

PORT COMMISSION SPECIAL BUSINESS MEETING– October 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 Pivarnik
Auditor Berg
Director of Operations & Business Development Englin
Attorney Chmelik (via Skype audio/visual)
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

**Commissioner Hanke moved to approve the Agenda as presented.
Commissioner Putney seconded the motion.
Motion carried by unanimous vote.**

III. PUBLIC COMMENTS (00:00:40):

Carl Burger asked why there haven't been any recent increases in rates at the Jefferson Co. International Airport. He would like to see the Port be consistent with rate increases.

IV. CONSENT AGENDA (00:02:42):

- A. Approval of Regular Business Meeting Minutes – September 26, 2018
- B. Approval of Warrants
Warrant #059627 through #059639 in the amount of \$59,715.11 for Payroll & Benefits
Electronic Payment in the amount of \$110,323.66 for Payroll & Benefits
Warrant #059640 through #059690 in the amount of \$104,361.24 for Accounts Payable
**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):

VII. REGULAR BUSINESS:

A. Capital Projects Discussion (00:02:56):

Mr. Pivarnik explained there is a Draft 2019 Capital Projects list and also a Draft 2019 Maintenance Plan, which is for smaller capital projects. The Commission suggested additional maintenance plans for the list, including repairs to Tailspin Tommy's building at the airport, possibly sealing the Administration parking due to the constant exposure to salt (from boats, trailers and the washdown area), ramp maintenance at all boat ramps, Point Hudson Marina Room furnace replacement, Armory Building fire suppression. Mr. Pivarnik reminded the Commission that the list is an abbreviated one, and one could be developed for all assets, but the idea was to have a shortened list (of priorities). He added the current list is already \$1M over what the Port can afford. Restroom renovation was also discussed, which led to Commissioner Tucker reporting that he had recently attended a promising "Bathroom Summit" meeting, where a consortium of local governments are discussing other options for public facilities.

Mr. Pivarnik added that staff is planning to develop a three-year capital maintenance plan. Audience member and moorage tenant, Jeff Kelety expressed thanks for discussion on restroom issues.

B. 2019 Draft Operating Budget (00:30:23):

Ms. Berg discussed two changes in the 2019 Draft Operating Budget Assumptions: 1) Operating Expenses (item #6) - the increase in personnel costs as a result of changing the Director of Planning to full-time status, plus a placeholder for a seasonal yard employee; and, 2) Non-Operating Revenue (item #16) –most of the net income is going towards the runway project expense.

Commissioner Hanke discussed commercial fishing use of Port boat ramps and increasing box truck fees. Mr. Pivarnik replied that he would like to schedule a meeting with the tribes to discuss this further.

Many other items were discussed, including workyard and shipyard revenues. Commissioner Hanke strongly believes staff needs to develop a strong marketing program for both the shipyard and workyard.

Stormwater compliance and options were discussed. Commissioner Tucker suggesting again, using the Balch property off of Sims Way.

Also discussed was JCIA parking, questions about discrepancies with 2018/2019 Point Hudson and Boat Haven numbers.

Further discussion ensued on the budget, including rate increases using CPI only, and CPI + 1%, market rates, rate studies, and determining where the Port fits in the "global scheme". Attorney Chmelik suggested the Commission ask themselves, what is the purpose of the additional revenue and to also determine what they would like the increased revenues to be applied towards (this would help in setting rate increase).

The Commission directed staff to prepare the 2019 Operating Budget that reflects at a minimum, a CPI increase and that the 1% could be considered in February of 2019.

Audience members Ron Hayes and Jeff Kelety provided their comments on the budget.

VIII. STAFF COMMENTS (01:49:10):

Mr. Pivarnik thanked Ms. Berg, Mr. Englin and his staff for their hard work on the budget. He added narratives would be included in the 2019 Budget.

He also briefed on the first Leasing Policy Advisory Committee meeting, which Attorney Chmelik also attended. Mr. Pivarnik reported it was mostly a "meet & greet", but they discussed the document and how they would like to move forward. Pushback received on the term, "highest and best use"; CPI + 1%; and, rate of return. He reported there would be more meetings and he hopes to have a lease document for presentation to the Commission in the next two months.

IX. COMMISSIONER COMMENTS (01:54:50):

Commissioner Putney discussed a recent North Olympic Development Council meeting, where a topic was the "Emerald Coast Opportunity Zone", which he elaborated on. He reported he attended the recent rural internet discussion hosted by the Elwha tribes.

Commissioner Hanke attended a recent Jefferson County Pilots Association gathering, where hopes remain for taxiway mitigation during the runway rehabilitation closure. He also reported on the Ferries Conference he attended yesterday in Seattle, the reason for the rescheduling of this meeting.

Commissioner Tucker briefed on a recent Jefferson County Public Infrastructure Board meeting he attended. He was pleased to learn of strong agreement amongst the board that the Point Hudson Jetty repair/replacement would be a good candidate for these funds. He suggested going to the State Legislature and asking for a Proviso for enough funding to do the jetty project. He suggested getting the City, County and PUD on board as supporters of the Proviso. Commissioner Tucker stated the Port needs to "get its' ducks in a row" and determine which means to repair the jetty and gather community support, in time for the next biennium.

X. NEXT MEETING:

REGULAR BUSINESS MEETING & PUBLIC HEARING ON THE 2019 DRAFT OPERATING BUDGET: Wednesday, October 24, 2018, 5:30 pm in the Port Commission Building, 333 Benedict St, Port Townsend. (No Public Workshop.)

XI. EXECUTIVE SESSION:

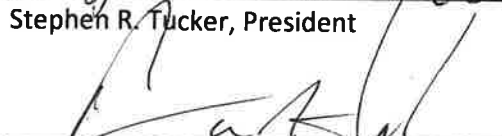
XII. ADJOURNMENT:

The meeting adjourned at 3:14 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