

## PORT COMMISSION MEETING – February 11, 2009

The Port of Port Townsend Commission met in regular session in the Commission Chambers, 375 Hudson Street, Port Townsend WA.

Present: Commissioners – Thompson, Beck, Collins  
Executive Director – Crockett  
Deputy Director - Pivarnik  
Auditor – Taylor  
Attorney – Harris  
Senior Accountant/Recorder – Hawley

### I. CALL TO ORDER

The meeting was called to order at 1:00 PM.

### II. APPROVAL OF AGENDA:

The agenda was amended to reflect the following additions: Old Business: Item C. Requests for Proposals – Legal Services, Item D – Additional Dredging at Point Hudson Marina and Item E. – Correction of January 14, 2009 Minutes. New Business additions: Item D – State Legislative Updates and Item E – Peter’s Marine Lease

**Commissioner Collins moved to approve the Agenda, as amended.  
Motion carried by unanimous vote.**

### III. CONSENT AGENDA

- A. Approval of Minutes – January 28, 2009
- B. Operations Reports – January 2009

**Commissioner Thompson moved to approve the Consent Agenda, as presented.  
Motion carried by unanimous vote.**

### IV. PUBLIC COMMENTS (Not related to agenda:

Commissioner Beck advised that he welcomed public comment regarding the two proposed A/B Dock Renovation designs as the topic had been discussed during the morning workshop.

Bertram Levy stated, in his opinion, there were many issues involved in building the A/B docks: safety, ease of building, engineering, cost and revenue. However, in his opinion, the primary concern was that of community need and the importance of making enough small slips. He asked the Commission to put that concern at the top of their list of considerations. He offered that, in his opinion, those serving on the Strategic Planning Advisory Committee had put in as much effort as those who served on the A/B Dock Renovation Committee. The Strategic Planning Committee, he said, had developed six core values it thought the Port should embrace; number one being community access to the Port’s facilities and the second one was responsiveness to the community needs.

Bertram Levy read an e-mail from Jack Harrison who could not physically attend the meeting. In the e-mail, Mr. Harrison stated he had been renting a slip in Boat Haven for more than 20 years, had seen his moorage slip rate increase over the years and expressed his hope that the new docks provided as many 30 foot slips, and under, as was possible.

Ed Barcott stated he lived in Port Townsend since the 1950s and been paying property taxes and moorage for most of that time. He stated that over the years the Port had said moorage revenue was being reserved for the A/B Dock renovation and now it appeared to be time to see those improvements move forward. As a taxpayer, he voiced concern, after looking at the two proposals, as he wanted to see local boaters have every opportunity to use the accommodations, but, also, he thought that proposed design T1 was less expensive and would meet the needs. He expressed his hope that the Commission would stand by that plan.

Karen Sullivan commented on the potential loss of smaller slips proposed by the T1 plan vs. C4 and advised, in her opinion, C4 was the better choice based on the following issues: preservation of more smaller slips, environmental concerns of T1 due to relocation of the inside, lateral docks (those closest to shore) vs. the C4 plan which left those docks in the current location. She added that more income was projected from C4 than T1 and that C4 offered less near shore shadowing which was an environmental concern.

Jim Maupin stated he kept a 26-foot boat in Boat Haven having recently downsized. He quoted the last line of the Port’s mission statement: “to better the quality of life for the citizens throughout Jefferson County” and questioned if fewer and larger slips actually benefited the quality of life of those citizens. In his opinion, larger slips actually benefited more affluent boaters most of whom, in his estimation, were not Jefferson County residents.

He added, in his opinion, larger vessels used more fossil fuels, created more air and water pollution, and therefore created more environmental problems. It was his opinion that in the future there would be an increase in smaller boats due to economic circumstances, fossil fuels, the economy and that people would realize the negative impact of having a larger boat.

Forrest Aldrich stated that he had been in Boat Haven (and a boater) since 1987 and over the years had owned increasingly larger boats, beginning with his first boat – a 17 foot Boston Whaler. He thought there was a danger in equating boats over 30 feet to those belonging to out-of-towners and the under 30 foot boats belonging to local residents. He stated he took exception to that concept and explained, in his opinion, the cycle was different for many boaters who had increased the size of their boats over time, as he had. It was his understanding, he said, that fully 80% of larger boats moored in Boat Haven were locally owned. Additionally, he stated he hoped the Commission, who represented all Jefferson County residents, would take into consideration all boaters based on their legitimate boating use advising that, in his opinion, it would be a terrible mistake to decide that the only boaters having legitimate use were small boat owners. He stated his preference was for the T1 plan because it did not appear to diminish 40, 45 and 50-foot slips.

Commissioner Thompson stated that the T1 plan, from an engineering point, would be easier to permit, construct and the less expensive of the two plans.

Discussion followed which included the different wait lists, number of people on each list and the time they had been on the various wait lists.

Karen Sullivan stated, in her opinion, many A dock moorage tenants were on the wait lists because A dock did not have electricity.

Joe Daubenberger inquired if the new plan would allow a 25-foot boat to overhang.

Tike Hillman, A/B Dock Advisory Committee member, advised that both the T1 and C4 designs reduced 25-foot slips and made some into 27-foot slips to avoid overhang problems in the future. The desired result was to have a clean, clear fairway for boat traffic with no boat overhangs.

Chelcie Liu, A/B Dock Advisory Committee member, pointed out both plans increased the number of 40 – 45 foot slips and that neither plan reduced the number of that size slips. Additionally, he informed depending on how the dock area was split up would determine the number of 30 – 35 foot slips in the T1 plan. He advised that there would be an increased need for 30-foot slips because many boats designated as 27-foot boats (or a 25-foot with a 2-foot overhang) would need to move into 30-foot slips.

Joe Daubenberger asked if significant overhangs would no longer be allowed, whether there would be enough 30-foot slips to accommodate all the boats in either the T1 or C4 plan that currently had permanent moorage on the A and B docks.

Mr. Pivarnik responded that a full survey of all the wait lists had not yet been accomplished, that the wait lists changed almost daily, however, he advised, the Commission had made the commitment that everyone currently in Boat Haven would be accommodated with permanent moorage no matter which plan was chosen.

Ed Barcott offered that he commended the entire process and said the Advisory committee had acknowledged all the boaters of A/B Dock and tried to meet their needs.

Phil Andrus, a Boat Haven moorage tenant since 1985, stated that either T1 or C4 would work for him. He said that he trusted there would be a slip for his boat after the renovation. However, he did have comments regarding community issues and advised that it appeared the C4 plan would provide moorage to an additional 18 boaters, families, of Jefferson County.

Skye Aisling stated she had an interest in small boats. She asked if consideration had been given during the design process of the ways in which to incorporate the way European communities dealt with moorage of their small slips and provided details.

Citizen offered that one of the issues raised during the morning workshop was that of long term use of the Marina and what was done now needed to coordinate with what was done long term because if the configuration was too small it would never be corrected later with further expansion.

Mr. Crockett offered that the comment was very timely because C & D docks were rapidly reaching the end of their lifespan and would soon need to be renovated. He advised that no matter if it was T1 or C4 that was chosen, when it was time for renovation of C/D Docks there would be a better feel for what could be designed and the market demand for size slips.

If it was found, he commented, that the A/B Docks were “light” on certain size slips, those sizes might be incorporated in the C/D Dock design process.

Scott Walker stated that he moored in Point Hudson for 18 years and was currently in Boat Haven for the past 12 years. He owned a Thunderbird and spoke to the issue of fairway width and boat maneuverability. Since Thunderbirds, he observed, were known for not handling well in wind, he had solved the problem with his boat of the propeller sticking out and had altered the motor well and advised that he could now maneuver the boat well even in a strong crosswind.

A tenant stated he moored his boat at Point Hudson and informed that he found the argument about plan C4 adding moorage for 18 additional boaters compelling. He advised that he supported C4.

Commissioner Beck informed that it was apparent that either plan would not be a perfect solution to all the problems. He advised the Commission would deliberate for the next two weeks on which plan to chose and that the topic would be on the agenda for the February 25<sup>th</sup> meeting.

Commissioner Collins informed that the Commission would welcome any comments during the next two weeks.

Karen Sullivan remarked that it was apparent that Mr. Hillman and the other members of the A/B Dock Advisory Committee had saved the Port hundreds of thousands of dollars through their diligent work and although her preference was the C4 plan, either plan would be okay and the new docks would be great. She stated, in her opinion, the Committee had done a wonderful job and deserved a great deal of credit.

Tike Hillman informed that he had served on many different Committees over the past years but that this group had worked really hard to gather information from all the boating groups, all interested people in town and in the general Port District and had narrowed the information down until the two plans were developed. He apologized for the length of time the Committee took to develop the plans and explained some of the reasons for the delay

Commissioner Thompson stated that during the formal engineering process the two plans might end up combining in some aspects.

## V. OLD BUSINESS:

### A. Adoption of Revised Organizational Chart and Revised Staff Position Descriptions:

Mr. Crockett provided background on the topic stating that Ross Ardrey of NW Management Consulting Inc had reviewed the Port Organizational Chart, as part of the recently completed position salary survey, and although the flow of the organizational chart would remain unchanged, Mr. Ardrey had suggested changing some of the job position titles to better encompass their scope of duties. Mr. Crockett requested Commission approval of the re-written job descriptions and the revised Port Organizational Chart. The changes to the job position titles were as follows: designating one security position a lead position, renaming the positions of Boat Haven Moorage Supervisor, the Hoist/Yard Supervisor and the Maintenance Supervisor to Boat Haven Moorage *Manager*, Hoist/Yard *Manager* and Maintenance *Manager*. Additional suggested changes were to rename the Yard Clerk to Yard *Office Manager* and changing the title Administrative Assistant to *Executive Assistant*.

Mr. Taylor informed that, for the first time in ten years, all of the position descriptions were in a standardized format.

Commissioner Collins advised, in his opinion, it would be appropriate for the Commission to approve the revised Organizational Chart. However, he thought that it would be more appropriate for the Commission to approve the position descriptions for the Executive Director, Executive Assistant and Port Auditor (which was currently tasked to the Director of Finance and Administration) and allow the Executive Director to approve all other position descriptions.

After discussion:

**Commissioner Collins moved to adopt the revised Port Organizational Chart and the revised position descriptions for the Executive Director, Executive Assistant and the Port Auditor.**

**Motion carried by unanimous vote.**

### B. Adoption of New Information Security Policy:

Mr. Taylor reminded that four weeks ago discussion had taken place regarding development of a policy dealing with credit card processing and becoming compliant with the new PCIDSS (Payment Card Industry Data Security Standards) requirements. However, he informed, in moving forward with drafting that policy it became clear that it needed to be blended into an overall Port Information Security Policy that would govern all the points of Port computer access and credit card processing and form a new Information Security Policy. He reviewed details of the draft policy, which would govern the access, use, security and control of the Port's assets, resources and electronic information and the responsibility of the Port users especially as it pertained to credit card information. He suggested that formal adoption be postponed until February 25 to allow further refining of the proposed policy.

Discussion followed about the proposed policy and the consensus that it would be brought back for review, public comment and possible adoption at the next meeting.

C. Attorney Requests for Qualifications (RFQ):

Mr. Pivarnik reminded that there had been nine responses to the advertisement for Attorney Requests for Qualifications and that Senior Staff and the Commission had graded the applicants and the top four selected for interviews. Following Commissioner Thompson's suggestion, he stated, the local Port Hadlock Law Firm would be asked to interview also.

D. Additional Point Hudson Dredging:

Mr. Pivarnik informed the topic was a precautionary one as Caicos Corporation was currently finishing the Point Hudson Marina dredging hopefully in time to meet the closure of the fish window at midnight Saturday, February 14, 2009. However, he advised, removal of an additional 200 cubic yards of dredge material (additional cost of between \$7K to \$10K) might prove necessary and Staff wanted to avoid having to call a Special Meeting and, therefore, sought Commission approval in advance.

**Commissioner Collins moved to authorize Staff to direct Caicos Corporation to proceed with additional dredging, if needed, in the Point Hudson Marina in the amount up to \$10K.**

Mr. Harris inquired if any of the additional dredging money was coming from those funds earmarked as project retainage. He advised he had been informed by the Department of Labor and Industries – Prevailing Wage Division, that a lien was going to be filed against the retainage by Friday, February 13, 2009.

Mr. Crockett informed the funding would be additional, new, funds.

Discussion followed which included if Caicos would meet the fish window deadline, the retainage fund, the performance bond and the comments made by the on site dredge consultant, Tike Hillman, that Caicos was doing a good job on the dredging.

**\*\*Motion carried by unanimous vote.**

E. Minutes Correction January 14, 2009:

Mr. Pivarnik reminded the Commission had approved during the January 14, 2009 meeting a change at Jefferson County International Airport to break the single lease for Rhody Drive Development into three separate leases. However, he advised, the action called for Hangar Building 5 to be converted into 5A, 5B and 5C and should actually have been Hangar 4 into 4A, 4B and 4C.

**Commissioner Beck moved to correct the January 14, 2009 Commission Meeting Minutes to reflect correction of the JCIA Hangar Leases from 5A, 5B and 5C to 4A, 4B and 4C.**

**Motion carried by unanimous vote.**

VI. NEW BUSINESS:

A. Green Manufacturing Industrial Park at JCIA:

Mr. Crockett reminded that the Commission directed Staff to begin the process of rezoning the acreage just south of the runway at JCIA with the focus to be a green manufacturing zone. Mr. Crockett informed that he had met with the Peninsula Development Association who was in agreement with the effort and had offered to help the Port seek Federal Grant Funds in addition to Federal stimulus funds.

Mr. Pivarnik provided an update on the task of rezoning the JCIA acreage (currently zoned residential) and stated that he and Consultant, Eric Toews, had met to discuss ways in which to move forward with a rezone. He informed there was actually no mechanism in State Law that allowed a spot rezone. He cited there were three

possible alternative processes: #1 to move toward a MID, a Major Industrial Development; #2 was to move forward with the Industrial Land Bank idea, but in order for that to work, Jefferson County would have to adopt a whole program and anything the Port might do would be delayed for another two years and as the County was undergoing Budget cuts and formation of an Industrial Land Bank had stalled; Option #3, in his opinion, might be a viable concept and that was to expand the Airport Essential Public Facility to include those 24 acres. Although in the past, he had not wanted to do that because it would limit use to airport related manufacturing, he thought it might be a way to proceed especially if Jefferson County would allow expanded use of the acreage. He advised research regarding FAA requirements was ongoing. He sought Commission input before proceeding.

A thorough discussion followed about the property, details of what was involved in making it part of the Essential Public Facility, why it could not be rezoned (GMA, Growth Management Act, restraints regarding spot rezones), what kinds of uses were currently permitted, and FAA requirements and how industrial production was allowed only if the area was in an Urban Growth Area which the airport property was not as the Tri Area Urban Growth Area stopped short of the airport. The Commission consensus was to move forward.

B. Purchase of J&S Fabrication Building:

Mr. Crockett provided an update of the topic advising that Beth Juran, owner of J&S Fabrication, had decided not to advertising the building for thirty days and had recently sent a letter to the Port in which she stated that she was willing to sell the building to the Port for \$300K down from the original appraised and asking price of \$410K. Ms. Juran was not willing to accept the Port's offer of \$285K.

Mr. Pivarnik provided the additional information stating J&S wanted to move to Glen Cove and could not do so until the building in Boat Haven was sold. He informed the Commission regarding repairs/upgrades Ms. Juran had made to the J&S Fabrication building. He further advised that he had received a telephone call from a tenant who was seeking 6,000 square feet of space at Boat Haven and therefore if the Commission decided to move forward with the purchase there might be a tenant ready to lease the building.

Discussion followed regarding the building, the prospect of additional job creation, and that the Port Commission ten years from now would appreciate owning the building and how the new tenants would pay Washington State Leasehold Tax on both the property and the building.

**Commissioner Collins moved to authorize Staff to move ahead with the purchase of the J&S Fabrication building in the amount of \$300K, as presented. Motion carried by unanimous vote.**

C. Approval of Warrants:

Warrant #041280 through #041310 in the amount of \$43,612.00 for Payroll  
Warrant #041311 through #041320 in the amount of \$62,649.65 for Payroll Benefits and Accounts Payable.

Warrant #041321 through #041402 in the amount of \$102,216.27 for Accounts Payable

**Commissioner Thompson moved to approve the warrants as presented. Motion carried by unanimous vote.**

D. State Legislation Update:

Mr. Crockett informed that the State Legislature was in session and he had been asked by Eric Johnson, Director of the WPPA (Washington Public Ports Association) to attend a hearing before the Commerce and Labor Committee regarding House Bill 1992. He explained the proposed bill would direct that private businesses located on publically owned property pay prevailing wages (in our area those wages are Seattle based) for all construction and repairs. He reminded a similar bill had been introduced in 2007 and had been defeated. He had presented testimony on how detrimental such a requirement would be to small, locally owned business that happened to be located on Port owned land. He provided additional details and information on the proposed Bill.

Mr. Crockett provided information on additional proposed legislation and advised that he was returning to Olympia on Thursday, February 12 to offer support regarding a number of proposed bills that would affect Marina operations.

One proposed bill under consideration was House Bill 1903 in which it was proposed that regular unleaded fuel would be offered in addition to the unleaded fuel containing 10% ethanol. He spoke to the cost and problems of having two separate systems.

Mr. Harris expressed his concerns regarding proposed House Bill 1392, which was an amendment to the eminent domain statutes affecting all governmental entities including Port Districts.

E. Peter's Marine:

Mr. Pivarnik informed that the lease with Peter's Marine and Grant Seran was a two year lease with a three year option. He provided background and information.

**Commissioner Collins moved to adopt the lease with Peter's Marine and Grant Seran as presented.**

**Motion carried by unanimous vote.**

VII. STAFF COMMENTS:

Mr. Harris stated that he had received two letters from the Attorney representing Stanwood Kennedy who was disputing the method used to sell his boat. Mr. Harris informed that he had reviewed the Port records regarding the matter and felt strongly that the transaction was handled properly. The previous owner had signed for certified letters and had made partial payments. In response Mr. Harris had sent a letter to Mr. Kennedy's Attorney informing him of those facts.

Mr. Harris informed that he had been contacted by the Department of Labor and Industries in the Prevailing Wage Department based in the Bremerton office. He was asked a number of questions regarding the Caicos prevailing wage issue and was advised that the investigation had moved ahead far enough that the Department was going to file a lien in the amount of \$35K (the amount would increase as more information and violations increase) against the retainage and bond no later than Friday, February 13.

Further discussion followed about details of the topic and how the Caicos Corporation had not responded to the Department of Labor and Industries requests for information.

Mr. Crockett informed that he, Commissioner Collins and Terry Khile from the Work Yard had met with the Marine Trades Association and that the meeting had focused on the Work Yard Permit modifications by the Department of Ecology. He provided a topic update advising that a letter had been written to the DOE regarding the new requirements. He suggested a letter (signed by the Commission) be sent to the State Legislators expressing the Port's concerns.

Mr. Crockett reminded the next Strategic Planning Community Advisory Committee would meet on February 18 and he asked that one Commissioner attend.

Commissioner Collins volunteered to attend the meeting.

A short discussion followed about the Strategic Planning process and some of the issues raised by the Committee.

Mr. Crockett informed regarding the recent CEO breakfast hosted by the Port stating that it had been very productive with the topic of "shovel ready" projects discussed.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS:

Commissioner Collins informed on the meeting he had attended, along with Mr. Crockett, with the Marine Trades Association stating that the members were genuinely concerned with the way jobs and projects were going for themselves and that they wanted to work cooperatively with the Port to deal with the Department of Ecology's new, stringent requirements. He stated that it was apparent they were on board with a survey.

Mr. Crockett reminded that a Marine Trades Economic Survey had been prepared five years ago with only moderate success because there was a bit of holding back regarding disclosing individual's salaries, etc. However, he stated, the Marine Trades Association had indicated they were now on board with moving forward with a new survey which would provide hard data concerning the number of jobs and the Marine Trades economic input to the community. He stated the Port would pay for the survey and that Team Jefferson was standing by to help pull the information together and help expedite the survey.

Commissioner Collins stated there had been discussion during the meeting regarding the possibility of having some broader public education. He suggested a session in which a DOE representative was present to provide information and answer questions would be very helpful.

Commissioner Collins informed that he had attended the Jefferson Pilots Association monthly meeting which had been informative. He stated the pilots were wondering where the enhanced GPS approach system stood, reminding the Commission had approved moving ahead with the project.

Mr. Crockett provided an update on the topic.

Mr. Pivarnik stated there were two things involved in the funding process. First, the FAA had directed the Port to choose an engineering firm to use for airport related projects for the next five years and so the Port had advertised for Requests for Engineering Qualifications and would begin interviewing the applicants within the following two weeks. He informed that he had applied for the \$300K FAA grant for relocating the airport beacon light.

Lastly Commissioner Collins expressed a desire to attend the session Jefferson County Parks was holding on behalf of the Commission.

Commissioner Beck expressed his opinion that it was important that all the Commissioners attend the meeting.

Commissioner Thompson broached the subject of development of a way in which to put “teeth”, such as a fine structure, into the enforcement of the Port’s Rules and Regulations in the Yard.

Commissioner Thompson stated that he understood the Marine Trades Association had offered to collaborate with Port staff in establishing some type of fine schedule. He related a situation that had occurred in the Yard. He suggested that perhaps a fee schedule based on first, second, third offense with harsher monetary values might be an inducement for customers to follow the Port’s BMP (Best Management Practices).

Mr. Harris informed that the Port had the right to adopt a reasonable set of fines and rules and thought there might be further leverage if when they signed a contract to haul out or for storage of whatever service they were, being provided with the provision included which said they would be subject to fines. He advised that language could be added to the Best Management Practices.

Discussion followed about the topic and ways in which to further investigate ways in which to enforce the Port’s Rules and Regulations.

Commissioner Beck stated that he had received a telephone call from the Quilcene School and they wanted to clean up the Quilcene marina beach. He inquired as to the regulations and legalities in allowing the school to move forward.

Mr. Harris informed that he would want to review the School’s written policy for student activities and to also review the Port’s policy to determine if there were any exemptions listed before moving forward with the proposed project.

Commissioner Beck informed on a marketing meeting he had attended with Mr. Pivarnik and how interesting it had been. The task was development of a slogan applicable to the entire Olympic Peninsula region to use to promote tourism. He quoted the slogan developed by Port Angeles “from the sea to the mountains”.

Mr. Pivarnik provided meeting details and advised that it was interesting in that there were many different voices present, not just Port Townsend.

X. NEXT MEETING: Next Meeting will be held February 25, 2009 at 6:30 PM, in the Port Commission Chambers, 375 Hudson Street, Port Townsend, and WA

XIII. EXECUTIVE SESSION:  
None.

XIV: ADJOURNMENT:  
The regular meeting adjourned at 3:51 PM there being no further business to come before the Commission.

ATTEST:

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Herbert F. Beck, President

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David H. Thompson, Secretary

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John N. Collins, Vice President