following input:

- Display property lines more clearly on the plan sets
- Determine permit status/requirements for trees located within the dry storage yard
- Limit detail regarding future restaurant / retail site development on permit submittals. The proposed impervious area for the restaurant site will be shown so that drainage facilities can be accurately reviewed and assessed by regulatory agencies.
- Explore feasibility of initiating work in the North Harbor Dry Storage yard (paved lot) as a separate project, as it only requires reconfiguration of fencing and parking lot striping, which can be achieved relatively quickly and for minimal expense.

12. Approval of Additional Services Contract for Engineering and Design of the Port District's Sanitary Sewer Lift Stations (NTE \$9,026.25)

Discussion: Port Director MacLaurie stated that as a result of a recent engineering evaluation of the District's sanitary sewer lift stations, the G-Dock lift station has been prioritized for repair and replacement. She recommended that the Port Commission authorize a contract amendment with MKN for the development of construction plans and technical specifications necessary to facilitate the repairs and place the project out to bid.

MOTION: Motion made by Commissioner Smith, seconded by Commission Goddard to authorize a contract amendment with MKN for engineering and design of the Port District's sanitary sewer lift stations in an amount not to exceed \$9,026.25.

– *Motion carried unanimously.*

13. Review Design Concepts for I-Dock Restroom and Shower Facility

Discussion: Port Director MacLaurie stated that as a result of the January 15, 2022, tsunami, the I-Dock restroom and shower facility sustained prolonged water inundation and was significantly damaged. She stated that William Fisher Architecture, Inc. (WFA) was retained to develop preliminary design concepts for this project.

Facilities Maintenance & Engineering (FME) Manager Wulf detailed the following replacement options and requested that the Commission provide input and direction to determine which option is preferable:

- OPTION 1 – EXPAND BUILDING SIZE
Expand the existing building size to achieve ADA compliance and maintain the current number of restroom stalls, urinal stalls, sinks, and shower stalls.
- OPTION 2 – MAINTAIN BUILDING SIZE
Maintain the existing building size but reduce the number of restroom stalls and sinks to achieve ADA compliance within the same footprint. Unisex facilities are utilized for this concept.
- OPTION 3 – UTILIZE CURRENT BUILDING IN CONJUNCTION W/ NEW RESTROOM FACILITY
Maintain and utilize the existing building for shower facilities only. Design and construct a new, separate restroom facility adjacent to the District's maintenance building.

In response to a question posed by Commissioner Goddard, FME Manager Wulf confirmed that the facility will include skylights and industrial fixtures and finishes.

There was a consensus among the Commission to proceed with Option 2.

14. Approval of Employment Reclassification for Accounting Technician II and Administrative Assistant I

Discussion: Port Director MacLaurie stated that the Commission met in closed session on July 26, 2022, to discuss the proposed employment reclassifications. She stated that there was consensus among the Commission to present the following reclassifications for approval at a regular public session:

- Accounting Technician II
Revised job description, proposed salary Grade 23
- Administrative Assistant I to Administrative Assistant II
Revised job description, proposed salary Grade 22

Port Director MacLaurie noted one key revision to the Administrative Assistant II job description which includes the reassignment of Customer Service Representative oversight from the Administrative Services Department to the Operations Department, where it is more aptly suited (and currently budgeted).

Port Director MacLaurie stated that approval of the updated salary schedule will follow in agenda item 15.

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Reed to

1. Approve salary reclassification of Accounting Technician II, with revised job duties;
2. Approve reclassification of one full-time equivalent (FTE) Administrative Assistant to Administrative Assistant II, with revised job duties.

– *Motion carried unanimously.*

15. Approve Resolution 22-20 – Adopting Amendments to the Salary Schedule (*There was no discussion on this agenda item*)

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chair Gertler to approve resolution 22-20.

– *Motion carried unanimously.*

16. Approval of Cash / Payroll Disbursements – July 2022 (*There was no discussion on this agenda item*)

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Goddard to approve cash and payroll disbursements for July 2022, in the amount of \$1,571,390.16.

– *Motion carried unanimously.*

INFORMATION

17. Port Director's Report

Port Director MacLaurie stated that a dredge reimbursement request for Quarters 1 and 2 of calendar year 2022, has been submitted to the U.S. Army Corps of Engineers, totaling \$262,500.

In response to a question posed by Chair Geisreiter, Port District MacLaurie stated that staff is currently in the process of developing construction documents to place the 2222 East Cliff Deck Repair Project out to bid in the coming weeks. She stated that construction is anticipated to commence later this year (weather dependent).

18. Harbormaster's Report

Harbormaster Anderson stated that the District's 2014 Trail Wagon UTV was sold as surplus for \$2,025, in accordance with current District policies. He stated that the funds from the sale will go towards the purchase of a replacement electric golf cart.

19. Facilities Maintenance & Engineering Manager's Report

Facilities Maintenance & Engineering (FME) Manager Wulf stated that off-season maintenance continues in preparation for the upcoming dredge season. He stated that representatives from DSC were on site today to facilitate installation of the hydraulic Christmas Tree lifting equipment and new Dredge RX software.

20. Slip Vacancy Bi-Annual Report / Waiting List Statistics

In response to a question posed by Commissioner Goddard, Harbormaster Anderson confirmed that the approximate wait times for unpaid waiting list categories (i.e., dry storage, rack storage, inside-tie, and dory-tie) vary and may be inflated, as customers are permitted to be on multiple lists at one time.

21. Sea Scouts' Bi-Annual Report

Commissioner Goddard expressed appreciation for Sea Scouts' increased program activities and its participation with the Coast Guard Auxiliary.

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

a) Comparative Seasonal Revenue Graphs

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

24. Harbor Patrol Incident Response Report – July 2022 (*There was no discussion on this agenda item*)

25. Written Correspondence (*There was no discussion on this agenda item*)

a) CalOES / California Disaster Assistance Act (CDAA) Funding Denial Letter

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

Chair Geisreiter adjourned the regular public session at 8:31 PM.



Reed Geisreiter, Chair