

## PORT COMMISSION REGULAR MEETING– April 25, 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  
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:

Commissioner Tucker added to XI, Executive Session, Item B) To discuss the minimum price at which real estate will be offered for lease, pursuant to RCW 42.30.110 (c). He made note that the May 8, 2018 Commission Meeting will be a Special Meeting due to the date change.

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

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

### III. PUBLIC COMMENTS (00:01:23):

Carol Hasse discussed wind and wave action and tidal conditions at Point Hudson and expressed her opinion about wave reflection with the steel jetty, and the possibility of damaging effects to the marina and boats.

Anne Ricker read from a letter asking why Penn Cove Mussels in Quilcene, does not pay for certain items such as ramp use and equipment storage. She believes they should be paying more for their lease.

George Yount thanked Commissioner Putney and Director Gibboney for their participation and presentation at the Jefferson Co. Democrats forum held in Port Ludlow.

### IV. CONSENT AGENDA (00:09:15):

A. Approval of Regular Meeting Minutes – April 11, 2018

B. Approval of Warrants

Warrant #059007 through #059014 in the amount of \$12,694.25 for Payroll & Benefits  
Electronic Payment in the amount of \$65,250.72 for Payroll & Benefits

Warrant #059015 through #059049 in the amount of \$222,542.04 for Accounts Payable  
Electronic Debit in the amount of \$7,504.92 for WA State Department of Revenue

Combined Excise Tax Return for March 2018

Electronic Debit in the amount of \$18,027.10 for WA State Department of Labor &  
Industries 1<sup>st</sup> Quarter Tax Return for January – March 2018

Commissioner Putney asked about the due date for the Kidder Mathews study. Director Gibboney explained that it was expected today, but the new tentative date is April 27, 2018.

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

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

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

#### VI. FIRST READING (Discussion Only):

A. Resolution No. 678-18 – Limited Tax General Obligation Bonds, 2018 (00:10:37):

Director Gibboney introduced Scott McJannet of K&L Gates and Scott Bauer of Northwest Municipal Advisors who were available to take questions. She then explained the bond amount is not to exceed \$3.4M. This amount provides cushion to the \$3.2M and allows for changes in the market conditions, bond issuance expenses or for a change in the project proceeds, if desired by the Commission. Staff recommends using

the funds for construction of the Point Hudson south jetty and replenishment of cash, which was used in 2017 for stormwater improvements and repair of the jetty at the Boat Haven commercial basin. Ms. Gibboney explained the requested bond amount was based on cash flow projections and ability to service bond debt, long term bonding capacity and preliminary cost estimates based on 60% design of the south jetty. Final cost estimate was affected by steel tariffs. She added staff continues to work to bring costs down, one instance is the approved construction easement by the Northwest Maritime Center and she thanked them for that. Staff also has been working with permitting agencies and has requested an increase in the use of vibratory hammers, which could also reduce the project cost. A mandatory pre-bid meeting was conducted last week and staff was pleased to have seven different companies in attendance. She expressed staff's concerns that with the bond and remaining grant monies, the Port still may not be able to afford to award the project. Ms. Gibboney wanted to make it clear that with the issuance of the bond, this is no guarantee that the project will be awarded. Commissioner Hanke asked if project bids come in higher than the estimate, what would happen with the bond. Director Gibboney explained bid opening is scheduled for May 7, 2018. She stated if there are not enough resources to award the project, the second reading of the bond resolution could be postponed. She added that staff will assess the bids, and if high, would provide recommendations to lower the price such as a re-design or modification of the bid. Another option would be to reconfigure bond issuance and lower the amount and notate different use, such as replenish cash and maintenance repairs. However, staff cannot make a recommendation until bids have been opened. She reminded the commission that if the bids come in too high, they have the option to postpone the bond resolution reading or postpone the project.

Ms. Gibboney explained once bids are opened May 7, and a contractor is selected, the Port would respond within thirty days with a Notice of Intent to Award the contract.

The commission, staff and bond counsel discussed effects and options to the bond if the bids come in too high. Ms. Gibboney stated if this is the case, staff would bring options to the commission.

VII. REGULAR BUSINESS:

A. March Financials (29:58):

Ms. Berg briefed on revenue trends, where operating revenues are ahead of 2017 by \$120K, and are ahead of budget year-to-date. Marinas and RVs lead in revenues. Yard revenues and shipyard hoists are both ahead of 2017, but short of budget. Shipyard revenues barely ahead of 2017 but below budget. She stated property revenues lag, mainly due to vacant spaces at Point Hudson (Cupola and space in Armory Building). Fuel sales are low, ramp fees are level. Utility revenues are up.

Mr. Englin discussed yard revenues and staff is working on plans to increase yard revenue.

Ms. Berg discussed expenses, which are less than 2017, mostly due to unfilled staff positions, contract services, consulting services, utilities and facilities & operations.

Commissioner Hanke requested A&G to be broken out in the 5-year trend.

Ms. Berg discussed the marina and RV 5-year trend and credited rate increases and staff management of the marinas and RV Park. She noted the yard no longer collects the 3% marine trades revenue, since that program ended.

Questions arose from the commission on why there were such discrepancies in occupancy numbers between this year and previous years.

Ms. Gibboney credited staff for avoiding bad debt, such as not taking in derelict vessels and decreasing liabilities.

Ms. Berg briefed further on security deposits, improvements to expenses for utilities and garbage management. Ms. Gibboney commended staff on tightening expenses and revenue collections.

B. Commission Workshop Calendar (51:37):

Ms. Gibboney discussed the May/June Commission workshop schedule. She elaborated on the May 23 schedule – Business Practices and Leasing Practices. She noted first reading of these Practices would occur June 13 and second reading on June 27. Next, the June 13 5-year Capital Program was discussed. The commissioners questioned if the Strategic Plan should occur before the 5-year Capital Plan. Discussion ensued.

The commissioners discussed the Commission Retreat and agreed holding it mid-way through the year rather than in January would make good sense. Commissioner Hanke suggested a retreat prior to June 27.

VIII. STAFF COMMENTS (1:07:37):

Ms. Gibboney stated staff had hoped to have received the Kidder Mathews rent study on April 25, but that has been changed tentatively to April 27. She explained if the report was not ready by the 27<sup>th</sup>; it would be delayed an undetermined amount of time due to Mr. Shorett's (Kidder Mathews) schedule, as he will be away.

Mr. Englin briefed on the Operations & Occupancy Report. He pointed out that RVs and the marinas were doing well. He noted storage in the yard is down. He thanked TJ Quandt, Terry Khile, Larry Aase and the maintenance crew for their work.

Ms. Matej announced Opening Day Boating season is May 5 this year. Ms. Gibboney will speak at the boat parade, sponsored by the PT Yacht Club.

IX. COMMISSIONER COMMENTS (1:13:21):

Commissioner Putney discussed his attendance at the Jefferson Co. Democrats meeting Port Ludlow, where he spoke on the subject of Economic Development. He also reported he attended a recent PT Marine Trades Association meeting, where they discussed policies and rate structures.

Commissioner Tucker stated his appreciation of Ron Hayes, Mark Burns and a few others for volunteering their time participating in an advisory group. He then reported he set out the No Anchor buoys in the eelgrass zones over the weekend. He added this program is working well and eelgrass is healthy and growing.

X. NEXT MEETINGS:

Special Meeting-Executive Session only, pursuant to RCW 42.30.110 (g) (2 items) Wednesday, May 2, 2018 at 1:00 pm, Port Commission Building, 333 Benedict Street, Port Townsend

Special Meeting, Wednesday, May 8, 2018 at 9:00 am, Port Commission Building, 333 Benedict Street, Port Townsend


XI. EXECUTIVE SESSION:


The regular session recessed at 6:48 pm into Executive Session, which began at 6:56 pm to discuss a A) Potential Litigation, pursuant to RCW 42.30.110 (i) and B) Acceptable minimum bid price for a lease, pursuant to RCW 42.30.110 (c), duration of thirty minutes with no action. At 7:26 pm, Ms. Nelson announced a fifteen-minute extension. At 7:41 pm, Ms. Nelson announced a ten-minute extension. At 7:51 pm, Ms. Nelson announced an extension of ten more minutes. At 8:01 pm, she announced another ten-minute extension.

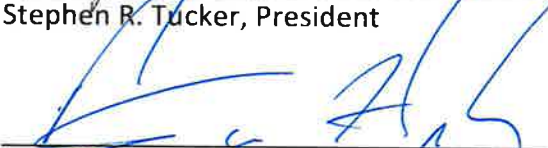
XII. ADJOURNMENT:

The meeting reconvened and adjourned at 8:09 pm there being no further business to come before the Commission.

ATTEST:

  
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William W. Putney, III, Secretary

  
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Stephen R. Tucker, President

  
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Peter W. Hanke, Vice President

