

PORT COMMISSION REGULAR MEETING– January 10, 2018

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

Present: Commissioners – Tucker, Hanke and Putney
Executive Director Gibboney
Auditor Berg
Director of Operations & Business Development Englin
Director of Planning Toews
Communications Coordinator Matej
Attorney Lake
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA:

Added to agenda – XIV-Executive Session, Item A – Potential Litigation, pursuant to RCW 42.30.110(i) thirty minute duration with no action.

Commissioner Tucker moved to approve the Agenda as amended.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

III. ELECTION OF YEAR 2018 OFFICERS (01:23):

After discussion, the following motion was presented:

Commissioner Tucker moved to appoint Commissioner Tucker as President, Commissioner Hanke as Vice President, and Commissioner Putney as Secretary.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

IV. CONSENT AGENDA (04:00):

A. Approval of Public Workshop Minutes – December 13, 2017

Approval of Regular Meeting Minutes – December 13, 2017

Approval of Special Meeting Minutes – January 3, 2018

B. Approval of Warrants

Warrant #058640 through #058675 in the amount of \$123,291.59 for Accounts Payable

Warrant #058676 in the amount of \$10,109.23 for Accounts Payable

Electronic Debit in the amount of \$16,939.59 for WA State Dept. of Labor & Industries

4th Quarter Tax Return for October – December 2017

Commissioner Putney moved to approve the Consent Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

V. PUBLIC COMMENTS (Not related to agenda) (04:13):

Ernie Baird presented a letter to each Commissioner, and in summary, asked how the Port plans to pay the debt incurred in 2018.

Mark Burn commented on leases, appraisals, basic trust and the need for advisory groups.

George Yount suggested the Commission obtain as much information from staff as they can (to help give the Commission direction).

John Lockwood discussed forming a Public Development Authority (PDA), debt issues and future planning of Point Hudson.

Carol Hasse agreed with Mr. Lockwood's comments. She argued against developing Point Hudson to pay off the bond.

VI. RECESS TO A MEETING OF THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC) OF THE PORT OF PORT TOWNSEND (29:22):

At 1:29 pm, the Regular Meeting recessed into the IDC Meeting.

The IDC Meeting adjourned at 1:31 pm, and reconvened to the Regular Meeting.

VI. SECOND READING (Discussion Only):

VIII. FIRST READING:

A. Resolution No. 673-18, Delegation of Management Authority to the Executive Director (32:06):

Mr. Toews informed an annual update is required to the delegation resolution and policy. He pointed out changes made to the policy in sections IV-E and XIV.

The Commission requested a change to Section I-A Performance of Work by Port Crews delegated authority not to exceed \$40,000. Attorney Lake will research if this is an allowable amount.

Also, correction needed to a typing error in Section XIV –A2 and A3, to change amounts from \$50,000,000 to \$50,000.

B. Meeting Procedures Resolution (45:00):

After discussion, the Commission requested to switch Items III and IV to the following: Item III - Public Comments (not related to the agenda), and Item IV - Consent Agenda.

Commissioner Hanke proposed changing the regular meeting to once monthly instead of twice monthly and to hold more public workshops.

Commissioner Tucker agreed and proposed two workshops a month.

Director Gibboney explained the need to approve warrants twice monthly. She added staff would develop a policy and procedures for approval of warrants for the first half of the month.

Commissioner Hanke proposed the new schedule to begin the first of March 2018.

Consensus of the Commission is to hold one regular meeting on the fourth Wednesday of each month at 3:30 pm and to schedule two workshops a month – the first workshop on the second Wednesday of the month at 9:30 am and the second workshop on the fourth Wednesday of each month from 1:00-3:00 pm.

IX. REGULAR BUSINESS:

A. Authorization to Engage NW Municipal Advisors & Bond Counsel (K&L Gates) to Prepare a Point Hudson South Jetty Bond Package (1:19:19):

Mr. Toews reported the bond for the south jetty was discussed at least twice in open sessions. He stated construction would begin spring of 2018. Mr. Toews stated he anticipates receiving 90% design from the engineers and a draft bid package the first week in February; then noticing an invitation to bid first week in March with bid opening first week in April. He noted that the bid would ask for cost options to include a start date of July 15, 2018 and a start date of mid-September 2018 (to accommodate the Wooden Boat Festival). Mr. Toews stated once the bond is developed, a resolution would be presented to the commission.

When questioned about the cost of bonding services, Ms. Berg answered it would be about a 2% fee (approximately \$64,000).

Commissioner Tucker asked if the decision was made to delay the project after or during the bonding process, would the Port lose the 2% fee paid.

Commissioner Putney believes it is important to move forward with the bonding process.

Discussion ensued on possibility and consequences of delaying the project.

Mr. Toews reported WA State RCO raised the question to USDFW about a time extension on the BIG grant award. There is a possibility of extending 18-24 months, but there is no certainty that it would be approved. He reminded the Commission the Port was granted an extension earlier, splitting the Jetty project into two (north and south jetties). Mr. Toews stated it would take approximately three + months to receive approval from USDFWL.

Commissioner Tucker asked the question, “how to pay for the project?”

Director Gibboney briefed on progress with the Point Hudson planning consultant and reported options for Point Hudson are not yet completed. She added further discussions will be held with the NW Maritime Center.

Ms. Berg informed that the LTGO Bond capacity would be supported primarily by the local tax levy. She discussed the potential variance in years 2018, '19 and '20.

Commissioner Tucker stated we should know more from the NW Maritime Center by early next week.

Lengthy discussion ensued on the subject of delaying the project and grant extension. Public comments received from Ernie Baird and Gordon Neilson.

Commissioner Hanke moved to direct staff to proceed with the Bond (as presented).

John Lockwood offered comment.

Commissioner Tucker confirmed the motion was still on the table.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

Commissioner Hanke moved to authorize Mr. Toews to pursue a letter to WA State RCO, to forward to USDFW, for an extension of the BIG Tier II grant.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

B. WA Public Ports Association (WPPA) Annual “Port Day” (1:56:14):

Director Gibboney reminded she and Commissioner Tucker attended the event in Olympia last year. She informed this allows Ports the opportunity to meet and foster relationships with legislators and stated that WPPA lists items where legislative support is needed. She reported she and Ms. Matej would attend and asked if any Commissioners would like to. All three Commissioners announced they would attend.

C. November 2017 Financials (2:00:10):

Ms. Berg explained revenues and expenses are up slightly, with a decrease in yard revenue—primarily shipyard revenue. She stated Work in Progress (capital projects) expenses included the runway, the Point Hudson Jetty, stormwater RX and debt service paid in November, with one more debt service in December. Ms. Berg discussed cash and reserve balances. She discussed the new month-to-month activity format and pointed out depreciation is not included.

Commissioner Tucker added that considering that a lot happened in 2017, the Port is doing pretty good.

Director Gibboney expressed her appreciation for his comment and added that we are seeing the fruits of Mr. Englin and his team promoting business.

D. 2018 Committee Assignments (2:07:35):

2018 Committee Assignments were discussed and assigned.

E. Acceptance of the Workyard Resurfacing Project (2:22:27):

Ms. Berg reported she has received all closeout documents from required agencies (ESD, Dept. of Revenue, and L&I) for the resurfacing project, which was completed in October 2017. This allows the Port to release retainage to contractor, once the project is approved as completed, by the commission.

Commissioner Hanke moved to release the retainage and accept the Workyard Resurfacing Project as complete.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

X. STAFF COMMENTS (2:24:50):

Director Gibboney reported to the Commission that they would receive the new staff report format on Monday.

IX. PUBLIC COMMENTS (2:25:02):

Chris Bakken of Sea Marine asked why a meeting with only two commissioners is considered a Public Meeting. He also commented on the jetty project.

Bob Frank of Admiral Ship Supply commented on the Meeting Procedures Resolution.

Melanya Nordstrom asked for clarification on the Delegation of Authority policy and appreciated the discussion on the meeting agenda order.

X. COMMISSIONER COMMENTS (2:35:32):

Commissioner Putney stated he’s having a great time (as a newly elected) so far.

Commissioner Tucker commented that he thought the recent retreat was good.

XI. NEXT PUBLIC WORKSHOP/REGULAR MEETING:

Wednesday, January 24, 2018. Workshop at 3:00 pm, meeting at 5:30 pm, in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

A. Potential Litigation

The regular session recessed into Executive Session at 3:36 pm (actual start time of 3:41 pm) to discuss potential litigation, pursuant to RCW 42.30.110 (i), duration of thirty minutes with no action. At 4:11 pm, Attorney Lake announced an extension of five minutes.

XIII. ADJOURNMENT:

The meeting reconvened and adjourned at 4:16 pm there being no further business to come before the Commission.

ATTEST:

William W. Putney III, Secretary

Stephen R. Tucker, President

Peter W. Hanke, Vice President