

**PORT COMMISSION REGULAR BUSINESS MEETING-- September 26, 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  
Interim Executive Director Pivarnik  
Auditor Berg  
Attorney Chmelik (via Skype audio/visual)  
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 Putney moved to approve the Agenda as presented.  
Commissioner Hanke seconded the motion.  
Motion carried by unanimous vote.**

**III. PUBLIC COMMENTS (00:00:52):**

Jeff Kelety, long-time Port moorage tenant, welcomed Mr. Pivarnik and said moorage tenants look forward to a partnership with the Port in support of preserving maritime culture, providing fair access to Port resources, facilitating partnership and stewardship. Bertram Levy discussed attachments he sent to the Commissioners. He discussed comparable moorage rates, a chart on Boat Haven tenancy, and an attachment on separation of RVs and Marinas and of guest and permanent moorage and other issues. Gwendolyn Tracy presented the ad the Marine Trades Association placed in the 48 North publication on the fall/winter boatyard rate changes.

**IV. CONSENT AGENDA (00:07:36):**

- A. Approval of Public Workshop Minutes – September 12, 2018  
Approval of Regular Business Meeting Minutes – September 12, 2018
  - B. Approval of Warrants  
Warrant #059573 through #059579 in the amount of \$12,781.30 for Payroll & Benefits  
Electronic Payment in the Amount of \$64,868.69 for Payroll & Benefits  
Warrant #059580 through #059626 in the amount of \$242,729.70 for Accounts Payable  
Electronic Payment in the amount of \$13,486.51 for WA State Dept. of Revenue  
Combined Excise Tax Return for August 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. Rate Policy Discussion (00:07:50):  
As the newly hired Interim Executive Director, Mr. Pivarnik asked the Commission how they would prefer rates to be set. He recommended that staff propose any rate changes and present to the Commission for approval. Discussion ensued.  
**Commissioner Tucker moved to direct staff to present rates to the Commission for First and Second Readings on the Commission Meeting Agendas.  
Commissioner Hanke seconded the motion.  
Motion carried by unanimous vote.**

**Commissioner Hanke moved to direct staff to provide the Commission with rate changes for approval.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**VII. REGULAR BUSINESS:**

- A. Seasonal Yard Discount (00:13:48):

Last year offered a 10% discount in the shipyard October-April. Mr. Pivarnik stated he met with Mr. Englin and Mr. Khile to get their feedback. Staff recommends implementing the 10% winter shipyard discount again this year.

Commissioner Hanke would like to see an aggressive campaign to market the shipyard and to possible coordinate with the marine trades.

Ms. Tracy discussed ideas on marine trades and marketing. Discussion ensued on marketing plans and ideas.

**Commissioner Hanke moved to approve the 10% shipyard discount for the winter months (October through April).**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**B. 1<sup>st</sup> Draft 2019 Operational Budget (00:18:29):**

Mr. Pivarnik explained he and Ms. Berg have been working together on the budget. Goals are to build the net operating income and bring expenses down to 2017 levels, which they have reduced beyond 2017 levels. He explained an administrative position has been eliminated (Communications Coordinator), and they looked at reducing consultant contracts, other contracts and utilities. Staff is proposing a \$4.971M budget for 2019, down from 2018. Mr. Pivarnik explained numbers were strong this year at \$5.8M M and budgeted \$6.2M for income in 2019. He reviewed projects for 2019, including the airport runway rehab, advances in the stormwater system and the Point Hudson Jetty, which still needs addressing.

Mr. Pivarnik added the Commission set a CPI + 1% rate increase, and that 1% represents about \$27K. This can be discussed at a future meeting, he added. He stated yard rates will hold steady until September of 2019 and then will see a CPI + 1% increase, per discussions with the yard rate advisory group (aka the "task force").

Marketing for 2019 was discussed. Mr. Pivarnik stated he would take the lead there. Other subjects were discussed included passenger fees (marina and airport), community relations, marketing vs. promo, parking, environmental fees, available properties, ramp use and commercial box truck fees fees, etc.

**C. Professional Services Agreement – Boat Haven Stormwater Compliance (00:42:31)**

Mr. Pivarnik explained ongoing stormwater system work continues for DOE compliance. The Port has worked with Landau for the past eight years and this is a continuation of their work – a \$32K contract, scope of work included.

**Commissioner Hanke moved to approve the contract and scope of work as presented with Landau Associates.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**D. Port Organizational Chart Amendment:**

Mr. Pivarnik noted the changes: Mr. Aase retires as Maintenance Manager on October 31, 2018 and Chris Sparks has been hired in his place, as an exempt employee.

Maintenance Mechanic Shawn Wiles was promoted to Maintenance Lead/Mechanic II. It was noted that the Port lost our electrician in May and a new Maintenance Tech II/Mechanic I will assist Mr. Wiles, allowing him time to perform electrical work as well. Staff will put out a Request for Proposals for a three-year on-call contract with an electrical firm for major work.

**Commissioner Hanke moved to adopt the amended Organizational Chart as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**E. August 2018 Financials (00:52:05):**

Ms. Berg announced revenue is the highest Port-wide in the past five years, and is 8.6% over 2017. Marinas & RVs continue to do well, yard is catching up, properties and leases are down as well as fuel sales in Quilcene. She explained operation expenses exceed 2017 but are below budget. Net income at \$1.4M, and ahead of 2017. Mr. Pivarnik asked the Commission if they would be content with a quarterly financial report, rather than monthly, as he believes it is easier to see trends. The commission agreed to go with

a full quarterly financial report and a monthly financial statement and cash flow report, which will be posted to the web site.

VIII. STAFF COMMENTS:

Ms. Nelson announced the Port will soon be sending out an email to marine trades for sign-up to share the Port's booth space for the November 2018 Pacific Marine Expo. She also announced the records clean-out and organization project has been delayed due to some employee absences.

Ms. Berg stated she continues to work on the budget and human resources issues.

Mr. Pivarnik stated former Port Commissioner Dave Thompson approached him, suggesting the Port look into six-year terms for Commissioners, instead of four-year terms. Attorney Chmelik weighed in and explained RCW 53.12.175 allows for the terms to be decreased from six-year to four, but does not allow for a term increase. He offered his theories on how to approach this. Commissioner Hanke suggested bringing this discussion up at the WPPA Small Ports Conference in October.

Mr. Pivarnik announced ORCAA (Olympic Regional Clean Air Agency) visited with Port staff recently and will begin requiring workers in the yard to have permits for boat work, and will charge fines to violators.

Last, Mr. Pivarnik received a call from Lizanne Coker of the Jefferson Homebuilders Association, offering the former Chamber of Commerce building to the Port at no cost, as long as it was moved off-site. Mr. Pivarnik discussed a few possibilities for use and stated he would investigate further.

IX. COMMISSIONER COMMENTS (01:16:51):

Commissioner Putney stated he has been busy with the Film Festival, so doesn't have much to report. He announced he would attend the NODC meeting tomorrow and a Broadband meeting in Port Angeles on Friday.

Commissioner Tucker announced he would attend a meeting next Monday with EDC Director Brian Kuh, County Commissioner Kate Dean and City Mayor Deb Stinson for a bathroom summit. They will discuss collaborating on an application to receive County PIF (Public Infrastructure Funds). Discussion ensued on public restroom issues.

X. NEXT PUBLIC WORKSHOP / REGULAR BUSINESS MEETING:

Workshop: Wednesday, October 10, 2018, 9:30 am

Meeting: Wednesday, October 10, 2018, 1:00 pm

Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:

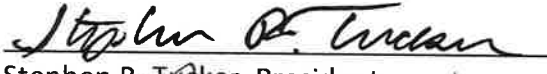
The regular session recessed at 6:55 pm and entered into Executive Session at 7:00 pm to discuss a personnel matter, pursuant to RCW 42.30.110 (g), duration of thirty minutes with no action. The Executive Session was extended by ten minutes.

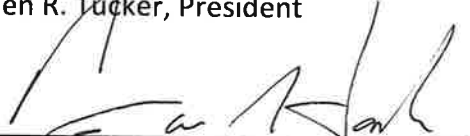
XII. ADJOURNMENT:

The meeting reconvened and adjourned at 7:40 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

