

PORT COMMISSION MEETING– October 10, 2012

The Port of Port Townsend Commission met in regular session in the Conference Room, Port Administration Building, 375 Hudson Street, Port Townsend, WA

Present: Commissioners – Erickson, Tucker, Thompson
Executive Director – Crockett
Deputy Director - Pivarnik
Auditor - Khile
Attorney - Lake
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Erickson called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

The Consent Agenda was amended by removing Item B - Computer Tablet Policy, which will be postponed until the next meeting. The Agenda was amended by adding to New Business, Item C – Joe Von Volkli (BUMS) Lease. Item B – Landfall Site Development is moved to the first item on the agenda so that Mr. Joe Finnie can make his presentation at the beginning of the meeting.

Commissioner Thompson moved to approve the Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Meeting Minutes – September 26, 2012

B. Computer Tablet Policy (removed from agenda)

C. Operations Reports – September 2012

Commissioner Thompson moved to approve the Consent Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

B. Landfall Site Development (2:59):

Mr. Crockett introduced Mr. Joe Finnie.

Mr. Finnie referred to his letter to the Commission, dated October 10, 2012. It explains how his option to develop the site expired on September 30, 2012. He explained three different building options he has worked on and the challenges he has been dealt with regarding the unknown with the passenger ferry plan, as well as financing issues. Mr. Finnie discussed his plans to seek an investor/restaurant operator and asked the Commission for an extension on his development option date. He also discussed the possibility of a public/private partnership between him and the Port.

Commissioner Thompson moved to extend the option date for site development to December 31, 2012 to the Maritime Heritage Group (Finnie) Letter of Intent.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

A. Passenger Only Ferry Update (20:58):

Mr. Crockett informed the Commission that next week the Port of Kingston would surplus the Spirit. Port of Kingston Director, Kori Ward, asked if the Port of PT is ready to being the paperwork process on the transfer. Discussion ensued. Mr. Crockett recommended hauling out and storing the Spirit in our yard until a final decision is made, dependent on the outcome of a survey on the vessel. Mr. Pivarnik was given direction to contact Ms. Ward and request the Port of Kingston deliver the vessel to our yard within parameters and stipulations discussed.

VI. NEW BUSINESS:

A. Quilcene Fuel System (28:51):

Mr. Crockett explained that Department of Ecology (DOE) recently inspected the Port's fuel operations and provided the Port with a one-page list of corrections needed. Staff has addressed some of the issues. The estimate to complete the remainder of repairs is \$19K. It would take approximately five years of fuel sales to repay this cost. The question is – to make repairs or shut down the operation in Quilcene. This fix would probably allow the system to run another five years.

Commissioner Thompson moved to authorize repairs to the Quilcene fuel system, not to exceed \$20K.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

C. Joe Von Volkli (BUMS) Lease (32:00):

(Commissioner Erickson added this item and requested it be read prior to the warrants.)

Mr. Pivarnik explained Mr. Von Volkli is 120 days behind in his lease payment and has been late on payments at least half of the amount of time since he began his lease. After sending out the required letters, per the RCW, and receiving no response, another letter was sent on September 23, 2012 requiring Mr. Von Volkli to pay up or vacate within ten days. There was no response. A final letter was sent canceling the rental agreement.

Mr. Pivarnik added that if his lease is terminated, Mr. Von Volkli would be allowed to continue work on Port property as an independent contractor.

Commissioner Erickson expressed his view that Mr. Von Volkli's business is a good value to the Port contributing greatly to the number of boats hauled out by the 75-ton lift. He would like the Port to allow him to keep his lease with new stipulations added to his agreement.

The Commissioners agreed that if Mr. Von Volkli falls behind one more time in his payments, his lease should be terminated. Staff will discuss lease details with the Port's attorney.

B. Approval of Warrants (45:33):

Commissioner Tucker read the warrants, as presented:

Warrant #049689 through #049720 in the amount of \$40,820.49 for Payroll

Warrant #049721 through #049730 in the amount of \$65,409.31 for Payroll Benefits and
Accounts Payable

Warrant #049731 through #049799 in the amount of \$55,057.06 for Accounts Payable

Commissioner Tucker moved to approve the warrants as presented.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

VIII. PUBLIC COMMENTS (47:30): (read out of order)

Pete Hanke spoke that he is very much in support of the Port Townsend-Seattle passenger ferry. He needs to look at the business plan and be comfortable with it if the Port moves forward with the Spirit. He complimented Mr. Pivarnik on the work he has put forth on this project and told the Commission that he is a great asset.

VII. STAFF COMMENTS (47:30):

Attorney Lake discussed the "Propeller Club" conference she attended in New Orleans. The Club, she explained, is an international marine trades group that meets monthly and invited the Commission and/or staff to attend a meeting.

Mr. Crockett explained he received an email from Peter Quinn of Team Jefferson informing the Port of the EDC quarterly meeting update on November 1, 2012 at 9:00 AM. He then added that he and Commissioner Tucker were leaving after the meeting for the WPPA Environmental Conference in LaConner.

Ms. Nelson reminded the Commission of the Quilcene Community Meeting taking place on Saturday, October 27, 2012 at 4:30 PM.

IX. COMMISSIONER COMMENTS (56:17):

Commissioner Tucker discussed the MRC project he was working on pulling and cleaning the No Anchor Zone buoys.

He discussed a talk at one of his fish club's meetings by a representative from the Northwest Straits Commission on their successful drift net removal project.

Lastly, Commissioner Tucker spoke of the Energy lunch meetings he attends. He informed that Representative Tharinger would be coming to speak on Washington's energy dependence.

X. NEXT MEETING AND PUBLIC HEARING ON THE 2013 BUDGET: Next regular meeting and Public Hearing will be held Tuesday, October 23, 2012 at 6:30 PM in the Port Administration Building Conference Room, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:00 PM to discuss Collective Bargaining, pursuant to RCW 42.30.140(a), duration approximately fifteen minutes, with no action.

XII. RECONVEING AND ADJOURNMENT:

The meeting reconvened and adjourned at 2:07 PM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, Secretary

Leif W. Erickson, President

Stephen R. Tucker, Vice President