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**Port of Port Townsend  
1<sup>st</sup> Monthly Meeting Agenda  
Wednesday, September 13, 2017, 1:00 p.m.  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
  - A. Approval of Meeting Minutes – August 23, 2017.....1-5
  - Approval of Special Meeting Minutes – September 7, 2017.....6
  - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading
- VI. First Reading
- VII. Regular Business
  - A. LTGO Bonding.....7-9
  - B. Revised 2018 Operating & Capital Budget Development Schedule.....10-11
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. Next Regular Meeting  
Wednesday, September 27, 2017 at 5:30 p.m., Port Commission Building, 333 Benedict Street,  
Port Townsend, WA
- XII. Executive Session
- XIII. Adjournment

**PORT COMMISSION REGULAR MEETING– August 23, 2017**

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners – Hanke, Clinefelter and Tucker  
Executive Director Gibboney  
Auditor Berg  
Communications Coordinator Matej  
Attorney Lake  
Minutes – Nelson

Absent: Director of Operations & Business Development Englin  
Director of Planning Toews

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA:

Ms. Gibboney proposed moving VI. First Reading, Item A, Boat Haven Restroom/Laundryroom Renovation Cost Estimates to VII. Regular Business, Item B.  
**Commissioner Tucker moved to approve the Agenda as amended.**  
**Commissioner Clinefelter seconded the motion.**  
**Motion carried by unanimous vote.**

III. CONSENT AGENDA (1:26):

A. Approval of Public Workshop Minutes – August 9, 2017  
Approval of Meeting Minutes – August 9, 2017

B. Approval of Warrants  
Warrant #058050 through #058060 in the amount of \$15,423.94 for Payroll & Benefits  
Electronic Payment in the amount of \$66,652.16 for Payroll & Benefits  
Warrant #058061 through #058107 in the amount of \$59,495.78 for Accounts Payable  
Electronic Debit in the amount of \$13,564.29 for WA State Dept. of Revenue Combined  
Excise Tax Return for July 2017

**Commissioner Tucker moved to approve the Consent Agenda as presented.**  
**Commissioner Clinefelter seconded the motion.**  
**Motion carried by unanimous vote.**

IV. PUBLIC COMMENTS (Not related to agenda) (1:32):

Gary Lanthrum, JCPA President, suggested scheduling an evening meeting for the pilots regarding the runway project, and after the runway assessment has been completed.  
Ted Shoulberg requested certain items related to the Maul Foster consulting work for Point Hudson Planning.  
Eric Taylor commented on good work Port staff did on brush clearing from airport ditches. Also requested Port staff contact Sheriff/WSP to ask for extra attention focused on traffic passing illegally at Woodland Hills/Airport Cutoff intersection.

Andrew Eisenberg, Port tenant & worker commented on section 10.05.080 in Port Rules, regarding in-water hull cleaning.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. July 2017 Financials (10:59):

Ms. Gibboney stated the mid-year check-in was helpful for staff to receive commission guidance. She added that based on that check-in, staff adjusted the budget, accordingly. She discussed the decrease in net operating income as compared to what was budgeted. She said the projected budget was ambitious, but the Port dealt with unexpected challenges such as the hoist accident, etc. She reported Mr. Englin is developing a marketing plan to increase business to shipyard and hoist operations.

Ms. Berg pointed out mid-year adjustments to the budget. She added the Port is now in mid-season and is heading in the right direction.

Commissioner Hanke asked questions on revenues from Yard Operations and Marinas & RV Parks.

Commissioner Tucker was curious how the Port of PT compares to ports that have actively recruited yacht club rendezvous. He also suggested that it would help to show items that were adjusted in the budget. Ms. Berg added they were mainly adjusted in the following categories: Marinas & RV Parks, Yard Operations, and Airport Leases.

B. Boat Haven Restroom/Laundryroom Renovation Cost Estimate (26:01):

Ms. Gibboney reported at the mid-year check-in, the Commission requested options on the restroom renovation project. She explained the original estimate for total rehab came in at \$155,031. She detailed options - 1. HVAC improvements at a cost of \$78,894; 2. Interior improvements, estimated cost \$37,769; 3. Exterior improvements, estimated cost \$14,388; 4. Reconfiguration of restroom/laundryroom, estimated cost \$23,980. She talked about options to all of these, including material and fixture downgrades. She reminded that Waggoner's Cruising Guide rated the Boat Haven restrooms well below industry standards.

Commissioner Clinefelter would like to apply the project prioritization matrix to this project. He added he would like to see how this compares to other capital needs.

Commissioner Tucker commented that Boat Haven needs to be kept functional with some sprucing up.

Gwendolyn Tracy of Fine Yacht Interiors said she has talked with many in the community and they believe there are so many other infrastructure priorities. In regards to the restroom, she reminded this is a working yard. She expressed concerns on how to fund the stormwater project and the Point Hudson Jetty. She would like to see cash available for emergencies and safety issues.

Bertram Levy suggested that if restrooms are limited to public access, restroom use would decrease and that might have an effect on the need/type of a new HVAC system.

Ms. Gibboney explained staff is looking into a possible key card purchase for restroom access. She added the current HVAC system is undersized.

Commissioner Hanke asked how much in-house work was included in the estimates. Ms. Gibboney replied the estimate is based on an all-out bid. She explained it is possible to use in-house staff; however, scheduling and availability may not work based on their current heavy workload. Ms. Berg explained the Port is required to follow the port-specific RCW on using in-house staff.

Ms. Gibboney summed up the Commission would like staff to research using in-house work on the remodel project, apply the project priority matrix, and research whether there is a less expensive HVAC system.

Commissioner Clinefelter would like to know if this system includes a dehumidifier.

#### VIII. STAFF COMMENTS (51:26):

Ms. Gibboney provided an update on the Point Hudson planning process. She reported the consultant would provide deliverables in the next few weeks. She discussed the process and the wide spectrum of possibilities.

Ms. Matej explained the "Project Process Diagram" she handed out, and informed the audience where to find it on the Port's website. She reported, current plans are to have consultant, Maul Foster Alonghi, present at the September 27 commission meeting.

Ms. Matej informed the public the Port would have two booths at the Wooden Boat Festival, one for information and input on the Point Hudson long-term strategy and one for general Port information.

She reported Ms. Gibboney has speaking engagements to provide a Port update with both the Jefferson County and North Hood Canal Chambers.

Ms. Matej reported Port staff was present at the Jefferson County Fair, discussing and receiving input on Point Hudson and its' future.

She stated plans are in the works for a mid-October open house on Point Hudson planning and that meetings with other entities are an option.

Ms. Gibboney reported the consultant is generally on schedule. She expects a report around the end of the month on the Existing Conditions and Market Assessments. She added there would be additional stakeholder interviews, and plans are to have a presence at Farmers Markets. Ms. Gibboney stated that in September, the consultant would provide a range of options to the Commission for their input, and based on that, would take public comment. She presented the idea of a possible citizen's advisory committee and other ideas on how to receive public comment. Commissioner Clinefelter suggested reaching out to radio and print media.

Continuing with Staff Comments, Ms. Gibboney reported on a meeting with Department of Ecology on the stormwater project where they discussed the Port's plans on improvements. She informed the gravel project in the yard started today and the three benefits of this – improve stormwater quality, upgrade to the travelways in the yard, and dust suppression. She added the project would be completed by September 1. She stated the meeting with DOE went well and it was good for them to do a site visit. She reported they are cautious but understand the logic. Ms. Gibboney informed a request

for bids on the stormwater project went out and bids are due August 28, 2017. She added a special meeting possibly would be called to approve the responsive bid.

Ms. Gibboney reported:

Union negotiations have begun.

Currently meeting with contractors one-on-one to develop relationships and bring awareness of the Point Hudson Jetty and the possibility of failure during a storm. She reported she is actively trying to develop a "Plan B".

She met with Representative Derek Kilmer – follow-up and potential opportunities. She attended an East Jefferson Fire & Rescue Board meeting, introduced herself and discussed their lease at the airport.

She met with a rep from the Federal Marine Administration. Ms. Gibboney reported they might have security grants available for our Port.

She met with Laura Lewis of WSU and Karen Affeld of North Olympic Development Council. They want to arrange a field trip to visit the Port of Skagit to look at their Ag facilities with Port of Port Angeles, Port of PT, and leaders from Clallam and Jefferson Counties.

She and Mr. Englin met with Ron Allen and Kurt Grinnell of the Jamestown S'Klallam tribe. They discussed potential business opportunities.

Ms. Matej reported she is working on Wooden Boat Fest preparations. She is discussing reigniting the Port newsletter with the Leader.

Ms. Berg reported she continues work on the mid-year budget; is involved in Union negotiations and is working with HR consultant Larry Boone on draft changes; wrapping up the Travelift claim; updating the contract monitoring list; working on evaluation follow-ups; and, cash flow projections.

Ms. Nelson reported there is a conflict with the October 25 evening commission meeting in Quilcene and the WPPA Small Ports Conference in Leavenworth. After providing options for a change to that meeting, the Commission agreed to change the October 25 meeting to a daytime Special Meeting on Tuesday, October 24, 2017 from 1:00 – 3:00 pm. It will take place at the Quilcene Community Center.

IX. PUBLIC COMMENTS (1:49:25):

Bill Putney spoke in favor of a citizen's advisory committee for Point Hudson planning and withdrew his offer to pay the Port's entrance fee to the NW Aviation show in Puyallup.

Gwendolyn Tracy commented on lack of restrooms at the airport.

Bertram Levy commented again, about the loud music, coming from ACI that carries to 'D' dock. He also commented again, about the lack of parking for 'D' dock tenants, in front of the ACI building.

Eric Taylor would like to see a Port presence at the NW Aviation show in February 2018. He said JCIA is "conspicuously absent".

X. COMMISSIONER COMMENTS (1:58:38):

Commissioner Clinefelter reported he met with Rep. Kilmer at the PT Foundry. He gave kudos to EDC Team Jefferson for making that happen.

Commissioner Tucker announced he attended the County Fair and had a great time surveying fair attendees. He also attended the Community Picnic at HJ Carroll Park sponsored by Emergency Management. He said there were many local government reps in attendance.

Commissioner Hanke reported he attended a productive Maul Foster Alonghi facilitated meeting on Point Hudson planning along with Ms. Gibboney, Mayor Stinson, City Manager Timmons, NW Maritime Center Director Beattie and Board member Oliver.

XI. NEXT PUBLIC WORKSHOP & REGULAR MEETING:

Wednesday, September 13, 2017 - workshop at 9:30 am, meeting at 1:00 pm in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

XIII. ADJOURNMENT:

The meeting adjourned at 7:35 pm, there being no further business to come before the Commission.

ATTEST:

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Stephen R. Tucker, Secretary

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Peter W. Hanke, President

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Brad A. Clinefelter, Vice President

**PORT COMMISSION SPECIAL MEETING– September 7, 2017**

The Port of Port Townsend Commission met in special session at the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners – Hanke, Clinefelter and Tucker  
Executive Director – Gibboney  
Auditor - Berg  
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 9:00 a.m.

II. APPROVAL OF AGENDA:

**Commissioner Clinefelter moved to approve the Agenda as presented.  
Commissioner Tucker seconded the motion.  
Motion carried by unanimous vote.**

III. REGULAR BUSINESS:

A. L3 Stormwater Response Contract Authorization:

Ms. Gibboney informed the Commission three bids were received in response to the bid request for the stormwater project. Olympic Peninsula Construction, Inc. (OPC) was the lowest responsive and responsible bidder, with a bid of \$154,617.00. The Port would be purchasing \$50K worth of media and equipment for the contractor’s use. Discussion ensued on the work schedule, timeline, discrepancies in the bid amounts submitted by the three bidders, the re-bid process and why it was re-bid, hiring an onsite manager during the entire project duration, explanation of “responsible” and “responsive” bid, additional costs, and engineer’s estimate.

**Commissioner Clinefelter moved to authorize the L3 Stormwater Response Contract, not to exceed \$154,617, to Olympic Peninsula Construction, Inc.  
Commissioner Tucker seconded the motion.  
Motion carried by unanimous vote.**

IV. NEXT PUBLIC WORKSHOP / REGULAR MEETING:

Wednesday, September 13, 2017: Workshop at 9:30 a.m., meeting at 1:00 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

XIV. ADJOURNMENT:

The meeting adjourned at 9:24 a.m. there being no further business to come before the Commission.

ATTEST:

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Peter W. Hanke, President

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Stephen R. Tucker, Secretary

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Brad A. Clinefelter Vice President

## PORT OF PORT TOWNSEND

**MEETING OF:** September 13, 2017

**AGENDA ITEM:** VII. Regular Business  
A. LTGO Bonding

### **BACKGROUND:**

The Port will need to obtain a bond to complete the Point Hudson South Breakwater Project planned for commencement July 2018. Prior to that, there are known pre-fabrication materials that will need to be contracted and paid for and as such the Port will need bond funds by February 1, 2018. Mott MacDonald is currently working on the design of the jetty and we anticipate having a more accurate estimate of the total construction cost by late November. Estimates for total bonding needed at this point range from \$2.7-3.2 million. This amount would be supplemented by the RCO grant received in the amount of \$1,059,173. The financial advisor recommended we start with a bond amount that may be higher than will actually be needed because it is easier to lower the amount prior to close, than it is to increase it.

We've contacted our Financial Advisor, Northwest Municipal Advisors, and requested a preliminary estimate of bonding options which is attached. The first chart shows all current Port LTGO Bond debt being wrapped with the additional bond of \$3.2m and the subsequent debt service required. The second chart shows the effect of simply adding the new bond debt of \$3.2m on our current LTGO Bond obligations and the subsequent debt service required. Clearly, wrapping the debt is a more advantageous choice. It should be noted that in 2018, the Port will have two (2) remaining debt service payments due for the 2013 Revenue Bond which totals \$418,744 (principle and interest). This is the last revenue bond debt to which the Port is obligated.

There are other variations on the debt that can be made, such as a longer payback, and these will be presented and discussed as part of the bonding process.

In addition, the Stormwater L3 Response projects (Workyard Resurfacing and Stormwater Rx Upgrade) will use close to \$500,000 in Port cash. We may be able to use part of this bond to replenish some or all that cash, depending on the amount needed for the Jetty.

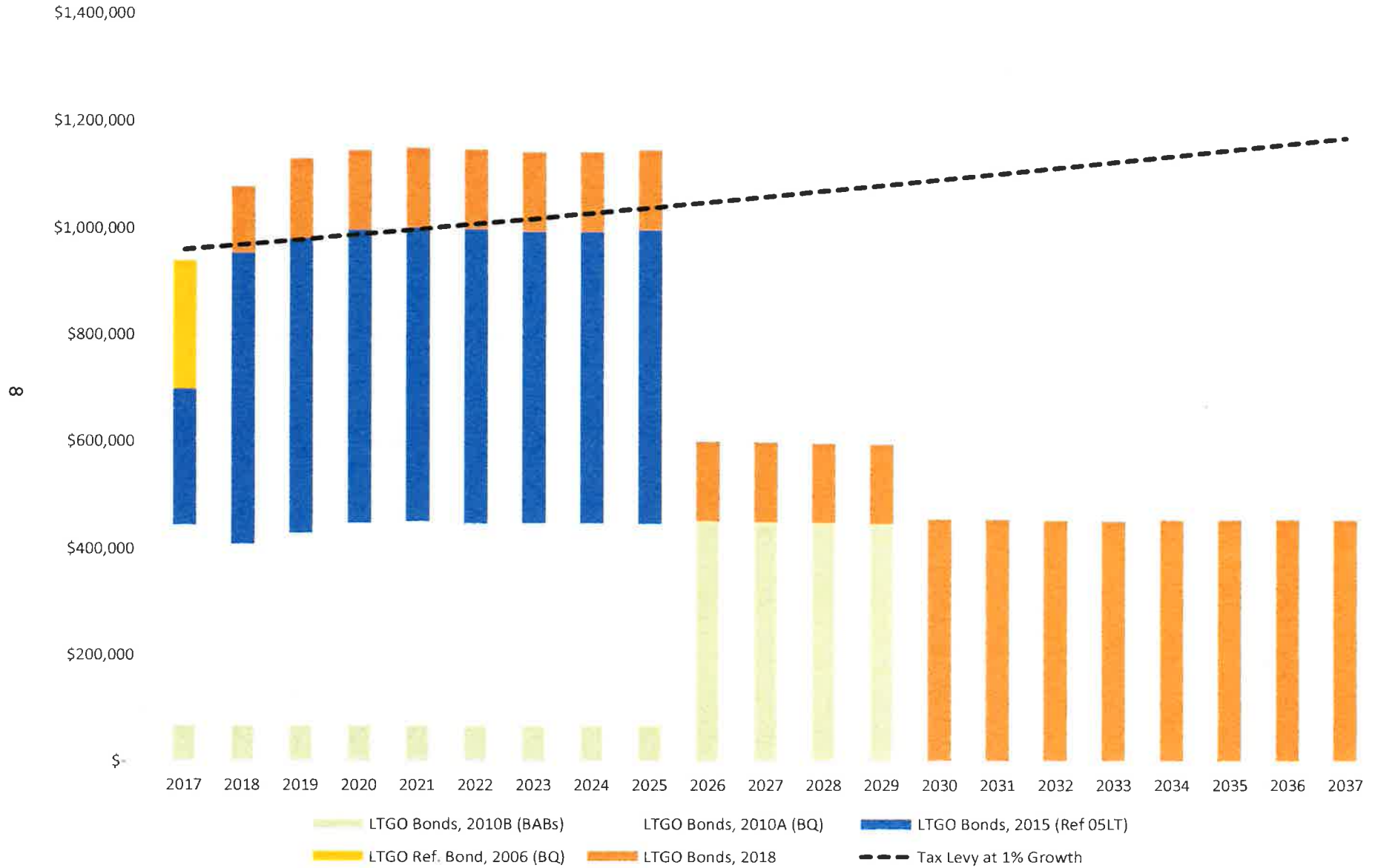
Issuance of a bond in the amount of \$3.2m will essentially max out the Port's debt capacity.

### **Executive Director's Recommendation:**

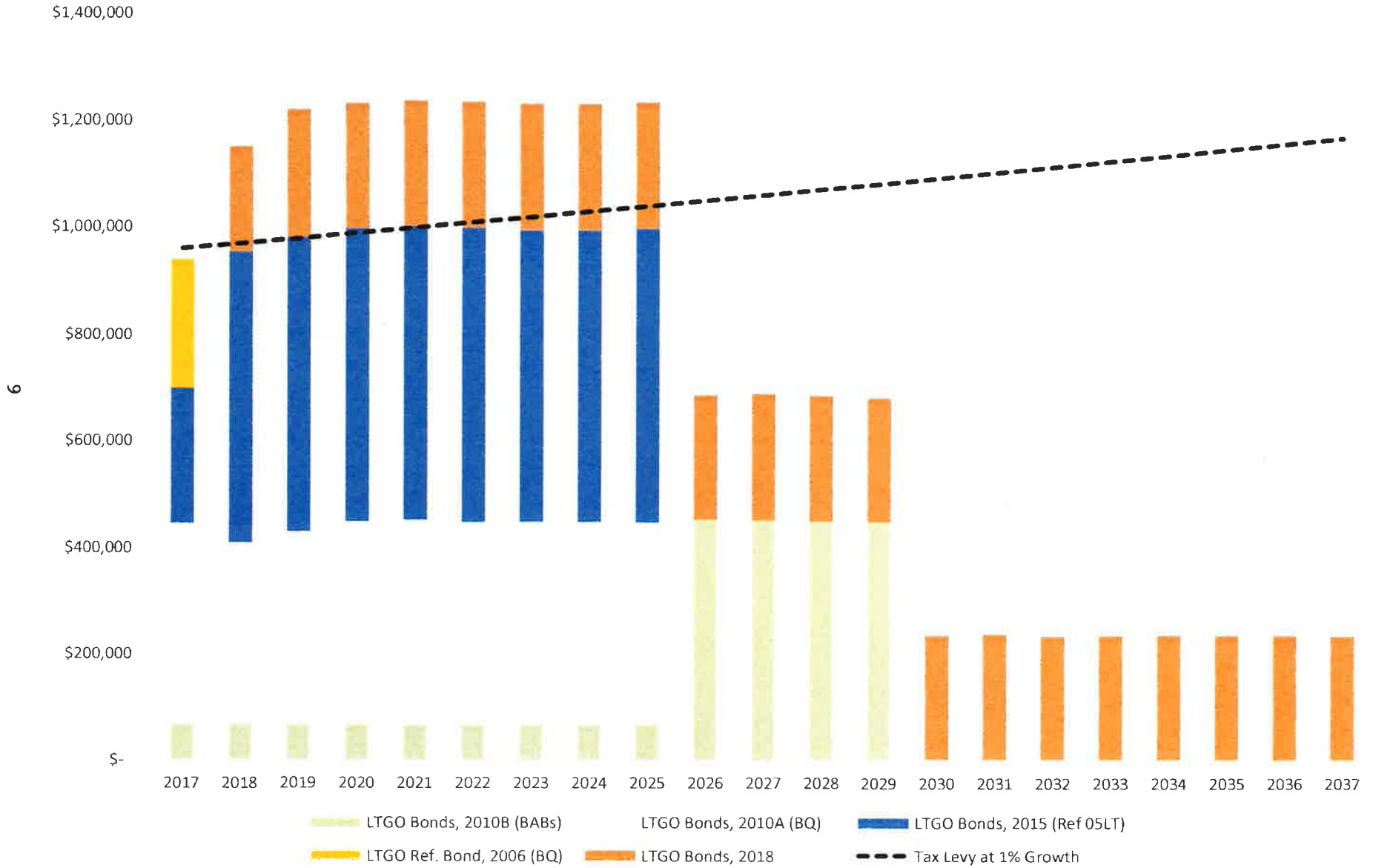
The Commission provide direction as to if we are to proceed with the bonding process, and if so, for what amount.



## Port of Port Townsend \$3.2 Million Wrapped Debt Scenario



## Port of Port Townsend \$3.2 Million Level Debt Scenario



**PORT OF PORT TOWNSEND**

**MEETING OF:** September 13, 2017

**AGENDA ITEM:** VII. Regular Business  
B. Revised 2018 Operating & Capital Budget Development Schedule

**BACKGROUND:**

The second Commission meeting of the month in October, originally scheduled as an evening meeting on October 25, 2017, was changed to Tuesday, October 24, 2017 at 1:00 pm, due to a conflict with the Washington Public Ports Association. Due to this change, the budget schedule needs revising accordingly.

**Executive Director's Recommendation:**

Adopt the revised 2018 Operating & Capital Budget Development Schedule, as presented.

## Port of Port Townsend 2018 Operating & Capital Budget Development Schedule

*	July 12, 2017	1:00	<b>Draft 2018 Budget Schedule and process discussed at Commission meeting</b>
	July 24-28, 2017	TBD	<i>Group work sessions with Department Managers and Port Directors to discuss budget.</i>
*	July 26, 2017	5:30	<b>Revised Budget Schedule reviewed &amp; final approved by Commission.</b>
*	August 9, 2017	9:30	<b>Workshop session - discuss issues, goals &amp; assumptions, with review of preliminary 2017 mid-year operating results.</b>
	August 10-15, 2017	TBD	<i>Individual work sessions with Department Managers and Port Directors.</i>
	August 28, 2017	9:00	<i>Group work session with Department Managers and Port Directors to discuss budget - as needed.</i>
*	September 13, 2017	9:30	<b>Workshop session - continue discussion of 2018 Budget issues, and review revenue projections. County Assessor will be in attendance to provide presentation of recommended budgeted tax levy for 2018.</b>
*	September 27, 2017	5:30	<b>1st draft of budget and cash flow presented to Commissioners and public.</b>
	September 27, 2017		<i>1st draft of budget posted on Port website, for public comment.</i>
*	October 11, 2017	1:00	<b>2nd review of draft 2018 Budget and Cash Flow projection.</b>
	October 11-24, 2017		<i>Advertise budget hearings in Leader &amp; PDN per RCW 53.35.020</i>
*	October 24, 2017	1:00	<b>1st public hearing and public comment period on 2018 Budget</b>
*	November 8, 2017	1:00	<b>2nd public hearing and public comment period on 2018 Budget - if needed.</b>
*	November 21, 2017	5:30	<b>Adopt final 2018 Budget, including requisite resolutions.</b>
	November 30, 2017		<i>Tax levy resolutions due to Jefferson County, per RCW.</i>

\* Commission Meetings

All workshops & meetings will be held in the Commission Room on 333 Benedict Street, Port Townsend, except October 11th which will be held at the Port Ludlow Fire Station (7650 Oak Bay Road, Port Ludlow) and October 25th which will be held at Quilcene Community Center (294952 Hwy. 101, Quilcene).