

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

Port of Port Townsend  
2<sup>nd</sup> Monthly Regular Business Meeting  
&  
2019 OPERATING & CAPITAL BUDGET PUBLIC HEARING  
Wednesday, October 24, 2018, 5:30 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
- IV. Consent Agenda
  - A. Approval of Special Meeting Minutes – October 11, 2018.....1-3
  - B. Approval of Warrants
  - C. Accounts Receivable Write-off.....4
- V. Recognition of Port Maintenance Manager Larry Aase.....5
- VI. Public Hearing on Draft 2019 Operating & Capital Budget
- VII. Second Reading
- VIII. First Reading
- IX. Regular Business
  - A. 2019 Operating & Capital Budget, 3<sup>rd</sup> Draft.....6
  - B. NWMC Floats.....7-10
- X. Staff Comments
- XI. Commissioner Comments
- XII. Next Public Workshop / Business Meeting:  
PUBLIC WORKSHOP: Wednesday, November 14, 2018, 9:30 am  
BUSINESS MEETING: Wednesday, November 14, 2018, 1:00 pm  
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XIII. Executive Session
- XIV. Adjournment

**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:

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Stephen R. Tucker, President

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

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

PORT OF PORT TOWNSEND  
 ACCOUNTS RECEIVABLE WRITE-OFF  
 October 24, 2018

Port of Port Townsend staff was notified late June that this case was going no further. Staff recommends the account be written off in the amount of \$1,038.21.

YEAR	Work Yard	Blocking Yard	L/H Tax	Tarp	Demo Fees	Lake Fees	Boat Appraisal	Hoist	Sales Tax	MISC Labor	Legal Fees	Total Costs	Less Payments	Insurance Reimburse	Deposit Applied	Balance
2013		660.00	84.74			91.13						835.87				835.87
2014		660.00	84.74			166.96						911.70	(1,200.00)			(288.30)
2015	13,086.88	27.45	1,684.15	70.00		53.74		354.13	31.87			15,310.22	(13,415.45)			1,894.77
2016	6,350.40	415.10	815.40			418.50	350.00			6,630.00	17,328.75	40,617.49	(3,636.64)			36,980.85
2017											16,500.53	16,500.53		(33,247.50)		(16,746.97)
2018															(21,638.01)	(21,638.01)
<b>TOTALS:</b>	<b>\$ 19,439.28</b>	<b>\$ 1,762.55</b>	<b>\$ 2,669.03</b>	<b>\$ 70.00</b>	<b>\$ 8,309.34</b>	<b>\$ 730.33</b>	<b>\$ 350.00</b>	<b>\$ 354.13</b>	<b>\$ 31.87</b>	<b>\$ 6,630.00</b>	<b>\$ 33,829.28</b>	<b>\$ 74,175.81</b>	<b>\$(18,252.09)</b>	<b>\$(33,247.50)</b>	<b>\$(21,638.01)</b>	<b>\$ 1,038.21</b>

S. Abigail Berg  
 Director of Finance & Administration

Eric Toews  
 Director of Planning/In-house Counsel

Jim Pivarnik  
 Interim Executive Director

Stephen R. Tucker  
 Commission President

Peter W. Hanke  
 Commission Vice President

William W. Putney III  
 Commission Secretary

Meeting date: October 24, 2018

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 10/24/2018  
**TO:** Commission  
**FROM:** Jim Pivarnik, Executive Director  
**SUBJECT:** Retirement for Larry Aase

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### **BACKGROUND**

In 1989 the Port of Port Townsend was fortunate to get a new employee to help create the future of our Port. He was a young guy from Alaska and full of knowledge and enthusiasm. His rough and tumble attitude and wealth of common sense ideas made him the perfect fit for the Port of Port Townsend.

It is with great happiness and sadness that Larry will be leaving the Port family, retiring to follow his passion for woodworking and playing and crafting musical instruments. We would like to acknowledge the contributions that Larry Aase has made to our Port and Community during his 29-½ years of service.

His presence will certainly be missed around here.

Thank you Larry!

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

<b>MEETING DATE</b>	October 24, 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>	IX. A) 2019 Operating & Capital Budget (third review)
<b>STAFF LEAD</b>	Abigail Berg / Jim Pivarnik
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	

3<sup>rd</sup> Draft of the 2019 Operating & Capital Budget will be published 10/22/18, and printouts will be available at the meeting.

# PORT OF PORT TOWNSEND AGENDA COVER SHEET

<b>MEETING DATE</b>	October 24, 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>	IX) B. Northwest Maritime Center Floats
<b>STAFF LEAD</b>	Jim Pivarnik
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Email from Port staff.



# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 10/24/2018  
**TO:** Commission  
**FROM:** Jim Pivarnik, Executive Director  
**SUBJECT:** MWMC Floats

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### **ISSUE**

Winter storage rates for the Northwest Maritime Center Floats.

### **BACKGROUND**

Last week the Port of Port Townsend yard hauled out the floats from the Maritime Center Docks. This is something we have done for the Maritime Center for years. Traditionally the arrangement we have had is that the Maritime Center pays full price for the haul out and the Port provides storage in exchange for a major sponsorship of the Wooden Boat Festival. Last year the Port opted not to allow for storage in exchange of a sponsorship.

### **DISCUSSION**

Staff would like to have a discussion with the Commission to see what arrangement we should move forward with.

### **RECOMMENDATION**

For discussion and direction.

### **ATTACHMENTS**

Email from Port staff.

Shannon is looking for some direction on the Maritime Center Floats. I wasn't sure if we were doing anything special for them. Can you let me know how to handle this account? I know they were asking if it was possible for any consideration that we could give them.

Thanks,

TJ Quandt  
Business Manager  
Port of Port Townsend  
o: 360.385.6211 c: 360.316.6087  
Email: tj@portofpt.com

**From:** Shannon Counsellor  
**Sent:** Monday, October 15, 2018 4:32 PM  
**To:** TJ Quandt <TJ@portofpt.com>  
**Cc:** Terry Khile <terry@portofpt.com>  
**Subject:** N.W.M.C. FLOATS

As you are aware, the Port has hauled North West Maritime Center's aluminum floats and are currently in the yards. Last year they chose not to use the Ports' services for haul out or storage so I am asking your direction as to whether or not I should be posting storage charges and if so, will they will be offered the current promotional discounts without the 2 months of storage paid in advance.

The following is a breakdown on the work yard storage charges from haul out on October 10, 2018 to an estimated launch date of May 1, 2019. The balances include L.E. Tax and \$20.00 Environmental fees:

44' float @ <u>monthly</u> w/y rate (Oct. pro-rated 21 days)	<b>\$645.59</b>
44' float @ <u>monthly</u> w/y rate (Nov. – April 30, 2019)	<b>\$913.70 (x 6)</b>
44' float @ monthly <u>promo</u> w/y rate (Oct. pro-rated 21 days)	<b>\$384.93</b>
44' float @ monthly <u>promo</u> w/y rate (Nov. – March 31, 2019)	<b>\$541.32 (x5)**</b>
44' float @ <u>monthly</u> w/y rate (April 1 – April 30, 2019)	<b>\$913.70</b>

Projected charges for the 44' float at regular monthly w/y rates October 10 – April 30, 2019: **\$6,127.79**

Projected charges for the 44' float at discounted promo w/y rates October 10 – April 30, 2019

to include 1 full month at full monthly w/y rate as promo ends March 31, 2019: **\$4,005.23**

**\*\* Promo rate for w/y ends March 31, 2019**

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48' float @ <u>monthly</u> s/y rate (Oct. pro-rated 21 days)	<b>\$1,066.44</b>	
48' float @ <u>monthly</u> s/y rate (Nov. – April 30, 2019)		<b>\$1,514.91 (x6)</b>
48' float @ monthly <u>promo</u> w/y rate (Oct. pro-rated 21 days)		<b>\$ 941.32</b>
48' float @ monthly <u>promo</u> s/y rate (Nov. – April 30, 2019)		<b>\$1,336.17(x6)</b>

Projected charges for the 48' float at **regular monthly s/y rates** October 10 – April 30, 2019: **\$10,155.90**

Projected charges for the 48' float at **discounted promo s/y rates** October 10 – April 30, 2019: **\$ 8,958.34**

If you have any questions on any of the above figures, please let me know as well as how to proceed with billing on this account.

**Shannon Meehan**  
Port of Port Townsend Yard Office  
360-385-6211