



Special Closed Session of December 7, 2022

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present (Via teleconference):*

Reed Geisreiter      Chair  
Daren Gertler        Vice-chair  
Stephen Reed        Commissioner  
Toby Goddard        Commissioner

*Commission Members Absent:*

Dennis Smith        Commissioner

**SPECIAL PUBLIC SESSION – 5:00 PM**

Chair 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 54957

At 5:00 PM, Chair Geisreiter announced that the Commission will meet in closed session to discuss agenda item 3.

**SPECIAL CLOSED SESSION**

3. Public Employee Performance Evaluation  
Title: Port Director

**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 5:37 PM.

---

Darren Gertler, Chair (2023)



Regular Public Session of January 24, 2023

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

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

*Commission Members Absent:*

Toby Goddard      Commissioner

**REGULAR PUBLIC SESSION – 7:00 PM**

Chair Gertler convened the regular public session at 7:00 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA.

1. Pledge of Allegiance
2. Oral Communication

Commissioner Smith expressed appreciation for the dredge crew's continued efforts with dredging operations, particularly in addressing the shoaled entrance conditions, which resulted from recent winter storms.

**CONSENT AGENDA**

3. Approval of Minutes
  - a) Special Closed and Regular Public Meeting of December 13, 2022
4. Approval of Month-to-Month Rental Agreement for 2222 East Cliff Drive, Suite 208 (Tenant: Dr. Don Markle)
5. Approval of Lease Assignment – 365B Lake Avenue
6. Approval of Resolution 23-01 – Designation of Applicant's Agent for Non-State Agencies for the Purpose of Obtaining Federal Financial Assistance

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Geisreiter to approve consent agenda items 3 through 6.  
- *Motion carried. Commissioner Goddard ABSENT.*

**REGULAR AGENDA**

7. Approval of Resolution 23-02 – Declaration of Emergency at Santa Cruz Harbor  
  
Discussion: Port Director MacLaurie reported that preliminary storm damage is estimated to be upward of \$1 million and staff is working to pursue disaster recovery assistance from the Federal Emergency Management Agency (FEMA) and State of California Office of Emergency Services (CalOES).

She stated that approval of this emergency declaration is not required to submit a claim for disaster recovery assistance through CalOES or FEMA, but it will memorialize and support the Port District's position and provide additional backup documentation during the claims process.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Reed to approve resolution 23-02.  
- *Motion carried. Commissioner Goddard ABSENT.*

8. Approval of Resolution 23-03 – Designating Peace Officer Status to K. Kingdom

Discussion: Harbormaster Anderson stated that the oath of office ceremony for Deputy Harbormaster Kyle Kingdom was held this afternoon outside of the harbor office.

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Reed to approve resolution 23-03.  
- *Motion carried. Commissioner Goddard ABSENT.*

9. Approval of Resolution 23-04 – Approving Amendment to Salary Schedules

Discussion: Port Director MacLaurie recommended approval of Resolution 23-04, which amends the salary schedules for represented and unrepresented positions, and consolidates the salary schedule based on previously negotiated agreements between the Port District employee bargaining groups as summarized below:

- Represented Employees: Retroactively add Parking Coordinator position paid on a salary grade 19 basis effective April 1, 2022 (position was approved by the Commission as part of the FY23 budget process).
- Unrepresented Employees: Increase wages to align with California minimum wage standards effective January 1, 2023, and increase the pay rate for the Harbor Maintenance Worker I, II, III positions, and Harbor Dredge Worker I, II, III positions by 3% for 2023 and 2.5% for 2024 commensurate with the salary schedule for represented employees in the same job classifications.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Smith to approve resolution 23-04.  
- *Motion carried. Commissioner Goddard ABSENT.*

10. Port District Priorities 2023

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, and assist in tracking accomplishments.

The Commission expressed support of the Port District priority list for 2023 and suggested the following revisions:

- Infrastructure Maintenance
  - include “parcels not in Port District control” in regard to the site improvements of District-owned properties at 7th and Brommer.
- Community & Stewardship
  - replace the word “and” with “via” in regard to community engagement and providing education about District activities “via regularly scheduled Port Commission meetings.”
  - remove “work towards obtaining the District of Distinction designation from the California Special Districts Association’s Special District Leadership Foundation” from priority list.
  - include “Arana Gulch feasibility studies” to the coordination efforts with the County of Santa Cruz and the City of Santa Cruz on projects and initiatives of mutual concern (i.e., Murray Street Bridge Project, Coastal Rail Trail Project).

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Smith to confirm the 2023 Port District Priorities, with the revisions outlined above.  
- *Motion carried. Commissioner Goddard ABSENT.*

11. Approval of Cash / Payroll Disbursements – December 2022

Discussion: In response to questions posed by the Commission, staff provided additional information on the following warrants:

- Warrant # 57638 – Janitorial Supplies  
Contracted janitorial services do not include supplies, and are purchased separately by the District.
- Warrant # 57607 – *Twin Lakes* Spare Jet Pump  
Budgeted replacement of spare jet pump (critical spare part).
- Warrant # 57667 – Hazardous Waste Disposal (Boatyard Tank)  
Staff will explore alternative waste management methods such as solidification and landfill disposal, if feasible.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Smith to approve cash and payroll disbursements for December 2022 in the amount of \$869,759.59.  
- *Motion carried. Commissioner Goddard ABSENT.*

## **INFORMATION**

### 12. Port Director's Report

#### Insurance

Port Director MacLaurie stated that a pre-renewal meeting with the District's insurance broker was held on January 18, 2023. She stated that preliminary information indicates that premiums are anticipated to increase by approximately 50% or \$375,000 over the prior year. She stated that this increase will be factored into the draft FY24 budget. Final premium costs are anticipated to be finalized in early March.

#### California Marine Affairs and Navigation Conference (CMANC)

Port Director MacLaurie stated that the annual CMANC conference in Washington DC will be held on February 27 - March 1, 2023. The Commission expressed support for Port Director MacLaurie and Administrative Services Manager Bouchard attending this year's conference.

### 13. Harbormaster's Report

Harbormaster Anderson reported that the commercial Dungeness crab fishery opened on December 31, 2022, with a 50% gear reduction requirement.

The Commission expressed their appreciation for the annual search & rescue statistics included in this month's report.

### 14. Facilities Maintenance & Engineering Report

Facilities Maintenance & Engineering (FME) Manager Wulf stated that the dredge crew continues to address the entrance channel shoaling, and north harbor dredging is scheduled to resume in the X/J channel on Wednesday, January 25, 2023.

In response to a question posed by Chair Gertler, FME Manager Wulf reported that the east access road embankment has suffered severe erosion due to the recent winter surge and large swell events. He stated that the concrete staging pad is unable to support the crane at full capacity, which will limit the dredge crew's ability to perform offseason maintenance.

In response to a question posed by Commissioner Geisreiter, FME Manager Wulf stated that the commencement of the 2222 East Cliff Drive Deck Replacement Project is pending issuance of City building permits.

15. 2023 Committee Assignments (*There was no discussion on this agenda item*)
16. Financial Reports (*There was no discussion on this agenda item*)
  - a) Comparative Seasonal Revenue Graph
  - b) Employee Count as of December 31, 2022
  - c) Quarterly Budget Report as of December 31, 2022
  - d) Quarterly Fuel Sales Report
  - e) Quarterly Boatyard Report
  - f) Quarterly Concession Percentage Report
  - g) LAIF Statement & PMIA/LAIF Performance Report
17. Delinquent Account Reporting (*There was no discussion on this agenda item*)
18. Harbor Patrol Incident Response Report – December 2022 (*There was no discussion on this agenda item*)
19. Written Correspondence
  - a) LAFCO Call for Nominations – Special District Regular Member
  - b) Letter to CA. Dept. of Fish & Wildlife from Central Coast Harbors
20. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chair Gertler adjourned the regular public session at 7:52 PM.

---

Darren Gertler, Chair

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

TO: Port Commission  
FROM: Renee Ghisletta, Administrative Assistant  
DATE: February 17, 2023  
SUBJECT: Approval of Month-to-Month Rental Agreement for 2222 East Cliff Drive, Suite 220  
(Tenant: Estriatus Law)

**Recommendation: Approve the month-to-month rental agreement.**

## BACKGROUND

Angela Lipanovich of Estriatus Law has been subleasing the office space located at 2222 East Cliff Drive, Suite 220, from O'Neill Sea Odyssey (OSO) since March 2014.

Effective June 1, 2022, under a new Amended and Restated Lease with OSO, the Port District assumed control of all second story suites, including Ms. Lipanovich's sublease which is set to expire on March 14, 2023.

Ms. Lipanovich wishes to execute a new month-to-month rental agreement with the Santa Cruz Port District commencing March 15, 2023. Effective April 1, 2023, the monthly rent proposed has been adjusted to reflect the 4.9% increase in the 2022 San Francisco-Oakland-Hayward Consumer Price Index (CPI).

## ANALYSIS

Terms of lease: Month-to-Month  
Tenant: Angela Lipanovich DBA Estriatus Law  
Space: 2222 East Cliff Drive, Suite 220 (337 SF)  
Rent: \$1,631.08 mo. (\$4.84/SF) – Adjusted annually by CPI  
Use: Office Space  
Insurance: \$1 million with Santa Cruz Port District named as additional insured

## IMPACT ON PORT DISTRICT RESOURCES

Approval of this lease will generate approximately \$19,572.96 per year in concession income.

ATTACHMENTS: A. Rental Agreement – 2222 East Cliff Drive, Suite 220

**SANTA CRUZ PORT DISTRICT  
RENTAL AGREEMENT**

THIS AGREEMENT is made and entered into as of the Agreement date in Section 1, by and between the SANTA CRUZ PORT DISTRICT COMMISSION, a political subdivision, 135 5th Avenue, Santa Cruz, California, 95062, hereafter referred to as "Landlord," and Tenant indicated in Section 1, hereafter referred to as "Tenant."

RECITALS:

A. Landlord is the owner of that certain real property described in Section 1 and located in the City and County of Santa Cruz, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Landlord desires to rent to Tenant and Tenant wishes to rent from Landlord the land and improvements as indicated in Exhibit A and described in Section 1 (the "Premises").

NOW, THEREFORE, in furtherance of the foregoing, and in consideration of the mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Rental of Premises. Landlord hereby rents the Premises to Tenant, and Tenant rents the Premises from Landlord, for the term, at the rental, and upon the other terms and conditions summarized in this Section and more fully described in subsequent sections:

Agreement Date:	March 15, 2023	Term:	Month to Month
Tenant:	Angela Lipanovich DBA Estriatus Law		
Property:	2222 East Cliff Drive, Suite 220		
Premises:	Office Space (approx. 337 SF)		

	<i>Fixed Minimum</i>	<i>Time Period</i>	<i>Percentage Rent</i>
Rent:	\$1,631.08	per month	N/A

Rent Payable:	Monthly	on:	the 1 <sup>st</sup>	starting:	April 1, 2023
Rent Adjusted:	annually	on:	April 1	based on:	SF Bay Area CPI
Deposit:	N/A	paid:	\$1,380.47		
Use:	Office Space				

Tenant Insurance Requirements:	<i>Casualty</i>	N/A	<i>Liability</i>	\$1 million
--------------------------------	-----------------	-----	------------------	-------------

Notice of Rent Adjustment:	30 days	Notice of Termination:	30 days
----------------------------	---------	------------------------	---------

	<i>Landlord</i>	<i>Tenant</i>
	Santa Cruz Port District	Estriatus Law
	Attn: Port Director	Attn: Angela Lipanovich
	135 5 <sup>th</sup> Avenue	2222 East Cliff Drive, Suite 220
	Santa Cruz, CA 95062	Santa Cruz, CA 95602



2. Term. The term of this agreement shall be month-to-month, commencing as of the date indicated in Section 1.

3. Notice of Termination. Landlord or Tenant may terminate this agreement with advance written notice to the other party. Such written notice must be given on the first day of the calendar month and shall be in advance of its effective date by the number of days indicated in Section 1.

4. Rent.

(a) Fixed Minimum Rent. As described in Section 1, Tenant shall pay to Landlord a fixed amount of rent ("Fixed Minimum Rent") which shall be subject to periodic adjustment as described in subparagraph 4(b).

(b) Adjustment of Fixed Minimum Rent. Landlord shall notify Tenant if rent is to be adjusted as indicated in Section 1. Any adjustment shall be effective as indicated in Section 1.

(c) Payment of Fixed Minimum Rent. Fixed Minimum Rent shall be payable as indicated in Section 1, in advance, without notice, offset, or abatement. All rent and other sums payable by Tenant hereunder shall be paid to Landlord in currency of the United States of America (or by personal check unless Landlord otherwise notifies Tenant) at Landlord's address set forth in Paragraph 23 hereof, or at such other place as Landlord may from time to time designate in writing.

(d) Deposit. Tenant shall also pay the amount indicated in Section 1, to be held as security deposit.

5. Use.

(a) Permitted Uses. Tenant shall use the Premises solely for the use indicated in Section 1 and for no other uses whatsoever. Tenant acknowledges that Landlord has made no warranties or representations to Tenant regarding the suitability of the Premises for Tenant's intended use, and Tenant waives all claims against Landlord regarding the suitability of the Premises for Tenant's intended uses. Landlord reserves the right to fix and determine rates charged (per Section 72 H&N).

(b) Roof. Tenant shall have no right to use any portion of the roof of the Building for any purpose.

(c) Continuous Use. Tenant shall continuously and uninterruptedly during the Agreement term, occupy and use the Premises for the purposes permitted under this Agreement.

(d) Hazardous Materials. No goods, merchandise, or materials shall be kept, stored, or sold in such a manner as to create any unusual hazard on the Premises; and no offensive or dangerous trade, business, or occupation shall be conducted thereon, and nothing shall be done on the Premises which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon the Premises or upon adjacent properties or improvements thereon.

No machinery or apparatus shall be used or operated on the Premises, which will in any way injure the Premises, or adjacent properties or improvements thereon.

Tenant shall indemnify Landlord from any damages suffered by Landlord, including, without limitation, cleanup costs, as a result of the generation, use, storage, transport, or release of hazardous materials by Tenant in, on, or about the Premises or the Property. For the purpose of this Agreement, the term "hazardous materials" shall mean (A) those substances listed in Title 22 section 66680 of the California Administrative Code, (B) substances within the criteria set forth in Title 22 sections 66693 through 66723 of the California Administrative Code, (C) substances which, at any time during the term hereof, are added to the list described in paragraph (A) above or which are within any future criteria described in subparagraph (B) above, (D) petroleum and all byproducts and distillates thereof, and (E) asbestos. Prior to bringing or allowing any hazardous materials to be brought onto the Premise or Property, Tenant shall notify Landlord as to the identity of said materials and the safeguards to be used in connection therewith. Landlord shall be entitled, in its sole discretion, to refuse to allow hazardous materials to be brought onto the Premises or Property. Landlord's consent to the introduction of any hazardous material onto the Property (i) shall not release Tenant from its duty to indemnify Landlord for any damages resulting from such materials, (ii) shall not be deemed to waive Landlord's right to disapprove of any subsequent introductions of hazardous materials onto the Property whether of the same or of a different nature than the material to which Landlord consented, and (iii) may be revoked at any time, in Landlord's sole discretion, whereupon Tenant shall remove such materials from the Property within five (5) days of receipt of Landlord's demand for removal. In all events, if any hazardous materials become located upon the Property for any reason other than as consented to by Landlord in accordance with the foregoing procedure; Tenant shall immediately notify Landlord as to the same.

(e) Effect on Navigable Waters. Under federal law, no construction, installation, dredging, filling, or other activity, which would have an effect on navigation, may be conducted in or adjoining navigable waters without a permit therefore first being issued by the Secretary of the Army. The Port Director determines whether any proposed facility of Tenant may be construed to have an effect on navigation. In the event the Port Director so determines, Tenant shall prepare at its expense a permit application for submittal by Landlord in Landlord's name to the Corps of Engineers, United States Army. The permit application shall be prepared in strict conformity with regulations published by the United States Army.

(f) Non-permitted Uses. Tenant shall not permit the Premises to be used for any purpose not described in Paragraph 5(a) or for any unlawful purpose; and Tenant shall not perform, permit, or suffer any act of omission or commission upon or about the Premises which would result in a nuisance or a violation of the laws and ordinances of the United States, State of California, or City of Santa Cruz, as the same may be now or hereafter in force and effect. Without limiting the generality of the foregoing, Tenant specifically agrees not to cause or permit generation of unreasonable levels of noise from other sources, which might disturb liveaboard slip licensees, or residential neighbors of the Port District from 9:00 pm until 6:00 am each day during the lease term. Tenant further specifically agrees to prevent emission from the Premises into the air of any smoke or other noxious substances, or any odors reasonably deemed offensive to personnel of Landlord, liveaboard slip licensees or residential neighbors of the Port District.

(g) Compliance with Laws. Tenant shall abide by all applicable rules, codes, regulations, resolutions, ordinances and statutes of Landlord, the City of Santa Cruz, County of Santa Cruz, California Coastal Commission, State of California, or other governmental body where applicable, respecting the use, operation, maintenance, repair or improvement of the Premises and equipment therein, and shall pay for any and all licenses or permits required in connection with the use, operation, maintenance, repair, or improvement of the Premises.

6. Ownership of Improvements. All structures, buildings, improvements, additions, and fixtures now existing or hereafter constructed, erected, or installed in or upon the Premises, and all alterations and additions thereto, shall be deemed a part of the Premises and title thereto shall be deemed vested in and remain in Landlord during the agreement term, and upon expiration or sooner termination of the agreement term shall remain upon and be surrendered with the Premises as part thereof.

7. Construction of Improvements.

(a) No Landlord Improvements. Landlord shall not be obligated to install or construct any improvements, additions, or alterations (collectively called "improvements") on the Premises during the agreement term.

(b) Tenant Improvements. Tenant may, at Tenant's expense, construct certain new additions and improvements to the Premises required in connection with the conduct of Tenant's business; provided, (a) that Tenant shall obtain, at Tenant's expense, all necessary plans and specifications for the construction of said additions and improvements, (2) that Tenant's plans and specifications shall be subject to review and prior written approval by Landlord, and (3) that Tenant shall be responsible for obtaining, at Tenant's expense, all necessary governmental permits and approvals for construction of any new additions or improvements to the Premises.

(c) Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Tenant shall indemnify and hold Landlord harmless against liability, loss, damage, cost, and all other expenses (including but without limitation, attorneys' fees) arising out of claims of lien for work performed or materials or supplies furnished at the request of Tenant or persons claiming under Tenant.

8. Taxes and Assessments.

(a) Payable by Tenant. Tenant shall pay directly to the taxing authority during each year or partial year during the term hereof, all real and personal property taxes, general and special assessments, use and possessory taxes, environmental protection charges, and other charges of every kind or description whatsoever, foreseen or unforeseen, levied on or assessed against the Premises, improvements or personal property therein, the leasehold estate or any personal property therein, the leasehold estate or any subleasehold estate permitted by Landlord. Tenant shall pay each installment of such taxes and assessments prior to the date such installment becomes delinquent. The taxes and assessments to be paid by Tenant hereunder shall be prorated at the end of the agreement term, in order that Tenant will pay only the proportionate part of said taxes and assessments attributable to the period of the agreement term, based on the ratio of the unit's square feet to the building's total square feet.

(b) Substitute Taxes. If at any time during the agreement, under the laws of the United States of America, the State of California, or any political subdivision thereof in which the Premises are located, a tax on rent or other charge by whatever name called, is levied, assessed, or imposed against Landlord, or against the rent payable hereunder to Landlord, as a substitute in whole or in part for any of the taxes described in Paragraph 8(a), Tenant, to the extent such substitute tax or other charge relieves Tenant from the payment of taxes provided for herein, shall pay such tax or other charge in the manner provided in this Paragraph 8.

9. Insurance.

(a) Casualty Insurance. If indicated in Section 1, Landlord shall, at Tenant's expense, procure and maintain in full force and effect at all times during the term of this agreement, fire, and extended coverage insurance satisfactory to Landlord covering the Premises and all improvements therein in an amount not less than ninety percent (90%) of the actual replacement cost thereof. The insurance provided for in this Paragraph 9(a) shall, in Landlord's sole discretion, provide protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (all risk), including earthquake, and loss of rents covering Fixed Minimum Rent for a period of up to twelve (12) months, and shall contain an inflation endorsement. Insurance proceeds thereunder shall be payable to Landlord. Landlord shall have no obligation to insure against loss by Tenant to Tenant's leasehold improvements, fixtures, furniture, or other personal property in or about the Premises occurring from any cause whatsoever and Tenant shall have no interest in the proceeds of any insurance carried by Landlord. Landlord shall be entitled to carry any such insurance in the form of a blanket policy covering property in addition to the Premises. Tenant shall reimburse Landlord upon demand for its share of the cost to Landlord of any insurance policy or policies, which Landlord may carry on the Premises in accordance with this paragraph. Such costs shall include both premiums and deductibles. Tenant's share of the cost of such insurance shall be a prorated share based upon the portion of the building square footage contained within the Premises, or if in Landlord's reasonable judgment the foregoing square footage based apportionment does not fairly apportion the insurance costs related to the building, Landlord may adjust such insurance costs as appropriate to reflect any disparity in risk level or other factors which may affect the relative cost of insurance between and among all tenants of the building; as to any blanket policy of insurance covering properties other than the building, the portion of insurance costs allocable to the building shall be as equitably determined by Landlord. The premiums for such insurance of Landlord shall be prorated as of the expiration of the agreement term so that Tenant pays only for insurance coverage attributable to the agreement term.

(b) Liability Insurance. Tenant, at Tenant's sole expense, shall provide and keep in force at all times during the term of this agreement for the benefit of Landlord and Tenant general liability insurance policies with an insurance company reasonably satisfactory to Landlord, protecting Landlord and Tenant against any and all liability occasioned by any occurrence in, on, about, or related to the Premises in an amount not less than the amount indicated in Section 1, single combined limit for personal injury and property damage. Tenant shall cause Landlord to be named as an additional insured under such policy.

(c) Workers' Compensation Insurance. Tenant shall procure, at its own expense, and shall keep in force during the agreement term, adequate insurance against liability arising on account of injuries or death to workers or employees on the Premises. Such workers' compensation insurance shall be in amounts at least equal to the maximum liability of Tenant, its agents, and contractors under the Workers' Compensation Insurance and Safety Act of the State of California or other applicable laws.

(d) Other Insurance. Tenant shall procure, at its sole cost and expense, and shall keep in force, such other insurance in amounts from time to time reasonably required by Landlord against other insurable risks if at the time they are commonly insured against for business operations similar to that of Tenant.

(e) Written Notice of Cancellation or Reduction. Each policy of insurance, which Tenant is required to procure and maintain in effect, shall contain the following clause:

*"It is agreed that this policy shall not be cancelled nor the coverage reduced until thirty (30) days after the Port Director of Santa Cruz Port District shall have received written notice of such cancellation or reduction. The notice shall be sent by certified or registered mail and shall be deemed effective the date delivered to said Port Director, as evidenced by properly validated return receipt."*

(f) Waiver of Subrogation. Tenant and Landlord each hereby waives any and all rights of recovery against the other, and against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage to the extent of the insurance proceeds actually paid in connection therewith. Tenant and Landlord shall, upon obtaining any of the policies of insurance required or desired hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of rights of recovery is contained in this agreement, and shall each use their best efforts to cause the insurer for each such policy to waive in writing any rights of subrogation it may have against the other party.

(g) Submittal of Policies. Tenant agrees to deposit with Landlord, at or before the times at which the insurance policies necessary to satisfy the insurance provisions of this agreement are required to be in effect, a copy of each such policy or policies required hereunder and to keep such insurance in effect and the policy or policies therefore on deposit with Landlord during the entire term of this agreement.

(h) Review of Coverage. Landlord shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of Landlord, the insurance provisions in this agreement do not provide adequate protection for Landlord and for members of the public using the Premises, Landlord may require Tenant to obtain (or may obtain at Tenant's expense) insurance sufficient in coverage, form and amount to provide adequate protection. Landlord's requirements shall be reasonable but shall be designed to assure protection from and against the kind and extent of the risks, which exist at the time a change in insurance is required.

Landlord shall give Tenant written notice of changes in the insurance requirement and Tenant shall deposit copies of acceptable insurance policies with Landlord incorporating such changes within sixty (60) days following receipt of such notice.

The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this agreement. Notwithstanding said policy or policies or insurance, Tenant shall be obligated for the full and total amount of any damage, injury, or loss caused by Tenant's negligence or neglect connected with this agreement or with use or occupancy of the Premises.

(i) Landlord's Remedies. In case of failure on the part of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, Landlord may at its discretion, and in addition to any other remedies it may have upon failure of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, procure or renew such insurance and pay any and all premiums therefore and all monies so paid by Landlord shall be repaid by Tenant to Landlord upon demand.

10. Indemnification.

(a) Tenant's Hold Harmless. Tenant hereby indemnifies Landlord against and holds Landlord harmless from any and all claims, damage, cost, liability, or expense, including but not limited to attorneys' fees and costs of suit, resulting from or arising out of Tenant's use of the Premises, Tenant's default in the performance of any obligation of Tenant under this agreement, any act or failure to act of Tenant or any employees, agents, contractors, customers, or other invitees of Tenant occurring in or about the Premises, or construction of any improvements by Tenant in the Premises. Such indemnification specifically includes without limitation any damage to property or injury or death to any person arising from the use of the Premises by Tenant or from the failure of Tenant to keep the Premises in good condition, order, and repair. Tenant expressly agrees to exercise due care in the handling of fuel or any other flammable materials in, on, or around the Premises. Tenant shall maintain on the Premises adequate firefighting equipment, which shall remain under the use, control, maintenance, and repair of Tenant.

(b) Tenant's Waiver of Claims. Tenant hereby waives all claims against Landlord for damage to any property, goods, wares, or merchandise of Tenant stored in, upon, or about the Premises, and for injury to persons in, upon, or about the Premises from any cause whatsoever arising at any time, except as may be caused by the active negligence or willful misconduct of Landlord. Landlord shall not be liable to Tenant for any damage caused by any act or negligence of any person, other than Landlord's personnel, in, upon, or about the Premises, whether a customer of Tenant or otherwise. Tenant expressly waives any claims against Landlord for damage to Tenant's business on the Premises or loss of goodwill or any other damage to Tenant arising from complete or partial closure of the Santa Cruz Harbor at any time and from time to time, whether such closure shall result from inclement weather, excess deposits of sand in the harbor, or any other reason whatsoever. Landlord shall have no obligation or responsibility to dredge the entrance channel of the Santa Cruz Harbor.

11. Maintenance and Repairs.

(a) Tenant's Obligations. Subject to Paragraph 15 below relating to damage and destruction, and subject to Landlord's maintenance responsibilities set forth in Paragraph 11(c) below, through the term of this agreement Tenant shall, at Tenant's sole cost and expense, maintain the Premises and every part thereof, and all fixtures, machinery and equipment located in or on the Premises and utilized in the conduct of Tenant's business in first class condition, order and repair, and in accordance with all applicable laws, rules, ordinances, orders and regulations of (1) municipal, county, state, federal, and other governmental agencies and bodies having or claiming jurisdiction of the Premises and all their respective departments, bureaus, and officials; and (2) all insurance companies insuring all or any part of the Premises or improves or both. For purposes of this paragraph, the obligation to repair includes the obligation to replace as and when reasonably necessary. Tenant hereby waives such rights as it may have under California Civil Code Sections 1941 and 1942 and any similar or successor laws that permit a tenant to perform repairs and offset the cost thereof against rent.

(b) Outside Areas. Tenant acknowledges that the cleanliness and neat and attractive appearance of the interior and exterior of the Building and all other areas of the Premises are a material concern of Landlord. Accordingly, Tenant shall continuously exercise diligence throughout the agreement term in keeping the Premises and the Outside Area in a neat, clean, sanitary, and attractive condition. Tenant shall arrange for regular and prompt disposal of garbage generated by Tenant's operations on the Premises, and shall not permit garbage or refuse to accumulate in or around the Premises. Tenant shall not cause or permit offensive odors to emanate from the Premises.

(c) Landlord's Obligations. Notwithstanding anything to the contrary contained in this Paragraph 11, and subject to the provisions of Paragraph 15 below relating to damage and destruction, Landlord shall maintain in good condition, order and repair the parking area upon the Property, the heating, ventilation and air conditioning equipment, if any, servicing the Premises, and the structural portions of the Building, including the roof, walls and foundation of the Building, except to the extent any such maintenance is necessitated by damages due to the negligence or greater culpability of Tenant, its agents, employees or invitees. Landlord shall have no obligation to maintain or repair under this Paragraph 11(c) until a reasonable period of time after receipt by Landlord of notice from Tenant of the need therefore, specifying the nature of the maintenance or repair needed.

12. Utilities. Tenant shall pay promptly as the same become due and payable its pro rata share of all bills and costs for water, gas, electricity, refuse pickup, sewer service charges, and any other utilities or services supplied to the Premises as indicated in Section 1. Tenant shall pay its pro rata share of utilities within five (5) days of receiving notice from Landlord as to the amount thereof. The parties hereby agree that Tenant's pro rata share of said utility costs shall be reasonably calculated by Landlord and conveyed to Tenant. In no event shall Landlord be liable to Tenant for any interruption or failure of any utility services to the Premises.

13. Assignment and Subletting.

(a) Landlord's Consent Required. Tenant shall not assign, sublease, mortgage, pledge, hypothecate, encumber, or transfer the Premises or any part thereof, or this agreement or any rights or obligations hereunder without Landlord's written consent.

(b) Incorporation of Terms. Should Landlord consent to any Transfer such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this agreement. Such terms, covenants, or conditions shall apply to each and every transfer hereunder and shall be severally binding upon each and every encumbrancer, assignee, transferee, subtenant, or other successor in interest of tenant. Any document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall incorporate directly or by reference all the provisions of this agreement.

14. Damage or Destruction.

(a) Partial Damage-Insured. Subject to the provisions of Paragraphs 15(c) and 15(d), if the Premises or any improvements therein are damaged, such damage involves damage to the building to the extent of less than eighty percent (80%) of the then replacement value thereof (excluding excavations and foundations of the building), such damage was caused by an act or casualty covered under an insurance policy provided for in Paragraph 9, and the proceeds of such insurance received by Landlord are sufficient to repair the damage, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible and this agreement shall continue in full force and effect.

(b) Partial Damage-Uninsured. Subject to the provisions of Paragraphs 15(c) and 15(d), if at any time during the term hereof the Premises or any improvements are damaged, such damage involves damage to the Building to the extent of less than eighty percent (80%) of the then replacement value thereof (excluding excavations and foundations of the building), and the insurance proceeds received by Landlord are not sufficient to repair such damage, or such damage was caused by an act or casualty not covered under an insurance policy, Landlord may at Landlord's option either (a) repair such damage as soon as reasonably possible at Landlord's expense, in which event this continue in full

force and effect, or (b) give written notice to Tenant within thirty (30) days after the date of the occurrence of such damage of Landlord's intention to cancel and terminate this agreement as of the date of the occurrence of such damage.

(c) Total Destruction. If at any time during the term hereof either the Premises or the improvements contained therein are damaged from any cause, whether or not covered by the insurance provided for in Paragraph 9, and such damage involves damage to the Building to the extent of eighty percent (80%) or more of the replacement value thereof (excluding excavations and foundations of the Building), including any total destruction required by any authorized public authority, this Lease shall at the option of Landlord terminate as of the date of such total destruction. Landlord shall exercise its right to terminate this agreement by delivery of notice to Tenant within thirty (30) days after the date that Tenant notifies Landlord of the occurrence of such damage. In the event Landlord does not elect to terminate this agreement, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible, and this Lease shall continue in full force and effect.

(d) Damage Near End of Term. If the Premises or the improvements therein are destroyed or damaged in whole or part during the last six (6) months of the term of this agreement, Landlord may at Landlord's option cancel and terminate this agreement as of the date of occurrence of such damage by giving written notice to Tenant of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage.

(e) Abatement of Rent. Notwithstanding anything to the contrary contained elsewhere in this Lease, if the Premises are partially damaged and Landlord repairs or restores them pursuant to the provisions of this agreement Paragraph 14, the Fixed Minimum Rent payable hereunder for the period commencing on the occurrence of such damage and ending upon completion of such repair or restoration shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired during the period of repair; provided that, nothing herein shall be construed to preclude Landlord from being entitled to collect the full amount of any rental loss insurance proceeds if such rental loss insurance is then carried with respect to the Premises. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair, or restoration.

(f) Waiver. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4), and any similar or successor statutes relating to termination of agreement when the agreement term is substantially or entirely destroyed, and agrees that such event shall be governed by the terms of this agreement.

(g) Tenant's Property. Landlord's obligation to rebuild or restore shall not include restoration of Tenant's equipment, merchandise, or any improvements, alterations or additions made by Tenant to the Premises.

(h) Notice of Damage. Tenant shall notify Landlord within five (5) days after the occurrence thereof of any damage to all or any portion of the Premises. In no event shall Landlord have any obligation to repair or restore the Premises pursuant to this Paragraph 14 until a reasonable period of time after Landlord's receipt of notice from Tenant of the nature and scope of any damage to the Premises, and a reasonable period of time to collect insurance proceeds arising from such damage (unless such damage is clearly not covered by insurance then in effect covering the Premises).



(i) Replacement Cost. The determination in good faith by Landlord of the estimated cost of repair of any damage, or of the replacement cost, shall be conclusive for purposes of this Paragraph 14.

15. Eminent Domain.

(a) Termination. In the event the whole or any part of the Premises is condemned in the lawful exercise of the power of eminent domain by any public entity, then this agreement shall terminate as to the part condemned on the date possession of that part is taken.

(b) Partial Taking Renders Economically Unfeasible. If only a part of the Premises is condemned, but such taking makes it economically unfeasible for Tenant to use the remainder of the Premises for the purposes contemplated by this agreement, then Tenant may, at its option, terminate this agreement as of the date possession of the condemned part is taken by giving written notice to Landlord of its intention within thirty (30) days following the date said possession is taken.

(c) Partial Taking with Business Continued. If only part of the Premises is condemned and this agreement terminated as set forth above, then this Lease shall, as to the condemned portion of the Premises, terminate as of the date possession of such portion is taken. The Fixed Minimum Rent shall thereupon be reduced in the same proportion that the area of the Premises taken bears to the initial total area of the Premises. Fixed Minimum Rent, as so reduced, shall continue to be subject to adjustment in accordance with Paragraph 4 hereof.

(d) Repairs. Tenant shall, at its sole cost and expense and in a prompt and expeditious manner, make all necessary repairs or alterations to the remainder of the Premises so as to make them reasonably suitable for Tenant's continued occupancy for those uses and purposes contemplated by this agreement.

(e) Compensation. All compensation awarded or paid upon the total or partial taking of the fee title to the Premises or part of the Premises, or for the taking of all or any portion of the Premises, shall belong to Landlord. The Building and other improvements made by Landlord on the Premises at Landlord's expense shall belong to Landlord. Landlord shall not be entitled to any compensation paid to Tenant for costs incurred by Tenant in removing its furniture, equipment, and trade fixtures from the condemned Premises.

16. Tenant Default. Tenant shall be deemed in default under this agreement upon occurrence of any of the following:

(a) Tenant Default

(1) Tenant fails to pay a monetary sum when due under this Lease (provided that Tenant shall not be deemed in default if Tenant pays such sum within ten (10) days after notice from Landlord that such sum is overdue; and provided further that, Tenant shall not be entitled to any such ten (10) day grace period or notice and shall be deemed in default immediately upon failure to so pay when due if Landlord has already delivered two notices of overdue payments within the immediately preceding twelve (12) month period;

(2) Tenant fails to perform any of its other obligations under this agreement provided that, if such failure is of the nature that it may be cured, Tenant shall not be deemed in default if Tenant cures such failure within twenty (20) days after notice from Landlord of such failure;

(3) Tenant's interest in the Premises or the Lease, or any part thereof, is assigned or transferred, either voluntarily or by operation of law (except as expressly permitted by other provisions of this agreement), including, without limitation, the filing of an action by or against Tenant, or by any member of Tenant if Tenant is a partnership or joint venture, under any insolvency or bankruptcy laws, or if Tenant makes a general assignment for the benefit of its creditors, or;

(4) Tenant vacates, abandons, or surrenders the Premises during the agreement term. In the event of a default by Tenant under this agreement, Landlord may pursue such remedies as it may have for such default under law or in equity, including but not limited to the remedies set forth below.

(b) Repossession. Landlord may repossess the Premises and remove all persons and property therefrom. If Landlord repossesses the Premises because of a breach of this Lease, this agreement shall terminate and Landlord may recover from Tenant:

(1) the worth at the time of award of the unpaid rent, which had been earned at the time of termination including interest at ten percent (10%) per annum;

(2) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided including interest at ten percent (10%) per annum;

(3) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, computed by discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%); and

(4) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this agreement or which in the ordinary course of things would be likely to result therefrom.

(c) No repossession. If Landlord does not repossess the Premises, then this agreement shall continue in effect for so long as Landlord does not terminate Tenant's right to possession and Landlord may enforce all of its rights and remedies under this agreement, including the right to recover the rent and other sums due from Tenant hereunder. For the purposes of this Paragraph 16, the following do not constitute a termination of Tenant's right to possession:

(1) Acts of maintenance or preservation by Landlord or efforts by landlord to relent the Premises; or

(2) The appointment of a receiver by landlord to protect Landlord's interest under this agreement.

17. Attorneys' Fees. If any action at law or in equity shall be brought to recover any rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants, agreements, or conditions of this agreement or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as a part of the

prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgement rendered. "Prevailing party" within the meaning of this paragraph shall include, without limitation, a party who brings an action against the other party after the other party's breach or default, if such action is settled or dismissed upon the payment by the other party of the sums allegedly due or performance of the covenants allegedly breached or the plaintiff obtains substantially the relief sought by it in the action.

18. Removal of Property. Tenant hereby irrevocably appoints Landlord as agent and attorney in fact of Tenant to enter upon the Premises in the event of a default by Tenant in the payment of any rent herein reserved, or in the performance of any term, covenant, or condition herein contained to be kept or performed by Tenant, and to remove any and all furniture and personal property whatsoever situated upon the Premises, and to place such property in storage for the account of and at the expense of Tenant. In the event that Tenant shall not pay the cost of storing any such property after the property has been stored for a period of ninety (90) days or more, Landlord may sell any or all of such property, at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant or any demand upon Tenant for the payment of any part of such charge or the removal of any such property and shall apply the proceeds of such sale first to the costs and expenses of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

19. Subordination.

(a) Subordination of Lease. This agreement at Landlord's option shall be subordinate to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon all or any portion of the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent, observe, and perform all of the provisions of this agreement unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee or trustee shall elect to have this agreement prior to the lien of its mortgage or deed of trust, and shall give written notice thereof to Tenant, this agreement shall be deemed prior to such mortgage or deed of trust, whether this agreement is dated prior or subsequent to the date of said mortgage or deed of trust or the date of recording thereof.

(b) Execution of Documents. Tenant agrees to execute any documents required to effectuate such subordination or to make this agreement prior to the lien of any mortgage or deed of trust, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney in fact and in Tenant's name, place and stead, to do so.

20. Landlord's Right to Reenter.

(a) Peaceable Surrender. Tenant agrees to yield and peaceably deliver possession of the Premises to Landlord on the date of termination of this agreement regardless of the reason for such termination. Upon giving written notice of termination to Tenant, Landlord shall have the right to reenter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the agreement and reentry of any Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the Lease terms and shall not constitute an acceptance or surrender.

(b) Waiver of Redemption and Stipulated Damages. Tenant waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Premises for any reason or in the event, Landlord reenters and takes possession of the Premises in a lawful manner.

21. Notices. All notices, statements, demands, requests, approvals or consents given hereunder by either party to the other party shall be in writing and shall be sufficiently given and served upon the other party if served personally or if sent by first class mail of the United States Postal Service, certified, return receipt requested, postage prepaid, and addressed to the parties as indicated in Section 1, or to such other address as any party may have furnished to the others as a place for the service of notice. Notices sent by mail shall be deemed served on the date actually received, as indicated on the return receipt.

23. No Commission. Landlord and Tenant each agree that Landlord and Tenant, respectively, have not had any dealings with any realtor, broker, or agent in connection with the execution of this agreement. Tenant shall pay the commission or compensation payable to any agent or broker employed by Tenant in connection with the execution of this agreement.

24. Waiver. The waiver by Landlord or Tenant of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this agreement, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Landlord's acceptance of partial payments of rent or any other sum due hereunder shall not be deemed a waiver of its right to recover the full amount of such payment and shall not be deemed an accord and satisfaction whether or not the amount due is disputed by the parties.

25. Holding Over. Any holding over after the expiration of the term with the consent of Landlord shall be construed to be a tenancy from month to month on the same terms and conditions specified herein so far as applicable.

26. Parking. Tenant acknowledges that all parking areas and all other common areas within the Santa Cruz Small Craft Harbor shall remain under the operation and control of Landlord. The manner in which such areas and facilities are operated and maintained shall be at the sole discretion of Landlord, and the use of such areas and facilities shall be subject to such rules and regulations as Landlord shall make from time to time. Landlord shall have the right to regulate access and parking and to install parking meters in such parking areas.

27. Non-Discrimination. Tenant agrees in the conduct of Tenant's business not to discriminate against any person or class of persons by reason of sex, race, creed, national origin, age, or physical condition. Tenant shall make its accommodations and services available to all persons on equal and reasonable terms.

28. Entry by Landlord. Landlord and its agents shall be entitled to enter into and upon the Premises at all reasonable times, upon reasonable notice (except in the case of an emergency, in which event no notice shall be required), for purposes of inspecting or making repairs, alterations or additions to all or any portion thereof, or any other part of the Building, including the erection and

maintenance of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, and during the one hundred eighty (180) day period prior to the expiration of this agreement to place upon the Premises any usual or ordinary "for rent" signs and exhibit the Premises to prospective tenants at reasonable hours, all without any abatement of rent and without liability to Tenant for any injury or inconvenience to or interference with Tenant's business, quiet enjoyment of the Premises, or any other loss occasioned thereby.

29. General.

(a) Entire Agreement. This agreement contains all of the terms, covenants, and conditions agreed to by Landlord and Tenant and it may not be modified orally or in any manner other than by an agreement in writing signed by all of the parties to this agreement or their respective successors in interest.

(b) Covenants and Conditions. Each term and each provision of this agreement performable by Tenant shall be construed to be both a covenant and a condition, all of which conditions shall be for the sole benefit of Landlord.

(c) Binding on Successors. The covenants and conditions hereof, subject to the provisions as to subletting and assignment, shall apply to and bind the heirs, successors, executors, administrators, sublessees, and assigns to the parties.

(d) Joint and Several Liability. All persons who have signed this agreement shall be jointly and severally liable hereunder.

(e) Gender. When the context of this agreement requires, the masculine gender includes the feminine, a corporation, or a partnership, and the singular number includes the plural.

(f) Captions. The captions of the numbered and lettered paragraphs of this agreement are for convenience only and are not a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.

(g) Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California.

(h) Time of Essence. Time is of the essence as to all of the provisions of this agreement.

(i) Partial Invalidity. If any term, covenant, condition, or provision of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(j) Relationship. Tenant shall not be an agent of Landlord for any purpose, and nothing in this agreement shall be deemed to create a partnership relationship between Tenant and Landlord.

(k) No Recordation. Tenant shall not record either this Agreement or a short form memorandum of this agreement.

(l) Calendar Days. All references herein to "days" shall mean calendar days unless otherwise stated.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

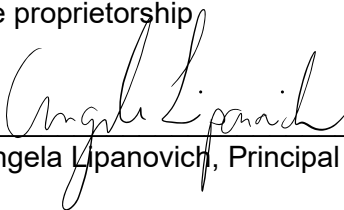
"LANDLORD"

SANTA CRUZ PORT DISTRICT  
COMMISSION,  
a political subdivision

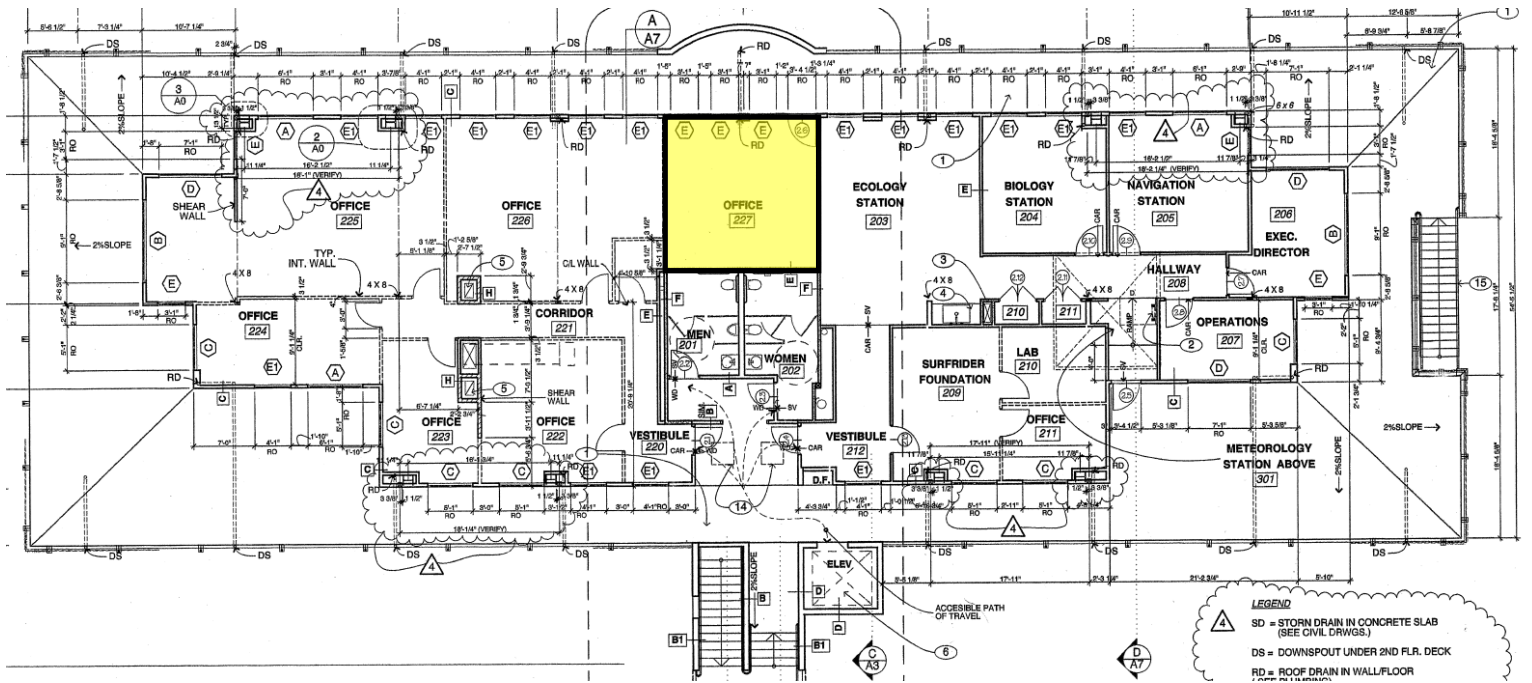
By \_\_\_\_\_  
Holland MacLaurie, Port Director

"TENANT"

ESTRIATUS LAW,  
a sole proprietorship

By  \_\_\_\_\_  
Angela Lipanovich, Principal

**PREMISE MAP**  
 Estriatus Law  
 2222 East Cliff Drive, Suite 220





TO: Port Commission  
FROM: Renee Ghisletta, Administrative Assistant  
DATE: February 17, 2023  
SUBJECT: Approval of Assignment and Assumption of Sublease – 365B Lake Avenue  
(Subtenant: Boxine USA, Inc.)

**Recommendation:** *Approve the assignment and assumption of sublease for 365B Lake Avenue from Nexus Wealth Advisors, LLC to Beacon Pointe Advisors LLC.*

## BACKGROUND

At its regular public session on January 24, 2023, the Port Commission approved the assignment of lease for 365B Lake Avenue from Nexus Wealth Advisors, LLC (“Nexus”) to Beacon Pointe Advisors, LLC (“Beacon”).

Beacon now wishes to execute the attached Assignment and Assumption of Sublease (Attachment A) to formalize the transfer of the existing sublease agreement between Boxine and Nexus to Beacon.

## ANALYSIS

The terms of the sublease agreement remain unchanged and are below:

Subtenant:	Boxine USA, Inc.
Term:	Month-to-Month
Rent:	\$2,709.20 / month
Area:	365 B Lake Avenue, Northeast Office & South Office
Use:	Office Space
Insurance:	\$1 million, with Santa Cruz Port District named as additional insured

## IMPACT ON PORT DISTRICT RESOURCES

The master lease agreement for Beacon states that if the tenant (Beacon) subleases any portion of the premises for any amount in excess of base rent, the Port District is entitled to collect no less than 50% of the amount in excess of the base rent. There is no impact on Port District resources associated with the sublease.

ATTACHMENTS: A. Assignment and Assumption of Sublease



**ASSIGNMENT AND ASSUMPTION OF SUBLEASE**

THIS ASSIGNMENT AND ASSUMPTION OF SUBLEASE is made as of this 15th day of February 2023, by and between **NEXUS WEALTH ADVISORS LLC**, a California limited liability company (“**Assignor**”) and **BEACON POINTE ADVISORS, LLC**, a California limited liability company (“**Assignee**”). The effective date (“**Effective Date**”) of this Assignment and Assumption of Sublease shall be the date that such is approved by the Santa Cruz Port District Commission, as “**Master Landlord**” pursuant to the Lease (the “**Master Lease**”) between Landlord and Assignor dated December 1, 2016 and assigned by Assignor to Assignee on January 1, 2023 for the premises located at 365B Lake Avenue, Santa Cruz (the “**Premises**”).

W I T N E S S E T H:

For good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby sells, transfers, assigns and conveys to Assignee as of the Effective Date all of Assignor’s right, title and interest, in, to and under that certain Sublease Agreement between Assignor and Boxine USA, Inc. (“**Sublessee**”) dated August 1, 2021 for the area within the Premises generally described as the “South Office and Adjacent Reception Area” and the “Northeast Office” ( the “**Sublease**”), and all prepaid rents and security and other deposits held under the Sublease, but subject to all terms, conditions, reservations and limitations set forth in the Sublease.

2. Assignor represents and warrants that Assignor (i) has the right, power and authority to sell and assign the Sublease to Assignee free and clear of any security or other interests of any other party; and (ii) has no knowledge of any uncured defaults on its part under the Sublease. Assignor for itself, and its successors and assigns, does hereby warrant and shall defend title to the Sublease unto Assignee, against the lawful claim of all persons claiming by through or under Assignor.

3. Assignee hereby accepts the assignment of the Sublease and agrees to assume and discharge, in accordance with the terms thereof, all of the rights and obligations of the Sublease arising and accruing from and after the Effective Date.

4. Assignee agrees to indemnify and hold harmless Assignor from any cost, liability, damage or expense (including attorneys’ fees) arising out of or relating to Assignee’s failure to perform any of the foregoing obligations arising from and accruing on or after the Effective Date.

5. Assignor agrees to indemnify and hold harmless Assignee from any cost, liability, damage or expense (including attorneys’ fees) arising out of the Sublease or relating to Assignor’s failure to perform any of the obligations of Assignor under the Sublease to the extent accruing prior to the Effective Date.

6. This Assignment and Assumption of Sublease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

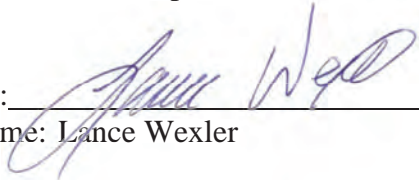
7. Notwithstanding anything to the contrary, neither this Assignment and Assumption of Sublease nor Master Landlord's Consent attached hereto shall release or discharge Assignor or Assignee from any covenants, duties, agreements or liabilities under the Master Lease as set forth therein.

*[Signatures on following page(s)]*

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Sublease as of the date first above written.

**ASSIGNOR:**

**NEXUS WEALTH ADVISORS, LLC**  
a California corporation

By:  \_\_\_\_\_  
Name: Lance Wexler

**ASSIGNEE:**

**BEACON POINTE ADVISORS, LLC**  
a California limited liability company

By:  \_\_\_\_\_ February 15, 2023 | 11:19:54 AM  
Name: Matthew B. Cooper

**MASTER LANDLORD CONSENT**

The undersigned, as Master Landlord under the Master Lease identified in the foregoing Assignment and Assumption of Sublease, in consideration of Assignee agreeing to assume, be bound by and keep, perform and fulfill all of the terms, covenants, conditions, and obligations of the Tenant required to be kept and performed under the Master Lease, including but without limitation, timely making all payments due and or to become due or payable on behalf of the Tenant under the Master Lease, and in further consideration of Assignor agreeing to remain fully and primarily liable and responsible for the full performance and observance of all of the provisions, covenants and conditions set forth in the Master Lease on the part of Tenant to be performed and observed, hereby consents to the assignment of the Master Lease from Assignor to Assignee and contemplated by this Assignment and Assumption of Sublease effective as of the date written below.

**SANTA CRUZ PORT DISTRICT**

By: \_\_\_\_\_  
Holland MacLaurie, Port Director

Effective Date : \_\_\_\_\_



TO: Port Commission  
FROM: Blake Anderson, Harbormaster  
DATE: February 13, 2023  
SUBJECT: Consideration of 6-Pak Charter Permit Application – Big Anchovy Sportfishing

**Recommendation:** *Consider approval of a launch ramp based 6-pak charter permit application for Erik Andreassen, Big Anchovy Sportfishing.*

## BACKGROUND

Erik Andreassen owns a 16' Aluminum Stabicraft, which he is requesting to operate as part of a proposed trailer-based charter business, Big Anchovy Sportfishing.

Mr. Andreassen has his Merchant Mariner's Credential (Captain's License, 100 Ton) and all necessary Coast Guard certifications for the vessel.

## ANALYSIS

There is currently one approved charter operating out of the launch ramp, Barbarosa Fishing, which was approved in April 2022.

Staff estimates that parking impacts will be minimal, as customers will arrive in one or two cars and visitor parking in the southeast harbor is generally readily available during the early morning hours when charter customers typically load. Most charters conclude by early afternoon, which would presumably open parking for other southeast visitors during the afternoon hours.

If this request is approved, it would not grant Mr. Andreassen any rights to operate his charter from visitor berthing or subleased spaces.

Mr. Andreassen stated that he will retain all necessary USCG/CA Dept. of Fish and Wildlife licenses, abide by all Port District regulations, and maintain a safe, clean, and professional operation.

## IMPACT ON PORT DISTRICT RESOURCES

If approved, the Port District will generate an additional \$714 in charter fees annually, plus associated launch fees and visitor parking revenue.

ATTACHMENTS: A. Charter Application (with supplemental information)

**BUSINESS USE OF SLIP / CHARTER PERMIT APPLICATION**

**CONTACT & BUSINESS INFORMATION**

Applicant Name: ERIK ANDREASSEN

Home Address: 4689 BONNY DOON RD SANTA CRUZ CA 95060

Email Address: ANDREASSEN@AOL.COM

Phone Number: (516) 456 6640

Assigned Slip #: NA Slip Assigned through Port District Waiting List?  YES  NO (I AM ON THE WAITLIST)

Vessel Pak Rating: 5 Vessel Type: ALUMINUM / STABI Vessel Size: 15.5 ft

Vessel Draw: NA Operating Schedule: MONDAY - FRIDAY

THE FOLLOWING INFORMATION MUST BE SUBMITTED AS PART OF THE APPLICATION PROCESS. THE INFORMATION WILL ASSIST IN THE APPROVAL PROCESS. ADDITIONAL INFORMATION MAY BE SUBMITTED, IF DESIRED.

**PROPOSED OPERATING PLAN**

Include days, times, and seasons of planned operation. Please note that any changes to the operating plan, including changes to the vessel's pak rating or size, will require additional Port Commission approval.

**PROPOSED PARKING PLAN**

Parking within the harbor is limited. Please address how parking will be utilized and any steps you will take to minimize parking impacts.

**SAFETY PLAN**

A comprehensive safety plan, outlining courses, certifications, licensing of each qualified vessel operator and/or skipper.

**INSURANCE REQUIREMENTS**

Liability insurance, in the amount of \$1 million, naming the Santa Cruz Port District as additional insured, must be provided.

**SIGNATURE**

Owner hereby agrees that, to the full extent permitted by law, Port District shall not be liable or responsible for any claims, demands, damages, debts, liabilities, obligations, costs, expenses, liens, actions or causes of action of any kind whatsoever, resulting (1) from any collision with any of the dredging equipment or any other boat, (2) from any collision or contact with the bottom of the Harbor or any obstructions on the bottom of the Harbor, (3) from any collision or contact with the jetties or surrounding beaches, or (4) from, or in any way relating to, the dredging operations or the lack of dredging operations, including, but not limited to, the closure of the Harbor entrance for any reason or under any circumstances

NAME: ERIK ANDREASSEN SIGNATURE: ERIK ANDREASSEN

SIGNATURE: ERIK ANDREASSEN DATE: 11-8-22

PRIMARY BANKING INSTITUTION: SANTA CRUZ CREDIT UNION

**FOR PORT DISTRICT USE**

Application Fee: 250<sup>00</sup> paid Insurance Req't (Date Submitted): TO come

Received Date: NOV 2022 Other Special Conditions:

Approval Date:

## The Big Anchovy Sportfishing

### **Operating Plan**

The Business is called "The Big Anchovy". It is going to be a small boat fishing guide/commercial operation. The Vessel is a 2022, 1550 Fisher by Stabi Craft with a 2022 Yamaha 70 hp.

For the guiding aspect. Legally I have a 6 pac license, however, because of the small nature of this boat (15.5 ft) I am targeting more 1 on 1 clients or 2 on 1 clients. I will not be operating at full load, because it will not be comfortable for any clients. I will be running 1 trip per day. Leaving the harbor between the hours of 6-7am and returning in the afternoon or once we get limits. (Notice, no deck hand or first mate. Just me, and client)

For the commercial aspect. I already have my commercial numbers and all the licenses and tags necessary to operate. The plan is to commercial fish on the days I don't have guided clients. All commercial fishing will be hook and line, for what ever is in season.

Hours and days of operation:

For 2023- Monday - Friday (I work Saturdays and Sundays)

I will probably operate 3 days out of that Monday through Friday.

Roughly 7am - 4pm

For 2024- Hopefully include Saturdays and Sundays.

### **Proposed Parking Plan**

Due to the small nature of the boat and business, I will only be taking out at most 2 clients on any given day. I also will not be offering any open boat seating, meaning 2 strangers will not be fishing together, which will encourage carpooling. At the most there will be 2 cars requiring parking but in most cases just 1. They will be instructed to the visitor parking in the harbor lot. Because I work on Saturday and Sunday, all my business will be happening Monday through Friday, which, I have noticed a lot less activity in the parking lots. Lastly, I will be splitting my time commercial fishing which I will be doing solo, so not clients will require any parking on those days. I am also open to any suggestions to further mitigate any parking impacts.

### **Safety Plan**

I will be the only person operating this vessel. I understand the limitations of the vessel and will plan my trips accordingly based on sea state and weather forecasts. I have attached a Red Cross certificate of completion which I took earlier this year. I also have my Merchant Mariner Credentials (Skipper's License). The vessel is equipped with brand new first aid equipment and gear. I myself would administer any and all of the treatment necessary in the event of an accident.

### **Insurance Requirement**

I have received a quotation (attached) for insurance and will purchase the policy if the Port Commission approves my proposal. The liability policy in the amount of \$1 million will include the Santa Cruz Port District as additional insured.

-Erik Andreassen

**Swiss Re Corporate Solutions America  
Insurance Corporation**

**CHARTER VESSEL POLICY**

**Quotation**

This is a Quotation based on information supplied. This does not represent that coverage is bound, or that price is final. Final price and binding coverage can only occur upon receipt of a fully completed and signed application. This quote's terms, conditions and options are not complete without its cover letter.

**Quote No. QC5018341-00**

**Quotation**

Effective Date From: 10/28/2022 to 11/28/2022 at 12:01 A.M. Standard Time at the Address of the Named Insured.

**Insured's Representative:** 4200055  
1Broker Insurance Services  
1615 Hill Road  
Suite 21  
Novato, CA 94947

**Named Insured:**  
Erik Andreassen  
4689 Bonny Doon Road  
Santa Cruz, CA 95060

Coverage applies to items below only when amount and limits are specified.

Section	Coverage Description	Limits	Deductible	Premium
A	<b>HULL (Agreed Value)</b>	\$48,000	\$500	\$840
	Trailers	\$3,500	\$100	\$70
	Personal Effects	\$10,000	\$500	\$50
B	<b>PROTECTION &amp; INDEMNITY</b>	\$1,000,000	N/A	\$650
B	Towing	\$750	N/A	Inc.
	Uninsured Boaters	\$500,000	N/A	Inc.
	Fuel Spill Liability	\$997,100	N/A	Inc.
C	Medical Payments	\$5,000	N/A	Inc.
<b>Endorsements:</b>				\$0
Passenger Vessel Safety Tips, NAS-CVP-031 (12.09), NAS-CVP-026 (12.09), NAS-CVP-036 (12.09)				
<b>TOTAL PREMIUM</b>				\$1,610

**Description of Vessel:** Year Built: 2022 Manufacturer: STABICRAFT  
Length: 15 Ft Model: 1550 FISHER  
Name: Hull Serial # SMU21836J122

**Description of Motors:**

Number	Year Built	Manufacturer	Serial#
1	2022	YAMAHA	6CJL1109215

Navigation Limits Warranty: Warranted confined to the use and navigation of Pacific coastal waters and tributaries thereto, not north of Cape Scott, BC, and not south of San Diego, CA, and not More than 30 miles south of Coronado Island. Nav #117

**Navigation shall not be more than 50 Miles offshore. The Number of Passengers shall not exceed 6.**

Membership Credit

Issued Date: 10/31/2022  
Issuing Office: Westbrook, CT

**Agent:** 06014-00  
Maritime General Agency, Inc.  
70 Essex Road  
Westbrook, CT 06498





## Ever wonder what the most common claims are for Passenger Vessels? Read on:

### # 1 Most Costly Claims – Passenger Injury

- ✓ Most passenger injuries occur because of improper seating or poor footing/slippery or non-existent non-skid surfaces. To help prevent passenger injury, **passengers should not be permitted to stand forward of amidships while underway.** Passengers should remain seated at all times when traveling at speed and during higher than normal sea states. Check your non-skid surfaces and make sure that they are renewed on a regular basis to assure good footing. Use black and yellow striped non-skid tape on steps, bulkhead transitions or obstructions. Good, solid railings and hand holds should always surround passenger areas and be atop bulwarks.
- ✓ Passenger injuries during embarkation and debarkation are also common. Make sure that crew is available at all times to **assist passengers boarding or leaving the vessel and ensure you provide a raised step platform for large drops into the boat or onto the dock.**
- ✓ **Deck openings and stairways always present a risk to passenger safety while onboard.** Make sure that deck hatches remain closed at all times and if required to be opened, they should either be monitored by a crew member or roped off. Stairways and ladders should have adequate non-skid and solid hand holds. Ladders and stairways should be roped off while underway at speed.
- ✓ An intoxicated passenger is a risk to you, your crew, your vessel, and other passengers as well as to him/herself. Monitor alcohol consumption carefully. **Do not allow passengers to become intoxicated while in your care.**
- ✓ **Do not allow passengers to gain entry to the wheelhouse, engine compartment or any control station while on board.**
- ✓ **Passenger safety information and the location of life preservers and throwable devices should be provided to passengers at the commencement of any voyage.** You and your crew should practice man overboard and other safety drills on a regular basis. Do not assume your passengers are seasoned boaters.

### # 2 Most Costly Claims – Fire and Sinking (not associated with a hurricane)

- ✓ Make sure that your engine compartment suppression system and fire extinguishers are up to date. **Use EXTREME caution opening an engine room hatch if you believe there's a fire.**
- ✓ **Install high water bilge alarms and check bilges and bilge pumps regularly.** Hoses below the waterline should be double clamped. Every thru-hull fitting must be equipped with a seacock or valve. Tapered wood plugs (or similar) should be tied to each thru-hull for quick access.

**CLAIM COSTS ARE THE DRIVER OF YOUR PREMIUM COSTS. HELP US REDUCE YOUR PREMIUMS BY TAKING APPROPRIATE PRECAUTIONS TO PREVENT AVOIDABLE LOSSES!** Thank you and safe boating!

**Swiss Re Corporate Solutions America Insurance Corporation**

Policy Number: QC 5018341

Endorsement number: 2

Insured Name: Erik Andreassen

Effective Date: 10/28/2022

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NAMED OPERATOR WARRANTY**

It is understood and agreed that insurance applies only if the vessel is being operated by one of the operators named in the schedule below:

Named Operators:  
Erik Anndreassen

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

**Swiss Re Corporate Solutions America Insurance Corporation**

Policy Number: QC 5018341

Endorsement number: 3

Insured Name: Erik Andreassen

Effective Date: 10/28/2022

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**GENERAL WARRANTY**

It is agreed and understood the following warranty shall apply to this policy:

Permission granted for the insured to engage in the business  
of rod/reel commercial fishing

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

**Swiss Re Corporate Solutions America Insurance Corporation**

Policy Number: QC 5018341

Endorsement number: 4

Insured Name: Erik Andreassen

Effective Date: 10/28/2022

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED MARINA**

**SCHEDULE**

Name and mailing address or person or organization (additional insured):

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062

With respect to PROTECTION AND INDEMNITY coverage, the definition of insured is amended to include as an insured the person organization shown in the schedule but only with respect to liability arising out of the maintenance or use of the **insured yacht** in conjunction with operations performed as a marina providing service or storage for the **insured yacht**. This endorsement is not intended to provide coverage for the named insured for act of negligence by them or their employees.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

- I hereby **elect** to purchase the federal terrorism insurance coverage for the premium of \$100 (**this charge is not applicable to Charter Vessel Policies**).
- I hereby **reject** this offer of the federal terrorism insurance coverage and elect to have a terrorism exclusion, sublimit or other limitation included in my policy. I understand that I will have no, or limited, coverage for losses arising from acts of terrorism under my policy.

\_\_\_\_\_  
Applicant/Named Insured Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Name of Insurer



**American Red Cross**  
Training Services

## Certificate of Completion

**ERIK ANDREASSEN**

has successfully completed requirements for

**Adult First Aid/CPR/AED Online (Eligible for Skills Session within 90 days)**

Date Completed: 1/31/2022  
Validity Period: 2 - Years

Conducted by: American Red Cross



00R75P6

To verify certificate, scan code or visit [redcross.org/digitalcertificate](http://redcross.org/digitalcertificate) and enter ID.

Learn and be inspired at [LifesavingAwards.org](http://LifesavingAwards.org)





TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: February 16, 2023  
SUBJECT: Approve the FY24 Budget and Capital Improvement Plan

**Recommendation:** *Approve the FY24 budget and capital improvement projects*

## BACKGROUND

The Port Commission reviewed the draft FY24 budget and proposed list of capital improvement projects (CIP) at their special public budget session on February 15, 2023, including a review of the current year budget (FY23) projections.

Following review and discussion, the Port Commission directed staff to revise the draft FY24 budget to include the following:

- 5% increase to marina fees;
- Increase capital improvement program funding from \$350,000 to \$500,000. In conjunction with assigning \$920,000 of funding from the Unallocated CIP, total allocated CIP funds for FY24 equal \$1,420,000;
- Review non-operating interest income to ensure revenue projections align with current interest rate trends;
- Institute an annual review of the CalPERS actuarial valuation reports, which are typically released in August;
- Change name of "Dredge Intermediate Fund" to "Dredge Fund."

The budget worksheet, revenue summaries, Capital Improvement Plan summary table, and the Projected Debt Service Ratio (DSR) have been revised accordingly.

## ANALYSIS

The marina fee increase has improved the DSR from 1.36x in the draft FY24 budget, to 1.54x in the proposed final budget. The proposed budget maintains services, funds approved labor contracts and aligns with identified Port District priorities by funding priority capital improvement projects.

The revised draft FY24 budget is appended as Attachment A.

ATTACHMENTS: A. Final Proposed FY24 Budget  
B. Historic Annual Slip Rent Increases  
C. Budget Presentation from special public session of February 15, 2023



SANTA CRUZ PORT DISTRICT

# FINAL DRAFT OPERATING BUDGET

---

# FISCAL YEAR 2024

APRIL 1, 2023 - MARCH 31, 2024



## TABLE OF CONTENTS

1.	PORT DIRECTOR’S BUDGET MESSAGE.....	2
2.	POLICY STATEMENTS.....	3
3.	BUDGET USER GUIDE.....	5
4.	FINANCIAL SUMMARIES	
	FY24 Budget Summary.....	6
	General Fund Revenue Budget.....	7
	General Fund Expenditure Budget.....	9
	Expenditures by Department and Program.....	11
	Debt Service.....	12
	Fund Balance Overview and Projections.....	14
5.	PERSONNEL PROFILE.....	15
6.	DEPARTMENTS AND PROGRAMS	
	Administrative Services Department.....	17
	Operations Department.....	20
	Facilities Maintenance and Engineering Department.....	24
7.	DREDGING EQUIPMENT.....	28
8.	CAPITAL OUTLAY.....	29
9.	CAPITAL IMPROVEMENT PROGRAM.....	30
Attachment A	Debt Service Detail and Debt Service Coverage Ratios	
Attachment B	Revenue, Expense, and Non-Operating Summary Sheets	
Attachment C	Financial Policies	
	Reserve Policy	
	Investment Policy	
	Unfunded Accrued Liability Policy (including CalPERS’ Employer Contribution Rates)	

## PORT DIRECTOR’S BUDGET MESSAGE

Honorable Chairman and Members of the Port Commission:

The Port District’s annual budget is a key planning tool which helps demonstrate to the public and harbor constituents the District’s strategic direction, sources of funding and types of planned expenditures. I am pleased to transmit to you the proposed budget for the Santa Cruz Port District for the fiscal year beginning April 1, 2023, and ending March 31, 2024.

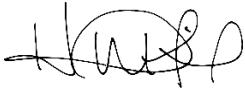
The Port District’s finances have historically been managed and reported in accordance with Generally Accepted Accounting Principles (GAAP), and with applicable statements published by the Government Accounting Standards Board (GASB). The Port District does not have a specific written policy governing budget development or administration, but operates with a balanced budget where operating revenues are equal to or exceed operating expenditures.

Development of the FY24 budget was guided by the Port District’s mission statement and the Port Commission’s adopted priorities for 2023. Priorities include building long-term financial sustainability, addressing key infrastructure needs, and strengthening community outreach – all while carefully monitoring District revenues and expenses.

While the District has exhibited continued growth over the last decade, the harbor’s success remains largely dependent on weather, ocean conditions, the health of the fishery, and other economic factors.

Recognition is given to all staff members and managers who have assisted in the development of this year’s budget. Please be assured that extreme care and effort will be devoted to the effective administration of the FY24 budget to sustain success well into the future.

Sincerely,



Holland MacLaurie  
Port Director

## POLICY STATEMENTS

### RESERVE POLICY

The Port District's Reserve Policy, adopted in FY16 (included in Attachment C), states the Port Commission's intent to preserve capital to finance three months of operations, and to fund future capital improvements at a minimum level to ensure the sustainability of harbor infrastructure. The reserve funding goal was first achieved in the FY19 budget and since policy adoption, annual contributions have been budgeted at the level needed to meet the reserve funding goal. The only exception has been the FY21 budget when a programmed reserve fund contribution was suspended in response to anticipated revenue reductions due to the novel Coronavirus ("COVID-19") pandemic.

In FY23, the Port Commission approved resolution 22-28, authorizing a one-time expenditure from the Reserve Fund in the amount of \$825,000 for the 2222 East Cliff Drive Deck Replacement Project. To restore the reserve fund to the desired funding level, the Commission determined that concession income derived from 2222 East Cliff Drive, Suites 200, 204, 208, 212, 216, and 220 will reimburse the Reserve Fund in an amount not less than \$117,857 per annum for 7 years, beginning in Fiscal Year 24.

The Port Commission's annual funding goal for future capital improvements was initially set at \$500,000 annually. The Commission has expressed a desire to increase the annual Capital Improvement Program ("CIP") funding goal from \$500,000 to \$750,000 annually, if practicable.

### INVESTMENT POLICY

In FY19, the Port Commission adopted an investment policy (included as Attachment C), which provides direction to the Port Director on the prudent and beneficial investment of District funds in accordance with laws governing the investment of local agency funds.

### UNFUNDED ACCRUED LIABILITY PENSION MANAGEMENT POLICY

The Port District's Unfunded Accrued Liability Pension Management Policy, adopted in FY23 (included in Attachment C) is intended to strategically address the existing and any future unfunded accrued liability (UAL) associated with the Port District's California Public Employees' Retirement System (CalPERS) pension plans. In accordance with guidance set forth in the policy, the Port District will pre-pay the entire UAL payment in the amount of approximately \$384,316 by July 31, 2023, and include an additional discretionary payment in the amount of \$21,642.

---

## POLICY STATEMENTS (CONT.)

The Port District finances have historically been managed and reported in accordance with Generally Accepted Accounting Principles (GAAP), and with applicable statements published by the Government Accounting Standards Board (GASB). The Port District does not have specific written policies governing how the budget was to be created or administered. Budget administration and planning incorporates the following assumptions and practices first adopted in FY13:

1. **Balanced Budget**

The Port District operates with a balanced budget where operating revenues are equal to or exceed operating expenditures. Imbalances to the budget that result from increased expenses, decreased revenues, or a combination of the two, will require a budget revision.

2. **Fixed Assets**

Fixed (or capital) assets are tangible items individually valued at \$5,000 or more. Examples of fixed assets would be vehicles, equipment, boats, etc. For accounting purposes, fixed assets with an estimated useful life of at least two years after acquisitions are capitalized.

3. **Capital Improvements**

Capital improvements are physical assets, constructed or installed, with a useful life of ten years or longer and a cost of \$25,000 or more. Services that ultimately result in such physical assets are also budgeted as capital improvements (e.g., engineering design, architectural services, etc.).

4. **Depreciation**

Depreciation is reported annually as an operating expense (approximately \$1.7 million projected in FY22). The full amount of annual depreciation has not been included in the operating budget.

5. **Appropriations**

Appropriation balances may be transferred from one expenditure account to another within the operating budget without Port Commission approval. Capital improvement budgets are not considered to be part of any transferable appropriation balance. Any increase in total appropriations must be approved by the Port Commission.

6. **Reserves**

Reserve funds are not available for use to offset any expenditures that exceed total appropriations. Reserves may only be used as approved by the Port Commission.

7. **Use of Restricted/Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted net assets are applied first.

8. **Staffing Levels**

The total number of full-time equivalent (FTE) employees shall be approved by the Port Commission.

## BUDGET USER GUIDE

General Fund (i.e., operating) revenues and expenses are presented in the Financial Summaries. FY22 Actual, FY23 Budget and Projected Actual, and FY24 Proposed Budget figures are presented for comparison. Terms used in the Financial Summaries and in the program budgets that follow are defined below.

### **Capital Outlay**

Expenses associated with acquiring capital (or "fixed") asset items individually valued at \$5,000 or more. Examples of fixed assets would be vehicles, equipment, boats, etc.

### **Charges for Services**

Revenues received as reimbursement to the Port District for the use of staff, equipment or other resources beyond the services included with other user fees or rents. Examples may include standby of marine rescue personnel for aquatics competitions, emergency response services and after-hours call back for fuel sales.

### **Debt Service**

Principal and interest payments on loans.

### **Fines**

Fines (or "bail amounts") for parking or other citations paid directly to the Port District.

### **Fuel Sales**

Receipts at the fuel pump.

### **Intergovernmental Revenues**

Funds received by the Port District from another government agency. Examples include dredging expenditure reimbursement received from the U.S. Army Corps of Engineers (USACE), contributions from the County of Santa Cruz for marine rescue services, and grants from state, federal or local government sources.

### **Other/Miscellaneous**

Revenues shown as Other/Miscellaneous include sales of key fobs, merchandise, proceeds from lien sales or disposal of surplus items, etc.

### **Personnel Services**

All costs associated with Port District staff compensation for regular and temporary employees, including payroll taxes, workers' compensation, unemployment insurance, pension, and employee benefits.

### **Rents**

Rents encompass payments received by the Port District from its land-based tenants. Revenues are classified as either base rent, percentage rents or utility chargebacks as applicable.

### **Services and Supplies**

Costs for all services provided to the Port District by contract or work order, utilities, insurance premiums, purchase of items not classified as fixed assets or "capital outlay," etc.

### **Transfers In/Out**

Transfers between Port District funds (e.g. allocations to the Dredge Fund may involve a transfer from the General Fund, or any combination of those and other funds).

### **User Fees**

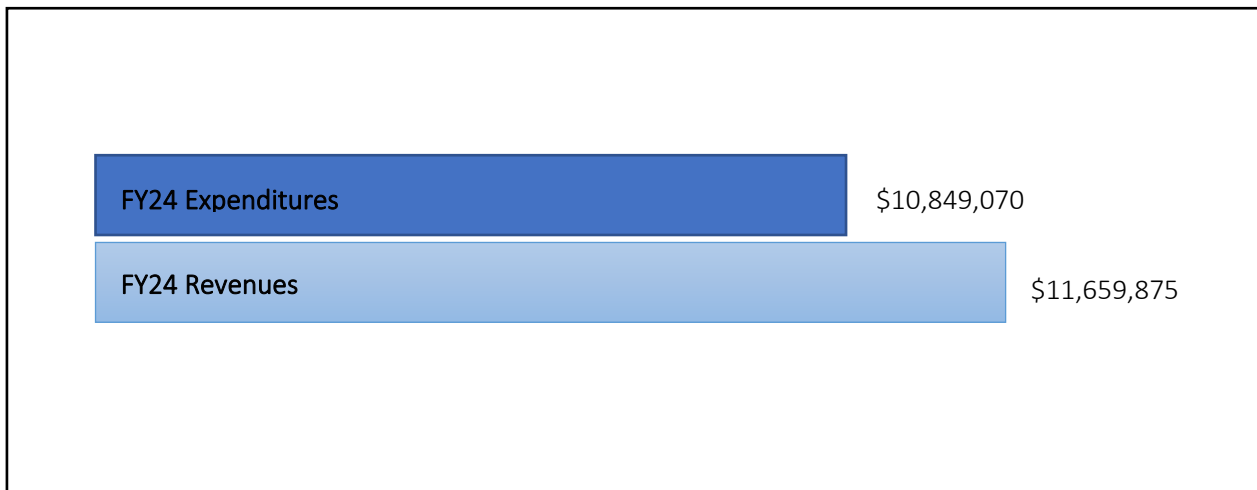
Fees established by the Port Commission for various uses of Port District facilities including boat slips, dry storage, RV, and general parking.

## FY24 BUDGET SUMMARY

The FY24 budget is presented as a balanced budget with no increase to marina fees. As a balanced budget, operating revenues are equal to or exceed operating expenditures. A summary of the FY24 General Fund budget is presented below:

<b>FY24 REVENUES BY CATEGORY</b>	
USER FEES	\$7,365,225
RENTS	\$2,189,400
CHARGES FOR SERVICE	\$32,000
FINES	\$98,000
FUEL SALES	\$810,000
BOATYARD	\$356,250
INTERGOVERNMENTAL	\$575,000
GRANTS	\$24,000
OTHER / MISCELLANEOUS	\$210,000
<b>TOTAL:</b>	<b>\$11,659,875</b>

<b>FY24 EXPENDITURES BY CATEGORY</b>	
PERSONNEL SERVICES	\$4,689,646
SERVICES & SUPPLIES	\$4,724,106
CAPITAL OUTLAY	\$69,500
DEBT SERVICE	\$1,365,818
OTHER LIABILITIES	\$0
<b>TOTAL:</b>	<b>\$10,849,070</b>



## GENERAL FUND REVENUE BUDGET

The table below shows the distribution of estimated General Fund revenues for FY24, which total \$11,659,875. This represents an increase of approximately 12.5% over FY23 budgeted revenues.

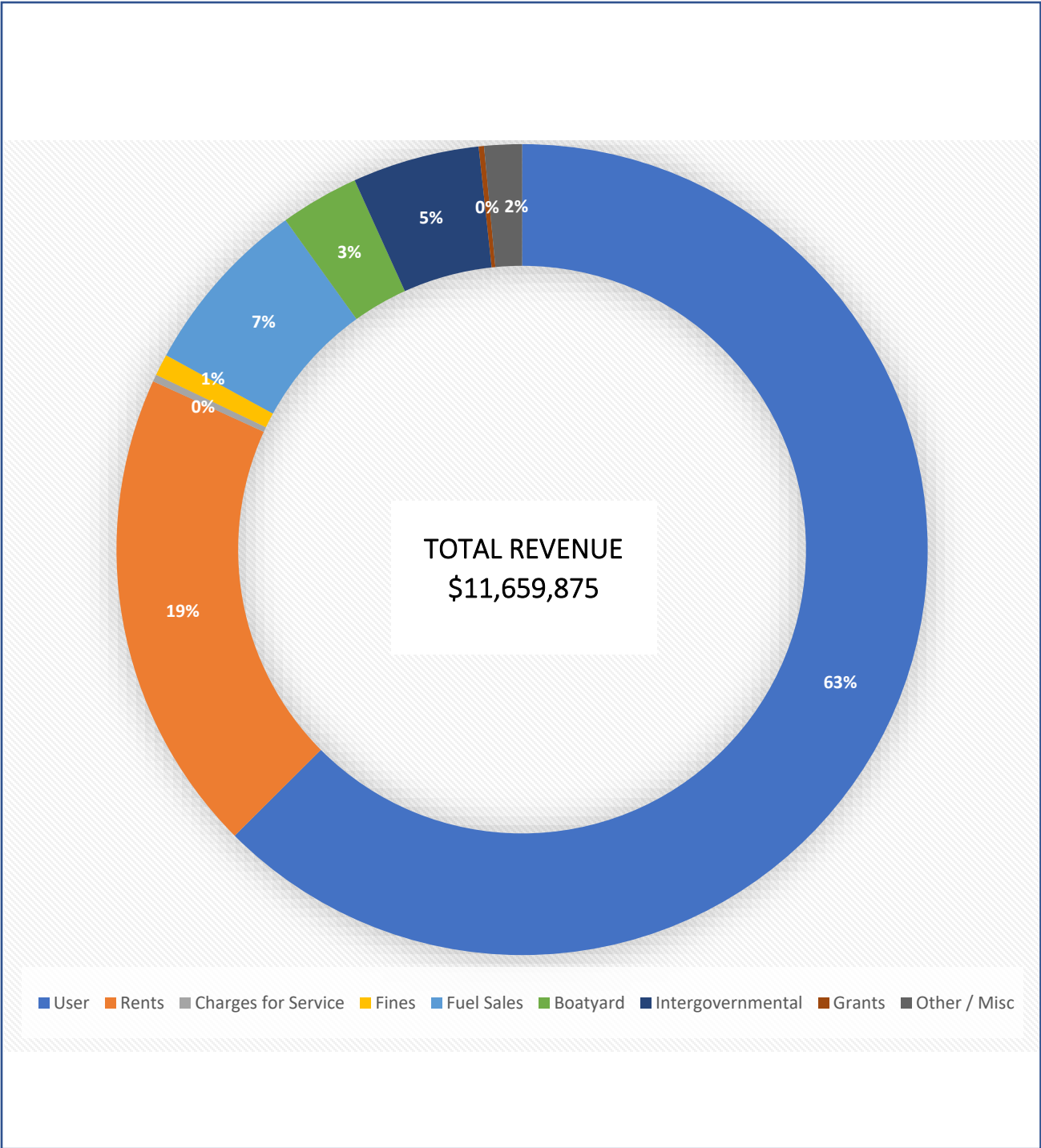
	FY23 BUDGET	FY23 PROJECTION	FY24 BUDGET
User Fees	\$7,007,525	\$7,324,061	\$7,101,275
Rents	2,020,000	2,276,589	2,189,400
Charges for Service	32,010	28,253	32,000
Fines	93,000	120,171	98,000
Fuel Sales	690,000	1,020,592	810,000
Boatyard	329,000	439,284	356,250
Intergovernmental	50,000	575,000	575,000
Grants	42,000	33,472	24,000
Other / Misc.	100,000	256,288	170,000
<b>TOTAL:</b>	<b>\$10,363,535</b>	<b>\$12,073,710</b>	<b>\$11,659,875</b>

### FISCAL YEAR REVENUE HIGHLIGHTS

- Projected revenue for FY23 is anticipated to exceed budgeted figures by approximately 16.5% due to the following:
  - Receipt of \$525,000 from the U.S. Army Corps of Engineers for dredging reimbursement.
  - Increased interest earnings of approximately \$83,000.
  - Increased fuel sales of approximately \$328,000 (corresponding increase to fuel expenses).
  - Assessment of uninsured vessel fee (generated approximately \$30,000 in misc. income).
  - User fees such as visitor berthing, launch, and parking continue to outpace budget.
  - Concession income continues to outpace budget.
  - Boatyard operations continue to outpace budget.
- FY24 budget includes \$525,000 in reimbursement from the U.S. Army Corps of Engineers.<sup>1</sup>
- FY24 budget anticipates \$20,000 less in Division of Boating and Waterways’ SAVE grant funding.
- FY24 budget anticipates continued strength in slip rent revenue, visitor services (such as visitor berthing, launch, and parking), boatyard revenue, and concession income.

<sup>1</sup> Since FY18, reimbursement from the USACE has not been included in annual budgets due to uncertainties in funding. The FY24 budget does not continue this former practice, and includes \$525,000 in Intergovernmental revenues. This change is being made because for the first time, the Port District’s \$525,000 reimbursement for operation and maintenance of the federal entrance channel was included in the FY23 final omnibus appropriations package (Energy & Water Appropriations), which was signed by the President on December 29, 2022. Inclusion in the President’s budget significantly reduces uncertainties regarding funding availability.

FY24 OPERATING REVENUES BY CATEGORY





## GENERAL FUND EXPENDITURE BUDGET

The table below shows the distribution of estimated General Fund expenditures for FY24, which total \$10,849,070. This represents an increase of approximately 11% over FY23 budgeted revenues.

	FY23 BUDGET	FY23 PROJECTION	FY24 BUDGET
Personnel Services	\$4,401,490	\$4,155,218	\$4,689,646
Services & Supplies	4,041,086	4,672,713	4,724,106
Capital Outlay	4,000	3,850	69,500
Debt Service Payments	1,329,240	1,319,377	1,365,818
Other Liabilities	0	0	0
<b>TOTAL:</b>	<b>\$9,775,816</b>	<b>\$10,151,158</b>	<b>\$10,849,070</b>

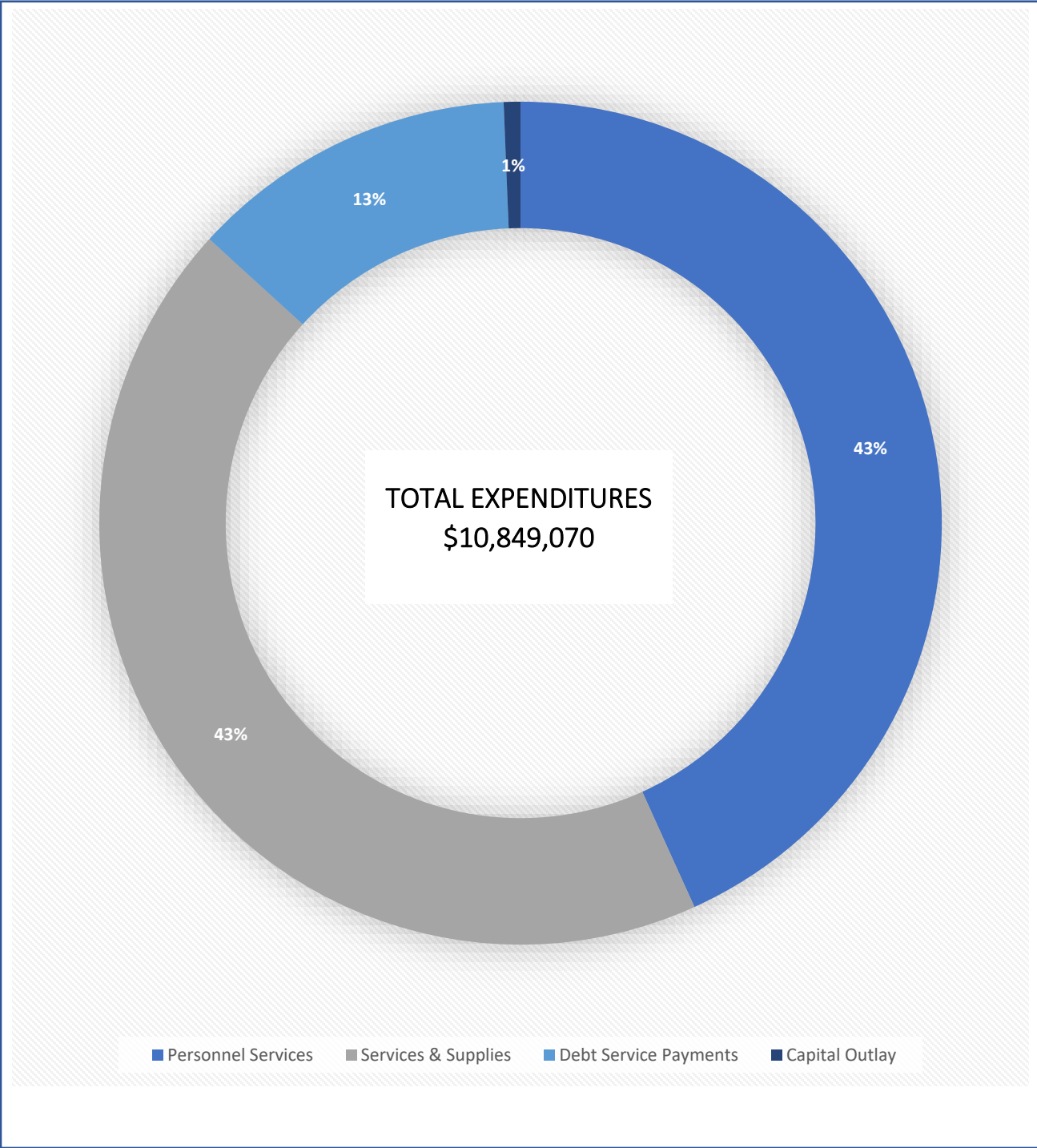
### FISCAL YEAR REVENUE HIGHLIGHTS

- Projected salary and benefit costs (Personnel Services) for FY23 will be less than budget by approximately 5.6% due to annual premium savings for workers’ compensation coverage, and an extended vacancy in the Administrative Services department (1 Administrative Services Manager).
- Personnel Services costs are anticipated to increase in FY24 by approximately 6.5% due to negotiated contract increases, workers’ comp premium increases, and CalPERS-related pension costs.
- Projected employer pension expenses in FY24 will total approximately \$673,550, which represents 14% of the anticipated Personnel Services expenditures.
  - Of that pension expense total, \$21,642 is allocated for an additional discretionary payment to CalPERS to assist in proactively reducing the District’s unfunded accrued liability (UAL).
- FY24 Services and Supplies costs are proposed at a level that is approximately 17% higher than FY23. This significant increase is primarily related to escalating insurance premium costs<sup>2</sup>.
- FY24 Capital Outlay costs include:
  - \$45,000 – New / Used Truck (Maintenance)
  - \$17,000 – Body Worn Cameras (Harbor Patrol)
  - \$7,500 – Firearms and Equipment (Harbor Patrol)
- In FY24, there are no identified expenditures noted as “Other Liabilities.”

The expenditure summary in FY24 (and previous budget years) does not include transfers to the Dredge Fund. Fund transfers are included in the budget as Non-Operating Expenditures. In FY24, the budgeted fund transfer to the Dredge Fund is \$143,000.

<sup>2</sup> Insurance premium costs for FY24 are estimated to increase to \$1,129,765. This represents an approximate 50% increase over actual FY23 costs, and approximately 114% increase over FY23 budgeted costs (\$602,984).

FY24 OPERATING EXPENDITURES BY CATEGORY



## EXPENDITURES BY DEPARTMENT AND PROGRAM

Department and Program	FY 22 Actual	FY 23 Budget	FY 23 Projected	FY 24 Budget
<b>100 Administrative Services Department</b>				
110 Administration	\$ 851,750	\$ 826,625	\$ 754,329	\$ 889,563
120 Finance & Purchasing	183,585	227,216	193,473	239,618
130 Property Management	669,572	555,579	700,053	842,315
140 Environmental & Permitting	95,646	192,405	169,068	189,158
190 Port Commission Support	107,747	78,145	65,990	78,653
<b>Department Total</b>	<b>\$ 1,908,300</b>	<b>\$ 1,879,970</b>	<b>\$ 1,882,913</b>	<b>\$ 2,239,308</b>
<b>200 Operations Department</b>				
210 Harbor Patrol	\$ 712,258	\$ 807,951	\$ 791,242	\$ 863,451
220 Marina Management	495,234	563,149	548,964	611,835
230 Rescue Services	104,969	125,105	113,541	144,756
240 Parking	352,770	373,217	405,159	384,271
250 Events	13,111	34,399	25,670	33,179
280 Fuel Services	740,951	493,291	872,878	516,338
500 Boatyard	326,084	361,913	358,203	408,535
<b>Department Total</b>	<b>\$ 2,745,377</b>	<b>\$ 2,759,025</b>	<b>\$ 3,115,656</b>	<b>\$ 2,962,365</b>
<b>300 Facilities Maint. &amp; Engineering</b>				
310 Docks, Piers & Marine Structures	\$ 320,346	\$ 340,916	\$ 510,122	\$ 679,068
320 Utilities Maintenance	97,358	104,396	103,090	109,072
330 Building Maintenance	321,330	410,949	395,717	465,185
340 Grounds Maintenance	790,111	838,072	905,822	865,519
350 Aeration Program	49,912	57,385	40,513	59,229
360 Fishery Support	8,587	16,027	14,004	17,024
390 Capital Projects	410,707	466,799	397,891	363,503
400 Dredging Operations	1,324,629	1,569,037	1,462,202	1,653,480
<b>Department Total</b>	<b>\$ 3,322,981</b>	<b>\$ 3,803,581</b>	<b>\$ 3,829,362</b>	<b>\$ 4,212,080</b>
<b>Total Operating Budget</b>	<b>\$ 7,976,658</b>	<b>\$ 8,442,576</b>	<b>\$ 8,827,931</b>	<b>\$ 9,413,753</b>

Note: Interest expense for debt service is included in Program 390-Capital Projects above.

## DEBT SERVICE

The tables below detail the repayment of revenue bond issues and other long-term financing utilized by the Port District. FY24 debt service payments (including principal and interest) total \$1,721,135, which is approximately 3.7% lower than FY23 budgeted figures, due to a decrease in interest expense.

LONG TERM DEBT BALANCES						
	Maturity Date	Interest Rate	Balance 3/31/22	Principle Reductions	Balance 3/31/2023	Current Portion
2013A Bonds	2/1/2030	3.090%	\$7,774,104	\$869,768	\$6,904,336	\$896,853
2013B Bonds (Taxable)	11/1/2026	4.740%	845,512	234,713	610,799	249,833
2018A Rev. Obligation	8/1/2033	3.500%	1,412,420	101,694	1,310,726	105,285
2018B Rev. Obligation	8/1/2033	3.500%	1,291,354	92,978	1,198,376	96,261
497 Lake Avenue	12/1/2041	4.000%	945,880	16,898	928,982	17,586
<b>Total Long-Term Debt</b>			<b>\$ 12,269,270</b>	<b>\$ 1,316,051</b>	<b>\$ 10,953,219</b>	<b>\$ 1,365,818</b>

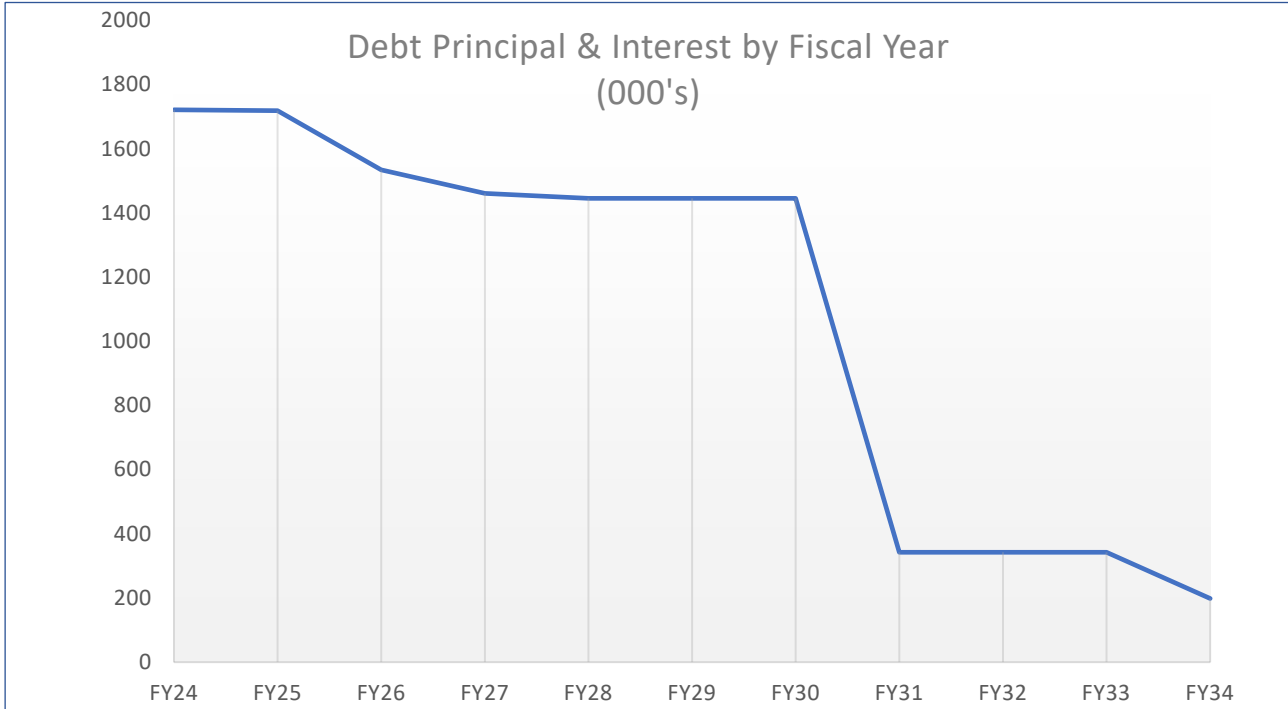
PROJECTED DEBT SERVICE PAYMENTS FOR THE 5 YEARS FY24-FY28 (PRINCIPAL & INTEREST)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
2013A Bonds	\$1,103,269	\$1,103,269	\$1,103,269	\$1,103,269	\$1,103,269
2013B Bonds (Taxable)	275,824	273,187	88,611	15,288	0
2018A Rev. Obligation	150,247	150,248	150,247	150,247	150,248
2018B Rev. Obligation	137,369	137,369	137,368	137,369	137,369
497 Lake Avenue	54,425	54,425	54,425	54,425	54,425
<b>Total Annual Debt Service</b>	<b>\$ 1,721,135</b>	<b>\$ 1,718,498</b>	<b>\$ 1,533,921</b>	<b>\$ 1,460,599</b>	<b>\$ 1,445,311</b>

### PURPOSE OF EXISTING DEBT:

- 2013A Bonds:** Structured to finance (i) the Refunding of Prior Tax-Exempt Obligations, (ii) the cost of a new dredge, (iii) a surety bond for a debt service reserve fund (the “Reserve Fund”), and (iv) all related costs of issuance.
- 2013B Bonds:** Structured to finance (i) the Refunding of the Prior Taxable Obligations, (ii) the outstanding balance of the District’s OE3 pension obligation, and (iii) all related costs of issuance.
- 2018A Rev. Obligation:** Structured to finance (i) the Santa Cruz Harbor Pile Replacement Project
- 2018B Rev. Obligation:** Structured to finance (i) the Santa Cruz Harbor Seawall Replacement Project
- 497 Lake Avenue** Structured to finance (i) the purchase of a commercial property carrying a professional administrative zoning status located at 497 Lake Avenue, Santa Cruz, CA.

### DEBT SERVICE (CONT.)

The table below illustrates the District’s principal and interest payments for the period FY24 to FY34. The Port District will achieve significant cost savings in FY31, assuming no additional borrowing occurs.



The Port District is required to maintain adequate coverage for debt service for the life of its Series 2013 and Series 2018 loans. Debt Service Ratio (DSR) covenants required the District to prescribe and collect fees and charges for services at least equal to 125% of its debt service after operating and maintenance expenses for the fiscal year. Debt Service Coverage Ratios (DSRs) for FY21 and FY22 (audited), FY23 (budgeted), FY23 (projected) and FY24 (budget) are presented below and provided in more detail in Attachment A:

#### DEBT SERVICE COVERAGE PROJECTION

	FY21 <i>(Audited)</i>	FY22 <i>(Audited)</i>	FY23 <i>(Budget)</i>	FY23 <i>(Projected)</i>	FY24 <i>(Budget)</i>
Debt Service Coverage Ratio	<b>1.98X</b>	<b>2.74X</b>	<b>1.33X</b>	<b>2.12X</b>	<b>1.54X</b>
Required Ratio	1.25X	1.25X	1.25X	1.25X	1.25X

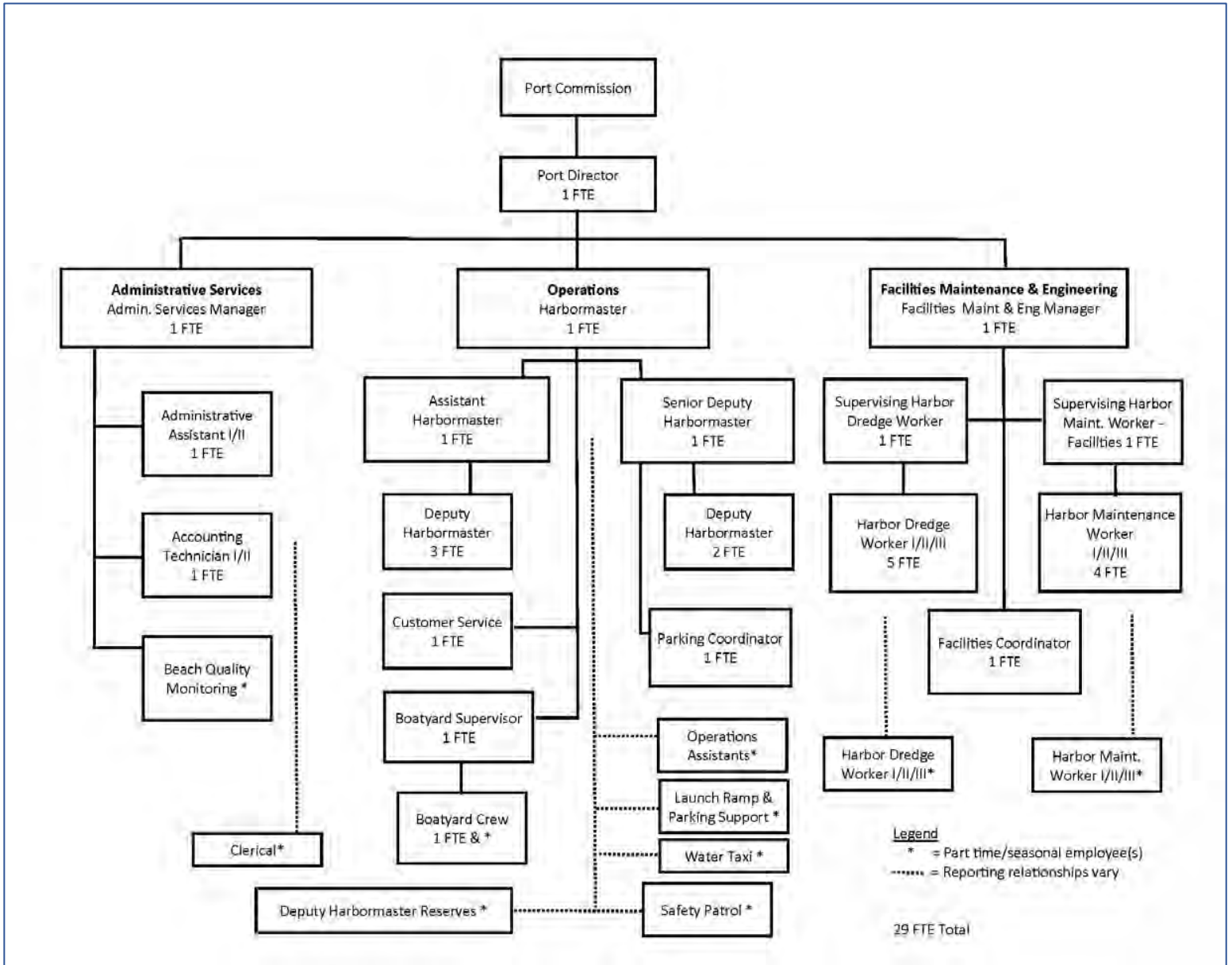
## FUND BALANCE PROJECTIONS

Listed below are descriptions of the Port District's major funds and projected balances as of March 31, 2023.

<b>General Fund</b>	The General Fund is the primary operating fund of the Port District. This fund is used to account for all financial transactions and resources, except those required or requested in another fund. The projected General Fund balance as of March 31, 2023, is estimated to total \$26,058,494.
<b>Dredge Fund</b>	The Dredge Fund is the primary funding source for identified priorities and equipment replacement / repair needs for the dredge operation. The projected Dredge Fund balance as of March 31, 2023, is estimated to total \$146,665.
<b>Reserve Fund</b>	The Reserve Fund accounts for resources restricted to expenditures for specified purposes (i.e., unforeseen emergencies or extraordinary circumstances). The Port District strives to hold in reserve an amount equal to 25% of the District's annual operating expenses. The projected Reserve Fund balance as of March 31, 2023, is estimated to total 1,285,644 (\$825,000 draw on reserves was utilized in FY23).
<b>Capital Improvement Fund</b>	The Capital Improvement Fund accounts for all financial resources used for the acquisition or construction of major capital improvement projects. The projected Capital Improvement Fund balance as of March 31, 2023, is estimated to total \$2,359,053.
<b>Election Fund</b>	The Election Fund is the primary funding source for biennial Port Commission election expenses. The projected Election Fund balance as of March 31, 2023, is estimated to total \$100,000. This fund typically carries a balance of \$200,000, which will be reduced to \$150,000 in FY24 (and beyond) due to election expense savings associated with the transition from at-large to district based elections.
<b>PNC Reserve Fund</b>	The PNC Reserve Fund accounts for restricted funds held as a condition of the District's debt refunding efforts completed in FY14. The projected PNC Reserve Fund balance as of March 31, 2023, is estimated to total 1,017,738.

### PERSONNEL PROFILE

The Port District’s organization chart for FY24 is presented below. Positions shown with an associated FTE (full-time equivalent) number are regular, permanent positions assigned to each department. Positions shown with an asterisk and no FTE number are part-time temporary and/or seasonal workers.



### FTE EMPLOYEE COUNTY BY FISCAL YEAR

FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
27	27	29	29	29	28	29	29

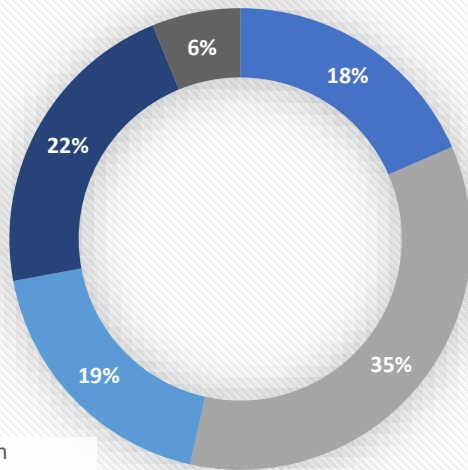
### PERSONNEL PROFILE (CONT.)

The table below shows year-over-year salary and benefit cost comparisons for all employees (regular FTE and temporary/seasonal). Overall, Personnel Services costs in FY24 are approximately 6.5% higher than FY23. This increase is primarily due to negotiated contract increases, workers’ compensation premium increases, and CalPERS-related pension costs.

#### SALARIES & BENEFITS BUDGET

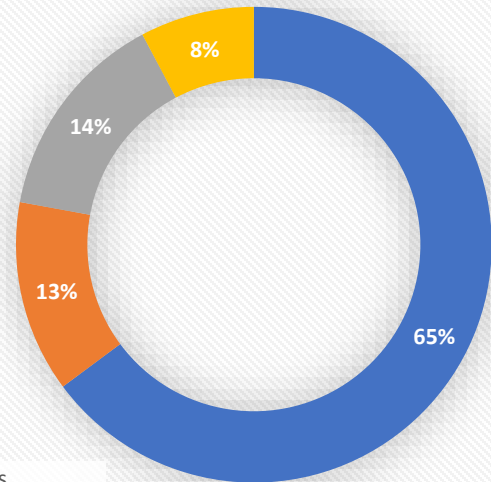
	FY23 BUDGET	FY23 PROJECTION	FY24 BUDGET
Administrative Services	\$810,870	\$697,837	\$866,468
Operations <sup>3</sup>	1,549,956	1,483,315	1,642,102
Boatyard <sup>4</sup>	267,938	224,556	290,281
Facilities Maint. & Eng.	808,289	821,240	872,172
Dredging <sup>5</sup>	964,437	928,271	1,018,623
<b>TOTAL:</b>	<b>\$4,401,490</b>	<b>\$4,155,218</b>	<b>\$4,689,646</b>

FY24 SALARIES & BENEFITS BY DEPARTMENT



- Admin
- Operations
- Maintenance
- Dredge
- Boatyard

FY24 PERSONNEL COST BY CATEGORY



- Wages
- Health Benefits
- Pension
- Overhead

<sup>3</sup> The Customer Services Representative position is budgeted in Administration, but labor has been allocated to the Operations Department (Marina Management).

<sup>4</sup> The Boatyard is shown separately for additional clarity, but is overseen by the Operations Department.

<sup>5</sup> The Dredging Operation is shown separately for additional clarity, but is overseen by Facilities Maintenance and Engineering.



## DEPARTMENTS AND PROGRAMS

### ADMINISTRATIVE SERVICES DEPARTMENT

The Administrative Services Department is comprised of the following programs:

- Administration
- Finance and Purchasing
- Property Management
- Environmental and Permitting
- Port Commission Support

The table below summarizes the distribution of expenditures by category and program for the Administrative Services Department. Individual program details are also provided.

#### EXPENDITURE SUMMARY

Expenditure by Category	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$638,722	\$810,870	\$697,837	\$866,468	6.8%
Services & Supplies	1,269,579	1,069,100	1,185,076	1,391,031	30.1%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$1,908,300</b>	<b>\$1,879,970</b>	<b>\$1,882,913</b>	<b>\$2,257,499</b>	<b>20%</b>

Expenditure by Program	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Administration	\$851,750	\$826,625	\$754,329	\$891,514	7.8%
Finance & Purchasing	183,858	227,216	193,473	239,618	5.5%
Property Mgmt.	669,572	555,579	700,053	858,555	54.5%
Enviro & Permitting	95,646	192,405	169,068	189,158	-1.7%
Port Comm. Support	107,747	78,145	65,990	78,653	0.7%
<b>Total Expenditures</b>	<b>\$1,908,300</b>	<b>\$1,879,970</b>	<b>\$1,882,913</b>	<b>\$2,257,499</b>	<b>20%</b>

#### PROGRAM HIGHLIGHTS:

Projected salary and benefit costs (Personnel Services) for FY23 will be less than budget by approximately 14% due to an extended vacancy in the department (Administrative Services Manager position).

FY24 Services and Supplies within the Administrative Services Department are anticipated to increase 30.1% over the prior fiscal year. This significant increase is due to escalating insurance premium costs, of which approximately 36.5% of the total estimated premium is paid from the Property Management program.

Both regular and part-time/temporary wages in the Environmental and Permitting program have been marginally reduced in FY24, resulting in a 1.7% decrease in overall program expenditures.

## ADMINISTRATION

Administration encompasses the daily oversight of all Port District operations and programs, long-term planning, budget preparation, human resources and benefits management, website maintenance, customer service, public outreach and promotional activities, coordination with local and regional governments and organizations, and various activities undertaken by the Port Director and Administrative Services staff.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$375,245	\$466,825	\$426,287	\$505,692	8.3%
Services & Supplies	476,505	359,800	328,042	385,822	7.2%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$851,750</b>	<b>\$826,625</b>	<b>\$754,329</b>	<b>\$891,514</b>	<b>7.8%</b>

## FINANCE & PURCHASING

Finance and purchasing activities include accounting for all Port District assets, revenues, and expenses, administering payroll using an outside payroll processing contractor, preparing budget monitoring and quarterly reports, contracting for services, preparing for, and participating in annual outside audits of Port District financial statements, performing tenant-related audits, and tracking grant-related expenditures and reimbursements. Finance and purchasing staff perform ongoing work to develop and refine purchasing procedures and financial reporting for transparency purposes.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$135,918	\$172,816	\$141,111	\$185,218	7.2%
Services & Supplies	47,667	54,400	52,362	54,400	0%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$183,585</b>	<b>\$227,216</b>	<b>\$193,473</b>	<b>\$239,618</b>	<b>5.5%</b>

## PROPERTY MANAGEMENT

Property management activities include serving as the primary contact for landside tenants, negotiating new and revised leases and easements, advertising space available for rent, monitoring rental payments and applying rent adjustments. Utilities, garbage service and sanitary district charges for the District's rental properties are included as expenses in this program. Revenues for utility, garbage and sanitary district charges paid by tenants through the Port District are included in Rents. Utility charges paid directly by the tenant to the service provider are not included in the operating budget.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$24,120	\$29,529	\$15,853	\$31,596	6.9%
Services & Supplies	645,452	526,050	684,199	826,959	57.2% <sup>6</sup>
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$669,572</b>	<b>\$555,579</b>	<b>\$700,053</b>	<b>\$858,555</b>	<b>54.5%</b>

<sup>6</sup> Significant increase is attributed to escalating insurance premium costs.

### ENVIRONMENTAL & PERMITTING

The environmental and permitting work includes managing the beach quality monitoring and hydrogen sulfide protocol during dredging activities, negotiating new permits and amendments with the Army Corps of Engineers, US Environmental Protection Agency, California Coastal Commission, Regional Water Quality Control Board, Monterey Bay National Marine Sanctuary, Monterey Bay Unified Air Pollution Control District and other agencies for dredging and disposal operations and permitting for other construction activities, stormwater management and environmental programs. Environmental and permitting oversees the harbor's Clean Marina Program.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$50,203	\$80,455	\$60,495	\$77,208	-4.0% <sup>7</sup>
Services & Supplies	45,444	111,950	108,573	111,950	0%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$95,646</b>	<b>\$192,405</b>	<b>\$169,068</b>	<b>\$189,158</b>	<b>-1.7%</b>

### PORT COMMISSION SUPPORT

Activities that provide staff support for the Port Commission include developing meeting agendas, staff reports and minutes; coordinating with the County Elections Department and ensuring compliance with the Brown Act; intergovernmental relations and adopted Port Commission policies and procedures.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$53,235	\$61,245	\$54,090	\$66,753	8.9%
Services & Supplies	54,511	16,900	11,900	11,900	-29.6% <sup>8</sup>
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$107,747</b>	<b>\$78,145</b>	<b>\$65,990</b>	<b>\$78,653</b>	<b>0.7%</b>

<sup>7</sup> Both regular and part-time / temporary wages in the Environmental and Permitting program have been marginally reduced, resulting in a 1.7% decrease in overall program expenditures.

<sup>8</sup> Decrease is attributed to a \$5,000 reduction in CVRA expenses (expenses associated with the District's transition to district-based elections). Costs in excess of \$5,000 are budgeted in Administration.

## DEPARTMENTS AND PROGRAMS

### OPERATIONS DEPARTMENT

The Operations Department is comprised of the following programs:

- Harbor Patrol
- Marina Management
- Rescue Services
- Parking Services
- Events
- Fuel Services
- Boatyard

The table below summarizes the distribution of expenditures by category and program for the Operations Department. Individual program details are also provided.

#### EXPENDITURE SUMMARY

Expenditure by Category	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$1,556,751	\$1,824,394	\$1,707,871	\$1,932,383	5.9%
Services & Supplies	1,188,626	934,631	1,407,785	1,039,760	11.2%
Capital Outlay	0	0	0	24,500	-
<b>Total Expenditures</b>	<b>\$2,745,377</b>	<b>2,759,025</b>	<b>\$3,115,656</b>	<b>\$2,972,143</b>	<b>7.7%</b>

Expenditure by Program	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Harbor Patrol	\$712,258	\$807,951	\$791,242	\$865,036	7.1%
Marina Management	495,234	563,149	548,964	612,616	8.8%
Rescue Services	104,969	125,105	113,541	145,536	16.3%
Parking Services	352,770	373,217	405,159	386,271	3.5%
Events	13,111	34,399	25,670	33,179	-3.5%
Fuel Services	740,951	493,291	872,878	518,191	5.0%
Boatyard	326,084	361,913	358,203	411,315	13.6%
<b>Total Expenditures</b>	<b>\$2,745,377</b>	<b>\$2,759,025</b>	<b>\$3,115,656</b>	<b>\$2,972,143</b>	<b>7.7%</b>

#### PROGRAM HIGHLIGHTS:

Projected Services & Supplies for FY23 will exceed budget by approximately 51% due to increased fuel sales, which subsequently increase fuel expenses. The fuel program continues to remain profitable due to strong program oversight and management.

FY24 Services and Supplies within the Operations Department are anticipated to increase 11.2% over the prior fiscal year. This increase is due to escalating insurance premium costs, which are spread across the Harbor Patrol, Marina Management, Rescue Services, Fuel Services, and Boatyard programs.

## HARBOR PATROL

Harbor Patrol, with limited assistance from contract operators, currently provides security and enforcement of Port District ordinances, California Harbors and Navigation, Penal and Vehicle Codes. Deputy Harbormasters provide site security and traffic control, make arrests, prepare incident reports, and provide mutual aid response to other law enforcement agencies. In addition to law enforcement duties, deputy Harbormasters perform vessel search and rescue services, and a wide range of program management and customer services.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$603,479	\$671,770	\$658,070	\$713,480	6.2%
Services & Supplies	108,779	136,181	133,171	151,557	11.3%
Capital Outlay	0	0	0	24,500	-
<b>Total Expenditures</b>	<b>\$712,258</b>	<b>\$807,951</b>	<b>\$791,242</b>	<b>\$865,036</b>	<b>7.1%</b>

## MARINA MANAGEMENT

Deputy Harbormaster and Operations staff manage and assigns berths and dry storage space, monitor docks and dry storage areas for safety, staff the front counter 362 days per year, administer invoicing and payment processes, monitor vessel use and confirm current registration, perform vessel serviceability checks and electrolysis checks on an as needed basis, manage the waiting list, develop delinquency reports, conduct lien sales, and provide customer service.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$456,642	\$527,774	\$488,951	\$562,907	6.6%
Services & Supplies	38,592	35,375	60,013	49,709	40.5% <sup>9</sup>
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$495,234</b>	<b>\$563,149</b>	<b>\$548,964</b>	<b>\$612,616</b>	<b>8.8%</b>

## RESCUE SERVICES

Rescue services are provided by Harbor Patrol using one of two patrol vessels (Zodiac patrol vessel *Scout* and the new 36' Moose patrol vessel, *PB Kinnamon*). Rescues are typically conducted under the Coastal Incident Response Plan (CIRP) in coordination with City, County and State resources.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$60,205	\$73,105	\$60,100	\$75,627	3.4%
Services & Supplies	44,764	52,000	53,441	69,909	34.4% <sup>10</sup>
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$104,969</b>	<b>\$125,105</b>	<b>\$113,541</b>	<b>\$145,536</b>	<b>16.3%</b>

<sup>9</sup> Significant increase is attributed to escalating insurance premium costs.

<sup>10</sup> Significant increase is attributed to escalating insurance premium costs.

## PARKING SERVICES

Parking services encompass oversight and daily maintenance of the automated concession parking lot equipment serving 2222 East Cliff Drive, the Crow's Nest and its Beach Market, Café El Palomar, the SUP Shack, and Harbor Beach; beach parking permit sales, slip licensee and employee parking permits, launch ramp parking, and permits, shuttle van and water taxi services, and parking ordinance enforcement. The Parking Coordinator and Harbor Patrol provide parking services with assistance from part-time/temporary staff.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$168,767	\$211,217	\$234,765	\$217,271	2.9%
Services & Supplies	184,003	162,000	170,394	169,000	4.3%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$352,770</b>	<b>\$373,217</b>	<b>\$405,159</b>	<b>\$386,271</b>	<b>3.5%</b>

## EVENTS

This program is jointly managed by Operations and Administrative Services, and comprises permitting, transportation and security for special events hosted by the Port District, the Crow's Nest Thursday night beach barbecues, beach volleyball tournaments, regattas, and other special events.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$12,616	\$26,899	\$20,372	\$25,679	-4.53% <sup>11</sup>
Services & Supplies	495	7,500	5,298	7,500	0%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$13,111</b>	<b>\$34,399</b>	<b>\$25,670</b>	<b>\$33,179</b>	<b>-3.5%</b>

## FUEL SERVICES

The Port District took over operation and maintenance of the harbor's fuel dock in July 2010. The program is managed by Deputy Harbormaster staff. Recurring program costs include staff, fuel purchases, taxes, storage tank fees and maintenance, inspections, insurance, credit card fees, regulatory compliance and spill prevention equipment and supplies.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$38,141	\$45,691	\$38,920	\$47,138	3.2%
Services & Supplies	702,810	447,600	833,958	471,052	5.2%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$740,951</b>	<b>\$493,291</b>	<b>\$872,878</b>	<b>\$518,191</b>	<b>5.0%</b>

<sup>11</sup> Part-time / temporary wages in the Events program has been marginally reduced, resulting in a 4.53% decrease to Personnel Services.

## BOATYARD

The Port District took over staffing, operation, and maintenance of the boatyard in 2014. Recurring program costs include personnel, spill prevention equipment, supplies, stormwater filtration costs, and equipment maintenance and fuel. The boatyard is not projected to require proceeds to support expenditures in FY24.

<b>Expenditure</b>	<b>FY22 Actual</b>	<b>FY23 Budget</b>	<b>FY23 Projection</b>	<b>FY24 Budget</b>	<b>% Change</b>
Personnel Services	\$216,901	\$267,938	\$224,556	\$290,281	8.3%
Services & Supplies	109,183	93,975	133,647	121,034	28.8% <sup>12</sup>
Capital Outlay	0	4,000	3,850	0	-
<b>Total Expenditures</b>	<b>\$326,084</b>	<b>\$361,913</b>	<b>\$358,203</b>	<b>\$411,315</b>	<b>13.6%</b>

<sup>12</sup> Significant increase is attributed to escalating insurance premium costs and increased costs for filtration system repair and maintenance.

## DEPARTMENTS AND PROGRAMS

## FACILITIES MAINTENANCE &amp; ENGINEERING DEPARTMENT

The Facilities Maintenance and Engineering Department is comprised of the following programs:

- Docks, Pier, and Marine Structures (DP&M)
- Utilities Maintenance
- Building Maintenance
- Grounds Maintenance
- Aeration Program
- Fishery Support
- Capital Projects
- Dredge Operations

The table below summarizes the distribution of expenditures by category and program for the Facilities Maintenance and Engineering Department. Individual program details are also provided.

## EXPENDITURE SUMMARY

Expenditure by Category	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$1,589,936	\$1,772,726	\$1,749,511	\$1,890,795	6.6%
Services & Supplies	1,733,044	2,030,855	2,079,852	2,347,987	15.6%
Capital Outlay	176,175	191,155	226,269	188,000	-1.6%
<b>Total Expenditures</b>	<b>\$3,322,981</b>	<b>\$3,803,581</b>	<b>\$3,829,362</b>	<b>\$4,238,783</b>	<b>11.4%</b>

Expenditure by Program	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
DP&M	\$320,346	\$340,916	\$510,122	\$695,064	103.8%
Utilities Maint.	97,358	104,396	103,090	109,072	4.5%
Building Maint.	321,330	410,949	395,717	467,331	13.7%
Grounds Maint.	790,111	838,072	905,822	872,519	4.1%
Aeration Program	49,912	57,385	40,513	59,229	3.2%
Fishery Support	8,587	16,027	14,004	17,024	6.2%
Capital Projects	410,707	466,799	397,891	363,503	-22.1%
Dredge Operations	1,324,629	1,569,037	1,462,202	1,655,041	5.4%
<b>Total Expenditures</b>	<b>\$3,322,981</b>	<b>\$3,803,581</b>	<b>\$3,829,362</b>	<b>\$4,238,783</b>	<b>11.4%</b>

## PROGRAM HIGHLIGHTS:

FY24 Services and Supplies within the Facilities Maintenance and Engineering Department are anticipated to increase 15.6% over the prior fiscal year. This significant increase is due to escalating insurance premium costs, of which approximately 41% of the total estimated premium is paid from the Docks, Piers, and Marine Structures program.



## DOCKS, PIERS, AND MARINE STRUCTURES

Activities in this program include maintenance and repairs of existing docks and piers; routine maintenance of piles and appurtenant equipment; maintenance of floats, seawalls, cranes, jetties, gates, brow piers and gangways.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$140,319	\$144,816	\$146,279	\$165,085	14%
Services & Supplies	180,027	196,100	363,843	529,979	170.4% <sup>13</sup>
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$320,346</b>	<b>\$340,916</b>	<b>\$510,122</b>	<b>\$695,064</b>	<b>103.8%</b>

## UTILITIES MAINTENANCE

Utility maintenance includes repairs to landside and dock electrical and plumbing facilities; operation and maintenance of seven sanitary sewer lift stations; maintenance of parking lot, dock, and storage area lighting; and storm drain inspections and cleaning.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$77,111	\$71,646	\$79,332	\$76,322	6.5%
Services & Supplies	20,247	32,750	23,758	32,750	0%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$97,358</b>	<b>\$104,396</b>	<b>\$103,090</b>	<b>\$109,072</b>	<b>4.4%</b>

## BUILDING MAINTENANCE

There are 26 buildings housing over 40 tenants, harbor administration, operations and maintenance functions, restrooms and miscellaneous storage facilities throughout the harbor. Activities include the full spectrum of repairs, paint, carpet, roofing, HVAC, elevator service, alarm maintenance and cleaning/custodial services.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$96,054	\$137,724	\$116,877	\$146,507	6.3%
Services & Supplies	225,277	273,225	278,841	320,824	17.4% <sup>14</sup>
Capital Outlay	0	0	0	45,000	-
<b>Total Expenditures</b>	<b>\$321,330</b>	<b>\$410,949</b>	<b>\$395,717</b>	<b>\$467,331</b>	<b>13.7%</b>

<sup>13</sup> Significant increase is attributed to escalating insurance premium costs.

<sup>14</sup> Significant increase is attributed to escalating insurance premium costs

## GROUNDS MAINTENANCE

Harbor property encompasses approximately nine landside acres that attract thousands of visitors each year. Activities include maintenance of landscaped areas, parking lots and meters, signs, fences, walkways, and commemorative plazas; litter collection, control, and transport; recycling services; pressure washing of docks, street sweeping, and fish table cleaning and maintenance.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$380,233	\$410,572	\$449,659	\$437,519	6.5%
Services & Supplies	409,878	427,500	456,163	435,000	1.7%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$790,111</b>	<b>\$838,072</b>	<b>\$905,822</b>	<b>\$872,519</b>	<b>4.1%</b>

## AERATION PROGRAM

This program involves the annual installation of 24 electric powered aerators mounted in strategic locations throughout the harbor to respond to high fish count and low dissolved oxygen events. The harbor had experienced devastating fish kills, primarily schools of anchovies, in years past, requiring costly cleanup and repair operations. The current aeration program is a joint effort between the Facilities Maintenance and Engineering Department and the Harbor Patrol to monitor fish populations and dissolved oxygen levels, and be prepared to respond quickly to ameliorate poor conditions and prevent another kill.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$26,088	\$26,385	\$15,077	\$28,229	6.9%
Services & Supplies	23,825	31,000	25,436	31,000	0%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$49,912</b>	<b>\$57,385</b>	<b>\$40,513</b>	<b>\$59,229</b>	<b>3.2%</b>

## FISHERY SUPPORT

The commercial fishing fleet, resident fish buyer and the facilities that support their activities are supported by the Port District. The FY24 budget includes funding for maintenance of the hoists, working with commercial fishermen on landings administration, and for updating policies associated with the fishery.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$8,579	\$12,527	\$13,754	\$13,524	7.9%
Services & Supplies	9	3,500	250	3,500	0%
Capital Outlay	0	0	0	0	-
<b>Total Expenditures</b>	<b>\$8,587</b>	<b>\$16,027</b>	<b>\$14,004</b>	<b>\$17,024</b>	<b>6.2%</b>

## CAPITAL PROJECTS

This program provides staffing to develop and manage the Port District's Capital Improvement Program. Work in this section may involve preliminary engineering, such as site inspections or concept development, grant applications, and other work in support of capital projects. Capital projects recommended for FY24 are detailed in the Capital Improvement Program later in this report.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$54	\$4,619	\$262	\$4,986	7.9%
Services & Supplies	410,652	462,180	397,629	358,517	-22.4% <sup>15</sup>
Capital Outlay	0	0	0	0	
<b>Total Expenditures</b>	<b>\$410,707</b>	<b>\$466,799</b>	<b>\$397,891</b>	<b>\$363,503</b>	<b>-22.1%</b>

## DREDGING OPERATIONS

Activities involve annual dredging of the federal entrance channel and selected areas of the inner-harbor, primarily the north harbor where sedimentation from Arana Gulch most impacts depths. Also included are maintenance and repairs to the dredges *Twin Lakes* and *Squirt* and other equipment required to perform dredging (e.g., crane, submersible pump, dozer, forklift, pipe welder, and anchors). The U.S. Army Corps of Engineers provides support for the dredging by reimbursing 35% of the average operations and maintenance costs. The Port District is currently being reimbursed \$525,000/year.

Expenditure	FY22 Actual	FY23 Budget	FY23 Projection	FY24 Budget	% Change
Personnel Services	\$861,499	\$964,437	\$928,271	\$1,018,623	5.6%
Services & Supplies	463,130	604,600	533,932	636,417	5.2%
Capital Outlay	176,175	191,155	226,269	143,000	-
Transfers Out	-176,175	-191,155	-226,269	-143,000	-
<b>Total Expenditures</b>	<b>\$1,324,629</b>	<b>\$1,569,037</b>	<b>\$1,462,202</b>	<b>\$1,655,041</b>	<b>5.5%</b>

<sup>15</sup> Decrease is attributed to reduced interest expenses in FY24.

**DREDGE FUND**

The table below details identified priorities and equipment replacement / repair needs for the dredge operation in FY24. A total contribution to the Dredge Fund in the amount of \$143,000 is proposed for FY24.

ASSET	ITEM	IDENTIFIED NEED
<i>TWIN LAKES</i>	Snorkel Elbow Replacement (cont. from FY23)	10,000
	Spare Parts Replacement	25,000
	Replacement Muffler for C32	10,000
	Extended Warranties for C32 and C18	40,000
		<b>\$85,000</b>
<i>DAUNTLESS</i>	Keel Cooler Replacement	10,000
		<b>\$10,000</b>
<i>SQUIRT</i>	Suction Hose	8,000
		<b>\$8,000</b>
<i>MISCELLANEOUS</i>	Skagit Winch Rebuilt (Partial Set Aside)	15,000
	Unspecified Allowance	25,000
		<b>\$40,000</b>
<b>Total FY24 Dredge Fund Contribution:</b>		<b>\$143,000</b>

At the conclusion of FY23, the remaining Dredge Fund balance is anticipated to total approximately \$146,665, and is allocated as follows:

- Snorkel Elbow Replacement (*Twin Lakes*): \$13,550 (add'l funding requested in FY24)
- Cab Roof Replacement (*Dauntless*): \$10,000
- Electrical System Rewiring (*Dauntless*): \$15,000
- 16" Flexible Dredge Hoses (*Miscellaneous*): \$30,000
- Unspecified Allowance (*Miscellaneous*): \$78,115<sup>16</sup>

**Historical Dredge Fund Contributions**

FY18	FY19	FY20	FY21	FY22	FY23	FY24
\$290,000	\$378,258	\$145,956	\$416,091	\$272,762	\$191,151	\$143,000

<sup>16</sup> The Unspecified Allowance consists of a one-time \$75,000 contribution that was approved by the Port Commission on October 22, 2022. Small balances that remain after a project has been completed / closed out are absorbed into the Unspecified Allowance.

---

### CAPITAL OUTLAY

The following capital outlay items are included in the FY24 budget:

DEPARTMENT	REQUEST	IDENTIFIED NEED
Harbor Patrol	Body Worn Cameras	\$17,000
Harbor Patrol	Firearms & Safety Equipment	7,500
Buildings	Replacement Truck <sup>17</sup>	45,000
	<b>Total:</b>	<b>\$69,500</b>

---

<sup>17</sup> This replacement truck was an unfunded capital outlay item in FY23. Recommended for funding in FY24.



SANTA CRUZ PORT DISTRICT

FIVE-YEAR  
**CAPITAL IMPROVEMENT PLAN**

FISCAL YEAR 2024 - FISCAL YEAR 2028

## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program and fund balance propose \$500,000 in new funding for capital improvement projects in FY24, and assignment of \$920,000 in existing Unallocated CIP Funds<sup>18</sup> in support of identified projects.

The proposed 5-Year Capital Improvement Program follows.

---

<sup>18</sup> The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.

---

## INTRODUCTION

This 5-year Capital Improvement Plan (CIP) presents the Santa Cruz Port District's plan for development, maintenance, improvement, and acquisition of infrastructure assets to benefit Santa Cruz Harbor's users, businesses, and visitors. It is intended to serve as a guidance document for planning, scheduling, and implementing capital improvements and planning projects over the next 5 years.

The 5-year CIP serves as a tool for prioritizing and selecting future projects, and provides an overview of works in progress. The CIP highlights the District's investments in infrastructure development and maintenance (i.e., capital improvements) and other significant capital expenditures. Studies of less than \$5,000, and capital expenditures for equipment, vehicles and vessels are typically not included in the CIP, though there are exceptions (e.g., previous water taxi and patrol vessel procurements).

## CAPITAL IMPROVEMENT PLAN DEVELOPMENT

Annual updating of the 5-year CIP is an integral part of the budget process. The CIP is presented with the budget to provide time for review by the public and the Port Commission prior to consideration and incorporation into the final budget.

Prior to FY13, many capital improvements were budgeted and completed within line items in the operating budget, such as Pavement Repairs (F006), Building Restoration (F011), Restroom Building Rehabilitation (F012) and Dock Upgrades(F008). Those items are now presented as separate projects within the 5-year CIP with recommended funding amounts for ongoing rehabilitation and repair.

Each year, the Commission will adopt an updated 5-year CIP that will include prioritized short and long-term projects. The prioritized list will be used by staff in the development of the annual operating budget. The 5-year CIP will be published in advance of and discussed during a public meeting prior to adoption of the annual budget.

## FUNDING THE CAPITAL IMPROVEMENT PLAN

Each year, funding is allocated to various large and small projects within the CIP. Non-specific CIP funding is contained in the Unallocated CIP Funds (F099), which is also referred to as the CIP Reserve Fund.

In FY16, the Port Commission adopted a Reserve Policy, which established funding goals for reserves and for the 5-year CIP. The Commission initially elected to contribute \$500,000 to the CIP fund each year, whenever practicable. The CIP fund would be allowed to grow over time so that large-scale projects could be planned and accomplished without impacting either the Reserve Fund or operations. In February 2020, the Commission increased the CIP funding goal to \$750,000 annually, whenever practicable.

While the annual funding goal remains at \$750,000, several FY24 budget impacts, including increased personnel services costs and increased insurance premiums (premiums are anticipated to rise 114% or \$602,934 over the FY23 budget), pose a significant challenge to reaching the \$750,000 funding level.



---

As a result, a \$500,000 contribution is proposed in conjunction with utilizing \$920,000 of Unallocated CIP Funds<sup>19</sup> to establish funding in the amount of \$1,420,000 for identified project needs.

## PROJECT DEVELOPMENT AND SELECTION PROCESS

The projects proposed in the FY24 CIP were derived from a variety of sources, including recommendations from Port District staff, Commission and public input, and projects identified in the Port District Priorities for 2023.

Although not typically included as capital improvements, planning studies may be included in the CIP as part of the planning effort. Studies of less than \$5,000 or capital expenditures for vehicles, equipment and vessels are typically funded in the operating budget.

Twelve (12) previously identified projects are proposed for funding in FY24. This total includes two (2) projects that were added mid-fiscal year (North Harbor Transformer Project and 2222 East Cliff Deck Replacement). Four (4) projects are proposed for closeout (i.e., removal from the list), and there is one (1) new project proposed for funding in FY24. A CIP Summary sheet outlining projects and funding levels is included as Appendix A. Not including the CIP Reserve Fund, the Fund Balance projection as of April 1, 2023, has 28 identified projects with some level of available funding.

## PROPOSED PROJECTS

Several of the proposed projects in this CIP address ongoing infrastructure or facility maintenance needs and are typically programmed on an annual basis. Examples include Pavement Repairs (F006), Building Restoration (F011), and Restroom Building Rehabilitation (F012).

The following attachments provide additional detail regarding future funding needs and project descriptions:

- Appendix B: Capital Improvement Plan Detail – 5-year funding projections
- Appendix C: Capital Improvement Plan Detail – Project Descriptions (funded and unfunded)

## ENVIRONMENTAL REVIEW

The development of this 5-year plan is not a project, as defined in the California Environmental Quality Act (CEQA), and an environmental review is not required for its adoption. Individual projects listed herein may be subject to CEQA and environmental reviews will be conducted during project implementation.

---

<sup>19</sup> The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.

CAPITAL IMPROVEMENT PLAN DETAIL  
APPENDIX A – CIP SUMMARY

The table below summarize FY23 CIP funding contributions, including mid-year transfers to individual funds.

<b>CIP FUNDING SUMMARY</b>	
Beginning Balance as of April 1, 2022	<b>\$1,894,053</b>
Transfer In – Westside Seawall Design (PC Approval 6/7/22)	\$4,292
Transfer In – North Harbor Transformers (PC Approval 9/27/22)	\$207,000
Transfer In – 2222 East Cliff Deck (PC Approval 12/13/22)	\$825,000
Transfer In – Murray Street Bridge (Escrow Funding rec'd XXXXXX)	\$400,000
Transfer In – Insurance Proceeds (January 15, 2022, Tsunami)	\$922,761
<b>Total:</b>	<b>\$4,253,060</b>
Anticipated FY23 Expenditures through March 31, 2023	(\$345,427)
	<b>\$3,907,633</b>

**CAPITAL IMPROVEMENT PLAN DETAIL**  
**APPENDIX A – CIP SUMMARY (CONT.)**

The table below summarizes the FY24 CIP funding contributions (and reallocations) and details projected balances for individual funds as of April 1, 2023.

Project Name	Number	Beginning Balance April 1, 2022	FY23 Projected Expenditures	FY23 Contribution/ Reallocation	FY24 Proposed Reallocation	FY24 Funding Contribution	Projected Balance April 1, 2023
CF Marine Services Center	F003	10,000				0	\$10,000
Harbor Security Upgrades	HO01	12,404	(12,182)			12,000	\$12,222
Sanitary Sewer Lift Stations	F004	364,986	(22,545)				\$342,441
Piling Replacement	F005	30,000			85,000	500,000	\$615,000
Pavement Repairs	F006	52,716	(44,200)			100,000	\$108,516
Dock Upgrades	F008	82,097	0				\$82,097
Pier Rehabilitation	F009	129,322	(20,842)		(85,000)		\$23,480
Building Restoration	F011	205,630	(18,118)			20,000	\$207,512
Restroom Building Rehabilitation	F012	275,000	(24,396)			50,000	\$300,604
Sidewalk & Plaza Restoration	F013	33,000					\$33,000
Storm Drain System	F014	30,000				0	\$30,000
Water & Sewer System	F015	44,139				0	\$44,139
Parking Pay Station	F018	15,000	(14,981)			0	\$19
Aeration System Upgrades	F019	31,304				0	\$31,304
Ice Machine	F020	19,222				0	\$19,222
West Jetty Walkway	J001	799				0	\$799
7th and Brommer Recon	F021	134,467	(42,258)			25,000	\$117,209
SH Revetment & Seawall	F022	98,499	(63,760)	21,500			\$56,239
Murray Street Bridge	F024	(42,960)	(22,961)	400,000			\$334,079
Unallocated CIP Funds	F099	17,209		909,982	(920,000)	150,000	\$157,191
Aldo's Seawall Replacement	F027	188,441					\$188,441
Parking Upgrades	F028	46,321	(627)			25,000	\$70,694
Patrol Vessel Replacement	F033	2,182	0	(2,182)			<b>Close Out</b>
Boatyard Marine Ways Insp.	F035	8,000	(5,753)	(2,247)		0	<b>Close Out</b>
Harborwide Refuse Study	F039	10,000	(8,000)			3,000	\$5,000
Water Taxi	F040	0	0		0	0	<b>Close Out</b>
Maint Work Boat Replacement	F041	0	0		0	0	<b>Close Out</b>
Embankment Assessment	F042	6,274				70,000	\$76,274
Fuel System Upgrades	F043	40,000	(6,461)			55,000	\$88,539
January 22 Tsunami Fund	F044	50,000	(14,527)		(35,473)		<b>Close Out</b>
NH Transformer	F045		(20,328)	207,000		225,000	\$411,672
2222 East Cliff Deck Replacement	F046		(3,488)	825,000		10,000	\$831,512
Twin Lakes Haul <i>(New in FY24)</i>	F047				35,473	175,000	\$210,473
<b>TOTAL:</b>		<b>\$1,894,053</b>	<b>\$ (345,427)</b>	<b>\$2,359,053</b>	<b>\$920,000</b>	<b>\$1,420,000</b>	<b>\$4,407,679</b>

## CAPITAL IMPROVEMENT PLAN DETAIL

### APPENDIX B – 5-YEAR FUNDING PROJECTIONS

Projects within the Capital Improvement Program are categorized into one of the six following categories:

- Docks, Piers & Marine Structures
- Buildings
- Landside Infrastructure
- Utility Systems
- Planning Projects & Studies
- Miscellaneous Projects

The tables below summarize anticipated funding needs for each identified project / project category for the period FY24 to FY28. The proposed FY24 CIP contribution totals \$1,270,000 (comprised of \$920,000 in insurance proceeds and \$350,000 from the operating budget).

#### DOCKS, PIERS & MARINE STRUCTURES

	FY24	FY25	FY26	FY27	FY28	Total
Piling Replacement	500,000	75,000	125,000	250,000	50,000	<b>\$1,000,000</b>
Dock Upgrades	-	20,000	125,000	250,000	50,000	<b>\$445,000</b>
Pier Rehabilitation	-	20,000	-	-	50,000	<b>\$90,000</b>
BY Marine Ways Upgrades	-	40,000	-	85,000	-	<b>\$125,000</b>
	<b>\$500,000</b>	<b>\$155,000</b>	<b>\$250,000</b>	<b>\$585,000</b>	<b>\$150,000</b>	<b>\$1,640,000</b>
NOTABLE FY24 DOCKS, PIERS & MARINE STRUCTURE PROJECTS						
<ul style="list-style-type: none"> <li>• Replacement of approximately 35-40 critical piles throughout the north and south harbor during the June 15 to Nov 30, 2023,</li> <li>• Sleeve 2 previously identified piles at the boatyard marine ways.</li> </ul>						

**BUILDINGS**

	FY24	FY25	FY26	FY27	FY28	Total
Building Restoration	20,000	75,000	25,000	50,000	50,000	<b>\$220,000</b>
Restroom Rehabilitation	50,000	150,000	100,000	100,000	75,000	<b>\$475,000</b>
2222 East Cliff Deck	10,000	-	-	5,000	-	<b>\$15,000</b>
2222 East Cliff Repaint <sup>20</sup>	-	50,000	-	-	-	<b>\$50,000</b>
2218 East Cliff Roof <sup>21</sup>	-	75,000	-	-	-	<b>\$75,000</b>
Lighthouse Repaint	-	15,000	15,000	-	-	<b>\$30,000</b>
Harbor Office Updates	-	-	10,000	10,000	-	<b>\$20,000</b>
	<b>\$80,000</b>	<b>\$365,000</b>	<b>\$150,000</b>	<b>\$165,000</b>	<b>\$125,000</b>	<b>\$885,000</b>
<b>NOTABLE FY24 BUILDING PROJECTS</b>						
<ul style="list-style-type: none"> <li>• Replacement of second story deck at 2222 East Cliff Drive.</li> <li>• Renovation of I-Dock restroom and shower facility.</li> </ul>						

**LANDSIDE INFRASTRUCTURE**

	FY24	FY25	FY26	FY27	FY28	Total
Pavement Repairs	100,000	75,000	75,000	75,000	75,000	<b>\$400,000</b>
Parking Pay Stations	-	5,000	5,000	25,000	-	<b>\$35,000</b>
Parking Upgrades	25,000	5,000	5,000	5,000	5,000	<b>\$45,000</b>
Sidewalk and Plaza Restoration	-	-	15,000	25,000	-	<b>\$40,000</b>
	<b>\$125,000</b>	<b>\$85,000</b>	<b>\$100,000</b>	<b>\$130,000</b>	<b>\$80,000</b>	<b>\$520,000</b>
<b>NOTABLE FY24 LANDSIDE INFRASTRUCTURE PROJECTS</b>						
<ul style="list-style-type: none"> <li>• Anticipated paving repairs include storm-damaged concrete walkway near 493 Lake Avenue, fishery pier, and concession lot exit lanes.</li> <li>• Travel path upgrades in concession lot (paid for from Parking Upgrades).</li> </ul>						

<sup>20</sup> Previous funding for this project in the amount of \$10,000 is allocated in the Building Restoration fund balance.

<sup>21</sup> Previous funding for this project in the amount of \$50,00 is allocated in the Building Restoration fund balance.

**UTILITY SYSTEMS**

	FY24	FY25	FY26	FY27	FY28	Total
Sanitary Sewer Upgrades	-	75,000	200,000	75,000	75,000	<b>\$425,000</b>
Fuel System Upgrades	55,000	-	-	10,000	10,000	<b>\$75,000</b>
Aeration Syst. Upgrades	-	10,000	-	10,000	-	<b>\$20,000</b>
Storm Drain Maintenance	-	-	5,000	-	5,000	<b>\$10,000</b>
Water & Sewer Maint.	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
NH Transformers	225,000	100,000	TBD	TBD	TBD	<b>\$325,000</b>
	-	-	15,000	25,000	-	<b>\$40,000</b>
	<b>\$280,000</b>	<b>\$185,000</b>	<b>\$220,000</b>	<b>\$120,000</b>	<b>\$90,000</b>	<b>\$895,000</b>
<b>NOTABLE FY24 LANDSIDE INFRASTRUCTURE PROJECTS</b>						
<ul style="list-style-type: none"> <li>• Replacement of G-Dock sanitary sewer lift station.</li> <li>• Fuel System upgrades (new dispensers and hoses)</li> <li>• Replacement of 6 tsunami-damaged transformers in the north harbor.</li> </ul>						

**PLANNING PROJECTS & STUDIES**

	FY24	FY25	FY26	FY27	FY28	Total
Comm. Fishery Upgrades	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
West Side Master Plan	-	-	85,000	-	-	<b>\$85,000</b>
7 <sup>th</sup> & Brommer Site	25,000	TBD	TBD	TBD	TBD	<b>\$25,000</b>
SH Revetment. & Seawall	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
Harbor Wi-Fi	-	-	25,000	5,000	5,000	<b>\$35,000</b>
East Side Embankment	\$70,000	TBD	TBD	TBD	TBD	<b>\$70,000</b>
Arana Gulch Grade Control Feasibility Study	-	85,000	-	-	-	<b>\$85,000</b>
	<b>\$95,000</b>	<b>\$85,000</b>	<b>\$110,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$300,000</b>
<b>NOTABLE FY24 PLANNING PROJECTS AND STUDIES</b>						
<ul style="list-style-type: none"> <li>• Continued planning for the repair and replacement of the west side seawall (SH Revetment &amp; Seawall)</li> <li>• Contract for engineering services to determine repair/replacement options for the storm-damaged east side embankment.</li> </ul>						

**MISCELLANEOUS PROJECTS**

	FY24	FY25	FY26	FY27	FY28	Total
CIP Reserve Fund	TBD	TBD	TBD	TBD	TBD	TBD
Refuse / Recycling Study	3,000	-	-	-	-	\$3,000
Harbor Security Upgrades	12,000	12,000	-	12,000	-	\$36,000
West Jetty Walkway	TBD	TBD	TBD	TBD	TBD	TBD
<i>Twin Lakes</i> Haul	175,000	200,000	200,000	-	-	\$575,000
Unallocated CIP	150,000					
	<b>\$340,000</b>	<b>\$212,000</b>	<b>\$200,000</b>	<b>\$12,000</b>	-	<b>\$764,000</b>
NOTABLE FY24 PLANNING PROJECTS AND STUDIES						
<ul style="list-style-type: none"> <li>• Refuse receptacle upgrades at beach plaza.</li> <li>• Installation of additional security cameras.</li> <li>• Set-aside funding for <i>Twin Lakes</i> haulout.</li> </ul>						

**TOTAL 5-YEAR CIP FUNDING NEEDS**

	FY24	FY25	FY26	FY27	FY28	Total
Docks, Piers & Structures	\$500,000	\$155,000	\$250,000	\$585,000	\$150,000	\$1,640,000
Buildings	\$80,000	\$365,000	\$150,000	\$165,000	\$125,000	\$885,000
Landside Infrastructure	\$125,000	\$85,000	\$100,000	\$130,000	\$80,000	\$520,000
Utility Systems	\$280,000	\$185,000	\$220,000	\$120,000	\$90,000	\$895,000
Planning Project/Studies	\$95,000	\$85,000	\$110,000	\$5,000	\$5,000	\$300,000
Miscellaneous Projects	\$340,000	\$212,000	\$200,000	\$12,000	-	\$764,000
	<b>\$1,420,000</b>	<b>\$1,087,000</b>	<b>\$1,030,000</b>	<b>\$1,017,000</b>	<b>\$450,000</b>	<b>\$5,009,004</b>

CAPITAL IMPROVEMENT PLAN DETAIL  
 APPENDIX C – PROJECT DESCRIPTIONS

FUNDED PROJECTS

<b>F003</b>	<b>CF HARBOR SECURITY MARINE SERVICES CENTER</b>
<i>Status:</i>	<i>Project on Hold</i>
<p>This project would involve improvements to the facilities located at 493 and 495 Lake Avenue, buildings that currently house H&amp;H Fresh Fish, Johnny’s Harborside Restaurant, and the Santa Cruz Harbor Boatyard. The first phase of the project will involve outreach and preliminary planning for ice production and storage, evaluation of the expansion potential for the restaurant facility, and potential upgrades to serve the commercial fishery. Additional work will involve identification of funding sources/partners, and use of the boatyard during the City of Santa Cruz’s upcoming Murray Street Bridge Rehabilitation project.</p>	
<b>HO01</b>	<b>HARBOR SECURITY UPGRADES</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24 for acquisition of additional security cameras</i>
<p>This project was approved to provide for increased security systems throughout the harbor to reduce unauthorized uses, and to improve monitoring and law enforcement capabilities. Cameras and recording devices with remote monitoring capabilities have been installed at key locations and expansion of the camera system is recommended. Fencing and lighting upgrades were previously completed in the north harbor dry storage and dredge yard.</p> <p>Previously completed projects include restroom door and gate rekeying in FY16, FY17 and FY19, and acquisition of electronic system components in FY19. Fabrication of dock gates to support the new electronic key system were funded as separate project (Dock Upgrades F008). Security cameras were installed in FY20, FY21, FY22, and FY23 (. Additional funding planned in FY24 is for additional cameras.</p>	
<b>F004</b>	<b>SANITARY SEWER LIFT STATIONS</b>
<i>Status:</i>	<i>Ongoing – adequate funding available for first phase of replacement (G-Dock lift station)</i>
<p>This project will continue to involve development of construction documents for upgrades or replacements as required, and coordination with the City of Santa Cruz and the County of Santa Cruz for future maintenance. Priority tasks previously identified include replacing the lift station control panels and performing ultrasound inspections of existing steel tubing, replacing, or relining existing tanks and upgrading access to pumps for maintenance.</p> <p>A comprehensive assessment of the nine existing sanitary sewer lift stations was performed in FY22. As a result of that assessment, construction documents for upgrades or replacements as required were drafted in FY23. Replacement of the G-Dock lift station will be placed out to bid in late FY23 or early FY24.</p>	
<b>F005</b>	<b>PILING REPLACEMENT</b>
<i>Status:</i>	<i>Ongoing - funding needed for critical piling replacements in FY24.</i>
<p>The Port District maintains approximately 700 piles to support its docks and piers. Over the last 5 years, approximately 225 piles have been repaired and/or replaced. Funding is requested in FY24 to address pile replacement needs in the north and south harbor (some damage attributed to tsunami and storm events).</p>	
<b>F006</b>	<b>PAVEMENT REPAIRS</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>Ongoing project to maintain, resurface and restripe harbor parking lots and roads. Funding in FY24 is requested to repave storm-damaged concrete walkway near 493 Lake Avenue, fishery pier, and concession lot exit lanes.</p>	



<b>F008</b>	<b>DOCK UPGRADES</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>The 30 distinct docks that make up the Santa Cruz Harbor provide berthing for over 800 vessels, fulfilling the mission of being a federal and state harbor of refuge. This funding provides for small projects involving repairs or upgrades to the existing docks and appurtenant structures such as gates, brow piers, ramps, etc.</p> <p>Fabrication of new aluminum dock gates supporting conversion to electronic key system for dock gates and restrooms was completed in FY19. Southeast harbor brow pier repairs completed in FY19; installation of new aluminum gangways acquired in FY21 for southeast harbor brow piers was completed in FY22.</p>	
<b>F009</b>	<b>PIER REHABILITATION</b>
<i>Status:</i>	<i>Ongoing – adequate funding available for proposed FY24 work.</i>
<p>The harbor’s three piers require periodic inspection and maintenance to ensure they remain safe for public access and serviceable for their various uses. This ongoing project provides periodic funding for inspections, repairs, and upkeep.</p> <p>In 2020, 10 piles supporting the east public pier were deemed to be in critical condition and in need of repair. In FY21, a repair project was completed in which 3 of the 10 piles were jacketed and filled with cementitious grout. Of the remaining piles, 4 were programmed for repair in FY22, and 3 were scheduled for repair in FY23. The planned project in FY22 was delayed, and as a result, 7 east public pier piles were jacketed in FY23 by in-house crews, which resulted in considerable cost savings.</p> <p>Two piles supporting the boatyard marine ways will be jacketed by in-house crews in FY24. As a result of in-house crews performing this work, \$85,000 is proposed to be transferred from Pier Rehabilitation to Piling Replacement.</p>	
<b>F011</b>	<b>BUILDING RESTORATION</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>Projects to be programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in District-owned buildings that are rented out to various tenants.</p> <p>Future projects (FY24 and beyond) include 333 Lake Avenue rewiring and submetering, roofing and stairway replacement; re-roofing the concession lot restroom structure; roofing repairs at 2218 East Cliff Drive; exterior painting of 2222 East Cliff Drive; and other necessary maintenance and repair projects.</p>	
<b>F012</b>	<b>RESTROOM BUILDING REHABILITATION</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>FY24 funding and ongoing funding recommended to facilitate phased rehabilitation of restroom facilities.</p> <p>Projects are planned on an annual basis to extend the useful life of the District’s 11 restroom buildings. After 4 of the 11 restroom buildings sustained flood damage as a result of the January 2022 tsunami, expediting repair work in FY23 was initiated. In FY24, demolition and replacement of the I-Dock restroom and shower facility is planned.</p>	
<b>F013</b>	<b>SIDEWALK AND PLAZA RESTORATION</b>
<i>Status:</i>	<i>Ongoing - no projects planned in FY24</i>
<p>No major restoration of sidewalks or plazas was completed in FY23. No additional funding recommended in FY24.</p>	

<b>F014</b>	<b>STORM DRAIN SYSTEM</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project involves maintenance, repairs and cleaning of the harbor’s storm drainpipes, inlets and catch basins, and upgrades needed to comply with the State of California Industrial Stormwater Permit.	
<b>F015</b>	<b>WATER &amp; SEWER SYSTEMS</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project funds upgrades, improvements and major replacement / repair to the harbor’s water and sewer services.	
<b>F018</b>	<b>PARKING PAY STATION UPGRADES</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project funds replacement of the aging parking meters with pay stations throughout the harbor, beginning on the west side. Future projects anticipate pay station replacement and rehabilitation.	
<b>F019</b>	<b>AERATION SYSTEM UPGRADES</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
Annual maintenance of the aerator motors and floats is performed as part of the Aeration program. This project differs from the annual program as it provides for replacement of aerators worked beyond their rated capacity.	
<b>F020</b>	<b>ICE MACHINE</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This project was initially funded to add cold storage and/or an ice delivery system to serve the commercial fishing fleet following replacement of the former Sunwell ice system. The resident buyer has a concept for improving ice production and delivery which may be an appropriate use of this funding subject to Port Commission review and approval.	
<b>J001</b>	<b>WEST JETTY WALKWAY</b>
<i>Status:</i>	<i>Project on Hold</i>
A Phase 1 project to complete resurfacing of the west jetty walkway was completed in 2012, utilizing grant funding provided by the Coastal Conservancy.	
Phase 2, which will complete an accessible walkway between AA-dock and Walton Lighthouse featuring donor-funded amenities including benches, plazas, a gateway and overlooks, is on hold pending completion of the Aldo’s restaurant building replacement, and subsequent West Side Master Plan.	
<b>F021</b>	<b>7<sup>th</sup> &amp; BROMMER RECON</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24</i>
Site assessment and engineering work for future development of the Port District’s property in the area of 7 <sup>th</sup> and Brommer, and coordination and interface with other opportunities in the area to ensure Port District and community interests are served.	
Site assessment of the Port District-owned parcel on northwest parcel was initiated in FY21 and continues. A marketing and feasibility study to consider opportunities that may be available to the Port District on County-owned property located on the southwest corner of 7 <sup>th</sup> and Brommer is ongoing.	

<b>F022</b>	<b>SOUTH HARBOR REVETMENT &amp; SEAWALL</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>Originally funded in FY15, this project was for engineering assessment and recommendations involving the seawall along the harbor’s west side. The seawall at 616 Atlantic Avenue was replaced in FY20 and is similar vintage to the west side seawall. FY23 funding initiated a comprehensive engineering assessment of the seawall including a dive inspection. The final assessment report is pending. Additional funding in future years will be needed to undertake replacement of the seawall.</p>	
<b>F024</b>	<b>MURRAY STREET BRIDGE</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>Funding for this project will be made available by the City of Santa Cruz upon completion of necessary right-of-way certifications. In FY23, the Port District received a draw of escrow funding in the amount of \$400,000 to cover project related costs for the preliminary design and replacement of FF, Rowing, and Boatyard Docks.</p> <p>Port District coordination with the City of Santa Cruz on the Murray Street bridge reconstruction project. Contract services for engineering oversight and legal counsel will be needed.</p>	
<b>F027</b>	<b>ALDO’S SEAWALL REPLACEMENT PROJECT</b>
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>Construction of a new seawall was completed by Granite Construction in FY20. The project was partially funded by financing obtained in FY19. All loan funding has been expended. Approximately \$188,441 remains in the CIP following project close-out, to provide funding for any future District costs associated with accessway improvements and Tenant reconstruction of the restaurant structure.</p>	
<b>F028</b>	<b>PARKING UPGRADES</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The Santa Cruz Harbor Parking Management Plan completed during FY16 included several recommendations for upgrading ADA parking facilities throughout the harbor. This project involves assessing current inventory and adding new accessible spaces in key locations.</p> <p>In FY21 one additional ADA space was added in the concession parking lot and existing spaces were relocated and reconfigured to bring them to current ADA standards. In FY22, funding to assess necessary upgrades to bring the path of travel between the concession lot public restroom and the beach plaza / concession area to current standards was completed. Work to complete the necessary path of travel upgrades is planned in FY24. Recently acquired bids for the improvement work indicate additional funding is necessary in FY24.</p>	
<b>F039</b>	<b>HARBORWIDE REFUSE / RECYCLING STUDY</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>A harborwide refuse and recycling study was completed in FY23. While the final report pends Commission review, additional funding is being allocated in FY24 to address recommended improvements, like new/improved receptacles along the beach plaza.</p>	

<b>F042</b>	<b>EMBANKMENT ASSESSMENT</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The embankment area at the site of the crane pad on the east access road adjacent to <i>Twin Lakes</i>’ off-season mooring has visible erosion, which was accelerated further by the January 2022 tsunami and again by the January 2023 winter storms. Funding was designated in FY22 to inspect the area, assess the significance of the erosion, and develop a repair plan suitable to support the crane and associated activities. A comprehensive assessment was completed in FY22, and an additional review of the area was performed by engineers after the tsunami event.</p> <p>Since considerable erosion occurred during the January 2023 storm events, funding in FY24 will be required to determine adequate repair / replacement options. The crane pad is currently compromised and cannot be used at full capacity. Costs associated with this project may be reimbursable by FEMA / CalOES.</p>	
<b>F043</b>	<b>FUEL SYSTEM UPGRADES</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The Santa Cruz Port District operates a full-service fuel dock 7 days a week. Ensuring that adequate funding is available for future equipment repair is critical to ensuring a serviceable operation.</p> <p>In FY24, the Port District will facilitate replacement of all four fuel dispensers and hose reels.</p>	
<b>F045</b>	<b>NORTH HARBOR TRANSFORMER</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>As a result of the January 15, 2022, tsunami, 6 electrical transformers in the north harbor were submerged and damaged. Replacement is required. In FY23, the Commission allocated \$207,000 to facilitate the design and replacement of the transformers. Design work is currently underway, and additional FY24 funding is required to procure new transformers and complete installation. Additional funding may be needed in future fiscal years if a phased installation plan is developed.</p>	
<b>F046</b>	<b>2222 EAST CLIFF DECK REPLACEMENT</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>In October 2022, the Commission allocated \$825,000 from the reserve fund to facilitate the repair and replacement of the second story deck at 2222 East Cliff Drive. Additional funding is recommended in FY24 to cover any construction administration or oversight for this project.</p>	
<b>F046</b>	<b>TWIN LAKES HAUL</b>
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The District’s dredge, <i>Twin Lakes</i>, has been in service for approximately 7 years. Bi-annual inspections are routinely performed by a contracted third party knowledgeable in dredge operations and equipment. A recommendation has been made to haul the dredge (for comprehensive inspection and maintenance) within the next 1-3 years. FY24 funding is recommended as a partial set-aside.</p>	

## UNFUNDED PROJECTS

### WIFI SYSTEM

This project involves design and installation of a Wi-Fi system available to harbor customers and tenants. Installation costs are presumed to be borne by a Wi-Fi vendor to be selected through a public bidding process, though there are numerous other options researched by Port District staff which may impact the type of service provided, installation costs, ongoing monthly costs, vendor-provided support, maintenance and customer service, fee-based upgrade options, etc.

A feasibility study by an outside consultant is recommended to identify and assess available options. Any Wi-Fi system should include comprehensive vendor-provided support as a top priority. Should the Commission direct staff to pursue the project following completion of a feasibility study, subsequent development of an RFP for installation of a Wi-Fi system by a qualified consultant is recommended.

### ARANA GULCH GRADE CONTROL STRUCTURE FEASIBILITY STUDY (FEMA HAZARD MITIGATION GRANT APPLICATION)

This project would involve developing a grant proposal to fund engineering design and construction of several sediment-reduction measures in Arana Gulch, upstream of the north harbor. Work on this project commenced in FY 11 with a preliminary application submitted on the Port District's behalf. The application process was suspended because the Port District is not eligible to serve as lead agency for the grant and cooperative agreements had not been executed with the City of Santa Cruz and the County of Santa Cruz for extraterritorial work sponsored by the Port District.

### WEST SIDE MASTER PLAN

Master Plan study to follow reconstruction of a new restaurant at 616 Atlantic Avenue for the purposes of completing accessible public improvements along the walkway and jetty area between AA Dock and Walton Lighthouse, as envisioned in the 2008 West Jetty Walkway project. The West Side Master Plan needs to seamlessly tie in access to any future replacement of the SH Revetment and Seawall (F022).

### ELEVATOR REPLACEMENT FUND

Fund for future replacement of Port District elevator(s).

### ELECTRIC VEHICLE CHARGING STATION

Identification of location(s) for placement of electric vehicle charging station(s) throughout the harbor, including assessment of power requirements and ongoing utility costs and maintenance.

ATTACHMENT A – DEBT SERVICE DETAIL & COVERAGE RATIOS

**Santa Cruz Port District  
Historical Revenues and Expenses  
Debt Service Coverage Projection**

	2021 <i>Audited</i>	2022 <i>Audited</i>	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024 <i>Budgeted</i>
<b>Operating Revenues</b>					
Charges for berthing and services	\$ 7,886,323	\$ 8,864,120	\$ 8,141,535	\$ 9,058,058	\$ 8,786,475
Rent and concessions	\$ 1,635,555	\$ 2,023,819	\$ 2,020,000	\$ 2,149,892	\$ 2,054,400
<b>Total Operating Revenues</b>	<b>\$ 9,521,878</b>	<b>\$ 10,887,939</b>	<b>\$ 10,161,535</b>	<b>\$ 11,207,950</b>	<b>\$ 10,840,875</b>
<b>Operating Expenses</b>					
Depreciation and Amortization	\$ 2,159,280	\$ 2,187,657	\$ -	\$ -	\$ -
CalPERS Net Pension Liability (Non-cash)	\$ 190,116	\$ 805,728	\$ -	\$ -	\$ -
OPEB Liability (Non-cash)	\$ 81,221	\$ 101,318	\$ -	\$ -	\$ -
Dredging Operations	\$ 1,357,222	\$ 1,324,630	\$ 1,569,037	\$ 1,462,202	\$ 1,653,480
Administrative Services	\$ 753,848	\$ 663,892	\$ 826,625	\$ 754,329	\$ 889,563
Grounds	\$ 733,457	\$ 790,109	\$ 838,072	\$ 905,822	\$ 865,519
Fuel Services	\$ 427,765	\$ 740,950	\$ 493,291	\$ 872,878	\$ 516,338
Harbor Patrol	\$ 669,826	\$ 712,258	\$ 807,951	\$ 791,242	\$ 863,451
Property Management	\$ 515,497	\$ 669,573	\$ 555,579	\$ 700,053	\$ 842,315
Marina Management	\$ 483,428	\$ 495,234	\$ 563,149	\$ 548,964	\$ 611,835
Buildings	\$ 323,175	\$ 321,331	\$ 410,949	\$ 395,717	\$ 465,185
Parking Services	\$ 248,637	\$ 352,771	\$ 373,217	\$ 405,159	\$ 384,271
Docks, Piers, Marine Structures	\$ 269,258	\$ 320,346	\$ 340,916	\$ 510,122	\$ 679,068
Debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ -
Finance & Purchasing	\$ 194,674	\$ 183,581	\$ 227,216	\$ 193,473	\$ 239,618
Environmental & Permitting	\$ 139,893	\$ 95,646	\$ 192,405	\$ 169,068	\$ 189,158
Utilities	\$ 86,067	\$ 97,358	\$ 104,396	\$ 103,090	\$ 109,072
Aeration	\$ 40,795	\$ 49,913	\$ 57,385	\$ 40,513	\$ 59,229
Rescue Services	\$ 84,414	\$ 104,968	\$ 125,105	\$ 113,541	\$ 144,756
Boatyard Operations	\$ 303,551	\$ 326,087	\$ 361,913	\$ 358,203	\$ 408,535
Port Commission Support	\$ 56,586	\$ 107,746	\$ 78,145	\$ 65,990	\$ 78,653
Capital Projects	\$ 1,630	\$ 54	\$ 9,819	\$ 262	\$ 8,186
Events	\$ -	\$ 13,111	\$ 34,399	\$ 25,670	\$ 33,179
Fishery Support	\$ 5,064	\$ 8,588	\$ 16,027	\$ 14,004	\$ 17,024
Tsunami Expense	\$ -	\$ 187,859	\$ -	\$ 188	\$ -
<b>Total Expenses</b>	<b>\$ 9,125,404</b>	<b>\$ 10,660,708</b>	<b>\$ 7,985,596</b>	<b>\$ 8,430,491</b>	<b>\$ 9,058,436</b>
<b>Non-Operating Revenue (Expenses)</b>					
County revenues for public services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Grants and Other Income	\$ 23,801	\$ 619,189	\$ 42,000	\$ 33,472	\$ 24,000
Dredging Reimbursement USACE	\$ 385,000	\$ 665,000	\$ -	\$ 525,000	\$ 525,000
Interest Income	\$ 80,131	\$ 30,375	\$ 50,000	\$ 132,714	\$ 125,000
Interest Expense	\$ (443,836)	\$ (410,652)	\$ (456,980)	\$ (397,629)	\$ (355,317)
Other Income (Expenses)	\$ 38,570	\$ 83,001	\$ 60,000	\$ 124,573	\$ 95,000
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ 133,666</b>	<b>\$ 1,036,913</b>	<b>\$ (254,980)</b>	<b>\$ 468,131</b>	<b>\$ 463,683</b>
<b>Debt Service Coverage Calculation</b>					
(+) Gross Revenues	\$ 9,521,878	\$ 10,887,939	\$ 10,161,535	\$ 11,207,950	\$ 10,840,875
(-) Maintenance and operating expenses	\$ (9,125,404)	\$ (10,660,708)	\$ (7,985,596)	\$ (8,430,491)	\$ (9,058,436)
(+) Depreciation and Amortization	\$ 2,159,280	\$ 2,187,657	\$ -	\$ -	\$ -
(+) CalPERS Unfunded Liability (Non-cash)	\$ 190,116	\$ 805,728	\$ -	\$ -	\$ -
(+) OPEB Liability (Non-cash)	\$ 81,221	\$ 101,318	\$ -	\$ -	\$ -
(=) Net Operating Income	\$ 2,827,091	\$ 3,321,934	\$ 2,175,939	\$ 2,777,460	\$ 1,782,439
(+) Interest Income	\$ 80,131	\$ 30,375	\$ 50,000	\$ 132,714	\$ 125,000
(+) Non-operating Income	\$ 38,570	\$ 83,001	\$ 60,000	\$ 124,573	\$ 95,000
(+) Grants	\$ 73,801	\$ 669,189	\$ 92,000	\$ 83,472	\$ 74,000
(+) Dredging Reimbursement USACE	\$ 385,000	\$ 665,000	\$ -	\$ 525,000	\$ 525,000
(=) Net Revenues Available for Debt Service	\$ 3,404,593	\$ 4,769,499	\$ 2,377,939	\$ 3,643,219	\$ 2,601,439
(+) Current Portion Long Term Debt	\$ 1,274,163	\$ 1,329,940	\$ 1,329,940	\$ 1,319,377	\$ 1,329,940
(+) Interest Expense	\$ 443,836	\$ 410,652	\$ 456,980	\$ 397,629	\$ 355,317
(=) Total Debt Service	\$ 1,717,999	\$ 1,740,592	\$ 1,786,920	\$ 1,717,006	\$ 1,685,257
Debt Service Coverage Ratio (DSCR)	<b>1.98x</b>	<b>2.74x</b>	<b>1.33x</b>	<b>2.12x</b>	<b>1.54x</b>
Required DSCR	1.25x	1.25x	1.25x	1.25x	1.25x

ATTACHMENT B – REVENUE, EXPENSE, & NON-OP SUMMARY SHEET



Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
<b>OPERATING INCOME</b>					
User	000-000-000-0000-4000	Slip Rent Permanent	\$4,804,000	\$4,796,098	\$5,030,700
User	000-000-000-0000-4002	Slip Rent Visitors	\$160,000	\$296,139	\$210,000
User	000-000-000-0000-4003	Annual Slip Rent Discount	(\$1,225)	(\$984)	(\$1,225)
Conc Rent	000-000-000-0000-4006	Tenant Concession Rent	\$1,885,000	\$2,149,892	\$2,054,400
Conc Rent	000-000-000-0000-4008	Misc. Tenant Rent (Sewer)	\$135,000	\$126,697	\$135,000
User	000-000-000-0000-4010	Launch Fees	\$150,000	\$174,790	\$155,000
User	000-000-000-0000-4012	Liveaboard	\$70,000	\$88,000	\$75,000
User	000-000-000-0000-4014	Catamaran Storage	\$26,000	\$27,749	\$26,000
User	000-000-000-0000-4016	North Harbor Dry Storage	\$185,000	\$192,470	\$195,000
User	000-000-000-0000-4018	7th Ave Dry Storage	\$116,000	\$121,662	\$122,000
User	000-000-000-0000-4020	Waiting List	\$120,000	\$139,800	\$120,000
User	000-000-000-0000-4024	Slip Leave Option	\$3,000	\$3,500	\$3,000
User	000-000-000-0000-4026	Partnership Fees	\$27,500	\$31,273	\$30,000
User	000-000-000-0000-4028	Sublease Fees	\$28,500	\$44,259	\$35,000
User	000-000-000-0000-4030	Variable/Utility Fees	\$197,500	\$210,090	\$207,250
User	000-000-000-0000-4032	Late Fees	\$50,000	\$53,428	\$50,000
Fines	000-000-000-0000-4036	Citations	\$93,000	\$120,171	\$98,000
Other / Misc	000-000-000-0000-4040	Credit Card Convenience Charges	\$22,000	\$27,243	\$22,000
User (Pkg)	000-000-000-0000-4100	Parking - Concession Lot	\$855,000	\$899,636	\$880,000
User (Pkg)	000-000-000-0000-4102	Parking - Launch Area			
User (Pkg)	000-000-000-0000-4104	Parking - Southwest			
User (Pkg)	000-000-000-0000-4106	Parking - North			
User (Pkg)	000-000-000-0000-4108	Parking - Southeast			
User (Pkg)	000-000-000-0000-4118	Meter Permits			
User (Pkg)	000-000-000-0000-4120	Slip Renter Parking Permits	\$25,000	\$31,159	\$26,000
User	000-000-000-0000-4122	RV Parking	\$185,000	\$204,631	\$195,000
Fuel	000-000-000-0000-4200	Fuel Sales Gasoline	\$285,000	\$438,707	\$345,000
Fuel	000-000-000-0000-4202	Fuel Sales Diesel	\$405,000	\$581,885	\$465,000
Other / Misc	000-000-000-0000-4204	Fuel Service Call Back Charges	\$10	\$10	
User	000-000-000-0000-4210	Wash Rack	\$6,250	\$10,362	\$6,500
BY	000-000-000-0000-4220	Boatyard Retail	\$11,500	\$22,497	\$16,500
BY	000-000-000-0000-4225	Boatyard Labor	\$1,000	\$500	\$750
BY	000-000-000-0000-4230	Boatyard Rental	\$2,500	\$4,795	\$3,000
BY	000-000-000-0000-4235	Boatyard Misc.	\$30,000	\$41,310	\$32,000
BY	000-000-000-0000-4240	Lay Days/Storage	\$122,000	\$189,392	\$140,000
BY	000-000-000-0000-4245	Vessel Haulout	\$130,000	\$139,926	\$132,000
BY	000-000-000-0000-4250	Vessel Berthing	\$32,000	\$40,865	\$32,000
	000-000-000-0000-4299	Unallocated Revenue			
<b>OPERATING INCOME</b>			<b>\$10,161,535</b>	<b>\$11,207,950</b>	<b>\$10,840,875</b>

Santa Cruz Port District  
**FY24 BUDGET**  
 February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
<b>EXPENSE SUMMARY BY PROGRAM</b>					
		Administrative Services (110)	\$826,625	\$754,329	\$889,563
		Finance & Purchasing (120)	\$227,216	\$193,473	\$239,618
		Property Management (130)	\$555,579	\$700,053	\$842,315
		Environmental & Permitting (140)	\$192,405	\$169,068	\$189,158
		Port Commission Support (190)	\$78,145	\$65,990	\$78,653
		Harbor Patrol (210)	\$807,951	\$791,242	\$863,451
		Marina Management (220)	\$563,149	\$548,964	\$611,835
		Rescue Services (230)	\$125,105	\$113,541	\$144,756
		Parking Services (240)	\$373,217	\$405,159	\$384,271
		Events (250)	\$34,399	\$25,670	\$33,179
		Fuel Services (280)	\$493,291	\$872,878	\$516,338
		Docks, Piers, Marine Structures (310)	\$340,916	\$510,122	\$679,068
		Utilities (320)	\$104,396	\$103,090	\$109,072
		Buildings (330)	\$410,949	\$395,717	\$465,185
		Grounds (340)	\$838,072	\$905,822	\$865,519
		Aeration (350)	\$57,385	\$40,513	\$59,229
		Fishery Support (360)	\$16,027	\$14,004	\$17,024
		Capital Projects (390)	\$466,799	\$397,891	\$363,503
		Dredging Operations (400)	\$1,569,037	\$1,462,202	\$1,653,480
		Boatyard Operations (500)	\$361,913	\$358,203	\$408,535
		<b>OPERATING EXPENSES</b>	<b>\$8,442,576</b>	<b>\$8,827,931</b>	<b>\$9,413,753</b>
		<b>OPERATING PROFIT</b>	<b>\$1,718,959</b>	<b>\$2,380,019</b>	<b>\$1,427,122</b>
		<b>NON OPERATING INCOME/(EXPENSE)</b>			
Other / Misc	000-000-000-0000-4300	Harbor Services Charge	\$10,000	\$1,000	\$10,000
Other / Misc	000-000-000-0000-4308	Interest Income	\$50,000	\$132,714	\$125,000
Other / Misc	000-000-000-0000-4310	Other Income	\$50,000	\$119,989	\$85,000
Intergov	000-000-000-0000-4375	USACE Reimbursement		\$525,000	\$525,000
Grants	000-000-000-0000-4400	Grants - State		\$11,472	
Grants	000-000-000-0000-4405	Grants - DBAW	\$30,000	\$10,000	\$12,000
Intergov	000-000-000-0000-4406	County Rescue Contribution	\$50,000	\$50,000	\$50,000
Grants	000-000-000-0000-4408	Waste Oil Grant	\$12,000	\$12,000	\$12,000
Other / Misc	000-000-000-0000-4500	Gain/(Loss) on Asset Disposal		\$3,940	
	000-000-000-0000-4600	Cash Over/Under		(\$356)	
		Election Expense			
		Principal Debt Payments	(\$1,329,940)	(\$1,319,377)	(\$1,365,818)
		Capital Improvement Program	(\$382,000)	(\$2,741,053)	(\$500,000)
		Capitalized Expenses & DIF	(\$195,151)	(\$230,119)	(\$212,500)
		Depreciation		(\$1,680,020)	
		<b>NET INCOME/(LOSS)</b>	<b>\$13,868</b>	<b>(\$2,724,790)</b>	<b>\$167,804</b>
		<b>INCOME PROJECTION NET OF DEPRECIATION / CAP EXP</b>			
		Capital Improvement Program		\$2,790,292	
		Capitalized Expenses / Dredge Intermediate		\$230,119	
		Depreciation		\$1,680,020	
		<b>PROJECTED NET INCOME FY23</b>		<b>\$1,975,641</b>	
		<b>FY24 Projected Reserve Fund Contributi</b>			<b>(\$310,651)</b>
		<b>FY24 Projected Election Fund Contributi</b>			<b>(\$50,000)</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>ADMINISTRATIVE SERVICES (110)</b>			
	100-100-110-0000-5000	Salaries - Regular	\$289,179	\$252,736	\$314,128
	100-100-110-0000-5005	Salaries - Overtime	\$500	\$250	\$500
	100-100-110-0000-5010	Wages - Part Time/Temporary	\$1,000	\$500	\$5,000
	100-100-110-0000-5020	Salaries - Vacation Pay	\$5,000	\$8,672	\$6,000
	100-100-110-0000-5025	Salaries - Holiday Pay		\$1,199	
	100-100-110-0000-5055	Unemployment Insurance (SUI)	\$1,800	\$2,106	\$2,266
	100-100-110-0000-5060	FICA Medicare/Social Security	\$19,905	\$18,504	\$20,217
	100-100-110-0000-5075	Auto Allowance	\$2,400	\$2,400	\$2,400
	100-100-110-0000-5105	Workers' Compensation	\$8,850	\$6,315	\$10,443
	100-100-110-0000-5110	CalPERS Employer Share	\$31,433	\$28,058	\$35,590
	100-100-110-0000-5112	CalPERS Unfunded Liability	\$53,992	\$54,444	\$53,992
	100-100-110-0000-5115	Health Insurance	\$48,548	\$46,554	\$50,850
	100-100-110-0000-5120	Dental Insurance	\$3,351	\$3,134	\$3,351
	100-100-110-0000-5125	Long Term Disability/Life/AD&D	\$867	\$1,415	\$956
	100-100-110-0000-5200	Printing & Newsletter	\$14,000	\$13,431	\$14,000
	100-100-110-0000-5202	Legal Notices	\$1,000	\$500	\$1,000
	100-100-110-0000-5204	Advertising	\$3,000	\$5,000	\$3,000
	100-100-110-0000-5206	Postage	\$10,000	\$9,720	\$10,500
	100-100-110-0000-5208	Promotional Expense	\$11,000	\$2,426	\$11,000
	100-100-110-0000-5214	Office Supplies	\$14,000	\$15,750	\$14,300
	100-100-110-0000-5217	Supplies	\$1,000	\$750	\$1,000
	100-100-110-0000-5240	Miscellaneous Employee Training	\$2,000	\$1,000	\$2,000
	100-100-110-0000-5242	Pre-Employment Physicals	\$1,000	\$500	\$1,000
	100-100-110-0000-5256	Equipment Rental	\$1,000	\$500	\$500
	100-100-110-0000-5262	Insurance Premiums	\$27,500	\$37,695	\$56,571
	100-100-110-0000-5264	Insurance Claims	\$5,000	\$1,500	\$5,000
	100-100-110-0000-5266	Memberships, Dues, Subscriptions	\$14,000	\$13,500	\$14,000
	100-100-110-0000-5268	Meetings & Training	\$5,000	\$5,985	\$5,000
	100-100-110-0000-5270	Books	\$300		
	100-100-110-0000-5282	Bank Service Charges	\$16,000	\$14,000	\$15,000
	100-100-110-0000-5284	Credit Card Fees	\$40,000	\$40,072	\$41,000
	100-100-110-0000-5288	Employee Recognition	\$3,000	\$3,658	\$3,000
	100-100-110-0000-5290	Miscellaneous Expenses	\$1,000	\$500	\$1,000
	100-100-110-0000-5298	Interest Expense	\$2,000		
	100-100-110-0000-5310	Telephone & Alarms	\$26,000	\$16,806	\$22,000
	100-100-110-0000-5415	Miscellaneous Professional Services	\$12,000	\$9,600	\$12,000
	100-100-110-0000-5416	Legal Consultation	\$40,000	\$34,000	\$35,000
	100-100-110-0000-5420	Technical Services	\$21,000	\$18,500	\$21,000
	100-100-110-0000-5425	Contract Services	\$12,000	\$19,200	\$16,000
	100-100-110-0000-5450	Other Services	\$10,000	\$9,624	\$12,000
	100-100-110-0000-5465	Software License & Application	\$31,000	\$22,873	\$31,000
	100-100-110-0000-5470	LAFCO Assessment	\$14,000	\$11,359	\$14,000
	100-100-110-0000-5500	Mileage Reimbursement	\$1,000	\$500	\$1,000
	100-100-110-0000-5510	Meetings & Seminars	\$3,000	\$1,500	\$3,000
	100-100-110-0000-5694	Office Equipment R&M	\$10,000	\$5,000	\$10,000
	100-100-110-0000-5698	Equipment/Equipment R&M	\$8,000	\$12,000	\$8,000
	100-100-110-CO19-5000	COVID-19 Labor		\$405	
	100-100-110-TSUN-5000	2022 Tsunami Labor		\$188	
	100-100-110-TSUN-6300	2022 Tsunami Expenses			
		<b>TOTAL ADMINISTRATIVE SERVICES</b>	<b>\$826,625</b>	<b>\$754,329</b>	<b>\$889,563</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>FINANCE &amp; PURCHASING (120)</b>			
	100-100-120-0000-5000	Salaries - Regular	\$113,606	\$91,042	\$123,407
	100-100-120-0000-5005	Salaries - Overtime	\$500		\$500
	100-100-120-0000-5010	Wages - Part Time/Temporary	\$1,000		\$1,000
	100-100-120-0000-5055	Unemployment Insurance (SUI)	\$957	\$431	\$957
	100-100-120-0000-5060	FICA Medicare/Social Security	\$8,678	\$5,489	\$8,810
	100-100-120-0000-5105	Workers' Compensation	\$3,740	\$2,669	\$4,413
	100-100-120-0000-5110	CalPERS Employer Share	\$8,177	\$7,299	\$9,259
	100-100-120-0000-5112	CalPERS Unfunded Liability	\$14,046	\$14,164	\$14,046
	100-100-120-0000-5115	Health Insurance	\$20,329	\$18,325	\$21,006
	100-100-120-0000-5120	Dental Insurance	\$1,416	\$1,324	\$1,416
	100-100-120-0000-5125	Long Term Disability/Life/AD&D	\$367	\$368	\$404
	100-100-120-0000-5214	Office Supplies	\$750	\$350	\$750
	100-100-120-0000-5266	Memberships, Dues, Subscriptions	\$500	\$500	\$500
	100-100-120-0000-5268	Meetings & Training	\$2,000	\$2,000	\$2,000
	100-100-120-0000-5272	Software	\$500	\$500	\$500
	100-100-120-0000-5290	Miscellaneous Expenses	\$1,000	\$1,000	\$1,000
	100-100-120-0000-5420	Technical Services	\$2,000	\$2,000	\$2,000
	100-100-120-0000-5460	Accounting & Auditing	\$46,000	\$44,862	\$46,000
	100-100-120-0000-5465	Software License & Application	\$500	\$500	\$500
	100-100-120-0000-5500	Mileage Reimbursement	\$150	\$150	\$150
	100-100-120-0000-5698	Equipment/Equipment R&M	\$1,000	\$500	\$1,000
		<b>TOTAL FINANCE &amp; PURCHASING</b>	<b>\$227,216</b>	<b>\$193,473</b>	<b>\$239,618</b>
		<b>PROPERTY MANAGEMENT (130)</b>			
	100-100-130-0000-5000	Salaries - Regular	\$18,443	\$6,509	\$20,034
	100-100-130-0000-5055	Unemployment Insurance (SUI)	\$100	\$25	\$100
	100-100-130-0000-5060	FICA Medicare/Social Security	\$1,811	\$500	\$1,825
	100-100-130-0000-5105	Workers' Compensation	\$390	\$278	\$460
	100-100-130-0000-5110	CalPERS Employer Share	\$2,411	\$2,152	\$2,729
	100-100-130-0000-5112	CalPERS Unfunded Liability	\$4,141	\$4,175	\$4,141
	100-100-130-0000-5115	Health Insurance	\$2,047	\$1,967	\$2,117
	100-100-130-0000-5120	Dental Insurance	\$148	\$138	\$148
	100-100-130-0000-5125	Long Term Disability/Life/AD&D	\$38	\$109	\$42
	100-100-130-0000-5204	Advertising	\$1,500	\$1,000	\$1,500
	100-100-130-0000-5262	Insurance Premiums	\$128,800	\$281,897	\$412,969
	100-100-130-0000-5268	Meetings & Training	\$750	\$500	\$750
	100-100-130-0000-5290	Miscellaneous Expenses	\$3,000	\$1,500	\$2,000
	100-100-130-0000-5300	Gas & Electricity	\$83,500	\$90,696	\$85,000
	100-100-130-0000-5305	Water, Sewer & Garbage	\$180,000	\$181,174	\$182,000
	100-100-130-0000-5310	Telephone & Alarms	\$7,500	\$3,679	\$5,500
	100-100-130-0000-5315	Sanitary Dist Charges	\$115,000	\$93,703	\$110,000
	100-100-130-0000-5416	Legal Consultation	\$6,000	\$30,052	\$11,000
		<b>TOTAL PROPERTY MANAGEMENT</b>	<b>\$555,579</b>	<b>\$700,053</b>	<b>\$842,315</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>ENVIRONMENTAL &amp; PERMITTING (140)</b>			
	100-100-140-0000-5000	Salaries - Regular	\$14,016	\$5,685	\$12,554
	100-100-140-0000-5005	Salaries - Overtime	\$3,000	\$3,000	\$3,000
	100-100-140-0000-5010	Wages - Part Time/Temporary	\$42,000	\$32,668	\$40,000
	100-100-140-0000-5055	Unemployment Insurance (SUI)	\$1,000	\$508	\$294
	100-100-140-0000-5060	FICA Medicare/Social Security	\$3,392	\$2,591	\$3,432
	100-100-140-0000-5105	Workers' Compensation	\$1,150	\$821	\$1,357
	100-100-140-0000-5110	CalPERS Employer Share	\$3,427	\$3,059	\$3,880
	100-100-140-0000-5112	CalPERS Unfunded Liability	\$5,886	\$5,936	\$5,886
	100-100-140-0000-5115	Health Insurance	\$6,036	\$5,666	\$6,244
	100-100-140-0000-5120	Dental Insurance	\$435	\$407	\$435
	100-100-140-0000-5125	Long Term Disability/Life/AD&D	\$113	\$154	\$124
	100-100-140-0000-5217	Supplies	\$1,000	\$500	\$1,000
	100-100-140-0000-5235	Vehicle & Equipment Fuel	\$500	\$500	\$500
	100-100-140-0000-5268	Meetings & Training	\$500	\$250	\$500
	100-100-140-0000-5276	Permit Fees	\$8,000	\$8,583	\$8,000
	100-100-140-0000-5292	Uniform Cleaning/Laundry	\$250	\$290	\$250
	100-100-140-0000-5420	Technical Services	\$90,000	\$90,000	\$90,000
	100-100-140-0000-5500	Mileage Reimbursement	\$500	\$250	\$500
	100-100-140-0000-5625	Signage	\$200	\$200	\$200
	100-100-140-0000-5665	Vehicle Maintenance	\$2,000	\$1,500	\$2,000
	100-100-140-0000-5696	Permits & Inspections	\$2,500	\$1,000	\$2,500
	100-100-140-0000-5698	Equipment/Equipment R&M	\$6,500	\$5,500	\$6,500
		<b>TOTAL ENVIRONMENTAL &amp; PERMITTING</b>	<b>\$192,405</b>	<b>\$169,068</b>	<b>\$189,158</b>
		<b>PORT COMMISSION SUPPORT (190)</b>			
	100-100-190-0000-5000	Salaries - Regular	\$39,098	\$34,698	\$45,142
	100-100-190-0000-5005	Salaries - Overtime	\$500		
	100-100-190-0000-5010	Wages - Part Time/Temporary	\$1,000		
	100-100-190-0000-5055	Unemployment Insurance (SUI)	\$302	\$75	\$302
	100-100-190-0000-5060	FICA Medicare/Social Security	\$2,454	\$2,283	\$2,496
	100-100-190-0000-5105	Workers' Compensation	\$1,180	\$842	\$1,392
	100-100-190-0000-5110	CalPERS Employer Share	\$3,663	\$3,270	\$4,148
	100-100-190-0000-5112	CalPERS Unfunded Liability	\$6,292	\$6,345	\$6,292
	100-100-190-0000-5115	Health Insurance	\$6,193	\$5,994	\$6,407
	100-100-190-0000-5120	Dental Insurance	\$447	\$418	\$447
	100-100-190-0000-5125	Long Term Disability/Life/AD&D	\$116	\$165	\$127
	100-100-190-0000-5214	Office Supplies	\$200	\$200	\$200
	100-100-190-0000-5217	Supplies	\$100	\$100	\$100
	100-100-190-0000-5268	Meetings & Training	\$6,000	\$6,000	\$6,000
	100-100-190-0000-5270	Books	\$100	\$100	\$100
	100-100-190-0000-5294	Commission Expenses	\$500	\$500	\$500
	100-100-190-CVRA-6300	CVRA Expenses	\$10,000	\$5,000	\$5,000
		<b>TOTAL PORT COMMISSION SUPPORT</b>	<b>\$78,145</b>	<b>\$65,990</b>	<b>\$78,653</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>HARBOR PATROL (210)</b>			
	100-200-210-0000-5000	Salaries - Regular	\$367,622	\$383,128	\$399,337
	100-200-210-0000-5005	Salaries - Overtime	\$10,000	\$12,183	\$10,000
	100-200-210-0000-5010	Wages - Part Time/Temporary	\$2,500		\$500
	100-200-210-0000-5015	Salaries - Comp. Time		\$3,075	
	100-200-210-0000-5020	Salaries - Vacation Pay	\$4,000	\$2,025	\$4,000
	100-200-210-0000-5025	Salaries - Holiday Pay	\$5,000	\$4,039	\$5,000
	100-200-210-0000-5040	Salaries - Call Back	\$1,500	\$2,000	\$1,500
	100-200-210-0000-5045	Salaries - Call Ready	\$4,000	\$5,933	\$5,000
	100-200-210-0000-5050	Salaries - Night Differential	\$5,000	\$1,583	\$4,000
	100-200-210-0000-5055	Unemployment Insurance (SUI)	\$3,840	\$2,787	\$3,840
	100-200-210-0000-5060	FICA Medicare/Social Security	\$34,067	\$32,850	\$34,596
	100-200-210-0000-5100	Uniform Allowance	\$6,500	\$6,500	\$6,500
	100-200-210-0000-5105	Workers' Compensation	\$15,000	\$10,704	\$17,700
	100-200-210-0000-5110	CalPERS Employer Share	\$44,621	\$39,302	\$50,521
	100-200-210-0000-5112	CalPERS Unfunded Liability	\$76,645	\$76,263	\$76,645
	100-200-210-0000-5115	Health Insurance	\$84,325	\$68,377	\$87,040
	100-200-210-0000-5120	Dental Insurance	\$5,680	\$5,312	\$5,680
	100-200-210-0000-5125	Long Term Disability/Life/AD&D	\$1,470	\$2,009	\$1,620
	100-200-210-0000-5217	Supplies	\$2,500	\$2,000	\$2,500
	100-200-210-0000-5218	Tools	\$1,000	\$500	\$1,000
	100-200-210-0000-5220	Harbor Patrol Supplies	\$3,000	\$2,000	\$3,000
	100-200-210-0000-5224	Almar Maintenance	\$2,500	\$1,913	\$2,500
	100-200-210-0000-5235	Vehicle & Equipment Fuel	\$8,000	\$7,400	\$8,000
	100-200-210-0000-5236	Harbor Patrol Training	\$12,000	\$8,500	\$12,000
	100-200-210-0000-5238	Harbor Patrol Misc. Expense	\$6,500	\$5,600	\$6,500
	100-200-210-0000-5244	Background Investigations	\$3,000	\$1,550	\$3,000
	100-200-210-0000-5262	Insurance Premiums	\$4,681	\$11,278	\$16,971
	100-200-210-0000-5278	Booking Fees	\$2,000	\$3,500	\$2,000
	100-200-210-0000-5415	Miscellaneous Professional Services	\$3,500	\$3,300	\$2,500
	100-200-210-0000-5450	Other Services	\$78,000	\$81,180	\$82,000
	100-200-210-0000-5500	Mileage Reimbursement	\$1,500	\$150	\$1,000
	100-200-210-0000-5510	Meetings & Seminars	\$2,000		\$1,000
	100-200-210-0000-5665	Vehicle Maintenance	\$4,000	\$4,000	\$4,000
	100-200-210-0000-5692	Communications Maintenance	\$2,000	\$300	\$2,000
	100-200-210-0000-6100	Capital Outlay			\$24,500
		<b>TOTAL HARBOR PATROL</b>	<b>\$807,951</b>	<b>\$791,242</b>	<b>\$863,451</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>MARINA MANAGEMENT (220)</b>			
	100-200-220-0000-5000	Salaries - Regular	\$309,343	\$272,494	\$336,031
	100-200-220-0000-5005	Salaries - Overtime	\$500	\$750	\$500
	100-200-220-0000-5010	Wages - Part Time/Temporary	\$24,000	\$15,465	\$23,500
	100-200-220-0000-5020	Salaries - Vacation Pay		\$7,765	
	100-200-220-0000-5025	Salaries - Holiday Pay	\$2,500	\$3,460	\$2,500
	100-200-220-0000-5055	Unemployment Insurance (SUI)	\$2,117	\$1,475	\$2,117
	100-200-220-0000-5060	FICA Medicare/Social Security	\$18,920	\$22,035	\$19,212
	100-200-220-0000-5105	Workers' Compensation	\$8,270	\$5,901	\$9,759
	100-200-220-0000-5110	CalPERS Employer Share	\$42,234	\$40,199	\$47,819
	100-200-220-0000-5112	CalPERS Unfunded Liability	\$72,545	\$73,152	\$72,545
	100-200-220-0000-5115	Health Insurance	\$43,404	\$41,425	\$44,901
	100-200-220-0000-5120	Dental Insurance	\$3,131	\$2,929	\$3,131
	100-200-220-0000-5125	Long Term Disability/Life/AD&D	\$810	\$1,902	\$893
	100-200-220-0000-5217	Supplies	\$5,000	\$5,500	\$5,000
	100-200-220-0000-5222	Scout Maintenance	\$2,500	\$2,510	\$2,500
	100-200-220-0000-5224	P/B Kinnamon Maintenance	\$5,000	\$6,418	\$5,000
	100-200-220-0000-5262	Insurance Premiums	\$8,775	\$13,435	\$22,628
	100-200-220-0000-5279	Bad Debt Expense	\$10,000	\$5,000	\$10,000
	100-200-220-0000-5280	Lien Sale Expenses	\$2,500	\$27,000	\$2,500
	100-200-220-0000-5465	Software License & Application	\$1,000		\$1,000
	100-200-220-0000-5500	Mileage Reimbursement	\$600	\$150	\$300
		<b>TOTAL MARINA MANAGEMENT</b>	<b>\$563,149</b>	<b>\$548,964</b>	<b>\$611,835</b>
		<b>RESCUE SERVICES (230)</b>			
	100-200-230-0000-5000	Salaries - Regular	\$28,770	\$21,312	\$31,252
	100-200-230-0000-5005	Salaries - Overtime	\$1,000	\$1,361	\$1,000
	100-200-230-0000-5010	Wages - Part Time/Temporary	\$1,000		\$500
	100-200-230-0000-5040	Salaries - Call Back	\$3,000	\$2,097	\$2,500
	100-200-230-0000-5045	Salaries - Call Ready	\$16,000	\$15,751	\$16,000
	100-200-230-0000-5055	Unemployment Insurance (SUI)	\$440	\$370	\$440
	100-200-230-0000-5060	FICA Medicare/Social Security	\$4,327	\$2,601	\$4,388
	100-200-230-0000-5105	Workers' Compensation	\$1,720	\$1,227	\$2,030
	100-200-230-0000-5110	CalPERS Employer Share	\$2,576	\$2,449	\$2,917
	100-200-230-0000-5112	CalPERS Unfunded Liability	\$4,425	\$4,462	\$4,425
	100-200-230-0000-5115	Health Insurance	\$9,027	\$7,744	\$9,339
	100-200-230-0000-5120	Dental Insurance	\$651	\$609	\$651
	100-200-230-0000-5125	Long Term Disability/Life/AD&D	\$169	\$116	\$186
	100-200-230-0000-5212	Safety Supplies	\$2,000	\$2,000	\$2,000
	100-200-230-0000-5217	Supplies	\$500	\$200	\$500
	100-200-230-0000-5222	Scout Maintenance	\$2,500	\$2,500	\$2,500
	100-200-230-0000-5224	P/B Kinnamon Maintenance	\$4,500	\$3,500	\$4,500
	100-200-230-0000-5226	Boat Fuel - Patrol Boats	\$7,000	\$10,300	\$8,000
	100-200-230-0000-5236	Harbor Patrol Training	\$6,000		\$6,000
	100-200-230-0000-5238	Harbor Patrol Miscellaneous Expense	\$1,000	\$750	\$1,000
	100-200-230-0000-5262	Insurance Premiums	\$6,500	\$16,191	\$22,628
	100-200-230-0000-5425	Contract Services	\$22,000	\$18,000	\$22,000
		<b>TOTAL RESCUE SERVICES</b>	<b>\$125,105</b>	<b>\$113,541</b>	<b>\$144,756</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>PARKING SERVICES (240)</b>			
	100-200-240-0000-5000	Salaries - Regular	\$79,426	\$68,332	\$86,278
	100-200-240-0000-5005	Salaries - Overtime	\$500	\$4,283	\$500
	100-200-240-0000-5010	Wages - Part Time/Temporary	\$90,000	\$91,069	\$90,000
	100-200-240-0000-5025	Salaries - Holiday Pay		\$133	
	100-200-240-0000-5030	Salaries - Sick Pay	\$1,000	\$750	\$1,000
	100-200-240-0000-5040	Salaries - Call Back		\$88	
	100-200-240-0000-5055	Unemployment Insurance (SUI)	\$3,500	\$2,576	\$445
	100-200-240-0000-5060	FICA Medicare/Social Security	\$11,323	\$11,868	\$11,384
	100-200-240-0000-5105	Workers' Compensation	\$1,740	\$1,242	\$2,053
	100-200-240-0000-5110	CalPERS Employer Share	\$5,129	\$9,325	\$5,807
	100-200-240-0000-5112	CalPERS Unfunded Liability	\$8,809	\$18,094	\$8,809
	100-200-240-0000-5115	Health Insurance	\$9,132	\$8,295	\$10,147
	100-200-240-0000-5120	Dental Insurance	\$523	\$616	\$659
	100-200-240-0000-5125	Long Term Disability/Life/AD&D	\$135	\$231	\$188
	100-200-240-0000-5212	Safety Supplies	\$500	\$490	\$500
	100-200-240-0000-5217	Supplies	\$10,000	\$12,031	\$10,000
	100-200-240-0000-5218	Tools	\$100		\$100
	100-200-240-0000-5231	Boat Fuel - Free Ride	\$600	\$600	\$600
	100-200-240-0000-5235	Vehicle & Equipment Fuel	\$2,500	\$4,000	\$3,000
	100-200-240-0000-5240	Miscellaneous Employee Training	\$1,000		\$500
	100-200-240-0000-5254	Rent & Leases	\$8,000	\$9,600	\$8,000
	100-200-240-0000-5284	Credit Card Fees	\$50,000	\$60,220	\$50,000
	100-200-240-0000-5292	Uniform Cleaning/Laundry	\$1,000	\$624	\$1,000
	100-200-240-0000-5425	Contract Services	\$42,000	\$43,200	\$44,000
	100-200-240-0000-5450	Other Services	\$32,000	\$46,360	\$32,000
	100-200-240-0000-5465	Software License & Application	\$500		\$500
	100-200-240-0000-5500	Mileage Reimbursement		\$468	
	100-200-240-0000-5610	Water Taxi Maintenance	\$3,000	\$2,750	\$5,000
	100-200-240-0000-5625	Signage	\$1,000	\$1,213	\$1,000
	100-200-240-0000-5635	Parking Meters R&M	\$1,800	\$1,500	\$1,800
	100-200-240-0000-5665	Vehicle Maintenance	\$3,000	\$1,200	\$3,000
	100-200-240-0000-5698	Equipment/Equipment R&M	\$5,000	\$4,000	\$6,000
		<b>TOTAL PARKING SERVICES</b>	<b>\$373,217</b>	<b>\$405,159</b>	<b>\$384,271</b>
		<b>EVENTS (250)</b>			
	100-200-250-0000-5000	Salaries - Regular	\$9,344	\$8,137	\$10,150
	100-200-250-0000-5005	Salaries - Overtime	\$1,000	\$266	\$500
	100-200-250-0000-5010	Wages - Part Time/Temporary	\$3,000		\$500
	100-200-250-0000-5055	Unemployment Insurance (SUI)	\$100		\$353
	100-200-250-0000-5060	FICA Medicare/Social Security	\$899	\$598	\$948
	100-200-250-0000-5105	Workers' Compensation	\$1,380	\$985	\$1,628
	100-200-250-0000-5110	CalPERS Employer Share	\$1,205	\$1,076	\$1,365
	100-200-250-0000-5112	CalPERS Unfunded Liability	\$2,070	\$2,088	\$2,070
	100-200-250-0000-5115	Health Insurance	\$7,243	\$6,680	\$7,493
	100-200-250-0000-5120	Dental Insurance	\$523	\$489	\$523
	100-200-250-0000-5125	Long Term Disability/Life/AD&D	\$135	\$54	\$149
	100-200-250-0000-5217	Supplies	\$3,500	\$3,119	\$3,500
	100-200-250-0000-5256	Equipment Rental	\$1,000	\$655	\$1,000
	100-200-250-0000-5290	Misc. Expenses	\$2,500	\$1,524	\$2,500
	100-200-250-0000-5625	Signage	\$500		\$500
		<b>TOTAL EVENTS</b>	<b>\$34,399</b>	<b>\$25,670</b>	<b>\$33,179</b>



Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>FUEL SERVICES (280)</b>			
	100-200-280-0000-5000	Salaries - Regular	\$9,344	\$5,297	\$10,150
	100-200-280-0000-5010	Wages - Part Time/Temporary	\$22,000	\$21,364	\$22,000
	100-200-280-0000-5030	Salaries - Sick Pay	\$300		\$300
	100-200-280-0000-5055	Unemployment Insurance (SUI)	\$310	\$103	\$310
	100-200-280-0000-5060	FICA Medicare/Social Security	\$2,516	\$1,730	\$2,559
	100-200-280-0000-5105	Workers' Compensation	\$1,210	\$863	\$1,428
	100-200-280-0000-5110	CalPERS Employer Share	\$1,134	\$1,263	\$1,284
	100-200-280-0000-5112	CalPERS Unfunded Liability	\$1,949	\$1,965	\$1,949
	100-200-280-0000-5115	Health Insurance	\$6,351	\$5,855	\$6,570
	100-200-280-0000-5120	Dental Insurance	\$458	\$429	\$458
	100-200-280-0000-5125	Long Term Disability/Life/AD&D	\$119	\$51	\$131
	100-200-280-0000-5217	Supplies	\$1,000	\$1,000	\$1,000
	100-200-280-0000-5218	Tools	\$100	\$100	\$100
	100-200-280-0000-5245	Fuel Dock Gasoline	\$195,000	\$340,000	\$205,000
	100-200-280-0000-5246	Fuel Dock Diesel	\$225,000	\$460,000	\$235,000
	100-200-280-0000-5250	Fuel Dock Equipment & Supplies	\$1,000	\$250	\$1,000
	100-200-280-0000-5252	Underground Storage Tank Maintenance	\$7,000	\$9,200	\$8,500
	100-200-280-0000-5262	Insurance Premiums	\$4,000	\$1,980	\$4,000
	100-200-280-0000-5276	Permit Fees	\$4,000	\$3,978	\$4,100
	100-200-280-0000-5284	Credit Card Fees	\$8,000	\$11,500	\$8,000
	100-200-280-0000-5607	Fueling Equipment R&M	\$2,500	\$5,950	\$2,500
		<b>TOTAL FUEL SERVICES</b>	<b>\$493,291</b>	<b>\$872,878</b>	<b>\$516,338</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>DOCKS, PIERS, MARINE STRUCTURES (310)</b>			
	100-300-310-0000-5000	Salaries - Regular	\$90,246	\$105,608	\$109,517
	100-300-310-0000-5005	Salaries - Overtime	\$1,000		\$750
	100-300-310-0000-5010	Wages - Part Time/Temporary	\$2,000		\$1,000
	100-300-310-0000-5055	Unemployment Insurance (SUI)	\$658	\$645	\$658
	100-300-310-0000-5060	FICA Medicare/Social Security	\$8,201	\$7,976	\$8,291
	100-300-310-0000-5105	Workers' Compensation	\$2,570	\$1,834	\$3,033
	100-300-310-0000-5110	CalPERS Employer Share	\$9,099	\$6,012	\$10,302
	100-300-310-0000-5112	CalPERS Unfunded Liability	\$15,629	\$11,667	\$15,629
	100-300-310-0000-5115	Health Insurance	\$14,188	\$11,218	\$14,653
	100-300-310-0000-5120	Dental Insurance	\$973	\$910	\$973
	100-300-310-0000-5125	Long Term Disability/Life/AD&D	\$252	\$410	\$278
	100-300-310-0000-5212	Safety Supplies	\$1,000	\$1,000	\$1,000
	100-300-310-0000-5214	Office Supplies	\$250	\$100	\$250
	100-300-310-0000-5217	Supplies	\$1,000	\$750	\$1,000
	100-300-310-0000-5218	Tools	\$2,500	\$2,500	\$2,500
	100-300-310-0000-5230	Boat Fuel - Odd Job Big Red	\$500	\$150	\$500
	100-300-310-0000-5235	Vehicle & Equipment Fuel	\$2,500	\$2,290	\$2,500
	100-300-310-0000-5240	Miscellaneous Employee Training	\$5,000	\$1,200	\$4,000
	100-300-310-0000-5256	Equipment Rental	\$2,000	\$500	\$2,000
	100-300-310-0000-5262	Insurance Premiums	\$145,000	\$330,310	\$463,883
	100-300-310-0000-5268	Meetings & Training	\$1,000		\$1,000
	100-300-310-0000-5290	Miscellaneous Expenses	\$750	\$250	\$750
	100-300-310-0000-5292	Uniform Cleaning/Laundry	\$600	\$325	\$600
	100-300-310-0000-5430	Engineering Services	\$3,000	\$2,483	\$3,000
	100-300-310-0000-5500	Mileage Reimbursement	\$500	\$100	\$500
	100-300-310-0000-5605	Piers & Marine Structures R&M	\$15,000	\$13,736	\$15,000
	100-300-310-0000-5615	Maintenance Work Boat R&M	\$1,000	\$750	\$1,000
	100-300-310-0000-5620	Paint & Supplies	\$3,000	\$500	\$2,500
	100-300-310-0000-5625	Signage	\$1,000	\$1,200	\$1,500
	100-300-310-0000-5665	Vehicle Maintenance	\$3,000	\$750	\$3,000
	100-300-310-0000-5698	Equipment/Equipment R&M	\$5,000	\$3,750	\$5,000
	100-300-310-0000-5725	Welding Supplies	\$2,500	\$1,200	\$2,500
		<b>TOTAL DOCKS, PIERS, MARINE STRUC</b>	<b>\$340,916</b>	<b>\$510,122</b>	<b>\$679,068</b>
		<b>UTILITIES (320)</b>			
	100-300-320-0000-5000	Salaries - Regular	\$31,229	\$42,613	\$33,924
	100-300-320-0000-5005	Salaries - Overtime	\$750		\$750
	100-300-320-0000-5010	Wages - Part Time/Temporary	\$1,000		\$1,000
	100-300-320-0000-5055	Unemployment Insurance (SUI)	\$750	\$174	\$758
	100-300-320-0000-5060	FICA Medicare/Social Security	\$2,146	\$3,264	\$2,250
	100-300-320-0000-5105	Workers' Compensation	\$2,960	\$2,112	\$3,493
	100-300-320-0000-5110	CalPERS Employer Share	\$5,838	\$5,211	\$6,610
	100-300-320-0000-5112	CalPERS Unfunded Liability	\$10,027	\$10,111	\$10,027
	100-300-320-0000-5115	Health Insurance	\$15,535	\$14,535	\$16,071
	100-300-320-0000-5120	Dental Insurance	\$1,121	\$1,048	\$1,121
	100-300-320-0000-5125	Long Term Disability/Life/AD&D	\$290	\$263	\$320
	100-300-320-0000-5212	Safety Supplies	\$3,000	\$750	\$3,000
	100-300-320-0000-5217	Supplies	\$1,000	\$500	\$1,000
	100-300-320-0000-5240	Miscellaneous Employee Training	\$3,000		\$3,000
	100-300-320-0000-5290	Miscellaneous Expenses	\$250	\$50	\$250
	100-300-320-0000-5650	Storm Drain Maintenance	\$5,500	\$8,200	\$5,500
	100-300-320-0000-5665	Vehicle Maintenance	\$3,000	\$750	\$3,000
	100-300-320-0000-5670	Utility Maintenance	\$12,000	\$9,682	\$12,000
	100-300-320-0000-5698	Equipment/Equipment R&M	\$5,000	\$3,826	\$5,000
		<b>TOTAL UTILITIES</b>	<b>\$104,396</b>	<b>\$103,090</b>	<b>\$109,072</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>BUILDINGS (330)</b>			
	100-300-330-0000-5000	Salaries - Regular	\$72,787	\$71,169	\$79,066
	100-300-330-0000-5005	Salaries - Overtime	\$1,000	\$349	\$1,000
	100-300-330-0000-5010	Wages - Part Time/Temporary	\$5,000		\$6,000
	100-300-330-0000-5015	Salaries - Comp. Time	\$1,000		\$1,000
	100-300-330-0000-5020	Salaries - Vacation Pay	\$1,000		\$1,000
	100-300-330-0000-5025	Salaries - Holiday Pay		\$107	
	100-300-330-0000-5040	Salaries - Call Back	\$500	\$1,306	\$500
	100-300-330-0000-5045	Salaries - Call Ready	\$5,000	\$3,639	\$5,000
	100-300-330-0000-5055	Unemployment Insurance (SUI)	\$750	\$495	\$758
	100-300-330-0000-5060	FICA Medicare/Social Security	\$6,156	\$6,032	\$6,260
	100-300-330-0000-5105	Workers' Compensation	\$2,960	\$2,112	\$3,493
	100-300-330-0000-5110	CalPERS Employer Share	\$7,516	\$4,599	\$8,509
	100-300-330-0000-5112	CalPERS Unfunded Liability	\$12,909	\$8,924	\$12,909
	100-300-330-0000-5115	Health Insurance	\$19,735	\$16,758	\$19,571
	100-300-330-0000-5120	Dental Insurance	\$1,121	\$1,048	\$1,121
	100-300-330-0000-5125	Long Term Disability/Life/AD&D	\$290	\$338	\$320
	100-300-330-0000-5212	Safety Supplies	\$2,000	\$1,800	\$2,000
	100-300-330-0000-5216	Janitorial Supplies	\$30,000	\$40,213	\$32,000
	100-300-330-0000-5217	Supplies	\$4,000	\$2,250	\$4,000
	100-300-330-0000-5218	Tools	\$2,500	\$1,641	\$2,500
	100-300-330-0000-5235	Vehicle & Equipment Fuel	\$3,000	\$3,192	\$3,000
	100-300-330-0000-5240	Miscellaneous Employee Training	\$2,500	\$500	\$2,500
	100-300-330-0000-5256	Equipment Rental	\$500		\$500
	100-300-330-0000-5262	Insurance Premiums	\$23,775	\$43,252	\$62,228
	100-300-330-0000-5266	Memberships, Dues, Subscriptions	\$250		\$250
	100-300-330-0000-5268	Meetings & Training	\$1,000	\$250	\$1,000
	100-300-330-0000-5290	Miscellaneous Expenses	\$1,000	\$750	\$1,000
	100-300-330-0000-5292	Uniform Cleaning/Laundry	\$3,200	\$1,918	\$3,200
	100-300-330-0000-5305	Water, Sewer & Garbage	\$62,000	\$63,181	\$64,000
	100-300-330-0000-5308	Hazmat Disposal	\$3,500	\$1,000	\$1,500
	100-300-330-0000-5412	Custodial Contract	\$65,000	\$66,702	\$72,000
	100-300-330-0000-5430	Engineering Services	\$5,000	\$1,575	\$3,000
	100-300-330-0000-5450	Other Services	\$1,500	\$1,000	\$1,500
	100-300-330-0000-5500	Mileage Reimbursement		\$204	
	100-300-330-0000-5600	Building Repairs & Maintenance	\$38,000	\$34,053	\$38,000
	100-300-330-0000-5620	Paint & Supplies	\$5,000	\$1,250	\$5,000
	100-300-330-0000-5625	Signage	\$1,000	\$200	\$1,000
	100-300-330-0000-5645	Street Maintenance	\$4,000	\$500	\$4,000
	100-300-330-0000-5660	Street Light Maintenance	\$2,500	\$1,500	\$2,500
	100-300-330-0000-5665	Vehicle Maintenance	\$3,500	\$3,273	\$3,500
	100-300-330-0000-5698	Equipment/Equipment R&M	\$7,000	\$7,436	\$7,000
	100-300-330-0000-5725	Welding Supplies	\$1,500	\$1,200	\$1,500
	100-300-330-0000-6100	Capital Outlay			\$45,000
		<b>TOTAL BUILDINGS</b>	<b>\$410,949</b>	<b>\$395,717</b>	<b>\$465,185</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>GROUNDS (340)</b>			
	100-300-340-0000-5000	Salaries - Regular	\$219,590	\$251,376	\$238,534
	100-300-340-0000-5005	Salaries - Overtime	\$4,500	\$5,000	\$4,500
	100-300-340-0000-5010	Wages - Part Time/Temporary	\$15,000	\$16,343	\$15,000
	100-300-340-0000-5015	Salaries - Comp. Time	\$450		\$450
	100-300-340-0000-5020	Salaries - Vacation Pay	\$1,500	\$4,206	\$1,500
	100-300-340-0000-5025	Salaries - Holiday Pay		\$2,456	
	100-300-340-0000-5030	Salaries - Sick Pay	\$250		
	100-300-340-0000-5040	Salaries - Call Back	\$2,500	\$7,013	\$2,500
	100-300-340-0000-5045	Salaries - Call Ready	\$7,500	\$11,489	\$8,000
	100-300-340-0000-5055	Unemployment Insurance (SUI)	\$3,251	\$1,928	\$3,251
	100-300-340-0000-5060	FICA Medicare/Social Security	\$17,312	\$23,093	\$17,760
	100-300-340-0000-5105	Workers' Compensation	\$12,700	\$9,062	\$14,986
	100-300-340-0000-5110	CalPERS Employer Share	\$19,616	\$17,510	\$22,210
	100-300-340-0000-5112	CalPERS Unfunded Liability	\$33,695	\$33,977	\$33,695
	100-300-340-0000-5115	Health Insurance	\$66,654	\$60,825	\$68,953
	100-300-340-0000-5120	Dental Insurance	\$4,809	\$4,498	\$4,809
	100-300-340-0000-5125	Long Term Disability/Life/AD&D	\$1,245	\$883	\$1,372
	100-300-340-0000-5210	Hazmat Supplies	\$7,500	\$5,200	\$7,500
	100-300-340-0000-5212	Safety Supplies	\$3,000	\$2,875	\$3,000
	100-300-340-0000-5217	Supplies	\$4,000	\$3,971	\$4,000
	100-300-340-0000-5218	Tools	\$2,500	\$3,000	\$3,000
	100-300-340-0000-5235	Vehicle & Equipment Fuel	\$5,000	\$10,034	\$6,000
	100-300-340-0000-5240	Miscellaneous Employee Training	\$2,500	\$2,991	\$2,500
	100-300-340-0000-5256	Equipment Rental	\$3,000	\$2,800	\$3,000
	100-300-340-0000-5266	Memberships, Dues, Subscriptions	\$500		\$500
	100-300-340-0000-5276	Permit Fees	\$2,500	\$750	\$1,500
	100-300-340-0000-5292	Uniform Cleaning/Laundry	\$4,000	\$2,525	\$3,500
	100-300-340-0000-5300	Gas & Electricity	\$215,000	\$248,774	\$220,000
	100-300-340-0000-5305	Water, Sewer & Garbage	\$95,000	\$105,308	\$97,000
	100-300-340-0000-5308	Hazmat Disposal	\$10,000	\$13,291	\$10,000
	100-300-340-0000-5405	Landscaping	\$10,000	\$5,389	\$8,000
	100-300-340-0000-5425	Contract Services	\$5,000	\$675	\$2,500
	100-300-340-0000-5500	Mileage Reimbursement	\$500	\$89	\$500
	100-300-340-0000-5620	Paint & Supplies	\$5,000	\$3,500	\$5,000
	100-300-340-0000-5625	Signage	\$4,000	\$4,850	\$4,000
	100-300-340-0000-5630	Parking Lot R&M	\$10,000	\$6,467	\$10,000
	100-300-340-0000-5645	Street Maintenance	\$2,500	\$2,257	\$2,500
	100-300-340-0000-5665	Vehicle Maintenance	\$5,000	\$2,500	\$5,000
	100-300-340-0000-5672	Other Repairs & Maintenance	\$3,500	\$5,300	\$3,500
	100-300-340-0000-5696	Permits & Inspections	\$2,500	\$250	\$1,000
	100-300-340-0000-5698	Equipment/Equipment R&M	\$10,000	\$11,496	\$10,000
	100-300-340-0000-5800	Fish Removal Expenses	\$2,500		\$2,000
	100-300-340-0000-5805	Waste Oil Disposal/Recycle	\$12,500	\$11,871	\$12,500
		<b>TOTAL GROUNDS</b>	<b>\$838,072</b>	<b>\$905,822</b>	<b>\$865,519</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>AERATION (350)</b>			
	100-300-350-0000-5000	Salaries - Regular	\$12,295	\$3,083	\$13,356
	100-300-350-0000-5055	Unemployment Insurance (SUI)	\$75		\$195
	100-300-350-0000-5060	FICA Medicare/Social Security	\$1,581	\$238	\$1,607
	100-300-350-0000-5105	Workers' Compensation	\$760	\$542	\$897
	100-300-350-0000-5110	CalPERS Employer Share	\$2,694	\$2,405	\$3,051
	100-300-350-0000-5112	CalPERS Unfunded Liability	\$4,628	\$4,667	\$4,628
	100-300-350-0000-5115	Health Insurance	\$3,989	\$3,751	\$4,126
	100-300-350-0000-5120	Dental Insurance	\$288	\$269	\$288
	100-300-350-0000-5125	Long Term Disability/Life/AD&D	\$75	\$121	\$82
	100-300-350-0000-5217	Supplies	\$1,000	\$150	\$1,000
	100-300-350-0000-5300	Gas & Electricity	\$20,000	\$22,786	\$20,000
	100-300-350-0000-5698	Equipment/Equip. R&M	\$10,000	\$2,500	\$10,000
		<b>TOTAL AERATION</b>	<b>\$57,385</b>	<b>\$40,513</b>	<b>\$59,229</b>
		<b>FISHERY SUPPORT (360)</b>			
	100-300-360-0000-5000	Salaries - Regular	\$9,344	\$10,210	\$10,150
	100-300-360-0000-5055	Unemployment Insurance (SUI)		\$68	\$38
	100-300-360-0000-5060	FICA Medicare/Social Security	\$312	\$744	\$317
	100-300-360-0000-5105	Workers' Compensation	\$150	\$107	\$177
	100-300-360-0000-5110	CalPERS Employer Share	\$685	\$612	\$776
	100-300-360-0000-5112	CalPERS Unfunded Liability	\$1,177	\$1,187	\$1,177
	100-300-360-0000-5115	Health Insurance	\$787	\$743	\$814
	100-300-360-0000-5120	Dental Insurance	\$57	\$53	\$57
	100-300-360-0000-5125	Long Term Disability/Life/AD&D	\$15	\$31	\$16
	100-300-360-0000-5675	Ice Equipment R&M	\$3,500	\$250	\$3,500
		<b>TOTAL FISHERY SUPPORT</b>	<b>\$16,027</b>	<b>\$14,004</b>	<b>\$17,024</b>
		<b>CAPITAL PROJECTS (390)</b>			
	100-300-390-0000-5000	Salaries - Regular	\$4,426	\$250	\$4,808
	100-300-390-0000-5055	Unemployment Insurance (SUI)	\$15		
	100-300-390-0000-5060	FICA Medicare/Social Security	\$178	\$12	\$178
	100-300-390-0000-5276	Permit Fees	\$2,500		\$1,500
	100-300-390-0000-5290	Miscellaneous Expenses	\$500		\$500
	100-300-390-0000-5298	Interest Expense	\$456,980	\$397,629	\$355,317
	100-300-390-0000-5416	Legal Consultation	\$2,000		\$1,000
	100-300-390-0000-5500	Mileage Reimbursement	\$200		\$200
	100-300-390-0000-6200	Principal Debt Payments	\$1,329,940	\$1,319,377	\$1,365,818
		<b>TOTAL CAPITAL PROJECTS</b>	<b>\$466,799</b>	<b>\$397,891</b>	<b>\$363,503</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>DREDGING OPERATIONS (400)</b>			
	100-300-400-0000-5000	Salaries - Regular	\$591,638	\$541,326	\$631,193
	100-300-400-0000-5005	Salaries - Overtime	\$25,000	\$39,767	\$25,000
	100-300-400-0000-5010	Wages - Part Time/Temporary	\$20,000	\$42,609	\$20,000
	100-300-400-0000-5015	Salaries - Comp. Time	\$1,500	\$1,500	\$1,500
	100-300-400-0000-5020	Salaries - Vacation Pay	\$2,000	\$4,936	\$2,000
	100-300-400-0000-5025	Salaries - Holiday Pay	\$1,500	\$1,124	\$1,500
	100-300-400-0000-5030	Salaries - Sick Pay		\$2,177	
	100-300-400-0000-5055	Unemployment Insurance (SUI)	\$6,193	\$3,489	\$6,193
	100-300-400-0000-5060	FICA Medicare/Social Security	\$50,307	\$47,628	\$51,160
	100-300-400-0000-5105	Workers' Compensation	\$24,190	\$17,261	\$28,544
	100-300-400-0000-5110	CalPERS Employer Share	\$36,325	\$32,425	\$41,129
	100-300-400-0000-5112	CalPERS Unfunded Liability	\$62,396	\$62,918	\$62,396
	100-300-400-0000-5115	Health Insurance	\$131,858	\$120,906	\$136,236
	100-300-400-0000-5120	Dental Insurance	\$9,159	\$8,567	\$9,159
	100-300-400-0000-5125	Long Term Disability/Life/AD&D	\$2,371	\$1,636	\$2,613
	100-300-400-0000-5210	Hazmat Supplies	\$3,000	\$1,750	\$3,000
	100-300-400-0000-5212	Safety Supplies	\$6,500	\$9,758	\$6,500
	100-300-400-0000-5217	Supplies	\$8,000	\$6,307	\$8,000
	100-300-400-0000-5218	Tools	\$10,000	\$14,958	\$10,000
	100-300-400-0000-5232	Boat Fuel - Dredge Skiff	\$1,000	\$250	\$1,000
	100-300-400-0000-5233	Boat Fuel - Twin Lakes	\$105,000	\$106,300	\$105,000
	100-300-400-0000-5234	Boat Fuel - Dauntless	\$10,000	\$4,800	\$10,000
	100-300-400-0000-5235	Vehicle & Equipment Fuel	\$11,000	\$15,868	\$12,000
	100-300-400-0000-5240	Miscellaneous Employee Training	\$10,000	\$500	\$10,000
	100-300-400-0000-5256	Equipment Rental	\$32,000	\$5,500	\$32,000
	100-300-400-0000-5262	Insurance Premiums	\$14,000	\$27,154	\$45,257
	100-300-400-0000-5266	Memberships, Dues, Subscriptions	\$500	\$975	\$500
	100-300-400-0000-5268	Meetings & Training	\$2,000	\$1,000	\$2,000
	100-300-400-0000-5270	Books	\$100		\$100
	100-300-400-0000-5276	Permit Fees	\$10,000	\$8,200	\$10,000
	100-300-400-0000-5290	Miscellaneous Expenses	\$5,000	\$4,660	\$5,000
	100-300-400-0000-5292	Uniform Cleaning/Laundry	\$6,500	\$6,867	\$6,500
	100-300-400-0000-5308	Hazmat Disposal	\$5,000	\$4,631	\$5,000
	100-300-400-0000-5418	Freight	\$2,500	\$2,200	\$2,500
	100-300-400-0000-5440	Environmental Services	\$10,000		\$5,000
	100-300-400-0000-5445	Dredge Consulting	\$15,000		\$15,000
	100-300-400-0000-5450	Other Services	\$5,000	\$2,500	\$5,000
	100-300-400-0000-5500	Mileage Reimbursement	\$1,000		\$1,000
	100-300-400-0000-5620	Paint & Supplies	\$5,000	\$6,300	\$6,000
	100-300-400-0000-5665	Vehicle Maintenance	\$5,000	\$3,908	\$5,000
	100-300-400-0000-5672	Other Repairs & Maintenance	\$2,000	\$6,696	\$3,000
	100-300-400-0000-5685	Safety Equipment R&M	\$1,500	\$1,500	\$1,500
	100-300-400-0000-5698	Equipment/Equipment R&M	\$45,000	\$36,000	\$45,000
	100-300-400-0000-5700	Maint/Lube Inner Harbor Dredge	\$20,000	\$21,806	\$20,000
	100-300-400-0000-5705	Maint/Lube Dredge Twin Lakes	\$120,000	\$123,754	\$120,000
	100-300-400-0000-5707	Maint/Lube - Ancilliary Equipment	\$65,000	\$41,000	\$65,000
	100-300-400-0000-5710	Maint/Lube Dredge Workboat Dauntless	\$30,000	\$28,688	\$30,000
	100-300-400-0000-5715	Dredge Paint/Coatings	\$18,000	\$21,000	\$19,000
	100-300-400-0000-5720	Booster Pump R&M	\$10,000	\$7,500	\$10,000
	100-300-400-0000-5725	Welding Supplies	\$10,000	\$11,602	\$10,000
	100-300-400-0000-6105	Capitalized Equip Xfer to 1100	\$191,151	\$226,269	\$143,000
		<b>TOTAL DREDGING OPERATIONS</b>	<b>\$1,569,037</b>	<b>\$1,462,202</b>	<b>\$1,653,480</b>

Santa Cruz Port District  
**FY24 BUDGET**  
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		<b>BOATYARD OPERATIONS (500)</b>			
	100-500-500-0000-5000	Salaries - Regular	\$149,262	\$128,452	\$162,139
	100-500-500-0000-5005	Salaries - Overtime	\$1,000	\$750	\$1,000
	100-500-500-0000-5010	Wages - Part Time/Temp.	\$15,500	\$6,367	\$20,000
	100-500-500-0000-5015	Salaries - Comp. Time	\$300	\$319	\$300
	100-500-500-0000-5025	Salaries - Holiday Pay		\$102	
	100-500-500-0000-5040	Call Back	\$500	\$97	\$500
	100-500-500-0000-5055	Unemployment Insurance (SUI)	\$2,324	\$1,877	\$2,324
	100-500-500-0000-5060	FICA Medicare/Social Security	\$13,483	\$10,148	\$13,804
	100-500-500-0000-5105	Workers' Compensation	\$9,080	\$6,479	\$10,714
	100-500-500-0000-5110	CalPERS Employer Share	\$8,555	\$7,637	\$9,687
	100-500-500-0000-5112	CalPERS Unfunded Liability	\$14,696	\$14,819	\$14,696
	100-500-500-0000-5115	Health Insurance	\$49,055	\$43,908	\$50,699
	100-500-500-0000-5120	Dental Insurance	\$3,438	\$3,215	\$3,438
	100-500-500-0000-5125	Long Term Disability/Life/AD&D	\$745	\$385	\$981
	100-500-500-0000-5204	Advertising	\$525	\$719	\$525
	100-500-500-0000-5210	Hazmat Supplies	\$500		\$500
	100-500-500-0000-5212	Safety Supplies	\$500	\$300	\$500
	100-500-500-0000-5217	Supplies	\$2,500	\$2,000	\$2,500
	100-500-500-0000-5218	Tools	\$1,000	\$1,300	\$1,000
	100-500-500-0000-5235	Fuel - Travelift	\$1,500	\$3,500	\$2,000
	100-500-500-0000-5240	Miscellaneous Employee Training	\$1,200	\$1,250	\$1,200
	100-500-500-0000-5256	Equipment Rental	\$1,000		\$1,000
	100-500-500-0000-5262	Insurance Premiums	\$7,450	\$16,191	\$22,628
	100-500-500-0000-5276	Permit Fees	\$2,500	\$935	\$2,000
	100-500-500-0000-5284	Credit Card Fees	\$6,000	\$7,876	\$7,000
	100-500-500-0000-5290	Misc. Expenses	\$1,500	\$1,500	\$1,500
	100-500-500-0000-5292	Uniforms	\$600	\$1,484	\$1,200
	100-500-500-0000-5300	Gas & Electricity	\$17,000	\$15,755	\$17,000
	100-500-500-0000-5305	Water, Sewer, Garbage	\$13,000	\$11,500	\$13,000
	100-500-500-0000-5308	Hazmat Disposal	\$5,500	\$10,000	\$5,500
	100-500-500-0000-5310	Telephone & Alarms	\$2,000	\$795	\$1,500
	100-500-500-0000-5425	Contract Services	\$500	\$992	\$500
	100-500-500-0000-5430	Engineering Services	\$500		\$500
	100-500-500-0000-5450	Other Services	\$3,500	\$3,500	\$3,500
	100-500-500-0000-5465	Software License & Application	\$500		\$500
	100-500-500-0000-5500	Mileage Reimbursement	\$200	\$100	\$200
	100-500-500-0000-5625	Signage	\$250	\$200	\$250
	100-500-500-0000-5694	Office Equipment	\$250	\$250	\$250
	100-500-500-0000-5698	Equipment R&M	\$7,500	\$28,000	\$10,000
	100-500-500-0000-7000	Filtration System R&M	\$2,500	\$2,500	\$3,000
	100-500-500-0000-7005	Filtration System Supplies	\$4,000	\$9,000	\$9,000
	100-500-500-0000-7020	Cost of Goods Sold	\$10,000	\$14,000	\$10,000
	100-500-500-0000-6100	Capital Outlay	\$4,000	\$3,850	
		<b>TOTAL BOATYARD OPERATIONS</b>	<b>\$361,913</b>	<b>\$358,203</b>	<b>\$408,535</b>

## ATTACHMENT C – FINANCIAL POLICIES

Reserve Policy

Investment Policy

Unfunded Accrued Liability Policy (including CalPERS' Employer Contribution Rates)



Santa Cruz Port District  
General Fund Reserve Policy  
*Adopted November 24, 2015*

**Reserve Policy Objectives**

To strengthen the financial stability of the District against economic uncertainty, unexpected situations such as natural or man-made disasters, unanticipated drop in revenues, and other unforeseen emergencies or extraordinary circumstances that the Port District may face that are infrequent in occurrence.

**Target Amount Held in Reserve**

The Port District will strive to hold in reserve an amount equal to 25 percent of the District's annual operating expenses in the current fiscal year's adopted general fund budget. The District recognizes that reserve fund amount may fluctuate and may need to be rebuilt over time as needed.

**Funding Sources**

The reserve fund will generally come from one-time revenue and from excess revenues over expenditures. Examples of one-time revenue include infrequent sales of Port District assets, infrequent revenues from development and grants, or other sources that are typically non-recurring in nature.

**Conditions on Use of Reserves**

The use of reserves shall generally be limited to unanticipated, non-recurring needs. Reserve fund balances shall not be used for normal or recurring annual operating expenditures.

The Port Director shall make recommendations to the Port Commission for use of reserves. Appropriations from this reserve fund shall require a resolution approved by the Port Commission.

Requests for use of reserves shall occur only after exhausting the current year's budgetary flexibility. The Port Director shall, within six months of its use, present to the Port Commission a plan and timeline for replenishing the reserve fund. .

---

Santa Cruz Port District

**INVESTMENT POLICY**



**Santa Cruz Port District  
135 5<sup>th</sup> Avenue  
Santa Cruz, CA 95062  
(831) 475-6161**

*August 9, 2021 (attachments)*

**INVESTMENT POLICY**

**TABLE OF CONTENTS**

<u>SECTION</u>	<u>PAGE #</u>
INTRODUCTION .....	1
PURPOSE .....	1
AUTHORITY .....	1
BASIC POLICY AND OBJECTIVES .....	2
PERMITTED INVESTMENTS AND LIMITATIONS .....	3
<u>ATTACHMENTS</u>	
CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC)	
A - ALLOWABLE INVESTMENT INSTRUMENTS, FIGURE 1	
B - TABLE OF NOTES FOR FIGURE 1	

---

## Santa Cruz Port District

# INVESTMENT POLICY

## INTRODUCTION

Santa Cruz Port District is a municipal corporation and a political subdivision of the State of California. It is governed by an elected Board of Commissioners; the investment policy is administered through an executive officer, the Port Director.

The responsibilities and authority of the Santa Cruz Port Commission are prescribed in the State of California Harbors and Navigation Code, Part 4, Sec. 6200.

## PURPOSE

This statement is intended to set policy and provide direction to the Port Director of the Santa Cruz Port District for the prudent and beneficial investment of all funds and monies of the District.

## AUTHORITY

The Government Code of the State of California (Government Code), primarily section 53601 and related subsections, authorizes the types of investment vehicles allowed in a California local agency's portfolio. The investment vehicles emphasize preservation of capital and are a conservative set of investments. The authority to invest (as defined in the Government Code) is delegated to the local agency's legislative body for re-delegation to its finance officer. Under no circumstance is the local agency finance officer permitted to purchase an investment that is not specifically authorized by law and within the scope of investments delegated by the local agency's governing board.

This Investment Policy grants the Port Director the authority to act as Finance Officer (Trustee) and manage investments for the Santa Cruz Port District. The Santa Cruz Port Commission will serve in the role of investment committee, responsible for setting investment policy and providing oversight.

The Port Commission, under authorized contract, may delegate certain responsibilities to professional experts in various fields, including but not limited to:

- Investment Consultant: An investment consultant may be retained assist the Port Director in selecting investment options in compliance with State of California public fund management

guidelines; reviewing such options over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.

- Designated officers as allowed under California Government Code Sections 53601-53610 and 53620-53622 and/or successor statutes for purposes of assuming fiduciary responsibility for administering and managing certain investments, such as a Section 115 trust to prefund Other Post-Employment Benefits or pension liabilities.
- Additional specialists such as attorneys, auditors, actuaries and others who may be contracted by the District.

Adoption of this policy was made at a regular meeting of the Port Commission on November 27, 2018. The Port Commission, acting as Investment Committee, may adopt other amendments to this policy due to a change in the District's goals and objectives, which shall require an affirmative vote by a majority of the Port Commission. This policy is intended to allow investment in accordance with state and federal laws and successor statutes, and therefore a statute change may not be require a change in this policy. Investment Policy Attachments A and B shall be updated by the Finance Officer, as needed, to reflect current California Debt and Investment Advisory Commission (CDIAC) guidance.

## **BASIC POLICY AND OBJECTIVES**

In accordance with public fund management guidelines, the Santa Cruz Port District investment policy is a conservative policy guided by the objectives of safety, liquidity and yield, in accordance with Government Code Section 53600.5, which states, *"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a Trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control."*

The following are objectives:

**Performance Expectations:** The Port District's cash management portfolio shall be designed with the objective of regularly meeting or exceeding the average yield of the State of California Local Agency Investment Fund (LAIF). The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code. LAIF as an indicator is considered a benchmark for lower risk investment transactions and therefore comprises a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles, when feasible. The investment program may also seek to reduce Other Post Employment (OPEB) or pension liabilities.

**Prudence:** The standard of prudence to be used by investment officials shall be the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations

from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

**Reporting Requirements:** The quarterly financial reports presented to the Santa Cruz Port Commission, typically presented at regularly scheduled public meetings in July, October, and January, and shall include information about investment performance. (Note: Fiscal year end quarterlies are not typically presented to the Commission, but are reviewed as part of the year-end audit process.)

**Performance Review:** The Santa Cruz Port Commission shall perform periodic appraisals of the investment portfolio and investment policy to evaluate the effectiveness of the District's investment program. The Investment Policy shall be presented with the annual budget document.

**Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Port District.

**Investment Portfolio Compliance:** The Port District's investment portfolio must be in compliance with statute at the time that investments are purchased. The investment portfolio shall be monitored, as practical, for subsequent changes in percentages resulting from non-purchase activity or changes in credit rating of existing securities. If, as a result of monitoring, it is discovered that the portfolio or individual investments are deemed to be out of compliance with either statute or this Investment Policy, such non-compliance shall be reported by the Port Director to the Port Commission within five working days along with a detailed explanation for the variance and recommended course of action.

**Exceptions:** When investing in funds deemed suitable for public investment such as LAIF, a Joint Powers Authority Pool or Voluntary Investment Program Fund as described in Attachment A, California Debt and Investment Advisory Commission (CDIAC) Figure 1, no maximum specified percentage of portfolio shall apply.

**Conflicts:** In the event any provision this Investment Policy is in conflict with any of the statutes referred to herein or any other State or Federal statutes, the provisions of each statute shall govern.

# **PERMITTED INVESTMENTS AND LIMITATIONS**

## **Permitted Investments**

The California Government Code contains specific provisions regarding the types of investments and practices permitted after considering the broad requirement of preserving principal and maintaining liquidity before seeking yield. These provisions are intended to promote the use of reliable, diverse and safe investments instruments to ensure a prudently managed portfolio worthy of public trust.

Government Code Sections 16340, 16429.1, 53601, 53601.6, 53601.8, 53635, 53635.2, 53635.8, 53638, and 53684 include a number of requirements on how and where public money may be invested. CDIAC Figure 1 provides a synopsis of the permitted investment instruments and limitations on each, in which all local agencies may invest as summarized by CDIAC, Local Agency Investment Guidelines, Update for 2018).

The Port District may invest only in those instruments specified in State law; however, the Port Commission may set a more stringent standard.

To the extent allowable by statute, the Finance Officer and Investment Committee (Port Commission) may consider investment in funds, such as those allowable under an irrevocable Section 115 Trust of the Internal Revenue Code, designated for the payment of employee retiree health benefits (Other Post Employment Benefits "OPEB") as authorized under Government Code Sections 53620-53622 or a Pension Prefunding Trust Program "PPTP," currently under development by CalPERS as authorized by SB 1413, which may provide a future investment opportunity.

## **Limitations on Investments**

Limitations as established by law are subject to change as established by the State Treasurer. A listing of limitations on investments are as summarized by CDIAC, Local Agency Investment Guidelines, Update for 2018, are shown in the Table of Notes appended to Table 1. As noted above, investment options and limitations are subject to change as established by the State Treasurer from time to time.

The Trustee, with guidance and approval of the Investment Committee (Port Commission), may adopt additional limitations on investments over time, which shall be made a part of this policy.

**ATTACHMENTS**

ATTACHMENT A.....CDIAC ALLOWABLE INVESTMENT INSTRUMENTS, FIGURE 1

ATTACHMENT B.....CDIAC TABLE OF NOTES FOR FIGURE 1



FIGURE 1

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT  
CODE (AS OF JANUARY 1, 2021)<sup>A</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>B</sup>

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY <sup>C</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>D</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% <sup>E</sup>	None	53601(g)
Commercial Paper—Non-Pooled Funds <sup>F</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper— Pooled Funds <sup>I</sup>	270 days or less	40% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>J</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>K</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>K</sup>	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>L</sup>	20% of the base value of the portfolio	None <sup>M</sup>	53601(j)
Medium-Term Notes <sup>N</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple <sup>P,Q</sup>	53601(l) and 53601.6(b)
Collateralized Bank Deposits <sup>R</sup>	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>S</sup>	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>T</sup>	N/A	None	None	16340
Supranational Obligations <sup>U</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

## TABLE OF NOTES FOR FIGURE 1

- <sup>A</sup> Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- <sup>B</sup> Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- <sup>C</sup> Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- <sup>D</sup> Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- <sup>E</sup> No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.
- <sup>F</sup> Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.
- <sup>G</sup> Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.
- <sup>H</sup> Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- <sup>I</sup> Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- <sup>J</sup> No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- <sup>K</sup> Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- <sup>L</sup> Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- <sup>M</sup> Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.
- <sup>N</sup> "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- <sup>O</sup> No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- <sup>P</sup> A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- <sup>Q</sup> A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- <sup>R</sup> Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- <sup>S</sup> A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- <sup>T</sup> Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- <sup>U</sup> Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.

# **Santa Cruz Port District**

---

## **UNFUNDED ACCRUED LIABILITY PENSION MANAGEMENT POLICY**



*Adopted by the Santa Cruz Port Commission  
July 14, 2022*

## SECTION 1. PURPOSE

This Unfunded Accrued Liability Pension Management Policy (the “Policy”) is intended to strategically address the existing and any future unfunded accrued liability (the “UAL”) associated with the Santa Cruz Port District’s (the “District”) California Public Employees’ Retirement System (CalPERS) pension plans (the “Pension Plans”). Also addressed are some of the principal elements and core parameters central to the policy objectives. In the development of this Policy, the District strives to reduce its UAL and the associated financing costs in the most cost-efficient and fiscally responsible manner possible.

The District is committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserve levels, and employing prudent practices in governance, management, budget administration, and financial reporting. This Policy is intended to make all relevant information readily available to decision-makers and the public to improve the quality of decisions, identify policy goals, and to demonstrate a commitment to long-term financial planning. Adherence to this Policy signals to rating agencies and capital markets that the District is well managed and able to meet its obligations in a timely manner.

The Policy is intended to reflect a reasonable and conservative approach to managing the UAL costs associated with the Pension Plans. This Policy recognizes that the Pension Plans are subject to market volatility and that actual economic and demographic experience of the plans will differ from the actuarial assumptions. Accordingly, it is intended to allow for adaptive responses to changing circumstances, providing flexibility to address such volatility in a financially sound manner. As such, the District is required to continually monitor its Pension Plans and the corresponding UAL.

## SECTION 2. POLICY GOALS AND OBJECTIVES

The overarching goals and objectives of this Policy are as follows:

- Establish, attain, and maintain targeted pension plan funding levels
- Seek to manage and control future contribution volatility to the extent reasonably possible
- Strive to make Annual Discretionary Payments to accelerate UAL pay-down, reduce interest costs, and stabilize future payments, when feasible
- Maintain the District’s sound financial position and creditworthiness
- Provide guidance in making annual budget decisions
- Demonstrate prudent financial management practices
- Ensure that pension funding decisions protect both current and future stakeholders
- Create transparency as to how and why the Pensions Plans are funded

SECTION 3. BACKGROUND AND DISCUSSION

*In General.* Each Pension Plan is a multiple-employer defined benefit pension plan administered by the California Public Employee Retirement System (“CalPERS”). All full-time and certain part-time District employees are eligible to participate in the CalPERS retirement and disability benefits, annual cost of living adjustments and death benefits offered to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure its financial soundness and sustainability, the plan should accumulate adequate resources in a systematic and disciplined manner to ensure sufficient resources are available to meet employee benefit requirements. This Policy outlines the practices the District may utilize to address its actuarially determined contributions to fund the long-term cost of benefits to the Pension Plan participants and annuitants.

*Pension Costs and Liabilities.* In order to fund its employees’ pension benefits, the District is required to make contributions (a portion of which may come from the employees) to CalPERS. CalPERS then invests these contributions to generate returns to help fund the pension benefits. The regular required contributions, known as the “normal cost,” are calculated as a percent of salaries and represent the annual cost of service accrual for the upcoming fiscal year for active employees. If, for any reason, the actual Pension Plan experience and investment performance fall short of the actuarial assumptions, the Pension Plan can become underfunded (i.e., the Pension Plan’s Normal Accrued Liability exceeds the Plan’s market value of assets). This shortfall is known as the Unfunded Accrued Liability (the “UAL”) and usually has to be covered by the District through a series of UAL Payments, which are above and beyond the “normal cost” contributions. The UAL Payments are calculated in total dollar amounts, not as a percent of salaries.

The UAL, can be caused by multiple factors, including but not limited to, changes to CalPERS’ actuarial amortization policy, retroactive pension benefit enhancements, investment underperformance, actuarial assumption changes, demographic factors, and discount rate reductions and apply to all accrued employee benefits regardless of current employment status.

*UAL is Debt.* The UAL balance at any given point in time is a debt of the District owed to CalPERS, which is amortized over a set period of time with interest accruing at the then current CalPERS discount rate (the “Discount Rate”). However, this debt can be prepaid at any time without penalties. Recognizing the UAL as debt helps the District identify proper steps to address it and minimize the associated financing costs.

*Ongoing CalPERS Practices.* Every year CalPERS prepares updated actuarial valuation reports for each of the District’s Pension Plans wherein it calculates the District’s total pension liability as of the end of the prior fiscal year (each a “Valuation Report”). If the investment performance during that fiscal year was different from the Discount Rate, or if CalPERS made any changes to its actuarial assumptions, or if the actual demographic or compensation experience within the Pension Plans was different from the actuarial assumptions, new line items, or UAL amortization “bases,” may be added to the plan and result in a change to the UAL balance. Such UAL amortization bases may be positive (indicating funding shortfall for the Pension Plans) or negative (indicating funding surplus for the Pension Plans). Since CalPERS can add new

UAL amortization bases every year, the Pension Plans must be monitored annually and managed continually – there is no one-time solution.

CalPERS has adopted the UAL amortization methods that were meant to help public agencies “ease into” paying for the UAL increases. New UAL amortization bases are implemented incrementally, with a five-year ramp-up period, and at times include additional small increases in each of the subsequent years. The ramp-up period, while reducing the cash flow impact in the near term, increases the overall UAL repayment costs for the District by delaying repayment. Since the UAL balances accrue interest at the rate that is equal to the then current Discount Rate, the delayed payments prior to the commencement of the amortization and the reduced payments during the ramp-up period that do not fully cover the interest costs result in negative amortization, causing further increases to the UAL balance. To help reduce the overall costs of the UAL repayment, this Policy encourages level annual payments (i.e., no ramp-up) whenever possible.

#### SECTION 4. POLICY

**A. Funding Level Objective.** It is the District’s policy to strive to achieve and maintain a Pension “Funded Ratio” (being the ratio by which the Market Value of Assets—as set forth in the most recently published Valuation Report--exceeds the Entry Age Normal Accrued Liability or “EANAL”—as set forth in the most recently published Valuation Report) for each Pension Plan of 90% (the “Funding Level Objective”).

#### **Funding Level Objective = 90%**

Achieving and maintaining the 90% Funding Level Objective ensures that the ongoing contributions of the District and its employees are properly and adequately funding the retirement benefits of retirees and today’s workers. This concept is commonly referred to as the intergenerational equity. The reason for a Funding Level Objective of 90% rather than 100% is to allow some cushion for the possibility that good investment returns by CalPERS in a given year might push the Funded Ratio of a Pension Plan above 100% (commonly referred to as “superfunded status”), which means that the District and its employees had contributed into the Pension Plan more than was necessary. Thus, while the District remains committed to maintaining a 100% funded level, it shall manage the 10% differential (i.e., the difference between 90% and 100%) through its own investment process by creating the “Pension Rate Stabilization Fund” discussed herein.

**Guidance:** To achieve the Funding Level Objective, this Policy provides the following guidance:

1. **Pre-Pay the Entire Annual UAL Payment by July 31<sup>st</sup> of each year.** On or before July 1st of each year, the District receives its annual CalPERS UAL invoice. The District has two payments options. The invoice can (1) be paid in equal monthly increments or (2) be fully pre-paid at the beginning of the fiscal year by July 31st. By prepaying the entire invoice amount due by July 31st, the District can save approximately 3.5% compared to making the monthly payments. As such, every effort should be made to pre-pay the UAL payment upon receipt of the annual invoice, when feasible.
2. **Pre-Pay UAL from Reserves, One-Time Revenues and Fund Surpluses.** Reserves (often invested in LAIF) regularly do not earn returns that can offset the interest rate that CalPERS charges on the outstanding UAL balance. Supplemental contributions into the Pension Plans from available reserves, one-time revenues and fund surpluses can generate substantial long-

term net savings. Each supplemental contribution, referred to by CalPERS as an Additional Discretionary Payment (ADP), reduces the UAL balance, the Annual Required Contributions (ARC) for future years, and the total interest costs associated with the UAL. CalPERS does not apply any prepayment penalties to ADPs. Therefore, during each budget cycle, District staff shall review all available reserves, one-time revenues and fund surpluses to determine whether any such funds could be used to make an ADP to pay down the UAL, keeping in mind operational and capital budgetary constraints while maintaining adequate reserves and balancing the fiscal soundness of eliminating the high-interest UAL debt. ADPs should not adversely affect the general operations and fiscal soundness of the District.

3. **Capital Financing.** When considering capital projects, staff regularly reviews and plans for reserving capital to cash fund current and future projects. When considering how to pay for current and future capital projects, staff should review the current tax-exempt market to assess if it would be more cost effective to borrow at tax-exempt rates to pay for the capital projects and redirect the reserved funding (and/or such other appropriate funds of the District) to make ADPs to CalPERS.

If there are projected cost savings by using this method, and a capital financing strategy is to be implemented, the Port Commission would need to approve of the ADPs being paid to CalPERS prior to the financing to ensure that the annual savings generated by implementing the strategy are applied to UAL paydowns.

4. **Utilize Savings Achieved from Refunding Outstanding Non-Pension Related Debt to Pre-Pay UAL.** During each budget cycle, staff should review all outstanding long-term non-pension related debt of the District to determine whether a refunding of such debt might result in net present value savings of greater than 3%, and if so, consider a structure and strategy that frontloads the savings from such debt refunding, which can then be used to pay down the UAL.
5. **Sources of Revenue.** All fees, rates and charges should incorporate full allocation of pension costs for employees providing associated services. While some funds cannot contribute more than their fair share (i.e., enterprise funds), they should not contribute less than their fair share. Staff shall review allocation of labor costs to proprietary and other funds to ensure full reimbursement of the pension cost burden. Staff shall provide, or cause to be provided, consistent and well-documented methodology for pension cost allocation to all funds.
6. **Pension Obligation Financing.** The District shall consider issuing taxable municipal debt obligations (generically hereafter referred to as “Pension Obligations”) to refinance the UAL, in part or in whole, if such bond obligations are expected to produce minimum cash flow savings of at least 5%, taking into account all debt service and costs of issuance associated with such bond obligations, in comparison to CalPERS’ respective UAL amortization schedule and the then-current Discount Rate.

Pension Obligations shall not utilize swaps or derivatives of any kind and should be structured with reasonable and flexible call provisions (with a maximum of 10-year call provision). Pension Obligations shall be used only to prepay the UAL liabilities and shall not be used to

finance normal cost payments. The issuance of Pension Obligations must be voted upon and approved by the Board of Directors.

7. **Annual Review of the CalPERS Actuarial Valuation Reports and Associated Tasks.** District staff shall review or cause to be reviewed the annual CalPERS actuarial valuation reports within 60 days of their release by CalPERS, which usually takes place during the month of August. The review should focus on identifying the annual changes to each of the Pension Plans UAL and quantifying the associated cost implications and the corresponding impact on the Funded Ratio. Staff should annually reach out to the District’s CalPERS actuary to request a calculation of flat payments (rather than ramp-up payments) for all outstanding and new UAL amortization bases. In making ADPs, District staff shall determine or cause to be determined the optimal application of the ADPs to the outstanding UAL amortization bases to achieve the Funding Level Objective as well as desired budgetary outcomes.

**B. Establishment and Operation of a Pension Rate Stabilization Fund.**

1. **Establishment of a Pension Rate Stabilization Fund.** Once the District has substantively accomplished stabilizing all Pension Funds at or near the Funding Level Objective, the District may establish a Pension Rate Stabilization Fund, either self-managed or a Section 115 trust fund managed by a third-party investment manager (the “Investment Manager”). The Pension Rate Stabilization Fund will receive Sequestered Savings (defined below) and Sequestered Surplus (defined below) as well as any other funds deposited into it at the discretion of the Port Commission, based on recommendations made by District staff during the annual budget process. Funds in the Pension Rate Stabilization Fund should only be used to manage the District’s pension benefits costs to maintain each of the Pension Plans at the Funding Level Objective in accordance with the goals and objectives set forth in this Policy.
2. **Funding the Pension Rate Stabilization Fund.**
  - (a) **Sequestered Savings.** At the beginning of each Fiscal Year following the issuance of each series of Pension Obligations, for a total of ten (10) consecutive years (or such other period of years as deemed appropriate by the Port Commission at the time of any subsequent issuances of Pension Obligations) following such issuance, a fixed dollar amount equal to 50% (or such other percentage as deemed appropriate by the Port Commission at the time of any subsequent issuances of Pension Obligations) of the “Total Sequestered Savings” (as calculated in the manner set forth below) achieved by issuing Pension Obligations (the “Annual Sequestered Savings Savings”), shall be transferred from the District’s general operating funds and deposited into the Pension Rate Stabilization Fund until such time that the Pension Rate Stabilization Fund reaches the Pension Rate Stabilization Fund Maximum (as outlined in section B3 below), and thereafter all Sequestered Savings will be directed to a “Pension Obligation Prepayment Fund” which will be established and maintained by the District for the purpose of prepaying any outstanding Pension Obligations.

$$\text{Total Sequestered Savings} = \text{UALDS} - \text{DS}$$



$$\text{Annual Sequestered Savings} = 0.5x\left(\frac{\text{UALDS} - \text{DS}}{Y}\right)$$

UALDS = Scheduled UAL debt service being paid off by the Pension Obligations

DS = Total principal amount of Debt Service on the Pension Obligations

Y = Number of years to pay back Sequestered Savings

### **Example of Annual Sequestered Savings Calculation**

A \$5M Pension Obligation was issued in 2022 for the purpose of prepaying UAL. The total UAL debt service (UALDS) paid off with the Pension Obligation was \$8,000,000 and the total debt service (DS) on the Pension Obligation is \$7,000,000. The District elected to sequester 50% of the total savings over a 10-year period (Y), which in this example totals \$100,000.

$$\begin{aligned}\text{Annual Seq. Savings} &= 0.5x\left(\frac{8,000,000 - 7,000,000}{10}\right) \\ &= \$50,000\end{aligned}$$

(b) Sequestered Surplus. Each Fiscal Year during the District’s normal budget adoption process, beginning with the 2022-23 Fiscal year budget, and for each of the following 9 years, a percent between 0% and 10% of any available surplus from the prior Fiscal Year (the “Sequestered Surplus”) shall be set aside, transferred and deposited into the Pension Rate Stabilization Fund.

3. Operation of the Pension Rate Stabilization Fund. Sequestered Surplus and Sequestered Savings (and any other amounts contributed by the District) shall be deposited in the Pension Rate Stabilization Fund and used solely for the purpose of making ADP’s (and Normal Cost payments during a Fiscal Hardship, and/or to the extent the amount therein exceeds the Pension Rate Stabilization Fund Maximum, as described below) to CalPERS for the purpose of achieving and maintaining Funding Level Objective.

With the goal of achieving and maintaining the Funding Level Objective, each year during the budget cycle, District staff shall calculate, or cause to be calculated, the upcoming Fiscal Year’s estimated Funded Ratio by taking into account the most recent Valuation Report’s statement of Funded Ratio and adjusting for the estimated UAL amortization base that will be either added or subtracted due to the prior Fiscal Year’s investment result of either exceeding or falling short of the then current Discount Rate for that Fiscal Year (the “Estimated Funded Ratio”). If the Estimated Funded Ratio is estimated to be less than the Funding Level Objective, to the extent funds are available in the Pension Rate Stabilization Fund, the Port Director shall make an ADP to CalPERS in the amount necessary to bring the Funded Ratio back up to the Funding Level Objective. Additionally, if sufficient funds are available in the Pension Rate Stabilization Fund, staff shall assess whether to fully amortize any new UAL amortization bases in order to reduce the long-term interest costs associated with the “ramping” procedures used by CalPERS.

Moneys in the Pension Rate Stabilization Fund shall not be used for normal costs until such time as the amount therein, when combined with the Market Value of Assets (as set forth in the most recently published Valuation Report) exceeds the Entry Age Normal Accrued Liability (as set forth in the most recently published Valuation Report) by 110% (the “Pension Rate Stabilization Fund Maximum”). To the extent monies in the Pension Rate Stabilization Fund on June 31st exceed the Pension Rate Stabilization Fund Maximum (after consideration has been given to the amounts therein required to be paid to CalPERS for the ensuing Fiscal Year to maintain the Estimated Funded Ratio at or above the Funding Level Objective), any accrued surplus over 110% may be used to offset the District’s Normal Cost payment made to CalPERS in such Fiscal Year, and any Sequestered Savings will be directed to the Bond Call Fund.

4. **Fiscal Hardship**. In the event of a Fiscal Hardship (as defined below), transfers of Sequestered Savings may be abated and/or the Pension Rate Stabilization Fund may be utilized for either normal or UAL costs until the Fiscal Hardship is no longer in effect.

“Fiscal Hardship” means an economic hardship, or other unanticipated fiscal emergency, that has been declared by resolution by the Port Commission.

**C. Transparency and Reporting**. Funding of the Pension Plans should be transparent to all stakeholders, including plan participants, annuitants, the Port Commission, and District rate payers. To achieve this Policy objective, copies of the annual actuarial valuation reports for each Pension Plan shall be made available and posted on the District’s website. The District’s audited financial statements shall also be posted on the District’s website.

**D. Annual Budget to Contain Policy Directed Information**. The District’s annual operating budget shall consider the items specified in this Policy for inclusion in each such annual budget.

**E. Review of Policy**. Funding a defined benefit pension plan requires a long-term planning approach. This Policy is intended to provide general objectives and guidelines, and as such, District staff will review the policy for implementation of new best practices and provide the Port Commission with updates for approval on an as needed basis, not to exceed 5 years.



**California Public Employees' Retirement System**

**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

**888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)**

---

July 2022

Miscellaneous First Tier Plan of the Santa Cruz Port District (CalPERS ID: 3817767080)  
Annual Valuation Report as of June 30, 2021

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool*" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

**Required Contribution**

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	13.34%	\$388,783
<i>Projected Results</i>		
2024-25	13.3%	\$387,000

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. *To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.* For additional details regarding the assumptions and methods used for these projections, **please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.** This section also contains projected required contributions through FY 2028-29.

#### Changes from Previous **Year's Valuation**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

**Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."**

#### Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (888-225-7377).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA  
Chief Actuary



**California Public Employees' Retirement System**

**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

**888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)**

---

July 2022

Miscellaneous Second Tier Plan of the Santa Cruz Port District (CalPERS ID: 3817767080)  
Annual Valuation Report as of June 30, 2021

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

**Required Contribution**

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	10.10%	\$0
<i>Projected Results</i>		
2024-25	10.1%	\$0

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. *To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.* For additional details regarding the assumptions and methods used for these projections, **please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.** This section also contains projected required contributions through FY 2028-29.

#### Changes from Previous **Year's Valuation**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

**Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."**

#### Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (888-225-7377).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA  
Chief Actuary



**California Public Employees' Retirement System**

**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

**888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)**

---

July 2022

PEPRA Miscellaneous Plan of the Santa Cruz Port District (CalPERS ID: 3817767080)  
Annual Valuation Report as of June 30, 2021

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

**Required Contribution**

The table below shows the minimum required employer contributions and the Employee PEPRA Rate for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Rate
2023-24	7.68%	\$0	7.75%
<i>Projected Results</i>			
2024-25	7.7%	\$0	TBD

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. *To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.* For additional details regarding the assumptions and methods used for these projections, **please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.** This section also contains projected required contributions through FY 2028-29.

#### Changes from Previous **Year's Valuation**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

**Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."**

#### Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (888-225-7377).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA  
Chief Actuary



**Santa Cruz Port District  
Historic Annual Slip Rent Increases  
FY14 – FY23**

<b>Year</b>	<b>Slip Rent Increase (South Harbor)</b>	<b>Slip Rent Increase (North Harbor)</b>	<b>CPI (Calendar Year)<sup>1</sup></b>	<b>CPI Rate</b>
FY 14	2.5%	2.5%	2012	2.68%
FY 15	2.6%	2.6%	2013	2.58%
FY 16	2.7%	2.7%	2014	2.7%
FY 17	0%	0%	2015	3.2%
FY18	2%	2%	2016	3.53%
FY19	2%	2%	2017	2.9%
FY20	2.5%	2.5%	2018	4.5%
FY21	2.5%	2.5%	2019	2.45%
FY22	0%	0%	2020	2%
FY23	3.2%	3.2%	2021	4.2%
<b>10-YR AVERAGE</b>	<b>2.0%</b>	<b>2.0%</b>		<b>3.07%</b>

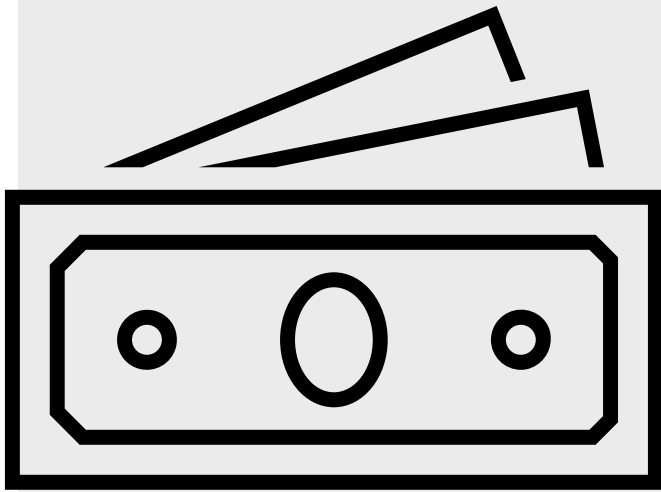
<sup>1</sup> Budget prep / analysis occurs at the end of the calendar year preceding the start of the next fiscal year.

# FY24 DRAFT BUDGET PRESENTATION

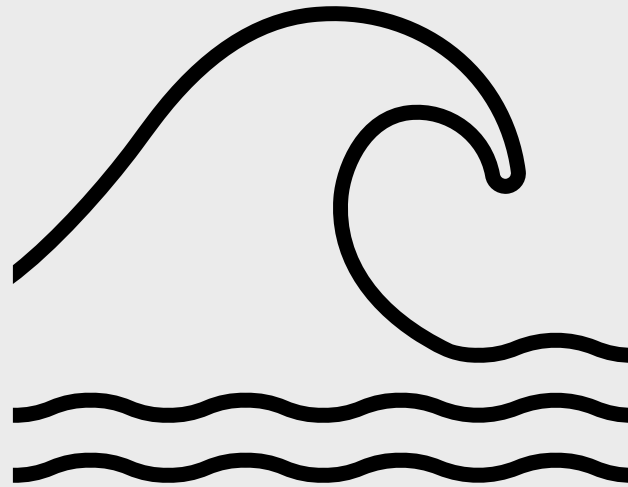
SANTA CRUZ PORT DISTRICT



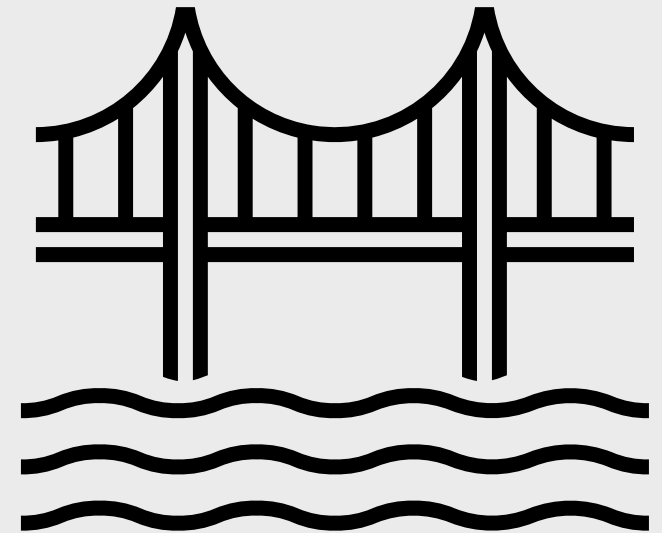
# FY24 BUDGET FRAMEWORK



Increasing Insurance Costs



Receipt of Insurance Proceeds



Murray Street Bridge Project

# FY24 BUDGET FRAMEWORK



## **Balanced Budget**

Present a balanced budget that meets debt service requirement



## **Budgeted Revenues**

Takes a conservative approach to budgeted revenues



## **Personnel Services**

Funds approved labor contracts and pension related costs



## **Fund CIP**

Current funding level is less than stated goal (to achieve a balanced budget) while funding priority projects.

# CURRENT FY23 BUDGET PROJECTIONS



## OPERATING REVENUE

Exceed budget by \$1,710,175 (16.5%)

- Receipt of USACE \$
- Increased Interest
- Fuel Sales
- Boatyard
- Concession Income



## OPERATING EXPENSES

Exceed budget by \$375,342 (4%)

- Fuel Expense (offset)
- Insurance Premiums



## NET INCOME

Projected Loss: 2,724,790

Net of depreciation & capitalized expenses, net income is projected to be positive overall.

# REVENUE

	2020	2021	2022	Budget 2023	Draft 2024
Audited Revenue	\$9,813,660	\$9,521,878	\$10,887,938	\$10,363,535	\$11,355,925
Budgeted Revenue	\$9,236,969	\$9,731,022	\$9,714,775	\$9,776,516	\$10,849,070

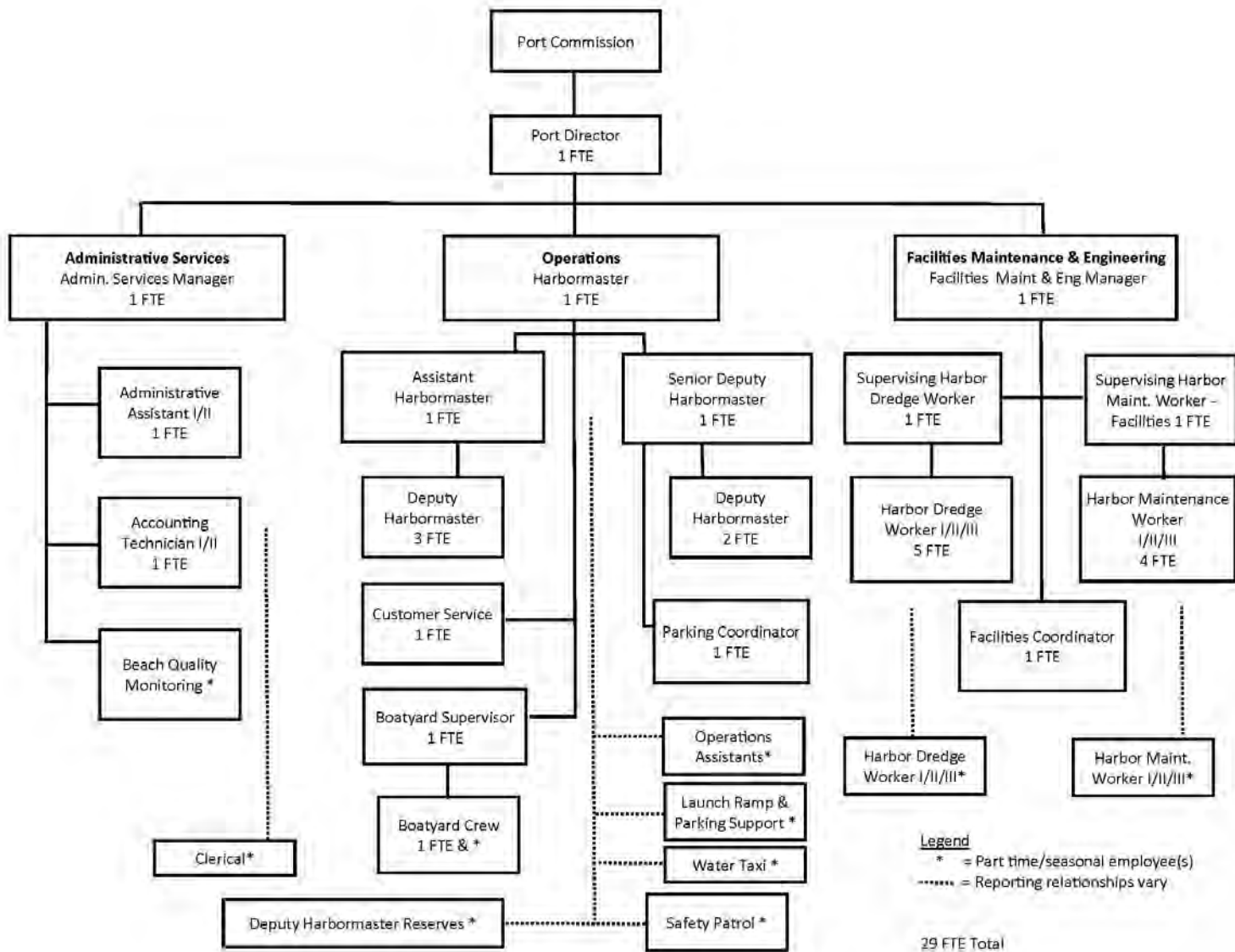
# EXPENDITURES

Department and Program	FY 22 Actual	FY 23 Budget	FY 23 Projected	FY 24 Proposed
<b>100 Admin Services Depart</b>				
<b>Department Total</b>	\$ 1,908,300	\$ 1,879,970	\$ 1,882,913	\$ 2,239,308
<b>200 Operations Department</b>				
<b>Department Total</b>	\$ 2,745,377	\$ 2,759,025	\$ 3,115,656	\$ 2,962,365
<b>300 Facilities Maint &amp; Eng</b>				
<b>Department Total</b>	\$ 3,322,981	\$ 3,803,581	\$ 3,829,632	\$ 4,212,080
<b>Total Operating Budget</b>	<b>\$ 7,976,658</b>	<b>\$ 8,442,576</b>	<b>\$ 8,827,931</b>	<b>\$ 9,413,753</b>

Salaries & Benefits  
(including contracted  
security patrol)

Anticipated Increase  
to Insurance Premium  
Costs

Decreased Interest  
Expenses



**Legend**  
 \* = Part time/seasonal employee(s)  
 -.-.- = Reporting relationships vary

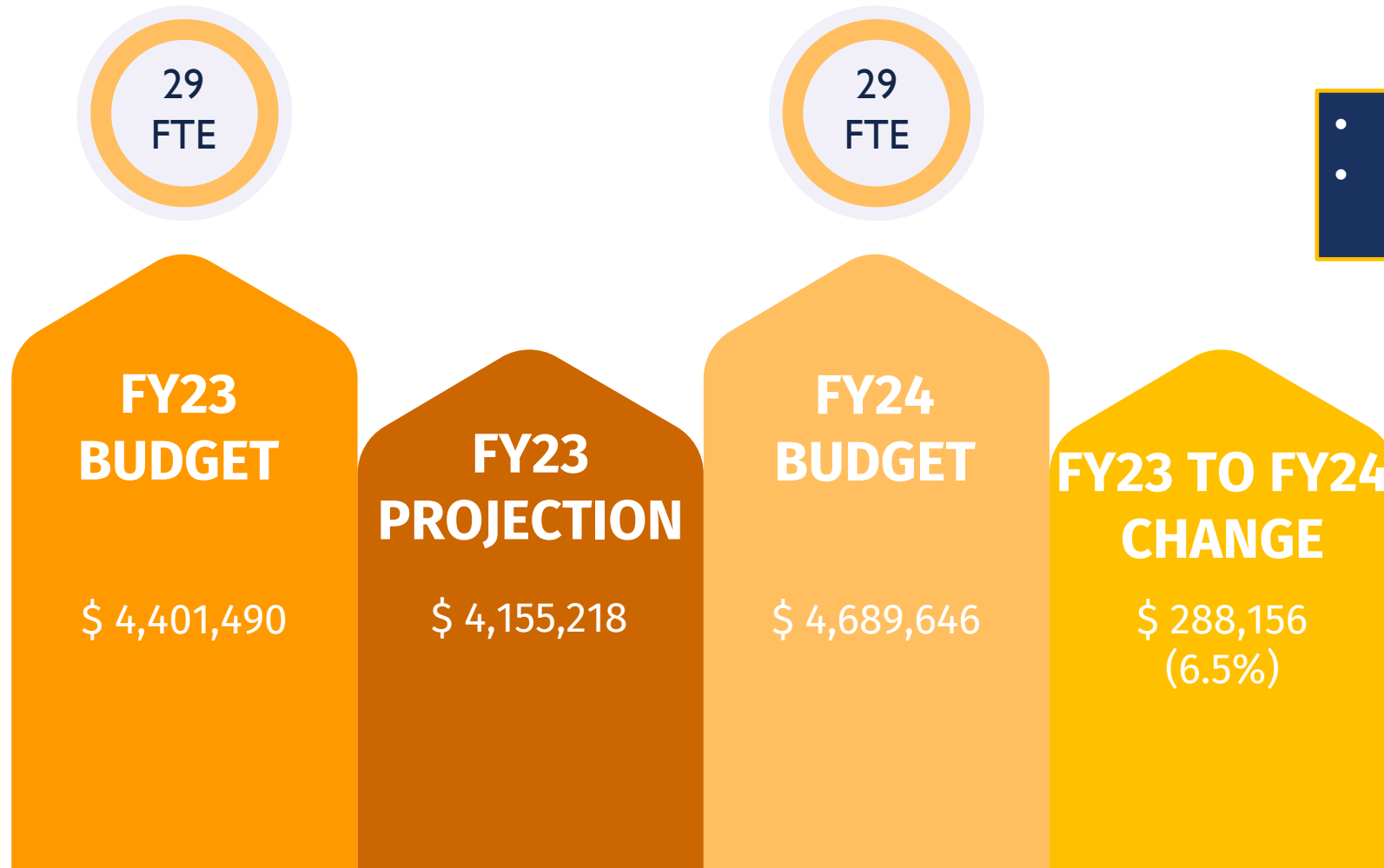
29 FTE Total

# FY24 ORG CHART

- No Changes from prior FY
- 29 FTE



# FY24 SALARIES AND BENEFITS



- Labor Contracts
- Add'l Discretionary Pymt (approx. \$21,642)

# DREDGE INTERMEDIATE FUND (DIF)

## FUNDED

FY 24 BUDGET -- DREDGE INTERMEDIATE FUND		
ASSET	ITEM	IDENTIFIED NEEDS
TWIN LAKES	Snorkel Elbow Replacement (add'l funding)	\$ 10,000
	Spare Parts Replacement	\$ 25,000
	Replacement Muffler C32	\$ 10,000
	Extended Warranties (C32 & C18)	\$ 40,000
		<b>\$ 85,000</b>
DAUNTLESS	Keel Cooler Replacement	\$ 10,000
SQUIRT	Suction Hose Replacement	\$ 8,000
		<b>\$ 18,000</b>
MISCELLANEOUS	Skagit Winch Rebuild (Partial Set Aside)	\$ 15,000
	Unspecified Allowance	\$ 25,000
		<b>\$ 40,000</b>
<b>FY24 IDENTIFIED DREDGE INTERMEDIATE FUND NEEDS</b>		<b>\$ 143,000</b>
<b>PROJECTED FY23 DREDGE INTERMEDIATE FUND BALANCE</b>		<b>\$ 146,665</b>
<b>TOTAL DREDGE INTERMEDIATE FUNDING BALANCE AT 4/1/23</b>		<b>\$ 289,665</b>

## UNFUNDED

FY24 UNFUNDED DIF ITEMS	
No Items	No Items

# FUND BALANCES

Cash on Hand at 2/14/23		
LAIF	\$13,878,721	
BBVA (Restricted)	\$1,016,916	
Comerica Bank	\$828,598	
Total Cash	<b>\$15,724,235</b>	
Restricted Cash	\$1,016,916	At BBVA
Fund Balances	\$4,717,654	<i>Dredge Intermediate, Reserve, Capital Improvement, Election</i>
Unrestricted Cash	<b>\$9,989,665</b>	<i>Available for operations, emergencies, improvements, etc.</i>

**Santa Cruz Port District  
Fund Balance Projection  
As of 2/16/22**

Year	Number	Project Name	Beginning Balance April 1, 2022	FY23 Projected Expenditures	FY23 Contributions/ Reallocations	FY24 Proposed Reallocations	FY24 Funding Contribution	Projected Balance March 31, 2023
FY13	F003	CF Marine Srvc Center	\$10,000				0	\$10,000
FY13	HO01	Harbor Security Upgrades	\$12,404	(12,182)			12,000	\$12,222
FY13	F004	Sanitary Sewer Lift Stations	\$364,986	(22,545)				\$342,441
FY13	F005	Piling Replacement	\$30,000			85,000	500,000	\$615,000
FY13	F006	Pavement Repairs	\$52,716	(44,200)			100,000	\$108,516
FY14	F008	Dock Upgrades	\$82,097	0				\$82,097
FY14	F009	Pier Rehabilitation	\$129,322	(20,842)		(85,000)		\$23,480
FY14	F011	Building Restoration	\$205,630	(18,118)			20,000	\$207,512
FY14	F012	Restroom Bldg Rehabilitation	\$275,000	(24,396)			50,000	\$300,604
FY14	F013	Sidewalk & Plaza Restoration	\$33,000					\$33,000
FY14	F014	Storm Drain System	\$30,000				0	\$30,000
FY14	F015	Water & Sewer System	\$44,139				0	\$44,139
FY14	F018	Parking Pay Station	\$15,000	(14,981)			0	\$19
FY14	F019	Aeration System Upgrades	\$31,304				0	\$31,304
FY14	F020	Ice Machine	\$19,222				0	\$19,222
FY14	J001	West Jetty Walkway	\$799				0	\$799
FY14	F021	7th and Brommer Recon	\$134,467	(42,258)			25,000	\$117,209
FY15	F022	SH Revetment & Seawall	\$98,499	(63,760)	21,500			\$56,239
FY15	F024	Murray Street Bridge	(\$42,960)	(22,961)	400,000			\$334,079
FY15	F099	Unallocated CIP Funds	\$17,209		909,982	(920,000)		\$7,191
FY16	F027	Aldo's Seawall Replacement	\$188,441					\$188,441
FY16	F028	Parking Upgrades	\$46,321	(627)			25,000	\$70,694
FY19	F033	Patrol Vessel Replacement	\$2,182	0	(2,182)			Closed Out
FY20	F035	Boatyard Marine Ways Insp.	\$8,000	(5,753)	(2,247)		0	Closed Out
FY20	F039	Harborwide Refuse Study	\$10,000	(8,000)			3,000	\$5,000
FY20	F040	Water Taxi	\$0	0		0	0	Closed Out
FY21	F041	Maint Work Boat Replacement	\$0	0		0	0	Closed Out
FY22	F042	Embankment Assessment	\$6,274				70,000	\$76,274
FY23	F043	Fuel System Upgrades	\$40,000	(6,461)			55,000	\$88,539
FY23	F044	January 22 Tsunami Fund	\$50,000	(14,527)		(35,473)		Closed Out
FY23	F045	NH Transformer		(20,328)	207,000		225,000	\$411,672
FY23	F046	2222 East Cliff Deck Replacement		(3,488)	825,000		10,000	\$831,512
FY23	F047	Twin Lakes Haul				35,473	175,000	\$210,473

**Totals \$ 1,894,053 \$ (345,427) \$ 2,359,053 \$ (920,000) \$ 1,270,000 \$ 4,257,679**

# CAPITAL IMPROVEMENT PROGRAM

- \$350,000 Contribution
- Reallocation of Unallocated CIP Funds (\$920,000)
- Closeout of five projects
  - Patrol Vessel Replacement
  - Boatyard Marine Ways
  - Water Taxi Replacement
  - Maintenance Work Boat
  - 2022 Tsunami Fund

# MARINA FEES

- CPI increase 4.9% in 2022 (SF-Oak-Hayward annual)\*
- Slip rent rates increased:
  - 2% in FY19
  - 2.5% in FY20
  - 2.5% in FY21
  - 0% in FY22
  - 3.2% in FY23
- 10-year CPI average: 3%
- 10-year Harbor increase average: 2%
- Fee increase to be considered by Commission
  - 1% increase would add approximately \$50,000 in slip fee revenue

# RECOMMENDATION

Direct staff to finalize the FY24 Budget for adoption at the February 23 meeting, including:

- Capital outlay (\$69,500)
- Capital Projects to add, delete or reprioritize in the CIP
- Contribution to the Dredge Intermediate Fund
- Reserve fund contribution
- Any marina fee or other increase
- Other revisions



TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: February 17, 2023  
SUBJECT: Award of Contract for ADA Path of Travel Improvements in the Concession Parking Lot (NTE \$67,000)

**Recommendation:** *Award a contract to Monterey Peninsula Engineering, Inc. for ADA Path of Travel Improvements in the Concession Parking Lot; authorize the Port Director to execute the contract; and authorize a not-to-exceed amount of \$67,000 for the project.*

## BACKGROUND

Accessibility upgrades in the concession parking lot are required to meet State and Federal standards for paths of travel.

Informal bids were solicited in accordance with the California Public Contract Code. Monterey Peninsula Engineering, Inc. submitted the lowest bid in the amount of \$63,750. Monterey Peninsula Engineering, Inc. has a good reputation for quality work, and they have previously performed work at the harbor and are familiar with the area.

## ANALYSIS

Work required as part of this project consists of making slope and grade improvements to achieve an accessible path of travel from the breezeway area (between 2218 and 2222 East Cliff Drive) to the public restroom facility in the concession parking lot. A 5% contingency has been added to account for any unforeseen issues that may arise.

## IMPACT ON PORT DISTRICT RESOURCES

Adequate funding to start this project is available in the Capital Improvement Program. As of February 1, 2023, the fund balance for Parking Upgrades totaled \$46,321. As of April 1, 2023, an additional \$25,000 contribution will be made, increasing available funding to \$70,694.

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: February 17, 2023  
SUBJECT: Award of Contract for Pavement Repairs at Fishery Pier (NTE \$46,500)

**Recommendation:** *Award a contract to Granite Construction Company for paving repairs at the fishery; authorize the Port Director to execute the contract; and authorize a not-to-exceed amount of \$46,500 for the project.*

## BACKGROUND

Maintenance crews have identified the need to repave the entirety of the fishery pier, including the hoist area.

Informal bids were solicited in accordance with the California Public Contract Code. Granite Construction Company submitted the lowest bid in the amount of \$44,200. Granite Construction Company has been engaged in the construction business in California for 96 years and has previously performed satisfactory work for the District.

## ANALYSIS

Work required as part of this project consists of removing approximately 3,900 SF of existing asphalt and installing approximately 3" of hot asphalt mix over the same area.

A 5% contingency has been added to account for any unforeseen items that may arise during construction.

## IMPACT ON PORT DISTRICT RESOURCES

Adequate funding for this project is available in the Capital Improvement Program. As of February 1, 2023, the fund balance for Paving Repairs totaled \$52,716.





TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: February 17, 2023

SUBJECT: Award of Contract for Storm-Damaged Pavement Repairs at 493 Lake Avenue (NTE \$22,500)

**Recommendation:** *Award a contract to Monterey Peninsula Engineering, Inc. for storm-damaged pavement repairs at 493 Lake Avenue; authorize the Port Director to execute the contract; and authorize a not-to-exceed amount of \$22,500 for the project.*

## BACKGROUND

As a result of the ongoing storm events in January 2023, a 700 SF portion of concrete walkway adjacent to 493 Lake Avenue was severely damaged and is now in need of repair.

Informal bids were solicited in accordance with the California Public Contract Code. Monterey Peninsula Engineering, Inc. submitted the lowest bid in the amount of \$20,500. Monterey Peninsula Engineering, Inc. has a good reputation for quality work, and they have previously performed work at the harbor and are familiar with the area.

## ANALYSIS

Work required as part of this project consists of removing approximately 700 SF of storm-damaged concrete and installing a new exposed aggregate walkway. An approximate 10% contingency has been added to account for any unforeseen issues that may arise.

## IMPACT ON PORT DISTRICT RESOURCES

Adequate funding for this project will be made available in the FY24 Capital Improvement Program. As of April 1, 2023, a \$100,000 contribution will be made to the Paving Repairs fund to cover this contract. Work under this contract is not anticipated to be completed prior to April 1, 2023.

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

---

TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: February 17, 2023  
SUBJECT: 2023 Election of Special District Regular Member on LAFCO

**Recommendation:** *Provide direction to staff on casting the Port District's vote for a regular member on the Local Agency Formation Commission (LAFCO).*

#### **BACKGROUND**

LAFCO is conducting an election for an independent special district regular member, with a term ending May 2027. The LAFCO election information is attached. The District's vote must be submitted to LAFCO, by no later than 4:00 pm on Friday, March 24, 2023.

ATTACHMENTS: A. LAFCO Cover Letter and Election Material



February 7, 2023

Holland Mac Laurie, Port Director  
Santa Cruz Port District  
135 5th Ave.  
Santa Cruz, CA 95062

**SUBJECT: ELECTION FOR SPECIAL DISTRICT REGULAR MEMBER ON LAFCO**

Dear Ms. Mac Laurie:

The purpose of this letter is to solicit your district's vote for the regular member seat on LAFCO. The independent special districts in Santa Cruz County get three positions on the LAFCO board. The two regular member seats are currently held by Jim Anderson (Felton Fire Protection District) with a term ending in May 2025, and Rachél Lather (Soquel Creek Water District) with a term ending in May 2023. The alternate member seat is currently held by Ed Banks (Pajaro Valley Public Cemetery District) with a term ending in May 2025. **In preparation of Commissioner Rachél Lather expiring term of office, LAFCO staff will be conducting an election to fill the regular member seat on the LAFCO board.**

**Candidates**

The two candidates running for LAFCO's special district regular member seat are:

- **Rachél Lather** (Soquel Creek Water District; Incumbent); and
- **James Joseph Gallagher** (Pajaro Valley Health Care District)

Background information from the candidates is enclosed. As previously mentioned, Rachél Lather is currently LAFCO's special district regular member.

**Election Process**

The election will be conducted by mail. Each district gets one vote for each position, which shall be executed on the enclosed ballot by either the presiding officer of the district board or by their designee. **The deadline to return the executed ballot to the LAFCO office will be no later than 4:00 p.m. on Friday, March 24, 2023.** Ballots can be mailed, hand-delivered, or emailed to the LAFCO office. If emailed, please follow-up by mailing the ballot with an original signature. LAFCO staff will open and tally the ballots at 4:00 p.m. in the LAFCO office. Anyone who wishes to observe the tally should come to the LAFCO office at that time. The Independent Special District Selection Committee rules of procedure are posted on the Policies and Rules page of LAFCO's website: <https://santacruzlafco.org/about/policies-procedures/>

Please contact me at the LAFCO office if you have any questions about the voting process.

Sincerely,

Joe A. Serrano  
Executive Officer

Attachments:

- 1) Candidates' Information
- 2) Ballot and Certification of Person Voting



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

APPLICATION FOR LAFCO'S DISTRICT REGULAR MEMBER SEAT  
(TERM BEGINNING MAY 2023 AND ENDING IN MAY 2027)

INSTRUCTIONS:

If you are interested in serving as a special district regular member on LAFCO, please complete and sign the following application. The complete application can be mailed, hand delivered, or emailed (as a PDF with signature) to: 701 Ocean Street, Room 318-D, Santa Cruz, CA 95060 (mailing address) or [joe@santacruzlafco.org](mailto:joe@santacruzlafco.org) (email).

Applications must be submitted to LAFCO no later than  
**4:00 p.m. on February 3, 2023**

\*\*\*Note that fire district board members are NOT eligible for the proposed regular member position because a fire district board member currently occupies the other regular seat.\*\*\*

NAME: Rachel Lather

MAILING ADDRESS: 410 Lock Drive Aptos CA 95003

PHONE(s): Home: 831 661 0962 Cell/Business: 831 588 1023

EMAIL: rachellather@sbcglobal.net

DISTRICT BOARD ON WHICH YOU CURRENTLY SERVE: Sequel Creek Water Dist

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED (Identify organization[s] and length of term[s]):

SCWD Board 2016 - present

LAFCO Commission 2019 - 2023

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

STATEMENT OF INTEREST:

You may attach a separate sheet to present additional qualifications or a statement of interest in serving on LAFCO.

CERTIFICATION:

I certify that the above information is true and correct and I authorize the verification of the information in the application.

Rachel Lather  
Signature of Board Member Interested in Serving on LAFCO

1/23/2023  
Date

## LAFCO STATEMENT OF INTEREST- Rachél Lather

As the Senior Civil Engineer for Sanitation Engineering at the County of Santa Cruz, I have worked with LAFCO staff to resolve many issues regarding sewer districts and sewer service areas. I first worked with LAFCO to legalize providing CEMEX with extraterritorial water and sewer services in Davenport, California. I also worked with LAFCO to extend the boundaries of the Rolling Woods CSA sewer service to include Pasatiempo and the Graham Hill corridor. This experience helped me understand the importance of this agency.

I have been a LAFCO commissioner since 2019 and have learned more about the agency and its important role in California. I was chosen to be the Vice-Chair of the Commission in 2021/22 and the Chair of the Commission in 2022/23. I have grown from those years of experience in a leadership role and believe that I was able to be effective as a commissioner. I was recently re-elected to be a director for Soquel Creek Water District and the District Board has selected me to apply for being the LAFCO Commissioner to represent Special Districts.

I believe that I will continue to be a pragmatic and effective commissioner if I am elected to continue to be a part of LAFCO for 2023-2027 and would be honored to be selected as the representative for Special Districts.



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

APPLICATION FOR LAFCO'S DISTRICT REGULAR MEMBER SEAT (TERM BEGINNING MAY 2023 AND ENDING IN MAY 2027)

INSTRUCTIONS:

If you are interested in serving as a special district regular member on LAFCO, please complete and sign the following application. The complete application can be mailed, hand delivered, or emailed (as a PDF with signature) to: 701 Ocean Street, Room 318-D, Santa Cruz, CA 95060 (mailing address) or joe@santacruzlafco.org (email).

Applications must be submitted to LAFCO no later than 4:00 p.m. on February 3, 2023

\*\*\*Note that fire district board members are NOT eligible for the proposed regular member position because a fire district board member currently occupies the other regular seat.\*\*\*

NAME: JAMES JOSEPH (JOE) GALLAGHER, M.D.

MAILING ADDRESS: 130 TERRY LOOP WATSONVILLE, CA 95076

PHONE(s): Home: - Cell/Business: (831) 332-2694

EMAIL: JGMD@SCSHOP.COM

DISTRICT BOARD ON WHICH YOU CURRENTLY SERVE: Pajaro Valley Health Care District

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED (Identify organization[s] and length of term[s]):
WATSONVILLE COMMUNITY HOSPITAL BOARD - 7 YEARS (WCH)
PAJARO VALLEY COMMUNITY HEALTH TRUST - 4 YEARS
CHIEF OF MEDICAL STAFF AT WCH - 6 YEARS
SEVERAL COMMITTEES AT WCH ~ 25 YEARS (PLEASE SEE ATTACHED)
PAJARO VALLEY MEDICAL GROUP - PRESIDENT - 16 YEARS

STATEMENT OF INTEREST:

You may attach a separate sheet to present additional qualifications or a statement of interest in serving on LAFCO.

CERTIFICATION:

I certify that the above information is true and correct and I authorize the verification of the information in the application.

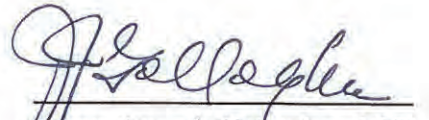
Signature of Board Member Interested in Serving on LAFCO: [Handwritten Signature]

Date: 1/24/2023

## LAFCO Statement of Interest

I am interested in serving on LAFCO in order to represent the interests of the Pajaro Valley Health Care District, to assure that the PVHCD stays in compliance with LAFCO regulations, and to work with representatives of the other special districts in Santa Cruz County on the issues that we all face.

As a retired person, I have the time to get involved, and while I don't have much experience with government, I have a lot of experience with governance.



James Joseph Gallagher, M.D.

## Resume

James Joseph Gallagher, M.D.  
aka: Joe Gallagher, M.D.

Born: Norristown, PA - 5/15/1951  
Home: 130 Terry Loop Watsonville, CA 95076 (831) 332-2694  
Email: jgmd@scshop.com, joeg51@cruzio.com  
Spouse: Rose K. Murphy  
Children: Brian - 40, Carey - 37

### College:

U.S. Naval Academy 1969-71  
University of California San Diego 1972-74 (B.A. Biology)

### Grad School:

University of Chicago - PhD Program in Biology - withdrew 1976

### Medical School:

St. George's University School of Medicine, Grenada, West Indies 1977-79  
University of Alabama Huntsville 1979-81 (M.D.)

### Residency:

Family Practice - University of Alabama Huntsville 1981-84

### Board Certification:

Family Practice 1984-2004

### Medical License:

California - G52929 1984-2022, (as of 6/1/22 - retired status)

### Work Experience:

United Farm Workers Clinic - Salinas, CA 1984  
Urgent Care - Monterey, Salinas, Watsonville, CA 1984-85  
Private Practice - Watsonville, CA 1985-2006  
Hospital Based Practice - Watsonville, CA 2006-19 (Retired 12/31/2019)

### Hospital Affiliation:

Watsonville Community Hospital - 75 Nielson St. Watsonville, CA 95076 1986-2019

### Hospital/Community Leadership:

Board of Directors - Watsonville Community Hospital 1999-2000, 2007-08, 2016-18  
Chief of Staff 1991-93, 2007-08, 2016-18  
Vice Chief of Staff 1990-91, 2006-07, 2012-2014  
Architectural Committee 1994-98  
Bylaws Committee 1999-2006, 2013-14  
Critical Care Committee Chair 1989  
Ethics Committee Chair 2014-16  
Family Practice Department Chair 1988, 1996, 2005, 2014  
Quality Coordinating Council Chair 2006-07, 2014-16  
President Pajaro Valley Medical Group, Inc. 1998-2014  
Board of Directors - Pajaro Valley Community Health Trust 1998-2000, 2018





2023 BALLOT FOR THE SPECIAL DISTRICT  
REGULAR MEMBER SEAT ON LAFCO

**INSTRUCTIONS:**

Please check the box to the left of the person you are voting for. **Vote ONLY for one candidate.**

Candidate	District	Vote By Marking (X)
Rachél Lather	Soquel Creek Water District	
James Joseph Gallagher	Pajaro Valley Health Care District	

**NEXT STEPS**

After voting, please hand-deliver, mail, or email the ballot back to LAFCO. If emailed, please follow-up by mailing the ballot with an original signature. The ballots will be counted at 4:00pm on Friday, March 24, 2023. Any ballots received after that time will not be counted.

**CERTIFICATION:**

I, \_\_\_\_\_, am voting on behalf of the following independent special district: \_\_\_\_\_.

\_\_\_\_\_  
Voting Designee Signature

\_\_\_\_\_  
Date

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
January 2023

Date	No.	Vendor	Description	Amount
1/13/2023	57780	Ace Portable Services	Portable Toilet Rental	\$291.60
1/13/2023	57781	Allied Administrators for Delta Dental	Dental Insurance	\$2,998.55
1/13/2023	57782	Amerigas	Ancillary Equipment Fuel	\$232.64
1/13/2023	57783	Anderson, Dave	Security Deposit Refund	\$412.64
1/13/2023	57784	Arturo Acevedo	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57785	AT&T	Telephone	\$766.92
1/13/2023	57786	Berk, Elena	Citation Overpayment Refund	\$53.00
1/13/2023	57787	Big Creek	Waste Oil Station Plywood	\$53.92
1/13/2023	57788	Blake Anderson	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57789	Bow Wow Pet Waste Products	Pet Waste Station Bags	\$210.88
1/13/2023	57790	Buran, Kenneth	Security Deposit Refund	\$337.00
1/13/2023	57791	Burke, Williams & Sorensen, LLP	Legal Consultation	\$306.00
1/13/2023	57792	Cale America, Inc.	Monthly Service	\$846.16
1/13/2023	57793	Carpi & Clay	Washington Representation	\$800.00
1/13/2023	57794	Castro, Ernesto	Parking Overpayment Refund	\$80.25
1/13/2023	57795	Citi Cards	Annual Costco Membership, Lunch Meeting, Breakroom Supplies, Toll	\$227.05
1/13/2023	57796	Comcast	Business Internet	\$483.67
1/13/2023	57797	Complete Mailing Service	Parking Permit Letter Mailing & Postage	\$812.15
1/13/2023	57798	David Hill	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57799	Electro Specialties	Boatyard Retail Items	\$485.31
1/13/2023	57800	Ferguson Enterprises, Inc.	Toilet Push Button Assembly	\$51.44
1/13/2023	57801	Garda CL West, Inc.	Deposit Courier Service	\$547.74
1/13/2023	57802	Ghisletta, Renee	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57803	Goering, Bryce	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57804	Gottlieb, Landon	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57805	Grainger	Disposable Gloves	\$104.75
1/13/2023	57806	Gsolutionz	Telephone System Support	\$240.95
1/13/2023	57807	Guy, Parker	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57808	Henderson Marine Supply, Inc.	Twin Lakes Deck Coating Paint	\$856.21
1/13/2023	57809	Holland MacLaurie	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57810	John Haynes	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57811	Jorge Lopez	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57812	Jose Vera	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57813	Josh Wagoner	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57814	Kevin Melrose	2023 Medical Expense Reimbursement	\$700.00

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
January 2023

Date	No.	Vendor	Description	Amount
1/13/2023	57815	Kimball Midwest	Boatyard Retail Items	\$84.75
1/13/2023	57816	Kingdom, Kyle	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57817	Linde Gas & Equipment, Inc.	Welding Gas	\$318.15
1/13/2023	57818	Marina Ware	Quarterly Software & Key Access System Support	\$1,700.00
1/13/2023	57819	Mark Eldridge	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57820	Melrose, Peter	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance, Holiday Payout	\$2,175.85
1/13/2023	57821	Melrose, Rick	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57822	Mid County Auto Supply	Parking Shuttle Headlight	\$4.05
1/13/2023	57823	Mission Controls Company	493 Lake Avenue Lift Station Programmable Logic Controller Replacement	\$983.25
1/13/2023	57824	Mission Uniform Service	Uniform Service	\$239.30
1/13/2023	57825	MPress Digital Inc.	Business Card Printing	\$310.93
1/13/2023	57826	Nathen Castro	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57827	Nicholas Henning	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57828	Nick Gullo	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57829	Niki Rothwell	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57830	Operating Engineers Local Union No. 3	Union Dues (Payroll Deduction)	\$272.00
1/13/2023	57831	Pacific Gas & Electric Company	Utilities	\$376.62
1/13/2023	57832	Palace Business Solutions	Office Supplies	\$72.21
1/13/2023	57833	Poe, Christine	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57834	Ramos, Brenda	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57835	Randy Marty	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57836	RDO Equipment Co.	Dauntless Air Filters	\$588.27
1/13/2023	57837	Rory Stipanovich	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57838	Santa Cruz Municipal Utilities	Utilities	\$2,425.20
1/13/2023	57839	Sean Rothwell	2023 Medical Expense Reimbursement, Quarterly Uniform Allowance	\$890.00
1/13/2023	57840	Simoni, Danny	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57841	S Tech Consulting LLC	2222 East Cliff Drive Deck Asbestos Testing	\$1,200.00
1/13/2023	57842	Summit Uniforms	Deputy Harbormaster Uniform	\$738.28
1/13/2023	57843	Superior Alarm Company	493 Lake Avenue Alarm Monitoring	\$228.00
1/13/2023	57844	Tandoi, Steven	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57845	U.S. Bank Equipment Finance	Copier Lease	\$151.31
1/13/2023	57846	US Relay	Webcam Service	\$484.00
1/13/2023	57847	Vel-Com	Concession Lot Data Cable Replacement	\$735.00
1/13/2023	57848	Verizon Wireless	Cell Phone & Tablet Service	\$321.33
1/13/2023	57849	West Marine Pro	Foul Weather Gear	\$146.49
1/13/2023	57850	West Marine Pro	Boatyard Retail Items	\$117.82

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
January 2023

Date	No.	Vendor	Description	Amount
1/13/2023	57851	Wulf, Carl	2023 Medical Expense Reimbursement	\$700.00
1/13/2023	57852	Home Depot Credit Services	Washers, Screws, Caulking Gun, Rivets, Batteries, Lock Set, Light Bulbs, Ceiling Fan, Saw Blades, Permanent Marker, Caulk, Caulking Gun, F-Dock Backflow Fittings, Voltage Tester, Concession Lot Entrance Gate Repair	\$976.23
1/27/2023	57853	Ace Portable Services	Portable Toilet Rental	\$329.34
1/27/2023	57854	Allied Universal	Security Patrol	\$7,665.84
1/27/2023	57855	American Textile & Supply, Inc.	Hazmat Supplies	\$1,983.13
1/27/2023	57856	Amerigas	Ancillary Equipment Fuel	\$69.38
1/27/2023	57857	Applied Industrial Technologies, LLC	<i>Twin Lakes</i> Discharge Pipe Control Valve	\$250.13
1/27/2023	57858	CIT	Telephone System Lease	\$323.09
1/27/2023	57859	Bay Building Janitorial, Inc.	Janitorial Services, Refuse Collection	\$10,492.00
1/27/2023	57860	Bay Plumbing Supply, Inc.	Backflow Device Hardware, Urinal Repair Kit, Plumber's Grease, Saw Blades, Fittings, Concession Lot Restroom Faucet	\$576.52
1/27/2023	57861	Bayside Oil II, Inc.	Waste Oil Disposal, <i>Twin Lakes</i> Hydraulic Oil, Boatyard Hazardous Waste Removal	\$2,131.06
1/27/2023	57862	Big Creek	Screws, Adhesive, Drill & Driver Bits	\$224.37
1/27/2023	57863	Bobby's Pit Stop, Inc.	Maintenance Vehicle Fuel Pump & Inertia Switch Replacement	\$2,349.51
1/27/2023	57864	Central Electric	Trash Compactor Circuit Breaker, 333 Lake Avenue Electrical Service Upgrade Project	\$7,473.20
1/27/2023	57865	Comcast	Business Internet	\$306.70
1/27/2023	57866	Complete Mailing Service	Statement Mailing & Postage	\$1,128.89
1/27/2023	57867	CopWare, Inc.	Legal Sourcebook (Legislative Updates)	\$115.00
1/27/2023	57868	County of Santa Cruz Auditor	Citation Tax (November & December)	\$4,542.00
1/27/2023	57869	County of Santa Cruz Department of Public Works	Hazardous Waste Disposal	\$25.00
1/27/2023	57870	County Specialty Gases	Welding Gas, Gauge Guard	\$133.47
1/27/2023	57871	Crystal Springs Water Co.	Boatyard Drinking Water	\$63.50
1/27/2023	57872	Darco Printing & Paper	Slip License Agreements	\$685.00
1/27/2023	57873	Data Ticket, Inc.	Citation Processing (December)	\$312.01
1/27/2023	57874	DeVilliers, Richard	Key Deposit Refund	\$40.00
1/27/2023	57875	Dredging Supply Company, Inc.	<i>Twin Lakes</i> Spare Winch Drive	\$9,303.12
1/27/2023	57876	Elevator Service Company	Monthly Service	\$470.00
1/27/2023	57877	Ewing Irrigation Products, Inc.	Sandbags for Storm Damage Prevention	\$14.06
1/27/2023	57878	Ferguson Enterprises, Inc.	Gate Valve Parts, Drinking Fountain Push Button	\$1,135.40
1/27/2023	57879	Flyers Energy, LLC	Ancillary Equipment Fuel	\$802.97
1/27/2023	57880	Fried, David M	Security Deposit Refund	\$551.04
1/27/2023	57881	Galland, Dick	Security Deposit Refund	\$3.25
1/27/2023	57882	Grainger	Solar Buoy Lights, Rubber Boots, Disposable Gloves, Drum Lifter, Storm Drain Covers, Dock Gate Closer, Work Gloves	\$2,491.36
1/27/2023	57883	Green Line	493 Lake Avenue Lift Station Pump Out	\$1,180.00
1/27/2023	57884	Hendrix, Ashley	Mileage Expense Reimbursement	\$57.64

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
January 2023

Date	No.	Vendor	Description	Amount
1/27/2023	57885	Keyzer, Duane	Security Deposit Refund	\$259.32
1/27/2023	57886	Lexipol LLC	Annual Law Enforcement Policy Manual	\$4,101.21
1/27/2023	57887	Linde Gas & Equipment, Inc.	Welding Gas, Cut-Off Wheels, Gloves	\$614.61
1/27/2023	57888	Lombardi, Donald	Security Deposit Refund	\$219.80
1/27/2023	57889	Marine Lien Sale Service	Lien Fees	\$200.00
1/27/2023	57890	Maskaly, Manuela	Security Deposit Refund	\$235.60
1/27/2023	57891	Matheson Tri-Gas, Inc.	Welding Gas	\$113.23
1/27/2023	57892	McDermott, Dick	497 Lake Avenue Installment Payment	\$4,535.45
1/27/2023	57893	McMaster-Carr Supply Company	Squirt Pressure Gauges, Padlocks, Ground Fault Interrupter Outlet	\$1,063.09
1/27/2023	57894	Melrose, Rick	Expense Reimbursement - Parking Machine Batteries	\$50.11
1/27/2023	57895	Mid County Auto Supply	Windshield Washer fluid, Vacuum Hose, Boatyard Forklift Key Switch, Travelift Motor Belt, Generator Belt, Dauntless Winch Fuse Holder, Dauntless Winch Gauges, Trailer Ball & Mount, Patrol Truck Headlight, Back-Up Lights	\$333.79
1/27/2023	57896	Mission Uniform Service	Uniform Service	\$859.01
1/27/2023	57897	MKB Stormwater Innovation	Storm Drain Filters	\$3,210.74
1/27/2023	57898	Mutual of Omaha	Life/LTD/AD&D Insurance	\$454.73
1/27/2023	57899	Niesen, Travis	Security Deposit Refund	\$241.40
1/27/2023	57900	Capital One Trade Credit - Outdoor Supply Hardware	Metal File	\$8.71
1/27/2023	57901	Pacific Gas & Electric Company	Utilities	\$41,277.14
1/27/2023	57902	Peterson	Oil & Fuel Filters, O-Rings, Switch	\$388.15
1/27/2023	57903	PNC Bank, N.A.	Tax Exempt Loans Principle & Interest	\$691,765.54
1/27/2023	57904	Quadient, Inc.	Postage	\$500.00
1/27/2023	57905	Quadient Leasing USA, Inc.	Postage Meter Lease	\$206.67
1/27/2023	57906	Ramos Oil Inc.	Twin Lakes Fuel	\$32,396.17
1/27/2023	57907	Riverside Lighting & Electric	Wire Nuts	\$22.07
1/27/2023	57908	Rivior, Richard	Security Deposit Refund	\$56.96
1/27/2023	57909	Salas O'Brien Engineers, Inc.	Engineering Services: 2222 East Cliff Deck Replacement	\$1,251.87
1/27/2023	57910	Sandman Glass, Inc.	413 Lake Avenue Window Replacement	\$2,221.09
1/27/2023	57911	Michael Smith	Backflow Testing	\$947.00
1/27/2023	57912	Santa Cruz Tire & Auto Care	Patrol Truck Maintenance	\$95.65
1/27/2023	57913	Scheidt & Bachmann	Concession Lot Monthly Equipment Warranty	\$2,630.74
1/27/2023	57914	Santa Cruz Municipal Utilities	Utilities	\$15,973.72
1/27/2023	57915	Soil Control Lab	Storm Water Testing	\$374.00
1/27/2023	57916	Staples Credit Plan	Office Supplies	\$168.98
1/27/2023	57917	State Water Resources Control Board	Annual Pile Replacement & Regional General Permit Fees	\$2,323.00
1/27/2023	57918	Syn-Tech Systems, Inc	Fuel Dock Modem & Credit Card Board Replacement	\$998.00
1/27/2023	57919	The Home Depot Pro Institutional	Janitorial Supplies	\$3,697.66

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
January 2023

Date	No.	Vendor	Description	Amount
1/27/2023	57920	Thompson, Roberta	Security Deposit Refund	\$229.80
1/27/2023	57921	Timucin, Dogan	Security Deposit Refund	\$117.98
1/27/2023	57922	Total Secure Technology	Technical Support (December & January), Fuel Dock Wireless Bridge	\$736.15
1/27/2023	57923	Urban, Joseph	Security Deposit Refund	\$116.54
1/27/2023	57924	WEX Bank	Fleet Fuel	\$2,484.42
1/27/2023	57925	Mark Larsen DBA: Viking Window Cleaning	Window Cleaning	\$30.00
1/27/2023	57926	West Marine Pro	Dock Line, Foul Weather Gear, Generator Battery, VHF Radio, Patrol Boat Kinnamon Trim Tab Repair, Caulking	\$2,090.61
1/27/2023	57927	West Marine Pro	Boatyard Retail Items	\$59.94
1/27/2023	57928	Wulf, Carl	Mileage Expense Reimbursement	\$47.50
1/5/2023	Various	Various Employees	12/16/22-12/31/22 Payroll	\$7,605.04
1/20/2023	Various	Various Employees	1/1/23-1/15/23 Payroll	\$7,789.89
1/1/2023	EFT	Gravity Payments	Front Desk Credit Card Fees	\$1,958.46
1/1/2023	EFT	Merchant Services	Online Billpay Credit Card Fees	\$503.74
1/1/2023	EFT	Merchant Services	CALE Credit Card Fees	\$549.35
1/1/2023	EFT	Merchant Services	Boatyard Credit Card Fees	\$485.69
1/1/2023	EFT	Transaction Express	Online Billpay ACH Fees	\$598.63
1/1/2023	EFT	Windcave, Inc.	Concession Lot Credit Card Fees	\$1,386.65
1/5/2023	EFT	PAYCHEX	12/16/22-12/31/22 Payroll Direct Deposit	\$68,593.11
1/5/2023	EFT	PAYCHEX	12/16/22-12/31/22 Payroll Taxes	\$34,162.43
1/5/2023	EFT	PAYCHEX	Payroll Service Fees	\$511.63
1/5/2023	EFT	CalPERS	Health Insurance	\$46,494.83
1/5/2023	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$7,708.86
1/5/2023	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$6,633.95
1/5/2023	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$2,751.22
1/5/2023	EFT	CalPERS	457 Contributions (Payroll Deduction)	\$3,818.06
1/5/2023	EFT	Empower Retirement	457 Loan Repayments (Payroll Deduction)	\$413.35
1/9/2023	EFT	California Department of Tax and Fee Administration	Sales & Use Tax Return	\$8,314.00
1/9/2023	EFT	California Department of Tax and Fee Administration	Underground Storage Tank Maintenance Return	\$785.00

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
 January 2023

Date	No.	Vendor	Description	Amount
1/9/2023	EFT	Comerica Commercial Card Services	Flashlights, WhenIWork Subscription, PC832 Training Travel & Accommodations, Office Supplies, Lighted Boat Parade Volunteer Refreshments, Zoom Subscription, Commission Meeting Refreshments, Employee Recognition, Recruitment Advertising, Commission Name Plates, Dock Light Bulbs, Maintenance Vehicle Tires, Concession Lot Back Gate Opener, Caulking, Workplace Subscription, I-Dock Restroom Building Permit, Annual Employee Total Compensation Reports, Boatyard Paint Shaker Parts, Maintenance Vehicle Smog Checks, Hammer Drill, Rubber Boots, Breakroom Supplies, Power Tool Batteries, Crane Recertification Hotel, Shop Hoist Spacers, Maintenance Vehicle Towing, Air Filter Cleaner, Windshield Shades, Safety Glasses, Pile Grout, Harbor Patrol Training Ammunition	\$12,984.26
1/11/2023	EFT	Comerica Bank	Service Charges	\$494.51
1/20/2023	EFT	PAYCHEX	1/1/23-1/15/23 Payroll	\$70,355.84
1/20/2023	EFT	PAYCHEX	1/1/23-1/15/23 Payroll	\$35,322.06
1/20/2023	EFT	PAYCHEX	Payroll & W2 Service Fees	\$855.50
1/20/2023	EFT	PAYCHEX	Time & Attendance Fees	\$109.00
1/23/2023	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$7,947.90
1/23/2023	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$6,613.43
1/23/2023	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$2,788.47
1/23/2023	EFT	CalPERS	457 Contributions (Payroll Deduction)	\$4,292.46
1/23/2023	EFT	Empower Retirement	457 Loan Repayments (Payroll Deduction)	\$413.35
1/30/2023	EFT	Windcave, Inc.	Concession Lot Credit Card Device Charges	\$424.64
<b>Total January 2023 Disbursements</b>				<b>\$1,267,379.31</b>



TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: February 17, 2023  
SUBJECT: Port Director's Report – February 23, 2023

### Recovery Efforts – Storm 2023

In response to damages sustained as a result of the recent winter storms, the Port District has submitted its application for state and federal funding assistance. Over the last several weeks, staff has had a multitude of meetings with CalOES and FEMA representatives, and preliminary feedback indicates that the District's proposed list of projects will all be classified as "small projects." Small projects have a maximum reimbursement level of \$1 million and require less of an administrative burden on the applicant. Representatives have also indicated that all efforts related to clearing the shoal in the harbor entrance may be eligible for reimbursement under the debris removal category.

### Grant Funding Opportunities

The U.S. Maritime Administration has posted a Notice of Funding Opportunities for federal fiscal year 2023. Up to \$662 million is available to support infrastructure projects at or adjacent to coastal seaports, inland river ports, and Great Lakes ports. Staff will be reviewing the available funding opportunities and discussing the feasibility of applying for grant funds prior to the submittal deadline of April 28, 2023. Last year, several California agencies including Crescent City Harbor District, City of Eureka, and Port of Stockton received grant funding.

### Brigadier General Site Visit

On Thursday, March 9, 2023, Brigadier General Antoinette Gant of the US Army Corps of Engineers will be onsite to tour the harbor and review the District's dredge operation. This meeting was originally planned for January 2023, but was delayed due to the onslaught of winter storms.

### Meet the Team – Thursday, March 9, 2023

On Thursday evening, March 9, 2023, the Port District will host a casual event at the Santa Cruz Yacht Club, where harbor users and tenants can stop by and meet the Port District's management team. The event is scheduled between 5 and 7 PM.

### Transition to District Elections – Public Hearing #1

The Port District will be transitioning to district-based elections with the 2026 election cycle. As part of the process, four public hearings will be held to receive community input on the process. The first public hearing is scheduled for Monday, March 6, 2023, 5:30 PM at the Harbor Public Meeting Room (365A Lake Avenue, Santa Cruz).





TO: Port Commission  
FROM: Blake Anderson, Harbormaster  
DATE: February 13, 2023  
SUBJECT: Harbormaster's Report

#### Monterey Bay Search and Rescue (SAR) Council Meeting

Deputy Harbormaster staff attended a Monterey Bay SAR Council Meeting on February 3, 2023, in Monterey. The SAR Council was developed to strengthen the partnership between marine first responders in the Monterey Bay region. Participants include Coast Guard, fire department personnel, law enforcement, lifeguards, and other marine partners. The meetings are a forum to discuss recent SAR cases, logistics, communication, departmental changes, capabilities, and other issues relating to marine search and rescue. Topics at the February meeting consisted of radio communication updates, January storm response/impacts, tsunami preparedness, recent shark attacks, and debriefing of critical SAR cases.



#### Law Enforcement Training

All Deputy Harbormaster staff attended a critical incident response class, which was hosted by the Santa Cruz Sheriff's Office. The 8-hour class focused on response and leadership techniques during critical calls, tense circumstances, and crisis. Through the review of real-world incidents, students were taught how to apply the latest laws and modern techniques to avoid unnecessary confrontation while protecting themselves and their agency from liability.

#### Outside Agency Assistance

Deputy Harbormaster staff assisted officials from the City of Capitola with transportation to the Capitola Wharf, which currently has no landside access. Capitola staff engineers and building officials wanted a closer look to further evaluate the condition of the wharf, which was partially destroyed during the January 5, 2023, swell event. Two wharf business owners also accompanied the group to assess the condition of the restaurant and bait shop.

Perishable Skills Training

Deputy Harbormaster staff participated in an in-house perishable skills training, which included officer safety, hands-on control tactics, handcuffing, pepper spray, and search/seizure. Assistant Harbormaster Rothwell is a POST (California Commission on Peace Officer Standards of Training) certified perishable skills instructor for arrest and control, baton, chemical agents, and firearms.

PARCS System Update

The concession lot parking equipment is currently operating well with no pending issues. Staff continue to perform regular daily maintenance and have been meeting with Scheidt and Bachmann representatives twice monthly to discuss equipment performance and maintenance needs.

Fisheries Report

The fisheries report consists of data from two sources: the Department of Fish and Wildlife (DFW) and the H&H Fresh Fish (resident fish buyer). The data from DFW is partially redacted in accordance with federal fisheries laws. Data is considered confidential when less than three separate vessels land species at any one port. For species landed by three or more separate vessels, the full data is made public and includes weight and value. For other data, the species landed is shown with no weight data.

**January 2023 – Total Port Landings:**

Species	Weight (lbs.)	Ex-Vessel (per lbs.)	Approx. Value
Dungeness Crab	11,383.25	\$3.47	\$39,505.38

**Total Reported: 11,383.25 lbs. Total Ex-Vessel: \$39,505.38**

Species also landed\* - Rock Crab

*\*weight and value data redacted by Fish and Wildlife pursuant to Fish and Game Code, Section 8022.*

**January 2023 – Resident Buyer Landings:**

Species	Weight (lbs.)	Ex-Vessel (per lbs.)	Approx. Value
Dungeness Crab	7,846.25	\$3.50	\$27,461.87
Rock Crab (Various)	878.15	\$2.50	\$2,195.37

**Total Reported: 8,724.40 lbs. Total Ex-Vessel: \$29,657.24**



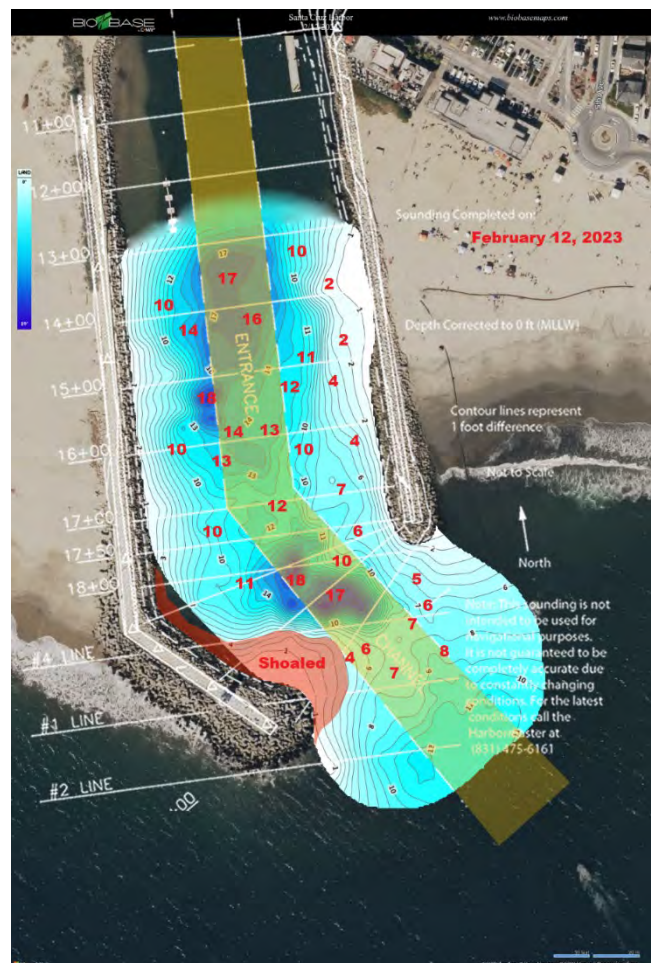
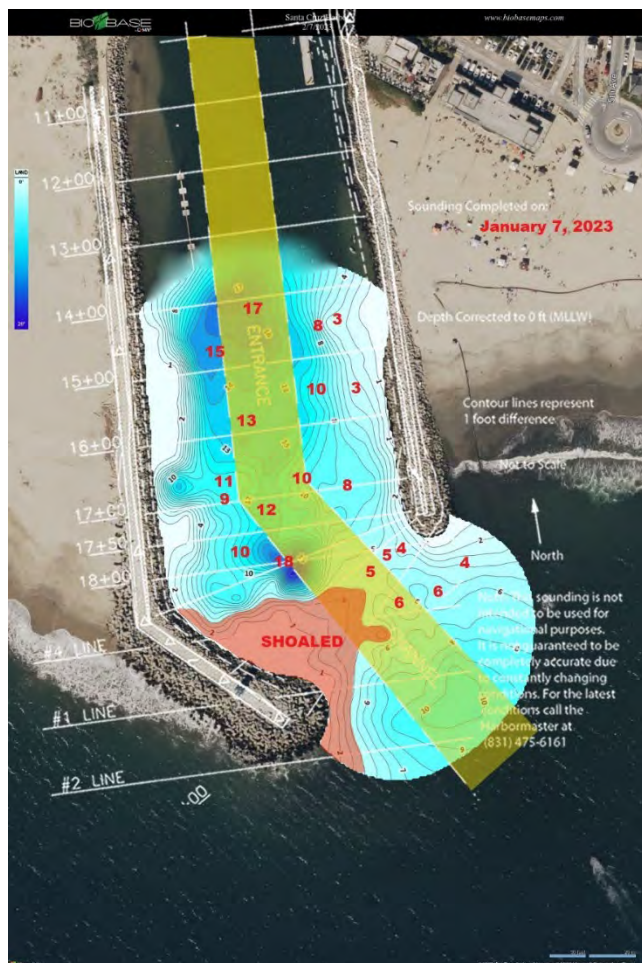
TO: Port Commission  
 FROM: Carl Wulf, Facilities Maintenance & Engineering Manager  
 DATE: February 21, 2023  
 SUBJECT: Facilities Maintenance & Engineering Manager's Report

**Dredging Operations:**

Twin Lakes

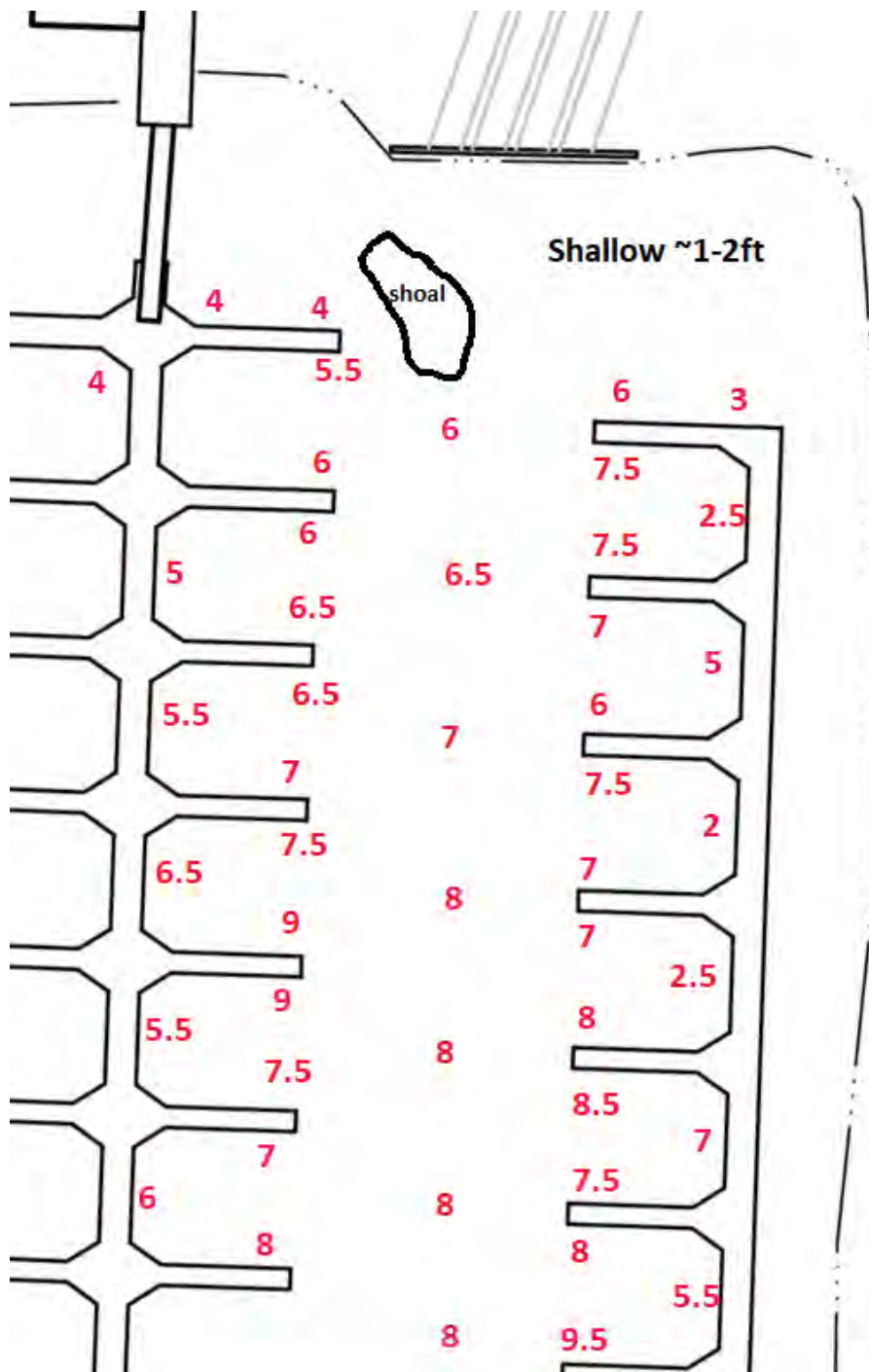
The dredge crew has been diligently working on addressing the shoaled conditions in the entrance channel that resulted after the severe winter storms last month. The crew is making significant progress, but at times is hampered by debris, which requires a lot of pump clean outs. The offshore pipe was recently buried and plugged, but staff has been able to clear the pipe and lift the anchor.

Twin Lakes will be refueling on Feb 24, 2023. The Port District's fuel supplier will be delivering us our first load (7,600 gallons) of 100% renewable diesel fuel for the dredge. The fuel changeover is required to achieve regulatory compliance with new Air Board requirements, which took effect on January 1, 2023. Staff has confirmed with CAT that renewable diesel is suitable for our engines.



Squirt

North Harbor dredging commenced in the X/J fairway late last month. Crews have moved *Squirt* up to the norther portion of the fairway (tubes) to address shoaling that resulted from heavy rain that persisted throughout January.



**Maintenance:**

Storm Damage

Staff has been working on cleaning up from the January storms, which deposited a lot of mud, debris, and logs in and around the harbor.

Storm-damaged portions of the fuel dock have been rebuilt (near the bilge pump out). The structural connections had broken and needed replacing.



Electrical Services Upgrade Project - 333 Lake Avenue

We finally have all parts secured for the work to be done. A pre-construction meeting was held on February 6, 2023, with the tenants. Work will start with mobilization on February 23, 2023. We look forward to starting this much-needed improvement to the facility.

SEA SCOUT SHIP 669

QUARTERLY REPORT

February 2023

Santa Cruz Sea Scouts have been very busy, and we continue to grow our membership. We are up to 22 boys and 5 girls.

Our scouts have kept a full calendar of activities and outings. They've attended 3 regattas and did well in the competition. They took the Pearls up to San Francisco during Fleet Week and joined other Sea Scout Ships. They spent time with the other ships and cruised the bay while enjoying the events of Fleet Week.

They continue to work with the Coast Guard Auxiliary on training and participating in patrols. They are looking at establishing a Sea Base where they can practice their drills and other competitive activities.

We had a fundraiser in November at the Live Oak Grange. It was well attended, even Sen. Panetta joined us. We raised over 4000.00 that goes to keeping up with repairs on the Pearls and the Ranger 23.

We have not had as many cruises with the Pearls due to the weather in December and January. The scouts are currently working on the Ranger 23, preparing the bottom for repairs and painting, stepped the mast for new rigging and general cleaning up the inside. We can't wait to get her put back together to start our sailing program.

Last year we were donated a Columbia 50. We are currently in the process of securing a berth for her in San Francisco and raising funds to re-power her. We are working with one of the Sea Scout Ships to share berthing and looking forward to sailing her in the bay. We are reaching out to our boating community looking for volunteers who can help us with our sailing program. We would like a few volunteers who could teach sailing, maintenance and general upkeep of the sailboats.

We also helped our charter organization, Santa Cruz Lions Club with their Christmas Tree Lot at Harvey West Park. We again had our hot chocolate booths for Lighted Boat Parade. Although it was a bit rainy we raised about 400.00.

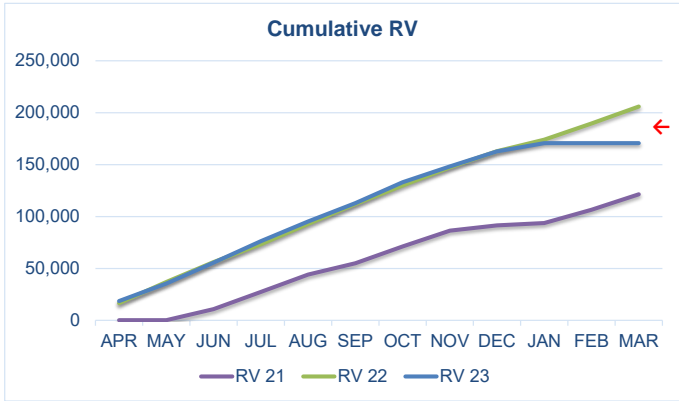
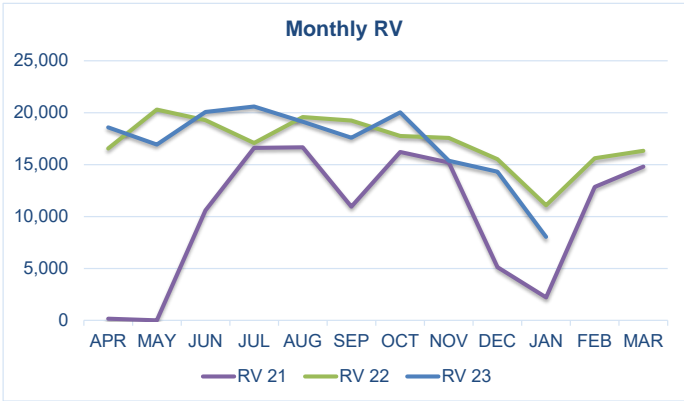
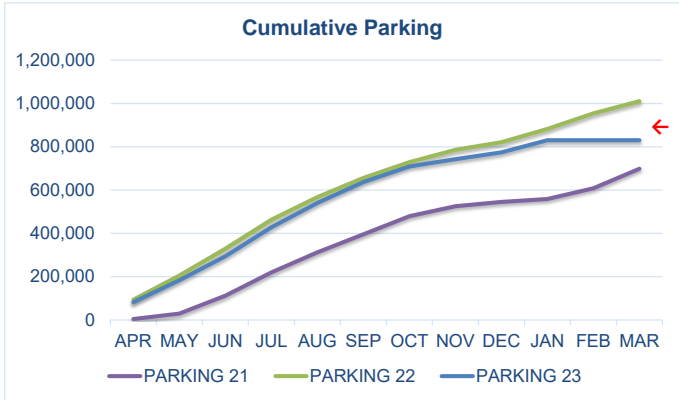
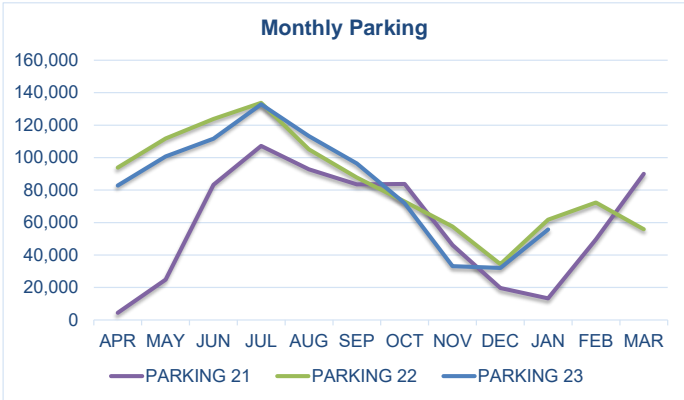
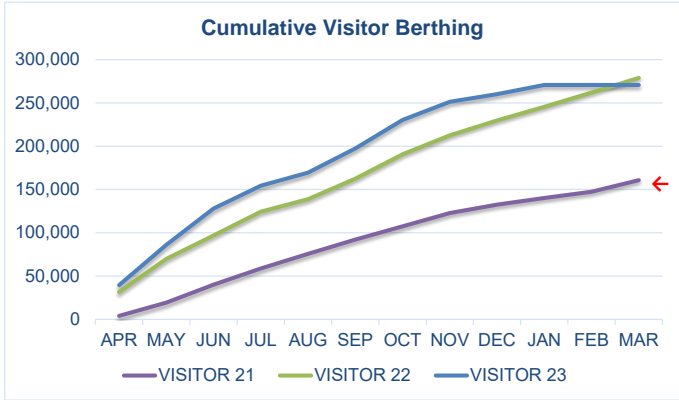
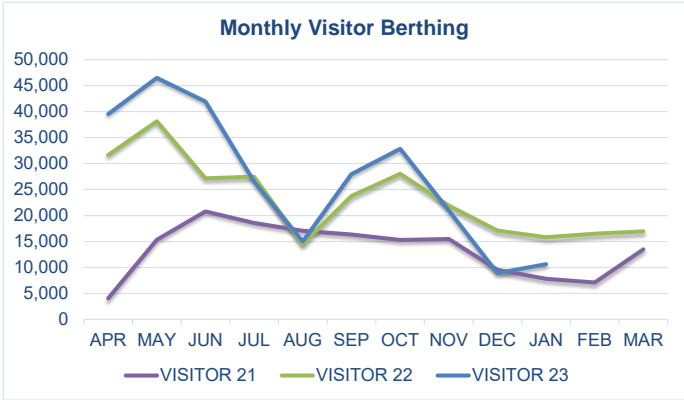
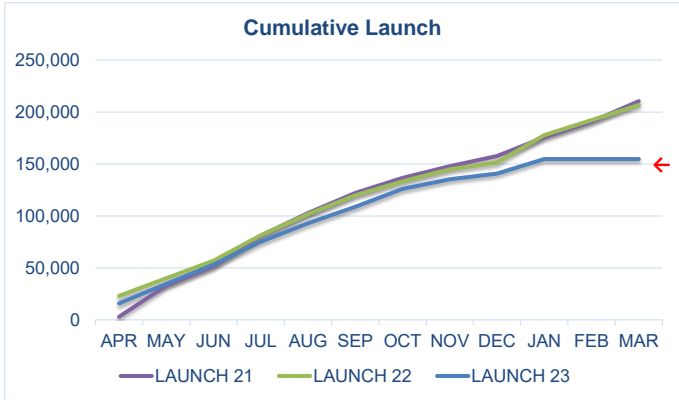
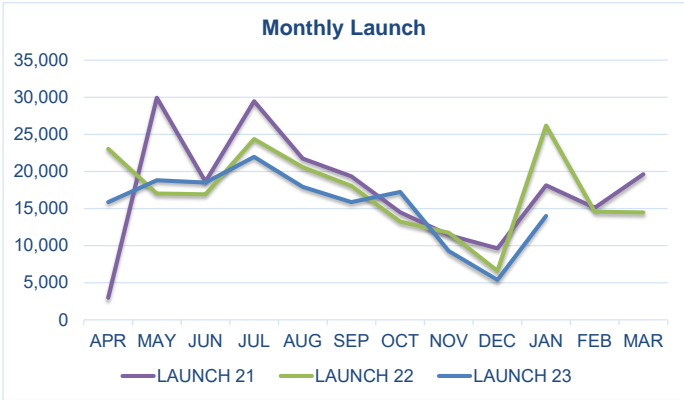
As our fleet grows so does our financial needs. We are looking at putting together a fundraising committee to focus on funds for activities, repairs, upkeep, and scholarships. Also, to promote public awareness of Santa Cruz Sea Scouts.

Your continued support of Santa Cruz Sea Scouts is greatly appreciated. We couldn't have a program without your support. Thank you.

Skipper Kevin Melrose

Santa Cruz Port District  
**SEASONAL INCOME**  
 For the Ten Months Ended January 31, 2023

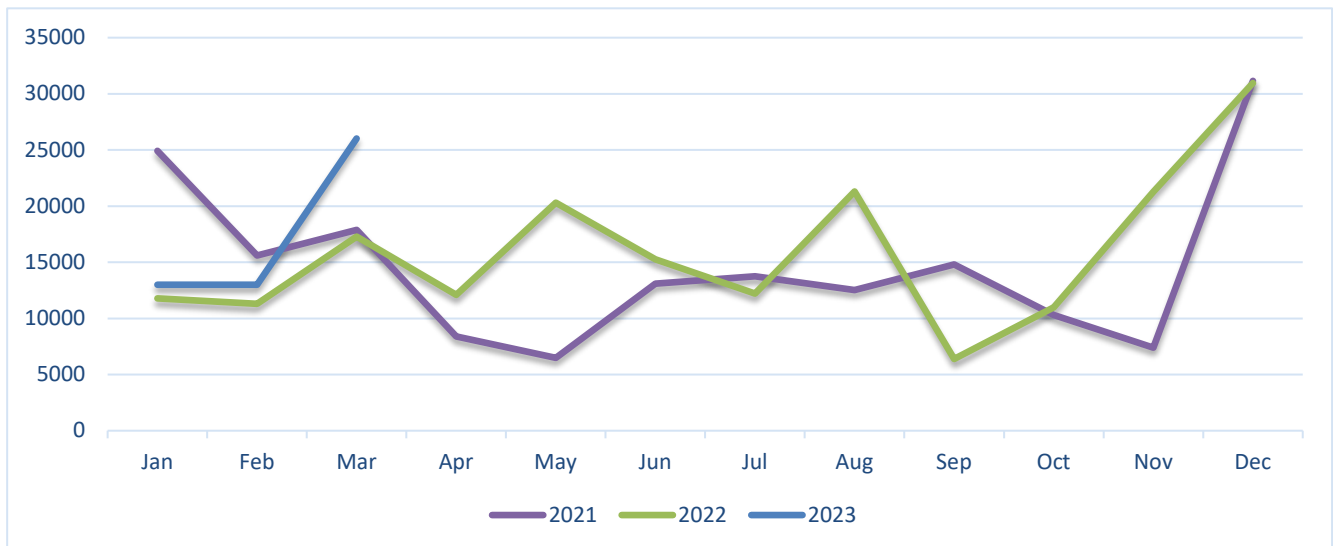
FY23 Budget ←



Santa Cruz Port District  
**60 DAY DELINQUENT ACCOUNTS**

The following accounts have balances 60 days delinquent as of February 13, 2023

Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
4134	962.52	1,104.11	828.83	0.00	2,895.46
58883	1,092.97	819.16	722.98	0.00	2,635.11
56308	642.82	737.76	607.70	0.00	1,988.28
56573	541.71	637.48	568.18	0.00	1,747.37
42569	0.00	40.30	1,607.05	0.00	1,647.35
58489	514.09	610.09	481.08	0.00	1,605.26
56970	514.75	510.73	481.72	0.00	1,507.20
57644	570.07	654.57	262.38	0.00	1,487.02
59657	1,241.29	0.00	37.82	0.00	1,279.11
46436	606.03	655.00	15.33	0.00	1,276.36
3094	469.80	473.98	204.73	0.00	1,148.51
45260	487.00	586.76	57.34	0.00	1,131.10
48666	457.50	279.69	216.31	0.00	953.50
60043	479.86	60.00	391.10	0.00	930.96
58496	278.35	376.28	249.20	0.00	903.83
59344	314.26	411.87	6.35	0.00	732.48
55462	127.93	227.93	127.53	0.00	483.39
58308	154.17	254.00	21.25	0.00	429.42
56995	154.55	153.48	65.96	0.00	373.99
59898	86.13	85.63	60.13	0.00	231.89
59942	86.13	85.63	60.13	0.00	231.89
59180	92.89	92.33	20.12	0.00	205.34
59789	85.80	86.13	20.76	0.00	192.69
<b>Total</b>	<b>\$ 9,960.62</b>	<b>\$ 8,942.91</b>	<b>\$ 7,113.98</b>	<b>\$ -</b>	<b>\$ 26,017.51</b>

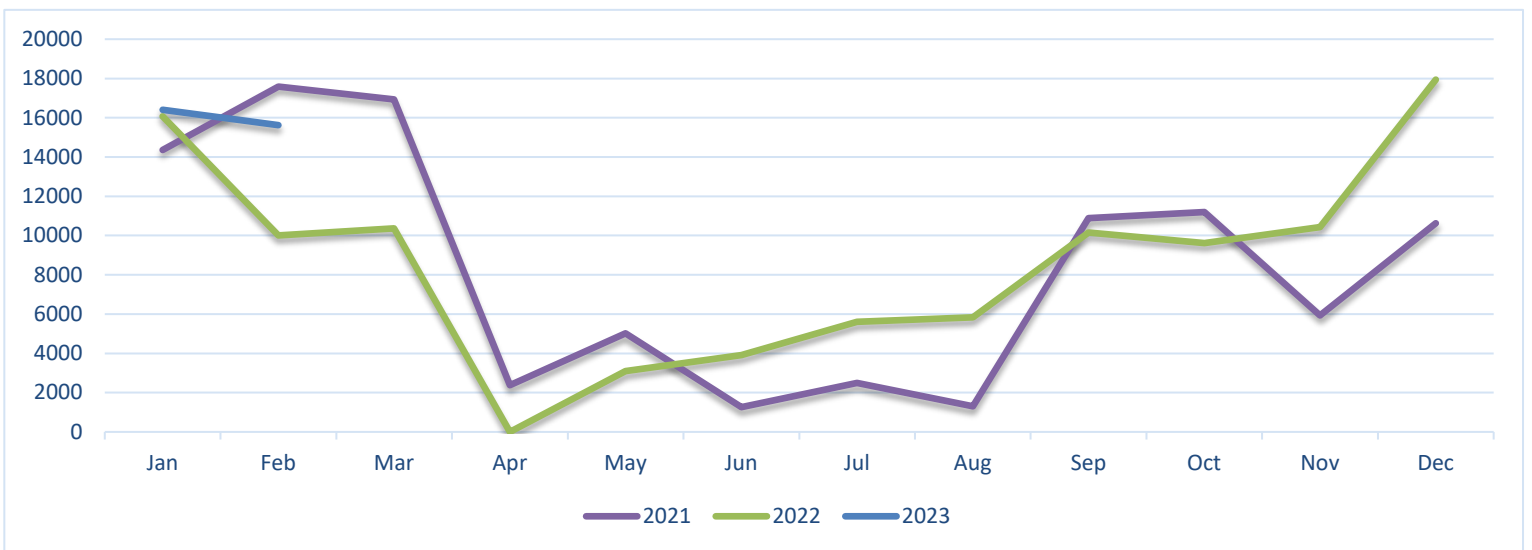




Santa Cruz Port District  
**90+ DAY DELINQUENT ACCOUNTS**

The following accounts have balances 90 days delinquent or greater as of February 13, 2023

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
57057	727.84	726.71	595.15	729.94	2,779.64	X	Revoke
57927	560.19	655.84	551.50	602.90	2,370.43		Revoke
57024	-	-	-	2,059.21	2,059.21	X	Bad Debt
57912	537.26	533.06	494.16	67.15	1,631.63		Revoke
58910	-	100.00	-	1,112.82	1,212.82		Bad Debt
59335	90.62	90.12	89.62	757.23	1,027.59		Revoke
59763	89.64	189.14	88.64	581.42	948.84		Revoke
57117	162.24	161.14	160.04	448.54	931.96	X	Revoke
57958	208.56	207.07	205.58	177.30	798.51		Revoke
57443	87.63	88.89	88.39	253.51	518.42		Revoke
60093	90.55	90.02	89.48	63.95	334.00		Revoke
58302	92.15	91.61	91.08	54.00	328.84		Revoke
55583	-	-	-	240.92	240.92		Bad Debt
58824	25.29	125.29	25.29	35.00	210.87		Revoke
59167	25.00	-	86.17	67.68	178.85		Bad Debt
59941	-	-	-	49.50	49.50		Bad Debt
<b>Total</b>	<b>\$ 2,696.97</b>	<b>\$ 3,058.89</b>	<b>\$ 2,565.10</b>	<b>\$ 7,301.07</b>	<b>\$ 15,622.03</b>		





TO: Port Commission  
FROM: Sean Rothwell, Assistant Harbormaster  
DATE: February 1, 2023  
SUBJECT: Harbor Patrol Incident Response Report – January 2023

### ***Search and Rescue, Patrol Boat Response***

- 1/22/23 Harbor Patrol responded to a report of a vessel in distress in the area of Seabright Beach. Upon arrival, Harbor Patrol contacted the operator of a sailboat struggling in the high winds and provided a tow back to the harbor.
- 1/24/23 Harbor Patrol responded to a report of a surfer in distress in the area of New Brighton State Beach. Upon arrival, the victim was being assisted by State Park Lifeguards after being swept downcoast in a rip current. Harbor Patrol assisted the victim on board the patrol boat and provided transport back to the harbor. No injuries reported.
- 1/28/23 Harbor Patrol responded to a report of two swimmers in distress in the area of Steamer Lane. Upon arrival, both swimmers indicated they were not in distress and returned to shore without assistance. Harbor Patrol returned to harbor without incident.

### ***Crime Reports, Assist Outside Department, and Incident Reports***

- 1/5/23 Harbor Patrol conducted a traffic stop after observing an unauthorized vehicle operating on the east access road. The motorist was cited for Port Ordinance 206 – *Obedience of Authorized Signs, Buoys, Etc.*
- 1/7/23 Harbor Patrol responded to a report of an unconscious subject in the area of X-dock. Upon arrival, Harbor Patrol administered CPR / first aid to the subject until Santa Cruz Fire and AMR arrived on scene to continue resuscitation efforts. The victim was transported by paramedics to Dominican Hospital for further treatment.
- 1/15/23 Harbor Patrol conducted a traffic stop after observing a motorist force open the exit gate arm in the concession parking lot. The motorist was admonished and cited for Vehicle Code 4000(a)(1) – *Driving without Proof of Valid Registration.*
- 1/24/23 Harbor Patrol responded to a request for assistance from Central Fire after one of their personal watercraft (PWC) engine failed during field training exercises. Harbor Patrol provided a tow back to the harbor.
- 1/25/23 Harbor Patrol took a lost / stolen property report after a license plate was reported missing from a boat trailer parked in the launch ramp.

- 1/26/23 Harbor Patrol responded to a report of a medical emergency in the area of V-dock after a subject suffered from a possible stroke. Upon arrival, paramedics were on scene evaluating the victim. The victim was transported to Dominican Hospital for further evaluation.
- 1/29/23 Harbor Patrol took an incident report after a subject and his dog were bitten by an unleashed dog in the area of Seabright Avenue and East Cliff Drive. The victim was treated on scene by Santa Cruz Fire Department for hand lacerations. The owner of the unleashed dog was taken into custody by Harbor Patrol for a felony arrest warrant and public intoxication and transported to Santa Cruz County Jail.

***January Parking Citations: 179***

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

January 18, 2023

Dr. James Behrens  
Program Manager  
Coastal Data Information Program (CDIP)  
Scripps Institution of Oceanography  
University of California San Diego  
9500 Gilman Drive  
La Jolla, CA 92093

Dear Dr. Behrens,

On behalf of Santa Cruz Port District, I am contacting you in support of the California Department of Parks and Recreation's Oceanography Program.

The Santa Cruz Harbor Patrol monitors wave buoy data and forecasts on a daily basis. It provides essential information for short-term planning for dredging operations, our marine rescue program, general mariner safety, and emergency response staffing, and ensures the safety and security of our harbor docks and berthed vessels. Additionally, commercial fishermen, charter operators, and recreational boaters rely on the buoy data and wave forecasting for planning excursions at sea.

We understand that sustained funding for the Oceanography Program is crucial to ensure the adequate maintenance of its at-sea equipment or the continuity of its data sets. The number of buoys in the program's array has increased in recent years, benefiting data-users such as ourselves, but putting pressure on the program to operate an expanded network with limited resources. Given the importance of the information provided, we support efforts to secure increased funding for this program.

I appreciate your attention to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Holland MacLaurie". The signature is fluid and cursive, with a large initial "H" and "M".

Holland MacLaurie  
Port Director



**California Special  
Districts Association**  
*Districts Stronger Together*

**DATE:** January 30, 2023  
**TO:** CSDA Voting Member Presidents and General Managers  
**FROM:** CSDA Elections and Bylaws Committee  
**SUBJECT:** **CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS  
SEAT C**

---

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2024 - 2026 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network that they seek to represent.  
(See attached CSDA Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

**Commitment and Expectations:**

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.  
*(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).*
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.  
*(CSDA does **not** reimburse expenses for the two conferences even if a Board or committee meeting is held in conjunction with the event)*
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.  
*(CSDA does **not** reimburse expenses for the Academy classes even if a Board or committee meeting is held in conjunction with the event).*



**California Special  
Districts Association**  
*Districts Stronger Together*

## 2023 BOARD OF DIRECTORS NOMINATION FORM

**Name of Candidate:** \_\_\_\_\_

**District:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**Network:** \_\_\_\_\_ (see map)

**Telephone:** \_\_\_\_\_  
(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

**Fax:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

**Nominated by (optional):** \_\_\_\_\_

**Return this form, a Board resolution/minute action supporting the candidate, and Candidate Information Sheet by mail or email to:**

CSDA  
Attn: Amber Phelen  
1112 I Street, Suite 200  
Sacramento, CA 95814  
(877) 924-2732

amberp@csla.net

***DEADLINE FOR RECEIVING NOMINATIONS:***

***March 31, 2023 at 5:00 p.m.***



## 2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: \_\_\_\_\_

District/Company: \_\_\_\_\_

Title: \_\_\_\_\_

Elected/Appointed/Staff: \_\_\_\_\_

Length of Service with District: \_\_\_\_\_

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

\_\_\_\_\_  
\_\_\_\_\_

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

\_\_\_\_\_  
\_\_\_\_\_

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

\_\_\_\_\_  
\_\_\_\_\_

4. List civic organization involvement:

\_\_\_\_\_  
\_\_\_\_\_

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office March 31, 2023, after 5:00 p.m. will not be included with the ballot.**



# DISTRICT NETWORKS





# Santa Cruz Port District Port Commission Review Calendar / Follow-Up Items 2023-24

## 2023

### January-March

- ✓ Committee Assignments for 2023
- Sea Scouts' Biannual Report
- FY 24 Budget
- Review 5-year CIP
- Slip Vacancy Biannual Report / Waiting List Statistics
- Form 700 Filing (due by 3/31 each year)
- Biennial Anti-Harassment/Anti-Discrimination Training
- Crow's Nest Beach Market Rent Review at Option Period Ending 4/30/2023  
*2 (5) year options to extend*
- Intero Real Estate Lease Exp. 5/31/2023  
*1 (5) year option to extend*

### April-June

- Dredge Report 2022-24

### July-September

- Annual O'Neill Sea Odyssey Report (annual review of slip rent reduction. PC action Jul-07)
- Sea Scouts' Biannual Report
- Slip Vacancy Biannual Report / Waiting List Statistics
- Review of CalPERS Actuarial Valuation Report

### October-December

- Mid Fiscal Year Review of CIP
- Annual Vessel Use List Review
- Annual Review of Business Use of Slips
- Ethics Training Update (due by year end)
- Mid Fiscal Year Review of CIP
- Port Commission Officers for 2024

## Committee Review Items

- Comprehensive Review of Charter Fees and Public Benefit Discount Policy (January – April 2023)

## 2024

### January-March

- Committee Assignments for 2024
- Sea Scouts' Biannual Report
- FY 25 Budget
- Review 5-year CIP
- Slip Vacancy Biannual Report / Waiting List Statistics
- Form 700 Filing (due by 3/31 each year)

### April-June

- Café El Palomar Lease Exp. 7/31/2024  
*2 (5) year option to extend / rent review at first or second option period*
- Biennial Update to Conflict-of-Interest Code

### July-September

- Annual O'Neill Sea Odyssey Report (annual review of slip rent reduction. PC action Jul-07)
- Dredge Report 2023-24
- Sea Scouts' Biannual Report
- Slip Vacancy Biannual Report / Waiting List Statistics
- Review of CalPERS Actuarial Valuation Report

### October-December

- Mid Fiscal Year Review of CIP
- Annual Vessel Use List Review
- Annual Review of Business Use of Slips
- Ethics Training Update (due by year end)
- Port Commission Officers for 2024

## Future Calendar

- 7<sup>th</sup> and Brommer Property Assessment
- ABC End-Tie Review after Murray Street Bridge Retrofit
- Pedestrian Traffic Safety Improvements Review

### Key

- Pending
- In process
- ✓ Done

Updated 2/17/2022  
CommissionReviewCalendar-2022.doc