

PORT COMMISSION REGULAR MEETING– June 27, 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
Director of Operations & Business Development Englin
Communications Coordinator Matej
Attorney Chmelik
Minutes – Nelson

Absent: Auditor Berg
Director of Planning, In-house Counsel Toews

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 proposed to change Regular Business Item C-NW **School of Wooden Boat Building Grant to Item B** and Item B-2018 **Capital Budget Amendment to Item C**. He proposed an addition to Regular Business, **Item E-Discussion of Issues to Consider May Affect the Minimum Price of Real Estate.**

Commissioner Putney moved to approve the Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:01:22):

Carol Hasse expressed her disappointment with the draft Leasing Policy and the Port's current administration.

IV. CONSENT AGENDA (00:07:38):

Commissioner Tucker made a correction to the June 13 Meeting Minutes – Item VII, A – first sentence, first paragraph: he spoke with Governor Inslee and Representative Chapman and has not spoken with the City on LTAC funds, nor the County on the PIF, but would like those discussions to happen.

A. Approval of Public Workshop Minutes – June 13, 2018

Approval of Regular Meeting Minutes – June 13, 2018

Approval of Public Workshop Minutes – June 20, 2018

B. Resolution No. 681-18 – Authorizing Warrant Cancelations

C. Resolution No. 682-18 – Authorizing Certain Items Surplus

D. Approval of Warrants

Warrant #059216 through #059224 in the amount of \$14,532.88 for Payroll & Benefits

Electronic Payment in the amount of \$73,021.02 for Payroll & Benefits

Warrant #0589225 through #059267 in the amount of \$54,651.62 for Accounts Payable

Electronic Debit in the amount of \$12,721.48 for WA State Dept. of Revenue Combined

Excise Tax Return for May 2018

Warrant #059139 as a VOID

Commissioner Hanke moved to approve the Consent Agenda as presented with the change to the minutes as discussed.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items):

A. Alternative Fuels Resolution No. 683-18:

Director Gibboney stated this is a "second touch", discussed at the June 13, 2018 meeting.

Commissioner Hanke moved to adopt Resolution No. 683-18, Alternative Fuels, as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. EDC/Team Jefferson Update (00:10:00):

EDC/Team Jefferson Executive Director Brian Kuh provided a presentation on Team Jefferson's Direction, current board members, Formulas for Success, Goals, Initiatives, 2018 Budget and 2017 Contract Deliverables. Mr. Kuh asked for feedback/questions. Commissioner Putney reinforced his feeling that the public hygiene station needs to happen, and "not to let that ball drop".

B. Northwest School of Wooden Boat Building (NWSWBB) Grant (00:42:31):

Present: NWSWBB Executive Director Betsy Davis, with Marine Systems Lead Instructor Kevin Ritz, and Aaron Barnett of WA Sea Grant, and Terry of Terry and Sons Pumpout.

Director Davis presented information on a grant program offered through WA State Parks for the building of pumpouts, where they would pay for 75% of the construction cost of a pumpout boat and 75% of operations cost to run the boat. The Port would pay 25% of operations costs and the Boat School would pay for 25% of construction costs. She explained once the vessel has been built, the School would give the boat to the Port for pumpout operations. Ms. Davis added the School would pay to design the boat, construct the boat and install systems and the boat should be ready for delivery to the Port in late spring of 2020. Benefits of the project include low cost pumpouts, clean water, promoting environmental stewardship, and support of the marine trades. She added this could be a pilot project.

Mr. Barnett explained the Clean Vessel Program and Terry, as a pumpout business owner talked about operations, costs, possible training, etc.

Commissioner asked if the Port could take on this additional expense. Discussion ensued, which included costs and grant funding, the convenience and benefit to boaters, and benefits to the local marine trades industry, the school and the environment.

Commissioner Hanke asked if the School could consider taking on the responsibility of boat maintenance.

Commissioner Putney moved to authorize staff to continue to develop the partnership with the Northwest School of Wooden Boat Building and bring back a contract for Commission consideration.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

C. 2018 Capital Budget Amendment (01:17:40):

Ms. Gibboney stated a question has arisen on whether or not this action requires a supplemental budget and whether a Public Hearing is required. Staff is asking for additional authorization beyond the capital budget previously adopted to maintain the integrity of existing assets. Ms. Gibboney stated the question is whether the Commission would proceed with action tonight or postpone and hold a public hearing.

Attorney Chmelik stated the Commission could precede tonight, per RCW 53.35, however RCW 53.35.050 requires a public hearing for a supplemental budget, with no less than five (5) days' notice and no more than fifteen (15) days' notice in the local paper. He asked, is this a supplemental budget? Mr. Chmelik stated this is not defined to require a public hearing but since a member of the public raised this, he recommends holding the public hearing July 11, and move with a motion at the July 11 meeting.

Commissioner Hanke stated this represents a substantial increase of around \$250K. Ms. Gibboney agreed, erring on the side of transparency to hold the public hearing. The commission agreed to a public hearing on July 11, 2018.

D. May 2018 Financials (01:25:18):

Director Gibboney noted the good financial results for the Port. She explained revenue is up 12% year-to-date over 2017, and has been at a five-year high twice this year. She reported workyard revenue continues to be ahead and number of lifts remains high.

Mr. Englin reported haulouts in the boat and shipyards are at five-year highs. He informed that staff has been getting the word out on the discounted rate special and changes to the long-term storage rate. As a side note, he reported on a problem that

occurred today with the 300-ton lift, but thanks to Shawn Wiles and Keith Larrabee, they got it repaired and running this same day.

Director Gibboney stated net operating income (NOI) is up \$200K, increase of 119% over last year and 154% over budget. She noted the Port is facing some retirements and that the Port has four positions to fill: Facilities Maintenance Manager, Electrician, Hoist Operator II and Security Officer.

E. Discussion on Issues to Consider that May Affect the Minimum Price of Real Estate (01:38:10):

Director Gibboney stated this relates to the Executive Session, Item A, to discuss how these factors affect the acceptable minimum price. Discussion without regards to the price will occur in open session and adjournment to Executive Session will include discussion on how the issues affect the price.

Attorney Chmelik explained the recent ruling for Leasing discussions in Executive Session.

Director Gibboney informed there would be no decisions in Executive Session.

Mr. Englin reported he has been in discussions with Department of Fish and Wildlife on their lease renewal, which expires September 1, 2018. They have requested a five-year term. He explained the gross rate will include all rents, repair & maintenance, utilities, parking & storage, with the only exemption cleaning services. Capital improvements focus on two issues: mitigation of creosote smell and lighting. He discussed the two clauses the State added on: Duty to Cure and Self-Help, which he explained. Attorney Chmelik explained those two clauses.

VIII. STAFF COMMENTS (01:38:10):

Director Gibboney gave kudos to staff for fixing the 300-ton lift so timely.

Mr. Englin noted the Port's experienced staff (related to the 300-ton repair). He informed a refit on the 75-ton is upcoming. Mr. Englin reported RVs and moorage are going strong. He discussed meeting with Coast Seafoods in Quilcene on water, septic and other issues. He noted he would move forward with leases, per commission direction, prior to adopting a new leasing policy.

Ms. Matej briefed on the upcoming Caravan Stage Company production visit to Point Hudson, still waiting for City permits, and she informed she has communicated about their visit to Point Hudson tenants.

IX. COMMISSIONER COMMENTS (01:43:44):

Commissioner Putney stated he has met with and had the usual conversations with "the usual suspects".

Commissioner Hanke reported he attended the Port Townsend Marine Trades advisory meeting on Monday. He discussed a recent email received by the Port on a restroom complaint/issue. He would like a decision soon on the issue of restroom access. Commissioner Tucker stated the issue deals with safety in and around the restroom and he stated he has never seen a problem there during the day, and in his opinion, the trouble happens after hours. He would like to press Team Jefferson on holding the bathroom summit. He believes the addition of a security officer and installing "No Loitering" signs would help.

Commissioner Hanke stated he would like to see the restrooms closed to the general public and that this issue needs to be dealt with. Commissioner Putney stated a date should be set on closing the restrooms and believes that might make this matter more urgent to the City/County. Further discussion ensued on safety issues, the bathroom summit and installation of a card system.

Commissioner Tucker stated he is excited with the financials.

X. NEXT PUBLIC WORKSHOP/REGULAR MEETING & PUBLIC HEARING:

Public Workshop, July 11, 2018 at 9:30 am

Regular Meeting and Public Hearing on the 2018 Capital Budget Amendment, July 11, 2018 at 1:00 pm

Public Workshop, July 18, 2018 at 1:00 pm

Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 7:24 pm (session began at 7:27 pm) to consider A) the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110 (c), and B) to review the performance of a public employee, pursuant to RCW 42.30.110 (g), duration of forty-five minutes with no action.

XII. ADJOURNMENT:

The Executive Session was extended. The meeting reconvened and adjourned at 10:00 pm, there being no further business to come before the Commission.

ATTEST:



William W. Putney, III, Secretary


Stephen R. Tucker, President
Peter W. Hanke, Vice President