



Special Closed, Public Hearing, and Regular Public Session of May 23, 2023

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

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

SPECIAL PUBLIC SESSION – 6:30 PM

Chair Gertler convened the special public session at 6:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA (hybrid meeting platform).

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

At 6:30 PM, Chair Gertler announced that the Commission will meet in closed session to discuss agenda item 3.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Property: 2222 East Cliff Drive, Suite 140 & 150
Agency Designated Representative: H. MacLaurie
Negotiating Parties: Intero
Under Negotiation: Lease Terms

SPECIAL PUBLIC SESSION

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

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

Chair Gertler adjourned the special open session following the closed meeting at 6:45 PM.

PUBLIC HEARING – 7:00 PM

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

5. Public Hearing to Receive Testimony Regarding the Drawing of Port Commission District Boundaries Pursuant to Elections Code § 21601

Port Director MacLaurie stated that this is the fourth public hearing required as part of the Port District's districting process. She stated that the Commission may consider a final map at this hearing for adoption as the official Port Commission District Map. She introduced the District's contracted demographer, Douglas Johnson, President of National Demographics Corporation.

Mr. Johnson provided a comprehensive overview of the two additional draft maps (Tan 2, and Yellow 2).

The following community feedback was received at the public hearing (via Zoom):

- Support for draft maps in which all five divisions touch the harbor (Tan and Tan 2).

A discussion ensued regarding map selection. Individual Commissioners expressed support for the following draft maps:

- Chair Gertler – Green & Tan 2 (respectively)
- Vice-chair Reed – Yellow 2 & Green (respectively)
- Commissioner Goddard – Yellow 2 & Tan 2 (respectively)
- Commissioner Smith – Green
- Commissioner Geisreiter – Yellow 2 & Tan 2 (respectively)

Commissioner Goddard suggested the following revision to resolution 23-05:

- Replace “adopting redistricting maps” in the first sentence with “establishing and adopting a district-based election map”.

MOTION: Motion made by Vice-chair Reed, seconded by Commissioner Geisreiter to approve resolution 23-05, with the revision outlined above; and designate Yellow 2 as the official Port Commission District Map for attachment to Resolution 23-05 as Exhibit A.

- *Motion carried. Commissioners Reed, Goddard, and Geisreiter voting YES. Commissioners Gertler and Smith voting NO.*

REGULAR PUBLIC SESSION

Chair Gertler convened the regular public session following the public hearing at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

6. Pledge of Allegiance
7. Oral Communication

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

Commissioner Smith expressed his disappointment regarding the outcome of the Commission's deliberation during last month's meeting on the public benefit discount. Commissioner Smith requested that Chair Gertler schedule a meeting with Port Director MacLaurie to determine if additional discussions can occur at the committee level to fully vet the equity of the public benefit discount and develop standards for its application. Chair Gertler agreed and stated that he will schedule a time to meet with the Port Director.

CONSENT AGENDA

8. Approval of Minutes
 - a) Special Closed, Public Hearing, & Regular Public Meeting of April 25, 2023
9. Award of Contract for 2023-24 Sediment Sampling and Analysis Plan Services (NTE \$76,200)

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Goddard to approve consent agenda items 8 and 9.
- *Motion carried unanimously.*

REGULAR AGENDA

10. Review Investment Option - California CLASS Prime

Discussion: Rick Wood, Finance and Administration Director for the California Special Districts Association (CSDA) provided a presentation on the California CLASS Prime (CLASS) investment option and highlighted the following:

- CLASS Prime is a newly established joint powers authority pool sponsored by CSDA and the League of California Cities (launched July 2022).
- The program is designed specifically for special districts and is an allowable investment instrument under California Government Code Section 53601.
- High rate of return (4.97% vs. 2.74% with LAIF).

- Interest paid monthly (rather than quarterly).
- Short term maturities.

A discussion ensued regarding the benefits associated with establishing a CLASS Prime account. There was a consensus among the Commission to direct staff to take advantage of current market conditions and establish a California CLASS Prime account. The Commission expressed support for making an initial deposit of approximately \$13 million (from LAIF to CLASS Prime).

MOTION: Motion made by Vice-chair Reed, seconded by Commissioner Goddard to support the Port Director in efforts to establish a California CLASS Prime investment account.
- *Motion carried unanimously.*

11. Award Contract for Pile Repair and Replacement Project 2023 – RGP Phase 1 (NTE \$1,200,000)

Discussion: Port Director MacLaurie stated that a request for proposals (RFP) for the Pile Repair and Replacement Project 2023 (RGP Phase 1) was advertised, commencing April 10, 2023. Port Director MacLaurie stated that four bids were received, and Cushman Contracting Corporation (Cushman) was the low bidder.

Port Director MacLaurie stated that \$615,000 is currently available in the Capital Improvement Program for the Pile Replacement project, leaving a funding shortfall of \$585,000. She recommended that the Commission authorize using \$425,000 in reallocated CIP funds and \$160,000 in unrestricted cash to cover the shortfall.

Port Director MacLaurie stated that the following correspondence has been distributed to the Commission as part of tonight's meeting and entered into the public record:

- Santa Cruz Harbor Pile Repair and Replacement Project 2023 (RGP Phase 1) – Bid Advisory, from Local Union No. 34 Pile Drivers, dated May 22, 2023
- Santa Cruz Harbor Pile Repair and Replacement Project 2023 (RGP Phase 1) – Bid Advisory Response, from Santa Cruz Port District, dated May 23, 2023

Kyle Cushman, Secretary of Cushman Contracting Corporation, expressed appreciation for the opportunity to bid on this project and stated that his firm is looking forward to working with the Port District and fulfilling the bid requirements.

The Commission expressed support for approving the contract with Cushman to ensure that this critical project gets completed during the upcoming work window.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chair Reed to award a contract for the Pile Repair and Replacement Project 2023 – RGP Phase 1; authorize the Port Director to execute the contract; authorize a not-to-exceed amount of \$1,200,000 for the construction budget including a contingency of approximately 5%; and approve an appropriation in the FY24 budget for the amount of the contract plus contingency.
- *Motion carried unanimously.*

12. Approval of Cash / Payroll Disbursements – April 2023 (*There was no discussion on this agenda item*)

MOTION: Motion made by Commissioner Geisreiter, seconded by Vice-chair Reed to approve cash and payroll disbursements for April 2023, in the amount of \$885,527.52.
- *Motion carried unanimously.*

INFORMATION

13. Port Director's Report

Port Director MacLaurie stated that she is scheduled to meet with Carlos Palacios, County Administrative Officer, on May 24, 2023, to discuss District operations and other areas of mutual concern.

In response to a question posed by Commissioner Goddard, Port Director MacLaurie stated that staff continues to work with the City of Santa Cruz Building Department on the issuance of a building permit for the 2222 East Cliff Drive Deck Replacement Project.

14. Harbormaster's Report (*There was no discussion on this agenda item*)
15. Facilities Maintenance & Engineering Manager's Report (*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) Review of FY24 Budget Impacts – Salmon Season Closure
17. Delinquent Account Reporting (*There was no discussion on this agenda item*)
18. Harbor Patrol Incident Response Report – April 2023 (*There was no discussion on this agenda item*)

19. Written Correspondence
 - a) Letters to the Port Commission from Ukulele Group

Commissioner Goddard acknowledged the letters received by the Ukulele Group and expressed his appreciation for the group.

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

Chair Gertler adjourned the regular public session at 8:40 PM.



Darren Gertler, Chair