

PORT COMMISSION REGULAR MEETING & PUBLIC HEARING – July 11, 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
Minutes – Matej
Attorney Chmelik (via Skype)

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA:

Commissioner Tucker proposed the following addition to the agenda after the reading of the Consent Agenda: *PUD Executive Director Larry Dunbar and Commissioner Kenneth Collins to provide a presentation on Broadband.*

Director Gibboney proposed the following changes to Executive Session: *Removal of Item A - Potential Litigation, and replace Item A with: Consideration of the minimum price at which real estate will be offered for lease, pursuant to RCW 42.30.110 (c).* After discussion with Attorney Chmelik, the addition to VIII, Regular Business, Item A – *Discussion of Factors that May Affect the Lease Price (Department of Fish & Wildlife Lease – discussion related to Duty and Cure of Clause and Self Help).*

Commissioner Putney moved to approve the Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:04:45):

Melinda Bryden commented on the 2018 Commission-approved budget and asked for accolades to Port staff for increasing revenue.

George Yount, representing the Local 20/20 group, discussed Sea Level Rise and presented a Sea Level Rise map for 2050.

IV. CONSENT AGENDA (00:08:42):

A. Approval of Public Workshop Minutes – June 27, 2018

Approval of Regular Meeting Minutes – June 27, 2018

B. Approval of Warrants

Warrant #059268 through #059279 in the amount of \$58,433.66 for Payroll & Benefits

Electronic Payment in the amount of \$101,540.04 for Payroll & Benefits

Warrant #059280 through #059329 in the amount of \$105,176.85 for Accounts Payable

Electronic Debit in the amount of \$19,433.98 for WA State Dept. of Labor & Industries

2nd Quarter Tax Return for April-June 2018

Commissioner Hanke moved to approve the Consent Agenda as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

PUD PRESENTATION (00:09:00):

PUD Commissioner Kenneth Collins introduced “relatively new” PUD General Manager Larry Dunbar. Commissioner Collins explained their purpose is to seek support and involvement from the Port Commission, followed by a briefing on PUD’s plans to apply for a State planning grant to extend Broadband throughout Jefferson County.

PUD General Manager Dunbar further explained this is a CERB Grant and again, asked for a letter of support from the Port Commission. He described PUD’s plans in further detail.

Commissioner Tucker spoke in support of PUD’s efforts. Commissioner Putney explained the RCW that gives all Public Ports the authority to construct Broadband facilities for wholesale only, not retail. Discussion ensued. Commissioners agreed unanimously to issue a letter of support. Director Gibboney confirmed she would draft a letter of support to the PUD, with the Chair’s signature on behalf of the Port Commission.

V. PUBLIC HEARING – 2018 CAPITAL BUDGET AMENDMENT (00:23:48):

At 1:23 pm, Commissioner Tucker called the Public Hearing on the 2018 Capital Budget Amendment. He read the rules of the hearing, drawing attention to the signup sheet, where no members of the public signed up for comments. (However, The Commission received comments earlier, via email from Liz Hoenig-Kanieski and Charley Kanieski.) Hearing no comments, the Public Hearing was closed at 1:25 pm.

V. SECOND READING (Action Items):

A. 2018 Capital Budget Amendment (00:25:18):

Director Gibboney discussed the proposal to amend the 2018 Capital Budget, to include the following additional projects: Stormwater compliance - to include additional engineering and sand filters, WA Dept. of Fish & Wildlife (WDFW) air system and air quality improvements, improvements to workyard surface (gravel), and the repair of Coast Seafoods' roof. The amount has decreased for equipment purchase from \$150K to \$75K. Point Hudson Jetty South project, the money has already been spent/obligated and the airport runway design budget is unchanged. She explained the decrease to the cash flow.

Director Gibboney explained the Projected Cash-flow sheet and amended budget sheet. Commissioner Tucker confirmed the budget would decrease from \$2.3M to \$1.6M. Director Gibboney explained to the Commission adoption of this budget would authorize staff to move forward with these projects, and contracts would be presented to the Commission.

Commissioner Tucker discussed the fact that none of the project improvements in the amended budget creates new revenue. Discussion ensued. Discussion then ensued on vacancies. Commissioner Tucker discussed the need to create new revenue.

Director Gibboney stressed the priorities are Administrative Order (stormwater) compliance, Coast Seafood roof and WDFW lease.

Discussion ensued on the low cash flow. Director Gibboney stated she is checking with a bank on a line of credit. Discussions continued, including capital and maintenance budgets, contingency plans, amending the budget in the middle of the year, replacing retiring staff, roof repairs, a systematic capital repair & replacement plan (different than the draft plan created in 2015), etc. Director Gibboney stated staff continues to try to bolster the Port's cash position. Discussions continued.

Director Gibboney stated year-to-date the Port is 5% over on operating revenue and net income is 154% over budget.

Commissioner Hanke moved to adopt the 2018 Capital Budget Amendment as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. Factors That May Affect Acceptable Minimum Price of Lease (00:54:39):

Director Gibboney explained that Consideration of the Minimum Price at Which Real Estate will be Offered for Lease is scheduled for discussion in Executive Session, but factors are to be discussed in public session. These include Duty to Cure, Self-help clause, and Termination. Director Gibboney reminded that these items were previously discussed: Duty to Cure is obligation for Port to maintain certain repairs and upgrades to building; Self-Help clause covers tenant – if they feel building is not being maintained, they can do the repairs and receive a lease credit; and, Termination clause. She reminded that these are factors to be considered during the discussion in Executive Session.

VIII. STAFF COMMENTS (00:55:50):

Mr. Englin discussed a couple of possible vessel auctions/derelicts. Yard thinning out, will go out and promote business. Reported positive feedback from trades on revised yard rate structure.

Director Gibboney discussed this evening's PTMTA meeting, where at least two Port commissioners are attending. Attorney Chmelik weighed in. He recommended calling a

Special Meeting so that Commissioners could sit together and discuss. Consensus to call the Special Meeting.

IX. COMMISSIONER COMMENTS (01:06:00):

Commissioner Putney briefed on an NODC "field trip" he attended.

Commissioner Tucker talked about a community meeting that he and Director Gibboney attended. He brought up a discussion he had there with a former hospital director, who talked about having five commissioners instead of three.

X. NEXT SPECIAL MEETING/PUBLIC WORKSHOPS/REGULAR MEETING:

SPECIAL MEETING: Thursday, July 12, 2018, 5:30 – 7:30 pm. Northwest Marine Trades Association's presentation of their Economic Impact Study to Jefferson County, Northwest Maritime Center, 431 Water Street, Port Townsend

PUBLIC WORKSHOP: Wednesday, July 18, 2018, 1:00 pm, Port Commission Bldg., 333 Benedict Street, Port Townsend

PUBLIC WORKSHOP: Wednesday, July 25, 2018, 3:00 pm, Port Commission Bldg.

REGULAR MEETING: Wednesday, July 25, 2018, 5:30 pm, Port Commission Bldg.

XI. EXECUTIVE SESSION:

The regular session recessed at 2:08 pm for the Executive Session, which began at 2:14 pm to discuss: A) Consideration of the minimum price at which real estate will be offered for 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 sixty minutes, no decisions.

At 3:06 pm, the session was extended sixty minutes.

At 4:06 pm, the session was extended sixty minutes.

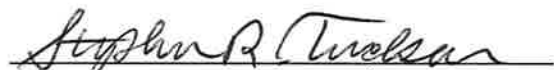
XII. ADJOURNMENT:

The meeting reconvened and adjourned at 5:00 pm there being no further business to come before the Commission.

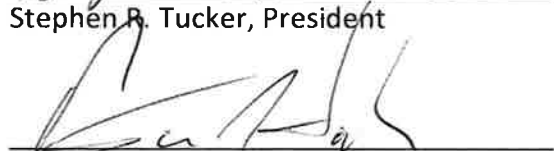
ATTEST:



William W. Putney, III, Secretary



Stephen R. Tucker, President



Peter W. Hanke, Vice President