

## PORT COMMISSION REGULAR MEETING– January 24, 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/In-house Counsel Toews  
Communications Coordinator Matej  
Attorney Lake  
Minutes – Nelson

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 5:30 p.m.

### II. APPROVAL OF AGENDA:

Director Gibboney proposed a change to the order of VII-Regular Business Items, placing Item D-“Authorization to Submit M-II(B) Zoning Code Text Amendment (Point Hudson) to the City of Port Townsend” ahead of Item C-“Authorization to Solicit Bids for Point Hudson South Jetty Demolition & Replacement”.

Attorney Lake added an Executive Session, Item A-Potential Litigation, pursuant to RCW 42.30.110(i), duration thirty minutes with no action.

Commission request to move Item IV-Public Comment ahead of Item III-Consent Agenda.

**Commissioner Putney moved to approve the Agenda as amended.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

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

Alan Katz inquired about a matter that is the subject of potential litigation.

Bertram Levy requested inclusion of Ops Report on website.

Ernie Baird would like to see Port communications improved with the public.

Chris Sanok offered to correct and apologize for an earlier remark he made at the previous workshop.

Pam Petranek commented on yard revenue creation and rates.

### III. CONSENT AGENDA (12:58):

A. Approval of Public Workshop Minutes – January 10, 2018

Approval of Regular Meeting Minutes – January 10, 2018

B. Approval of Warrants

Warrant #058677 through #058683 in the amount of \$12,061.32 for Payroll & Benefits

Electronic Payment in the amount of \$68,292.16 for Payroll & Benefits

Warrant #058684 through #058720 in the amount of \$248,769.37 for Accounts Payable

Warrant #058721 in the amount of \$7,386.00 for Accounts Payable

Warrant #058689 in the amount of \$25,341.60 as a *VOID*

Electronic Debit in the amount of \$3,374.24 to WA State Dept. of Revenue for Combined Excise Tax Return for December 2017

**Commissioner Hanke moved to approve the Consent Agenda as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

### V. SECOND READING (Action Items):

A. Delegation of Authority Resolution No. 673-18 & Policy (13:12):

Mr. Toews discussed the changes made per commission direction at the last meeting.

David King, Jennifer Takaki, and Carol Hasse provided public comment.

Commissioner Tucker proposed an additional change to Section IV,E-2(a), under Declaration of an Emergency. He requested the following change: “The Commission shall be notified as soon as possible and not more than 24 hours of the declaration of the emergency”.

**Commissioner Putney moved to adopt Delegation of Authority Resolution No. 673-18 & Policy as amended, with Commissioner Tucker's proposed change.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

B. Meeting Procedures Resolution No. 674-18 & Policy (31:46):

Ms. Gibboney discussed changes requested by the Commission at the last meeting.

Mr. Toews informed the Commission that a draft policy relating to warrant approval would be presented at the next commission meeting as a First Reading.

David King and Bob Frank provided public comment.

The Commission requested the following language be added (4F-“Organization of Regular Business Meetings”, -“Public demonstrations are prohibited”).

**Commissioner Hanke moved to adopt Meeting Procedures Resolution No. 674-18 & Policy with amendment to Section 4-F, as described above.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. December 2017 Financials - Preliminary (40:19):

Ms. Berg stated this is a preliminary report as it takes several months to close the books each year. She briefed on revenue and expenses and explained the large “bad debt” write off from several years that totaled \$97,075, approved by the commission in December. Staff’s present focus is on incurring zero bad debt. She thanked Ron Hayes for his suggested financial report format. Cash flow reports were discussed. She pointed out a debt service graph was added that shows the Port’s current debt.

Charley Kanieski, Ron Hayes and Chris Brignoli provided comment.

B. BIG Tier II Phase I Grant – Request for Extension (59:43):

Director Gibboney discussed the last meeting where the Commission directed staff to write a letter to RCO requesting a possibility of an extension for the Point Hudson South Jetty Grant. She reported Mr. Toews spoke with RCO and discussed the downfalls of requesting an extension. The Commission agreed unanimously to cancel the letter to RCO requesting an extension.

D. Commission Authorization to Submit M-II(B) Zoning Code Text Amendment (Point Hudson) to the City of Port Townsend (1:02:44):

Mr. Toews explained the details of the proposed Zoning Code Text Amendment to the City of Port Townsend Municipal Code, which would permit RV campgrounds and open storage within the MII(B) Zoning district. He added the deadline is February 1, 2018. He stated this would allow the Port more revenue to help towards funding of the jetty project.

Jeannie McMacken, Ernie Baird, Karen Krouse, Charley Kanieski, Bertram Levy, Pete Langley, David King, Ron Hayes, Liz Kanieski, Ted Shoulberg, Chris Bakken and Jake Beattie all provided public comment on the issue.

Commissioner Putney stated staff is working on cutting expenses, and “as a member of the community” he knows the importance of changing the income and the “out-go” of the Port. He discussed the Strategic Plan, which he would like by the end of the quarter. He believes this will provide more information to the community on why certain things need immediate attention. Commissioner Putney stated the importance of accelerating the process and getting back on a profitable basis. He asked for indulgence and support. Commissioner Hanke asked why the text amendment wasn’t done sooner. He stated he does not give this much of a chance of approval from the City. He asked what are the intentions, and where is the plan. He added he believes this should have had a first and second reading.

Commissioner Tucker stated he sees the amendment as “opening a door”. He added the Port is not requesting to build anything. He would like to see this discussed at a February workshop. The Commission agreed to schedule a total of five more workshops between now and the end of February. (Commissioner Hanke will be out of state for part of February but will attend workshops via phone.)

Director Gibboney and Mr. Toews emphasized the need to have an amendment to the text, to know of the possibilities, before even beginning the planning process.

After lengthy discussion, Commissioner Hanke summed up that this is just an ask to the City and there would be a process afterwards. He added there is no harm in asking.

**Commissioner Putney moved to direct staff to submit the Zoning Code Text Amendment as presented.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

C. Commission Authorization to Solicit Bids for Point Hudson South Jetty Demolition & Replacement (2:00:00):

Mr. Toews reminded the Commission of their motion to move forward with NW Municipal Advisors and K&L Gates on preparing a bond package in the amount of \$3.2M to fund the PH South Jetty project. He explained the package is weeks away and will require a future resolution adopted by the Commission. Mr. Toews stated the project is in the final design process and staff expects bid specs and review of the engineered drawings by early February. He expects the Invitation to Bid to go out early March, with the anticipated bid opening date early April. Staff is seeking authorization tonight in order to position to advertise for bids on schedule.

Commissioner Hanke asked if Commission would have a chance to see the design specs. He questioned the two start date options, which will be written in the bid.

Director Gibboney explained staff is looking to legal counsel on the two start dates to avoid the possibility of any challenges.

Charley Kanieski provided public comment.

Commissioner Hanke stated he discussed the tax levy paying for the jetty bond on the Tossed Salad radio program recently. Ms. Berg reminded of the proposed “wrapped debt”, which would support the jetty project.

Commissioner Hanke reiterated the criticality of the comment mechanism in the bid packet on the two start date options.

**Commissioner Hanke moved to authorize staff to move forward to solicit bids for the Point Hudson South Jetty project.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

VIII. STAFF COMMENTS (2:19:34):

Director Gibboney briefed on the new weekly status format. She reported the missing piece of dock from Quilcene had been found.

Mr. Englin presented the Occupancy and Operations Report.

Ms. Matej reported the Seattle Boat Show begins Friday.

IX. PUBLIC COMMENTS 2:24:27:

Chris Brignoli thanked Mr. Englin for giving discounts in the yard. He stated he would like to see an analysis performed on lowering yard rates and the effects on whether that would increase occupancy in the yard. He commented on the importance of having a business plan and said many are willing to help.

Dale Moses recommended that from his experience in the construction field, not to have two start date options for the jetty project bid.

Pete Langely commented on economic development. He expressed his disappointment on the decision to hold public workshops during the daytime. Last, he added the marketing program is working.

X. COMMISSIONER COMMENTS (2:29:00):

Commissioner Hanke expressed his appreciation for Mr. Moses’ comments on not having two options for jetty work, start date. He would like to see only one start date in mid-September. Commissioner Hanke appreciated Mr. Brignoli’s comments on a yard rate analysis. He believes it might be a good idea to explore lower rates to bring in more boats to the yard. He added he would like to see a Citizens Advisory Board created and would like to discuss this in March.

Commissioner Putney discussed his attendance at the WA Public Ports Association “Port Day” in Olympia, where they met with legislators. He discussed the two start date options for the jetty, and said there would be an economic impact to our local

businesses and that he would be in favor of a September start date only. Last, he offered an apology if he offended anyone in regards to a comment earlier that Mr. Kanieski had referred to.

Commissioner Tucker was pleased with his attendance at "Port Day". While there, the legislators suggested inviting them to a Port meeting, possibly in November, so that they would have more time to learn of our needs and issues. Next, he stated that after listening to Mr. Moses' comments on the jetty start date, he has changed his mind, and believes a September start date should be the only option.

Ms. Berg reminded the Commission "cost is the key" for the jetty project. She said she understands the fear from the business community, but contractors are used to having alternatives in bids.

Mr. Toews reminded that there could be a cost increase with a September start date of up to 1/4 million dollars. He added staff is looking for the lowest impact bid that will give the best possible product. Further discussion ensued. Commissioner Tucker suggested leaving plans as is – with two start date options.

**Commissioner Hanke moved to have only one start date on the Point Hudson South Jetty project, that being September 15, 2018.**

**Commissioner Putney seconded the motion.**

Director Gibboney reminded engineer Mott MacDonald estimated bids could come up to \$250K higher with a September start date.

**The motion on the floor for September start date carried by two for (Commissioners Hanke and Putney) and one abstained (Commissioner Tucker).**

XI. NEXT PUBLIC WORKSHOPS / REGULAR MEETING:

January 31, 2018 Public Workshop, time TBD.

February 7, 2018 Public Workshop, time TBD.

February 14, 2018 Public Workshop at 9:30 am, Regular Meeting at 1:00 pm, all to take place in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

A. Potential Litigation

The regular session recessed into Executive Session at 8:32 pm to discuss a potential litigation matter, pursuant to RCW 42.30.110(i), duration of thirty minutes with no action. At 9:08 pm, Ms. Nelson checked outside to inform any public waiting of a five-minute extension.

XIII. ADJOURNMENT:

The meeting reconvened and adjourned at 9:12 pm there being no further business to come before the Commission.

ATTEST:

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Stephen R. Tucker, President

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William W. Putney, III, Secretary

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Peter W. Hanke, Vice President