



Special Closed and Regular Public Session of November 22, 2022

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Reed Geisreiter	Chair
Darren Gertler	Vice-chair (<i>via Zoom</i>)
Dennis Smith	Commissioner
Stephen Reed	Commissioner
Toby Goddard	Commissioner

SPECIAL PUBLIC SESSION – 6:30 PM

Chair Geisreiter 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) Section 54956.8.

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

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Property: 365 B Lake Avenue
Tenant: Nexus Wealth Advisors, LLC
Agency Designated Representative: H. MacLaurie
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

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

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

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

REGULAR PUBLIC SESSION – 7:00 PM

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

5. Pledge of Allegiance
6. Oral Communication

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

CONSENT AGENDA

7. Approval of Minutes
 - a) Special Closed and Regular Public Meeting of October 25, 2022
8. Approval of Resolution 22-25 – Reauthorizing Virtual Public Meetings in Accordance with Assembly Bill 361
9. Approval of Clean Oceans International Sublease – 345 Lake Avenue, Suite F (Tenant: One People, One Reef)
10. Approval of Clean Oceans International Sublease – 345 Lake Avenue, Suite F (Tenant: Surfrider Foundation)

In response to a question posed by Commission Goddard, Port Director MacLaurie confirmed that provisions of the Master Lease agreement supersede language in any sublease agreement, particularly as it relates to annual rent adjustments(i.e., rent is adjusted annually on April 1 based on SF Bay Area CPI).

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Reed to approve consent agenda items 7 through 10.
- *Motion carried unanimously.*

REGULAR AGENDA

11. Approval of Resolution 22-26 – Authorizing Port Director to Execute Documents for the Release of Escrow Funds for the Murray Street Bridge Seismic Retrofit and Barrier Replacement Project

Discussion: Port Director MacLaurie stated that the City of Santa Cruz has confirmed that funds totaling \$5,149,000 have been deposited into an escrow account and are available to cover costs incurred by the Port District as a result of the Murray Street Bridge Seismic Retrofit Project.

Port Director MacLaurie stated that in connection with the Murray Street Bridge Project, the Port District has executed a \$400,000 contract with TranSystems, Inc. for the design of the removal and replacement of FF-Dock, Rowing Dock, and Boatyard Dock. She stated that approval of Resolution 22-26 will authorize the Port Director to draw from the escrow account to fund this work.

In response to a question posed by Commissioner Goddard, Port Director MacLaurie confirmed that once received, escrow funds will be allocated to the Murray Street Bridge Project Fund in the Capital Improvement Program (CIP), which will have a net zero impact on the District's budget, but increases the CIP by \$400,000.

In response to a question posed by Chair Geisreiter, Port Director MacLaurie confirmed that the resolution language is satisfactory to the title company for the release of funds.

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Reed to approve resolution 22-26.

- *Motion carried unanimously by roll call.*

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

12. Award of Contract for 2222 East Cliff Drive Deck Replacement Project

Discussion: Port Director MacLaurie stated that work to facilitate deck repairs at 2222 East Cliff Drive has been ongoing for several years. She stated that after a very protracted process, the project was placed out to bid on November 4, 2022, and one bid was received from SSB Construction (SSB) in the amount of \$758,266.

Port Director MacLaurie stated that the project includes a lot of unknowns, particularly as it relates to structural damage that may be uncovered once the deck is demolished. She stated that the bid received from SSB reflects and accounts for any unknowns. Despite the high bid price, Port Director MacLaurie recommended approval of the contract to ensure that the critical deck repair is performed in a timely manner.

Port Director MacLaurie stated that the Commission will need to determine a funding source for this project, and noted that available cash on hand or reserve funds may be utilized. She stated that as part of a settlement agreement executed with O'Neill Sea Odyssey earlier this year, the Port District now receives base rent from all second-story tenants, and indicated that this additional revenue, which is estimated at \$115,000 per year, may be used to offset the large project expenditure over time.

A discussion ensued regarding the following:

- Construction Time Frame – Construction is estimated to take 6-8 weeks and conclude in Spring 2023 (weather permitting)
- Mitigating Impacts to Tenants – Ample outreach and a phased approach will be performed to minimize impacts to tenants
- Project Oversight – Ensure adequate in-house and engineering oversight is available for the duration of the project.
- Deck Replacement Warranty – Warranty information for the new deck will be provided when available.

A discussion ensued regarding the preferred funding source for this project. Chair Geisreiter expressed support for utilizing reserve funds and applying revenues received from the second-story tenants as reimbursement over time. Commissioner Smith agreed.

Commissioner Goddard stated that it is his belief that the proposed project does not warrant the use of reserve funds and does not meet the criteria for use listed in the District's Reserve Fund Policy.

There was a consensus among a majority of the Commission to utilize reserve funding for this project. Port Director MacLaurie stated that in accordance with the District's Reserve Fund Policy, a resolution authorizing a one-time expenditure from the Reserve Fund will be presented for approval in December.

Commissioner Goddard stated that it will be beneficial to provide additional clarity regarding how this transaction impacts the FY23 budget. He suggested that the staff recommendation to approve an appropriation in the FY23 budget for the amount of the contract plus contingency be revised to state "amend the FY23 budget and approve appropriation from the Reserve Fund for the amount of the contract plus a contingency." There was consensus among the Commission to accept this revision.

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Reed to award a contract for 2222 East Cliff Drive Deck Replacement Project; authorize the Port Director to execute a contract in an amount not-to-exceed amount of \$825,000 for construction; amend the FY23 budget and approve an appropriation from Reserve Funds for the amount of the contract plus a contingency.

- *Motion carried by roll call.*

- Gertler: YES
- Smith: YES
- Reed: YES
- Goddard: NO
- Geisreiter: YES

13. Approval of Cash / Payroll Disbursements – October 2022

Discussion: Regarding warrant # 57360, Vice-chair Gertler expressed his appreciation to staff for diligently maintaining the fish cleaning tables.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Smith to approve cash and payroll disbursements for October 2022, in the amount of \$794,005.92

- *Motion carried unanimously by roll call.*

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

INFORMATION

14. Port Director's Report

Introduction of New Staff

Port Director MacLaurie introduced Christine Bouchard as the Port District's new Administrative Services Manager.

December Commission Meeting

Port Director MacLaurie announced that the December Regular Public Session will be held on December 13, 2022, at 7:00 PM.

Dredge Permit Update

Commissioner Goddard congratulated Port Director MacLaurie on obtaining the District's new 10-year dredge permit from the Corps.

Encroachment Permit – 216 4th Avenue

In response to a question posed by Chair Geisreiter, Port Director MacLaurie confirmed that the encroachment permit does not include permanent access easements such as driveways, gates, or pathways.

15. Harbormaster's Report

A discussion ensued regarding the associated impacts to the commercial fishery from the recent commercial crab season delays due to the presence of whales and the elevated risk of marine life entanglement. Harbormaster Anderson stated that the California Department of Fish and Wildlife (CDFW) is working with the California Dungeness Crab Fishing Gear Working Group to evaluate if the risk of entanglement has subsided or if an additional delay will be implemented.

Harbormaster Anderson stated that staff continues to work with the concession lot parking equipment vendor, Scheidt and Bachmann, to make necessary improvements to the system. A discussion ensued regarding the long-term functionality of the equipment and Scheidt and Bachmann's ability to provide adequate support services. Harbormaster Anderson stated that a meeting with Scheidt and Bachmann will be scheduled to discuss these concerns.

16. Facilities Maintenance & Engineering Manager's Report

Facilities Maintenance Engineering Manager Wulf provided the following updates:

- Entrance dredging commenced on November 16, 2022. *Twin Lakes* has dredged an estimated 700 (CY) of material in the first two days of the season.
- North harbor dredging is scheduled to commence on November 26, 2022, starting near the area of I-Dock.
- Informal bids are being solicited for the pavement repair project at the fishery and west side sidewalk repair projects. Based on preliminary bids, adequate funding may not be available for the west side sidewalk repairs in FY23.

17. Annual Business Use of Slip Review

There was a consensus among the Commission to schedule a Business/Finance Committee meeting in early 2023 to perform a comprehensive review of the following committee review items:

- Comprehensive Review of Charter Fees
- Public Benefit Discount Policy

18. 2021-22 Vessel Use List Review

In response to a question posed by Commissioner Smith, Harbormaster Anderson stated that staff limits the number of licensees placed on the annual Vessel Use List to maintain a manageable number so that the program can be effectively and efficiently administered.

In response to a question posed by Commissioner Gertler, Harbormaster Anderson confirmed that vessels occupying space in dry storage are subject to use list provisions.

19. Financial Reports (*There was no discussion on this agenda item*)
 - a) Comparative Seasonal Revenue Graph
20. Delinquent Account Reporting (*There was no discussion on this agenda item*)
21. Harbor Patrol Incident Response Report – October 2022 (*There was no discussion on this agenda item*)
22. Written Correspondence (*There was no discussion on this agenda item*)
 - a) Public Comment for Coastal Rail Trail Segments 8 & 9 Project DEIR from Port Commission to City of Santa Cruz Public Works Department
23. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chair Geisreiter adjourned the regular public session at 8:20 PM.



Reed Geisreiter, Chair