

PORT COMMISSION MEETING – March 23, 2011

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

Present: Commissioners – Collins, Thompson, Erickson
Executive Director – Crockett
Deputy Director – Pivarnik
Auditor - Taylor
Attorney Lake - Goodstein Law Group
Minutes - Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Thompson called the meeting to order at 6:30 PM.

II. APPROVAL OF AGENDA:

The agenda was amended to reflect the addition of New Business, **Item I**-Discovery Bay Salmon Derby and **Item J**-Christopher's Electric Co. Contract for Sail Loft Building.

An Executive Session will be held on two real estate issues, duration of approximately 20 minutes, with no decisions.

Commissioner Collins moved to approve the Agenda as amended.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Minutes – March 9, 2011

B. Letter of Intent to Maritime Heritage Group

Commissioner Collins moved to approve the Consent Agenda as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

VI. NEW BUSINESS:

A. Resolution No. 557-11 – Updating of Information Security Policy:

Mr. Taylor provided the updated Information Security Policy, replacing the previous policy, adopted in February 2009. Updates to the policy are required due to new regulations adopted by the banking industry, mainly to cut down on identity theft.

Commissioner Collins moved to adopt Resolution No 557-11, the updated Information Security Policy as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

B. February 2011 Financial Update:

Mr. Taylor handed out and discussed the February 2011 Financial Update. He reminded the Commissioners to keep in mind that the Port is required to maintain the revenue bond debt service coverage rate of 1.25X. In 2010, we were at 1.50X, down from over 4.00X in 2006. Any additional declines in net income need to be watched very closely.

C. Legislative Update and Support:

The Port Director reviewed a number of Port-related bills currently working through legislation and will convey the Commissioner thoughts to our elected representatives.

D. Rhododendron Festival Parade:

Mr. Crockett informed that the registration form was recently received for participation in the annual Rhododendron Parade. Due to budget constraints, the Commission decided against participation this year.

E. Resolution No. 558-11 – Updating Meeting Procedures:

Mr. Crockett presented the updated Meeting Procedures, reflecting the January decision of the Commission, to hold Workshops only on an “as-needed basis”.

Commissioner Collins expressed his concern in the language regarding Resolutions - Item 2, second sentence in the updated policy, believing the wording conflicted with the policy. After discussion with Attorney Lake, a decision was made to amend the policy by deleting that entire sentence.

Commissioner Collins moved to adopt Resolution No. 558-11, updating Meeting Procedures and the Meeting Procedure Policy as amended above.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

F. Lease Extension for Coast Seafoods:

Mr. Pivarnik stated that Coast Seafoods has three separate leases in Quilcene. Two expire in February of 2023, and one (their tank lease) expired in December of 2010. Coast Seafoods asks to extend the tank lease, making it concurrent with the other two leases, with all expiring in February of 2023.

Commissioner Erickson moved to approve the Coast Seafood Lease extension.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

G. Associate Development Organization (ADO):

Mr. Crockett explained that the County contract with the ADO, Team Jefferson, expires in June of 2011. He stated that the City, the County and the Port are meeting soon to discuss the future of an ADO in Jefferson County.

H. Approval of Warrants:

Commissioner Thompson read the warrants, as presented:

Electronic Debit to Frontier (Union) Bank in the amount of \$2,860.29 for
Washington State Combined Excise Tax Return – February, 2011

Warrant #046271 through #046296 in the amount of \$40,107.86 for Payroll

Warrant #046297 through #046300 in the amount of \$16,028.24 for Payroll Benefits

Warrant #046301 through #046340 in the amount of \$57,635.64 for Accounts

Payable

Commissioner Collins moved to approve the warrants as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

I. Discovery Bay Salmon Derby:

Mr. Crockett informed that Jefferson County Fire District #5 is sponsoring a Salmon Derby, scheduled for April 2 & 3, 2011. Fire District #5 is requesting the same support from the Port that was provided to participants in February's Olympic Peninsula Salmon Derby. Mr. Crockett recommends waiving the ramp fees for the April derby.

Commissioner Thompson moved to waive ramp fees for Discovery Bay Salmon Derby participants.

Commissioner Collins seconded the motion.

Motion carried by unanimous vote.

J. Christopher's Electric Co. Contract for Sail Loft Building:

Mr. Taylor presented the contract for approval between the Port and Christopher's Electric Co. to perform electrical upgrades to the Sail Loft Building, in the amount of \$67,720, plus tax, plus Puget Sound Energy fees. He reminded the upgrades are necessary 1) to prevent fire hazards, and 2) to isolate each of the electrical meters used by the five current tenants.

Commissioner Thompson moved to approve the contract with Christopher's Electric Co. for the Sail Loft electrical upgrades as presented.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

VII. STAFF COMMENTS:

Attorney Lake announced the positive outcome for the Washington Public Ports Association on a suit filed by a citizen (Mr. West).

Mr. Pivarnik provided an update on the Travel Lift project. He very recently learned that six FTE of the Army Corps of Engineers were laid off at the Seattle office. He spoke with one of the staff there who said the permit application looks fine but has "fallen victim to staff cuts" and the permit could be delayed three to four months. This would push the project into the fall/winter months, canceling the originally planned start date of July 15, 2011.

Mr. Crockett informed that in an effort to reduce expenses, he and Mr. Pivarnik decided against attending the April FAA Northwest Mountain Regions conference, which they have attended annually in the past.

He reported that another Community Marketing Meeting, led by Diana Talley, is taking place in our conference room this Friday.

Mr. Crockett invited the Commission to come to the April 2, 2011 Jefferson County Pilots Association Meeting, where he will give his annual update to the Pilots on Port activities.

In addition, this Thursday, Mr. Crockett will be attending the PDD and RC&D meetings in Blyn. Commissioner Collins added that he would also attend the PDD meeting. Mr. Crockett went on to explain that the RC&D falls under the USDA, and it is looking like the Feds will be cutting the entire RC&D budget, leaving the future of our local RC&D in jeopardy.

VIII. PUBLIC COMMENTS:

Rick Petrykowski of the Port Townsend Marine Trades Association posed a question on one of the Senate Bills in regards to changing penalty amounts in Public Records Requests. He also asked if results from the Stormwater RX systems were stabilizing.

IX. COMMISSIONER COMMENTS:

Commissioner Collins announced that last week he attended the Jefferson Higher Education Committee meeting. The forecast for funding for the rehabilitation of Building 202 for educational uses at Fort Worden is not looking good. He explained that “draconian” cuts to WSU’s budget are taking place. He also learned at the meeting that there is a very real chance that Fort Worden may end up closing down in the near future.

He also stated that he recently attended the Elected Group Joint Economic Strategy meeting, where an “authentic discussion” occurred between the City and the County regarding the Tri-Area sewer system and the Glen Cove Industrial Park.

Lastly, Commissioner Collins explained that his four-year term ends December of this year and he will not seek re-election. He expressed gratitude serving time as a Port Commissioner, and stated that he has enjoyed working with Port staff and the Marine Trades community. However, he looks forward to long journeys aboard his sailboat.

Commissioner Erickson reported that he attended Monday’s North Hood Canal Chamber meeting. He heard newly elected Chamber president Joe Baisch speak. They discussed fire flow changes that will perhaps promote new development in Quilcene, allowing more permits to be issued.

Commissioner Erickson stated that he visited the newly opened Quilcene County Park and it is looking good.

He added that he would be attending tomorrow’s Quilcene Conversation meeting, where they will be discussing uniform signage in Quilcene.

Lastly, he announced that he received a letter of thanks from a Quilcene resident regarding the swim float that the Port will be installing.

Commissioner Thompson reported on the Public Infrastructure Funds (PIF) meeting he attended. He stated that the PIF has given a grant to PUD to install a water tank for fire flow in Quilcene, which will also stimulate local development.

X. NEXT MEETING: Next regular meeting will be held Wednesday, April 13, 2011 at 3:30 PM in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION: The regular meeting recessed into Executive Session at 8:28 PM to discuss two real estate issues, duration of approximately 20 minutes, with no decisions. At 8:49 Mr. Crockett checked outdoors to see if any members of the public were waiting, finding no one.

XII: ADJOURNMENT: The regular meeting reconvened and adjourned at 8:50 PM there being no further business to come before the Commission.

ATTEST:

John N. Collins, Secretary

David H. Thompson, President

Leif W. Erickson, Vice President