

*The Port*  
OF PORT TOWNSEND  
SERVING ALL OF JEFFERSON COUNTY

**Port of Port Townsend  
1st Monthly Business Meeting  
Wednesday, August 8, 2018, 1:00 p.m.  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments (related to/not related to the agenda)
- IV. Consent Agenda
  - A. Approval of Regular Meeting Minutes – July 25, 2018.....1-4
  - B. Approval of Warrants
- V. Second Reading
- VI. First Reading
- VII. Regular Business
  - A. Leasing Policy Advisory Committee Process.....5-8
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Public Workshop / Business Meeting:  
~~PUBLIC WORKSHOP: Tuesday, August 14, 2018, 1:00 pm (canceled)~~  
PUBLIC WORKSHOP: Wednesday, August 22, 2018, 3:00 pm  
BUSINESS MEETING: Wednesday, August 22, 2018, 5:30 pm  
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
  - A. Review the Performance of a Public Employee, RCW 42.30.110 (1) (g)
- XII. Adjournment

## PORT COMMISSION BUSINESS MEETING– July 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  
Director of Planning, In-house Counsel Toews  
Communications Coordinator Matej  
Attorneys Chmelik & Deets, via Skype audio  
Minutes – Nelson

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

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

### II. APPROVAL OF REVISED AGENDA:

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

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

Commissioner Tucker read a letter to the community from the Port Commission on fair treatment of Port staff.

### III. PUBLIC COMMENTS (00:02:24):

Melinda Bryden thanked the Commission for issuing their rebuke letter to the Port Townsend Marine Trades Association (PTMTA) and the Northwest Maritime Center. She commented on the Ad Hoc advisory committee, “rumors”, and requested support of Port staff.

Pam Petranek discussed the economic impact of marine trades to the area. She asked the Commission to focus on priorities and asked what the PTMTA could do to help. She commented on three “critical” issues facing the Port (stormwater, leases and the budget), PTMTA’s Economic Impact Study, and spoke of the community’s desire to work together to sustain a successful maritime community.

Katherine Baril briefed on her experience writing grants, including a grant she had written some years back for the Port; commented on the need to all work together; stated problem is not only Port problem, but a community problem; and, encourages formation of advisory committees.

### IV. EXECUTIVE SESSION:

#### A. Potential Litigation, RCW 42.30.110 (1) i):

The regular meeting recessed at 5:40 pm for the Executive Session, which began at 5:42 pm, to discuss a Potential Litigation matter, fifteen-minute duration, with no action.

### V. RECONVENING OF REGULAR MEETING: CONSENT AGENDA:

The meeting reconvened at 5:57 pm.

- A. Approval of Public Workshop Minutes – July 11, 2018
- Approval of Regular Meeting Minutes – July 11, 2018
- Approval of Special Public Workshop Minutes – July 18, 2018
- Approval of Special Meeting Minutes – July 18, 2018

- B. Resolution No. 684-18 – Authorizing Sale of Abandoned Vessel
- C. Approval of Warrants  
Warrant #059330 through #059337 in the amount of \$11,134.70 for Payroll & Benefits  
Electronic Payment in the amount of \$70,228.86 for Payroll & Benefits  
Warrant #059338 through #059372 in the amount of \$175,936.84 for Accounts Payable  
Electronic Debit in the amount of \$14,350.78 to WA State Dept of Revenue Combined  
Excise Tax Return for Combined Excise Tax Return for June 2018  
VOIDED Warrants: 054968, 056582, 057180, 056409, 056816, 057332  
**Commissioner Putney moved to approve the Consent Agenda as presented.**  
**Commissioner Hanke seconded the motion.**  
**Motion carried by unanimous vote.**

VI. SECOND READING (Action Items):

VII. FIRST READING (Discussion Only):

VIII. REGULAR BUSINESS:

A. Chief Chetzemoka Trail Power Point Presentation (00:11:17):

Celeste Dybeck, Elder from the Jamestown S’Klallam Tribe and Lys Burden of Native Connections Action Group provided a Power Point presentation on the plans for the Chetzemoka Trail. This would include the posting of trail signs on three Port properties.

**Commissioner Hanke moved to support efforts of the Chetzemoka Interpretive Trail as presented and to authorize staff to move forward.**

B. Adoption of Proposed Budget Process & Schedule (00:20:57):

Ms. Berg explained the budget schedule was presented at the July 18, 2018 meeting and staff now seeks Commission approval of the schedule.

**Commissioner Hanke moved to adopt the 2019 Budget Schedule as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

C. Creation of Leasing Policy Advisory Committee (00:21:46):

Director Gibboney stated the Commission and staff has been looking at various policies related to leasing. Now, the possibility of working with an Ad Hoc committee is up for discussion. Mr. Toews stated at the July 18, 2018 Workshop, the Commission and the public expressed the desire to get citizen input on the lease policy through a citizen advisory committee. He explained this would be an “Ad Hoc” special purpose committee, as outlined by the Commission. Mr. Toews suggested (the committee consist of) a broad representation of the community; to set up no more than four meetings; and finally, report to the Commission in September with a recommended lease policy.

Attorney Chmelik agreed with Mr. Toews. His advice to the Commission is to bring in members with particular expertise. He explained the role of the members – to provide input, not to set policy. Mr. Chmelik stated the members could provide valuable advice. He added he is working on a coherent lease policy based on Commission comments/input and it should be completed next week.

Mr. Toews stated if the Commission wishes to move forward, staff would prepare a list of potential individuals for committee consideration at the August 8 meeting.

Commissioner Hanke agreed with Mr. Chmelik’s comments, and stated he recommends no more than two meetings of the committee.

Commissioner Putney stated he believes the committee input would be valuable. He is happy to see the advisory group moving forward. He stated he would also like to reconstitute the Strategic Advisory Committee, and have sub-committees fall under that committee.

Commissioner Tucker agreed with Commissioner Hanke on the number of meetings and discussed the benefits of the Ad Hoc committee.

In answer to a question from Commissioner Hanke, Mr. Toews stated there would be no committee involvement in the determination of terms, rates of returns and lease rates, but they would help to determine the highest and best use and what that might mean.

Attorney Chmelik agreed with Mr. Toews and added the thought behind the committee is to be involved with the goals and process of the lease policy, possibly input of the length of and to work off the current policy. The Commission would implement the policy, including rates of returns, length of lease, lease rates.

The Commission agreed to the formation of the Lease Policy Advisory Committee.

D. June 2018 Financials (00:33:48):

Ms. Berg reported revenues continue to do well and are at their highest in five years, much of this resulting from the yard discounts and staff's promotion of business. She briefed on the different revenue cost centers – marinas and RVs doing well; properties, fuel sales & leases down; ramps status quo; utilities up. Ms. Berg reported expenses are up, but under budget.

Commissioner Hanke asked the status of the marketing budget. Ms. Matej informed she is close to closing a contract for the website, so that money will be used soon.

Commissioner Tucker asked about the direct mailer marketing Alaska. Ms. Matej responded that money has not been spent yet. Discussion ensued on revenues and expenses. Commissioner Tucker asked why salaries are down but benefits up. Ms. Berg said she would look into those variances. Ms. Berg briefed on debt service, payoff of 2013 revenue bond and five-year trends.

Director Gibboney reiterated the increased revenue is a result of staffs' efforts.

IX. STAFF COMMENTS (00:48:12):

Ms. Matej informed of the cancelation of the Caravan Tour, due to a delay with their visas. She added Caravan is aiming to reschedule sometime in September, which she added, would allow for earlier start times of their evening performances. Ms. Matej added she and staff have been reaching out to Port tenants in order to accommodate their needs during the performances. Ms. Matej stated she reached out to about six website businesses, which were listed on the MRSC Consultant Roster. The deadline for proposals/qualifications was Monday, and Ms. Matej has been reviewing the submittals. She briefed on the scope of work.

Mr. Englin reported the septic inspection passed in Quilcene. Dept. of Ecology recently inspected fuel facilities and all received a clean bill of health. Mr. Englin recognized both the yard crew and the maintenance crew for their good, hard work.

Mr. Toews reported good news on the stormwater front at the airport runway/taxiway project. He learned there is no need to increase the size of the stormwater system, based on the stormwater analysis from Landau. Staff will wait for Jefferson Co. Public Works to agree with this conclusion. Mr. Toews briefed on the FAA's concerns with obstructions near Runway 27. He reported that the Port maintenance staff cut the trees, except for one that is not on Port property. Staff will work with landowners. Mr. Toews briefed on \$1B of FAA money available to qualifying airports nationwide. There is a deadline of October 1 to apply for the 100% grant (no match).

Ms. Berg stated she is happy that maintenance installed an HVAC system in the computer server room.

X. COMMISSIONER COMMENTS (1:02:31):

Commissioner Putney reported on a good tour he and George Yount had of the Port's stormwater system, led by Port contractor Marc Horton. He reported on the WA Public Ports Commissioner conference in Cle Elum and the talk on tribal/port relations.

Commissioner Tucker reported on his attendance at the Commissioners conference and the segment on tribal/port relations. He also discussed the huge need to bring on a security person.

Commissioner Hanke discussed a problem with blackberries that are too close to the taxiway near the old hangars at the airport. He asked to have them cut back.

XI. NEXT PUBLIC WORKSHOP / BUSINESS MEETING:

PUBLIC WORKSHOP: Wednesday, August 8, 2018 at 9:30 a.m.

BUSINESS MEETING: Wednesday, August 8, 2018 at 1:00 p.m.

In the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 6:53 pm (began at 6:57 pm, once room cleared), duration of one hour, with no action, to discuss:

A) Potential Litigation, RCW 42.30.110 (1) (i)

B) Potential Litigation, RCW 42.30.110 (1) (i)

C) Discussion of Minimum Price at which Real Estate will be Offered for Lease, RCW 42.30.110 (1) (c)

D) Review the Performance of a Public employee, RCW 42.30.110 (g)

At 7:59 pm, Ms. Berg announced a fifteen-minute extension.

XIII. ADJOURNMENT:

The meeting reconvened and adjourned at 8:14 p.m. there being no further business to come before the Commission.

ATTEST:

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
William W. Putney, III, Secretary

\_\_\_\_\_  
Peter W. Hanke, Vice President

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

<b>MEETING DATE</b>	August 8, 2018
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VII. A) Leasing Policy Advisory Committee Process
<b>STAFF LEAD</b>	Eric Toews
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Info Memo B. Attachment 'A' Leasing Policy Advisory Committee Invitation

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 8/2/2018  
**TO:** Commission  
**FROM:** Executive Staff  
**SUBJECT:** Formation of Ad Hoc Leasing Policy Advisory Committee (LPAC)

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**ISSUE:** What process should be used to establish an ad hoc advisory committee to provide feedback on the Port's proposed Leasing Policy?

**BACKGROUND:** At its regular meeting on July 25, the Commission endorsed the formation of an ad hoc committee to critically review and provide input on the Port's draft Leasing Policy. Staff was to deliver advisory committee recommendations at the August 8, 2018 meeting. Accordingly, this memo outlines staff's recommendations regarding: 1) number of committee members and areas of expertise to be represented; 2) the method and timeline for selecting committee members; 3) the specific responsibility of the committee; and 4) the deadline for the committee to complete its work.

**DISCUSSION:** The Port of Port Townsend is committed to sustaining a high level of community involvement that informs Commission decision-making and builds public support for its actions. The Leasing Policy Advisory Committee (LPAC) can support this objective by reviewing the Port's draft policies and providing critical feedback and recommendations to the Commission before final revision and adoption of the policies.

**Committee Size:** Staff advises that the committee be small (not more than five (5) members), with knowledge and expertise relevant to commercial leasing issues. It will be easier to identify suitable candidates for a smaller committee, and to schedule fully attended meetings.

**Committee Composition:** It is also recommended that the following perspectives on leasing issues be represented on the committee:

- **Current Port Tenants** - Two (2) members, one with a tenancy in District #1, and another with a tenancy in either District #2 or #3;
- **Private Sector Commercial/Industrial Tenant** – One (1) member who is a lessee of commercial or industrial property in Jefferson County;
- **Private Sector Landlord** - One (1) "Lessor" of commercial or industrial property in Jefferson County; and
- **Local Financial/Lending Institution** - One (1) commercial loan officer or similar individual familiar with financing local businesses.

**Method of Appointment:** Individuals would be invited via the Port's website to complete a form (i.e., an application – see attachment "A") by the close of business on August 15 expressing their interest in serving on the committee, clarifying which perspective or stakeholder group they fall into, and describing what knowledge or experience they would contribute to the work of the LPAC. The

applications received by the Port would then be reviewed during the regular meeting of August 22, with nominations and formal appointments made at that time via a majority vote of the Commission.

**Specific Committee Responsibilities & Timeline:** The charge of the LPAC would be as follows:

- To review materials provided by Port staff in advance of committee meetings;
- To faithfully attend, participate, and contribute in two (2) meetings to review and comment on the draft policies; and
- With assistance of staff, to formulate an advisory report to the Commission to be forwarded to the Commission during its September 12, 2018 regular meeting.

The meetings could be conducted within a compressed timeframe between August 23 and September 6 to allow the report to be presented to the Commission at the regular meeting of September 12. Staff requests further clarification from the Commission regarding the proposed timeline for the completion of the LPAC's work.

**FISCAL IMPACT:** None (other than Attorney/staff time).

**RECOMMENDATION:** Authorize staff to proceed to post the "Invitation to Serve on Port Leasing Policy Advisory Committee" shown in Attachment "A", and to return to the Commission with applications submitted by interested community members for review, nomination, and formal appointment during the August 22 regular meeting.

**ATTACHMENTS:**

"A" - Invitation to Serve on Port Leasing Policy Advisory Committee



## ATTACHMENT "A"

### INVITATION FOR APPLICATIONS TO SERVE ON PORT LEASING POLICY ADVISORY COMMITTEE

The Port of Port Townsend invites interested members of the community to share their knowledge and expertise regarding commercial leasing to review and provide critical feedback to the Commission on the Port's draft Leasing Policy. This five (5) member special purpose committee (with support and assistance from the Port's attorney and staff) will meet two (2) times in late August and early September to review and develop an advisory report to the Port Commission.

The Port Commission expects this five (5) member committee to reflect a range of community expertise and viewpoints, and intends to appoint individuals representing the following perspectives:

- Current Port Tenants (2 members – one with a Port tenancy in District #1, and one with a Port tenancy in either District #2 or #3)
- Private Sector Landlord (1 member)
- Local Financial/Lending Institution (1 member)
- Private Sector Business Owner & Tenant (not Port-related) (1 member)

Persons wishing to share their knowledge and experience are encouraged to submit brief letters of interest to the Port at \_\_\_\_\_ to be considered for appointment to the Leasing Policy Advisory Committee. Please provide the following information:

1. Name
2. Physical & Mailing Address
3. Home Phone
4. Business Phone or cell number
5. Email address
6. A brief description of the perspective you represent (see bullet list, above), why you are interested in serving on this advisory committee, and what specific knowledge or expertise you intend to contribute.

Please submit your email expressing your interest in serving on this committee (along with the information requested, above) by no later than **4:30 pm, Wednesday, August 15, 2018.**

*Thank you for your interest in serving the Port of Port Townsend and our community!*