

PORT COMMISSION REGULAR BUSINESS MEETING & PUBLIC HEARING – October 24, 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
Planning Director & In-house Counsel Toews
Attorney Chmelik (via Skype audio/video)
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 Hanke moved to approve the Agenda as presented.
Commissioner Putney seconded the motion.
Motion carried by unanimous vote.**

III. PUBLIC COMMENTS:

None

IV. CONSENT AGENDA (00:01:11):

A. Approval of Special Meeting Minutes – October 11, 2018

B. Approval of Warrants

Warrant #059691 through #059699 in the amount of \$12,565.42 for Payroll & Benefits
Electronic Payment in the amount of \$68,172.58

Warrant #05970 through #059746 in the amount of \$277,370.11 for Accounts Payable
Electronic Debit in the amount of \$11,632.15 for WA State Dept. of Revenue Combined
Excise Tax Return for September 2018

Electronic Debit in the amount of \$18,635.27 for WA State Dept. of Labor & Industries
3rd Quarter Tax Return for July-September 2018

C. Accounts Receivable Write-off

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

V. RECOGNITION OF PORT MAINTENANCE MANAGER LARRY AASE (00:01:23)

Mr. Pivarnik provided a brief history of the Port during the twenty-nine and one-half years Mr. Aase has been employed at the Port. Mr. Pivarnik and Commissioner Tucker congratulated Mr. Aase and presented him with recognition items, a card and gift certificate. Other Port staff expressed their appreciation of Mr. Aase.

VI. PUBLIC HEARING ON DRAFT 2019 OPERATING & CAPITAL BUDGET (00:10:38):

The business meeting recessed into the Public Hearing at 5:40 pm. Commissioner Tucker read the rules of the Hearing and introduced Port Auditor and Finance Director Abigail Berg who presented the budget (third draft). She highlighted certain items, including the few changes that were made between the second and third drafts.

Commissioner Tucker opened the Hearing for Public Comment and the following audience members commented:

Jeff Kelety representing the "Jefferson County Moorage Tenants Association", George Yount, and Charley Kanieski. (Liz Hoenig and Charley Kanieski also emailed written comments prior to the meeting.)

Hearing no further comment from the audience, Commissioner Tucker closed the Public Hearing and reconvened the Regular Meeting at 5:57 pm.

VII. SECOND READING (Action Items):

VIII. FIRST READING (Discussion Only):

IX. REGULAR BUSINESS:

A. 2019 Operating & Capital Budget, 3rd Draft (00:27:22):

Commissioner Tucker explained the Commission would decide whether to continue the Public Hearing to November 14 or adopt the Budget tonight.

Mr. Pivarnik apologized for naming the budget, "Operating & Capital Budget". He explained that the Operating Budget presented, includes a "wish list" of Capital Projects. He added that staff would work on the Capital Budget and five-year plan within the next few months. Responding to a previous comment from Mr. Kanieski, Mr. Pivarnik stated he asked Ms. Berg to prepare Cost Center reports monthly for inclusion on the Port's website (beginning January 2019).

Commissioner Hanke asked Attorney Chmelik if it was allowable to pass the Operating Budget without a Capital Budget. Mr. Chmelik replied that only the Operating Budget is required for Commission adoption by statute. He added there is no similar requirement for a capital budget. Ms. Berg confirmed that the adopted 2019 Operating Budget must be received by the County Auditor no later than November 30, 2018.

Commissioner Hanke moved to adopt the 2019 Operating Budget as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

B. Northwest Maritime Center (NWMC) Floats (34:15):

Mr. Pivarnik explained that over the years the Port has partnered with the NWMC on different projects, including the removal of their floats. The NWMC paid full price for the recent haul out of their floats and would normally receive free storage in exchange for Wooden Boat Festival (WBF) sponsorship. He added this did not happen last year, as the Port was not a sponsor of the WBF. Mr. Pivarnik added one of his goals as Port Director is to collaborate with community organizations and this is one example. He stated he met recently with NWMC Director Jake Beattie to discuss partnership ideas. Mr. Pivarnik asked the Commission to consider their plan in exchange for NWMC free float storage and the Port would receive a combination of WBF sponsorship and one year of advertising in the publication 48 North. The advertising could market Point Hudson and the Yard, for instance, with possible co-op marketing with Port tenants. Mr. Pivarnik stated the value of the six months of float storage is \$13K and \$7K for WBF sponsorship. Commissioner Tucker shared his concern that it can be easy to lose track when deals are exchanged and not put in writing. He likes the plan but he would like to see the hard numbers for tracking. Commissioner Hanke asked about the area where the floats are stored and whether the Port would lose revenue. Mr. Pivarnik explained the floats are stored next to the 300-ton lift and the Larry Scott Trail in an undesirable location for boats to be worked on. He then explained this is within his delegation of authority, and he would like to pursue this opportunity for partnership. Commissioner Putney suggested a Memorandum of Understanding. Commissioner Tucker added he likes the plan of supporting locals but wants an accounting of sponsorship fees.

X. STAFF COMMENTS (00:41:09):

Ms. Berg briefed on the September Financials, stating revenues and expenditures are looking good. She reported there are a couple of big debt service payments coming up. Mr. Pivarnik called attention to the reduced revenue and boats in the small yard. He added staff would focus on marketing the yard more to increase business. He stated, however, overall yard revenue is up \$107K, with the shipyard carrying most of that. Ms. Berg stated she believes the decreased revenue in the workyard might be related to the storage discount.

Commissioner Putney asked about the gravel replacement schedule in the yard.

Commissioner Hanke asked about bond interest payments.

Mr. Toews reported he is working on the FAA supplemental grant application for the runway project, which is due October 31.

Mr. Pivarnik discussed the Team Jefferson hosted "Emerald Coast Opportunity Zone" meeting he attended and briefed on this Federal Government project. He explained the City, the County, PUD, the Port and five tribes co-manage these zones. A final ruling on the Opportunity Zone is expected from the IRS in January. Commissioner Putney added this was presented at the NODC meeting and discussed it further. Mr. Pivarnik reported the Jamestown S'Klallam tribe is creating a website on the Opportunity Zone, anticipated to be online in January.

Commissioner Tucker observed this is another way local governments are collaborating - Mr. Pivarnik with the Opportunity Zone, Commissioner Putney's participation with the NODC, and his involvement with the Jefferson County Public Infrastructure Funding (PIF) board.

XI. COMMISSIONER COMMENTS (00:58:00):

Commissioner Putney reported he recently had a tour and briefing of Port facilities with Mr. Pivarnik (and new Maintenance Manager Chris Sparks). He informed he attended the WPPA Small Ports Conference and would attend the NODC meeting tomorrow in Forks.

Commissioner Tucker announced he attended the PIF meeting today. He is excited about the energy amongst the board. They are looking to enhance infrastructure funding within the area.

Commissioner Tucker also informed that Robert D'Arcy has been researching the possibility of historical designation of the Point Hudson Jetty. This could potentially provide funding and could free up permitting for rehabilitation of the caged rock structure jetty. Commissioner Tucker added this type of jetty rehab would benefit the habitat and provide wave reduction. Both Commissioners Putney and Tucker reported they met with Mott MacDonald Engineers at the Small Ports Conference.

XII. NEXT PUBLIC WORKSHOP / BUSINESS MEETING:

Public Workshop: Wednesday, November 14, 2018 at 9:30 am

Business Meeting: Wednesday, November 14, 2018 at 1:00 pm

Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

The regular session recessed at 6:31 pm and the Executive Session began at 6:36 pm, once the audience cleared the room, to discuss the minimum price by lease or purchase of real estate, pursuant to RCW 42.30.110 (1) (c), duration of fifteen minutes with no action.

XIV. ADJOURNMENT:

The meeting reconvened and adjourned at 6:51 pm there being no further business to come before the Commission.

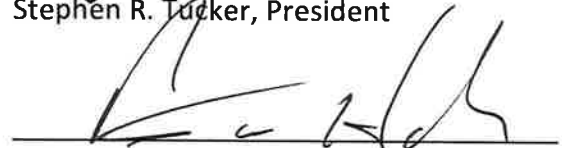
ATTEST:



William W. Putney III, Secretary



Stephen R. Tucker, President



Peter W. Hanke, Vice President