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**Port of Port Townsend
2nd Monthly Meeting Agenda and
1st Public Hearing on 2017 Operating and Capital Budget
Wednesday, October 26, 2016, 5:30 PM
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 Public Workshop Minutes – October 12, 2016.....1-2
 - Approval of Meeting Minutes – October 12, 2016.....3-5
 - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Public Hearing on 2017 Operating & Capital Budget and 2017 Property Tax Levy
- VI. Second Reading (action items)
- VII. First Reading (discussion only)
- VIII. Potential Immediate Action Items (unanimous Commission approval required)
 - A. Boat Haven Breakwater Bid Results.....6
- IX.. Other Business
- X. Staff Comments
- XI. Public Comments
- XII. Commissioner Comments
- XIII. Next Public Workshop/ Meeting: Date:
Wednesday, November 9, 2016 – workshop at 9:30 AM, meeting at 1:00 PM, Port Commission Building, 333 Benedict Street, Port Townsend, WA.
- XIV. Executive Session (if called)
- XV. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – October 12, 2016

The Port of Port Townsend Commission met for the Public Workshop session in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Tucker, Clinefelter and Hanke
Executive Director – Gibboney
Auditor – Berg
Director of Operations & Business Development - Englin
Minutes – Nelson

I. CALL TO ORDER:

Commissioner Hanke called the Workshop to order at 9:30 a.m.
Ms. Gibboney introduced newly hired Director of Operations & Business Development Mr. Greg Englin.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop adjourned at 11:29 a.m.

ATTEST:

Peter W. Hanke, President

Brad A. Clinefelter, Secretary

Stephen R. Tucker, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, October 12, 2016, 9:30 a.m.
Commission Building
333 Benedict Street, Port Townsend, WA**

AGENDA

Continued discussions on the Draft 2017 Budget.

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

PORT COMMISSION MEETING– October 12, 2016

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

Present: Commissioners – Tucker, Clinefelter and Hanke
Executive Director – Gibboney
Auditor – Berg
Director of Operations & Business Development - Englin
Attorney – O'Malley, Goodstein
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:

Commissioner Tucker moved to approve the Agenda as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA (1:33):

A. Approval of Public Workshop Minutes – September 27, 2016

Approval of Meeting Minutes – September 27, 2016

B. Operations Reports – September 2016

C. Approval of Warrants

Warrant #056721 through #056736 in the amount of \$51,658.96 for Payroll & Benefits

Electronic Payment in the amount of \$87,779.53 for Payroll & Benefits

Warrant #056737 through #056790 in the amount of \$89,613.26 for Accounts Payable

Electronic Debit in the amount of \$17,076.19 for WA State Dept. of Labor & Industries

3rd Quarter Tax Return for July-September 2016

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

IV. Employee Recognition (1:00):

Commissioner Hanke introduced Yard employees, Tim Nelson and Sean Smith for their ten-year anniversary working for the Port. Yard Manager Terry Khile spoke and presented them with gifts of recognition.

V. Special Hearing (4:00):

Commissioner Hanke opened the hearing at 1:04 p.m. on the appeal of the Notice of Ejection filed by Mr. Marc Landry. Mr. Landry, or a representative of Mr. Landry, was not present at the hearing. All commissioners affirmed that they had received and reviewed written materials presented by Mr. Landry to Attorney Seth Goodstein. All commissioners affirmed that they did not have any specialized knowledge or any ex parte communication regarding this appeal, and they affirmed they did not have a fixed opinion, and did not have any financial or other conflicts of interest in this case.

Commissioner Hanke moved to deny Mr. Marc Landry's appeal based on evidence presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

The Special Hearing closed at 1:15 p.m.

VI. PUBLIC COMMENTS (Not related to agenda) (15:30):

Bill Putney asked about the recent WA State Airport Workshop sessions.

Anne Rickier provided a copy of her Quilcene Marina survey she referred to at the September 27, 2016 commission meeting.

Stan Neeley reported on a meeting he attended with Quilcene residents in regards to the rumored sale of the Quilcene marina and property.

V. SECOND READING (Action Items):

A. Shanghai Lease (19:04):

Commissioner Hanke introduced Jason Luong, new owner of the Shanghai Restaurant.

Mr. Luong introduced his wife, Cassidy, and explained they are taking over his parents' business of twenty-nine years due to his father's retirement.

Commissioner Hanke moved to approve the Shanghai Lease as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

B. Draft 2017 Budget (21:10):

Ms. Berg detailed the changes in the updated version of the budget. She discussed cash flow projections, proposed rate increases and projected cash flow with the rate increase.

Ms. Gibboney detailed the second draft of the Capital Improvement Plan.

The commissioners provided input on suggested changes to the budget.

Comments were received from audience members Kit Kittredge and Melinda Bryden.

Commissioner Hanke introduced newly hired Director of Operations and Business Development, Greg Englin.

Ms. Berg reviewed the Budget Schedule: 1st Public Hearing – October 26, 2016 with a possible continuance on November 9, and Budget adoption on November 22, 2016.

Ms. Gibboney proposed a Special Commission Meeting to present the 3rd draft of the Budget. Upon consensus of the commission, Monday, October 24, 2016 at 1:00 p.m. was selected as the Special Meeting date.

VI. FIRST READING (Discussion Only):

VII. POTENTIAL IMMEDIATE ACTION ITEMS):

VIII. OTHER BUSINESS:

A. August 2016 YTD Financial Results (58:24):

Ms. Berg reviewed the August year-to-date results. She reported she is working on developing a schedule to track cash monthly.

IX. STAFF COMMENTS (1:02:39):

Ms. Gibboney reported on:

The EDC “5 Next Things” meeting she recently attended.

The upcoming WA Public Ports Assoc. Small Ports conference.

Work plans she is developing that reflect the budget and manager input.

The Boat Haven breakwater project, where bids are due today at 3:30 p.m.

A speaking engagement she has with the airport community at Tailspin Tommy’s this coming Saturday.

An update on the vessel, John Cobb and the bilge pumping progress and upcoming survey. She reported she would schedule a call with the Seattle Maritime Academy to discuss their due diligence when they sold the John Cobb (which she reported she has the support of the WA Public Ports Association).

Attorney O’Malley reported Goodstein Law has submitted a report of expenses incurred on the Landry case to the Port’s insurance carrier.

Mr. O’Malley explained Mr. Landry entered an appeal with the Court allowing him another ten days on his appeal, due to his lack of information, which the Court granted.

Attorney Goodstein reported a Judgement is in process in the amount of \$74K against Mr. Landry.

Ms. Berg stated as a follow up to Mr. O’Malley, she has met with our insurance representative and they are willing to share in the legal costs of the Landry case.

Ms. Nelson reported she is finalizing the Port’s participation in the Pacific Marine Expo in Seattle November 17, 18 & 19, 2016. She also recognized Mr. & Mrs. Ly’s (Shanghai Restaurant) kindness and generosity they have shown over the years.

X. PUBLIC COMMENTS (1:13:34):

George Yount thanked Ms. Gibboney for bringing on Mr. Englin and for the workshop this morning. He again expressed the need for a PA system at Port meetings.

XI. COMMISSIONER COMMENTS (1:14:39):

Commissioner Tucker discussed the recent “5 Things” meeting he attended. Among other points, he stated there is strong support from the other entities on Point Hudson, as well as support for a hygiene center. He also discussed financial support of Team Jefferson. He stated he is also attending the WPPA Environmental conference with Sam later this month. Last, he discussed possible collaboration with the tribes on future endeavors and he would like to see a plaque at the boat ramp recognizing the financial donation from the Jamestown S’Klallam tribe.

Commissioner Clinefelter talked of the need for some type of Port policy or guide for marine trades to follow in the instance when a customer does not pay their bill and then pays the Port to have their boat hauled back in the water.

Commissioner Hanke stated he will be excited to get a PA system soon. He also thanked Stan Neeley for his comments on Quilcene. He then said it is great to have Mr. Englin on board.

Mr. O'Malley also expressed his gratitude on the excellent work performed by Mr. Toews and Attorney Goodstein on the Landry case.

XII. NEXT PUBLIC WORKSHOP / MEETING & PUBLIC HEARING:

Wednesday, October 26, 2016. Public Workshop at 3:00 p.m. and the Meeting and Budget Public Hearing at 5:30 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

XIV. ADJOURNMENT:

The meeting adjourned at 2:27 p.m. there being no further business to come before the Commission.

ATTEST:

Brad A. Clinefelter, Secretary

Peter W. Hanke, President

Stephen R. Tucker, Vice President

PORT OF PORT TOWNSEND

MEETING OF: **October 26, 2016**

AGENDA ITEM: **VII. Potential Immediate Action**
 A. Boat Haven Breakwater Bid Results

BACKGROUND:

Six bids were received for the breakwater project. American Construction Co., of Tacoma, came in as the low, responsive bidder at \$192,000.

Executive Director's Recommendation:

To authorize the Executive Director to initiate a contract with American Construction Company.