

## PORT COMMISSION REGULAR BUSINESS MEETING – November 28, 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  
Deputy Director Toews  
Minutes – Nelson  
Attorney Chmelik (via Skype audio/video)

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

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

### II. APPROVAL OF AGENDA:

Commissioner Tucker announced there would be no Executive Session.

**Commissioner Putney moved to approve the Agenda as amended.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

### III. PUBLIC COMMENTS (00:01:17):

Jeff Kelety commented on the proposed (moorage) nightly rate increase.

Kitt Kittredge, Quilcene, expressed concerns on what she believes a possible sale of Quilcene property, and other areas of concern in Quilcene.

Bertram Levy discussed ramp usage, revenue, increasing ramp rates, more ramp signage and purchasing a POS device for ramp use/washdown.

Troy McKelvey believes the drop in ramp sales might be due to shortened fishing seasons and decreased availability of crab.

Pam Petranek thanked Mr. Toews for accepting Deputy Director position. She also encouraged folks to attend an upcoming City meeting for input on hiring a City Manager.

### IV. CONSENT AGENDA (00:14:52):

- A. Approval of Public Workshop Minutes – November 14, 2018
- Approval of Regular Meeting Minutes – November 14, 2018

- B. Approval of Warrants

Warrant #059835 through #059850 in the amount of \$13,650.89 for Payroll & Benefits

Electronic Payment in the amount of \$71,689.78 for Payroll & Benefits

Warrant #059851 through #059892 in the amount of \$146,847.27 for Accounts Payable

Electronic Debit in the amount of \$10,542.61 for WA State Dept. of Revenue for

Combined Excise Tax Return for October 2018

- C. Resolution No. 690-18 – Signatory Authority

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

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

### V. SECOND READING (Action Items):

#### A. 2019 Rates (00:15:08):

Mr. Pivarnik discussed the options presented for the nightly transient moorage rates, which include seasonal rates. He handed out and discussed an analysis of a seasonal rate increase, done by Business Manager Quandt. Staff's recommendation is to stick with the year-round rate of \$1.30/foot (Option 1) for both Boat Haven and Point Hudson. Mr. Pivarnik brought attention to the "Event Parking" rates at Point Hudson. Staff proposes a seasonal charge for "Landfall Site Parking", April 1 – September 30 at \$10/day.

Gwendolyn Tracy requested a Mon-Thurs discounted rate for Marine Trades, a special rate offered in the past. Ms. Berg stated staff would need to look at performance before considering.

Commissioner Hanke stated he would prefer to adopt rates tonight and consider changes at another time.

**Commissioner Tucker moved to adopt 2019 rates as presented, choosing "Option 1" nightly moorage rates (year-round rate of \$1.30/ft) at both Boat Haven and Point Hudson marinas.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

VI. FIRST READING - Discussion Only:

A. Leasing Policy – Update on Advisory Committee Progress (00:33:57):

Mr. Toews provided an update to the commission on progress, pointing out two of their main concerns: "Highest and Best Use", and who may perform market rate analysis and at what frequency. He discussed the committee's suggestions. Mr. Toews stated the committee is making good progress and a policy proposal would come before the commission in January.

Commissioner Putney would like leases to follow a "Performance Based Leasing" policy. He stated it is an incentive towards economic development.

Attorney Chmelik stated many ports do use a performance based lease policy, but he added it could be difficult to enforce. He explained to the commission that a clause allowing consideration of performance based leases in certain cases could be added into the policy.

Discussion ensued. Mr. Toews reminded the purpose of the policy is to give guidance to staff on how to establish the lease, and he added, this is only an update on progress.

VII. REGULAR BUSINESS:

A. Rubicon Yacht Lease (00:49:47):

Mr. Pivarnik reported staff has secured an agreement with Rubicon Yachts, a premier worldwide yacht broker, to lease the former Boat Haven Moorage Office. Mr. Pivarnik informed Rubicon has invested money into the building and is remodeling and upgrading the space. Mr. Pivarnik stated the lease presented is a one-year with two one-year options. He added minimum required deposit amounts equal to one years' lease payment can be deviated from the RCW (confirmed with the State Auditor-as long as it is officially approved by the commission), hence the three-month deposit in the Rubicon lease. An attachment with commission-approved deviation must be included with the lease. Discussion ensued on deposits and other issues.

Mr. Toews informed the Rubicon lease also includes two parking spaces.

**Commissioner Hanke moved to approve the Rubicon Yachts Lease as presented, with the following changes: listing assigned parking spaces in section 1-Leased Premises, rather than in a footnote, and to add a cover sheet noting the deviation in deposit amount.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

B. FAA Memo Requesting Taxiway Use as Temporary Runway (01:02:54):

Mr. Toews reported that on November 26 the 60% engineered design phase of the runway was submitted to the FAA for review. Also submitted was a request to use the taxiway as a temporary runway during the project, along with supporting documents. He explained this could help to alleviate the impact of the projects on tenants, including UPS air deliveries, and to allow emergency response to use the taxiway. Mr. Toews announced a meeting would be held on December 18, 2018 at 5:30 pm to brief on the runway project and discuss the attempt to alleviate the impact to airport users.

C. Agricultural Development Grant Search) 1:09:16):

Mr. Pivarnik reported Port discussions regarding agricultural development have gone on for years, as far back as 1924. Acreage in the airport industrial area could be used for agriculture or processing, which would benefit District 2. Mr. Pivarnik asked if the commission has the desire to direct staff to pursue grants, such as EDA/USDA grants. Commissioner Putney added that a planning grant could fund a survey of the need, perform a business analysis and planning of a project layout. He reported that he has

been approached about cold storage, dry storage and a mobile meat-processing unit, which there is a critical need for on the Olympic Peninsula.

Mr. Pivarnik added this is good timing due to the resurgence of the Finn River-Chimacum properties.

**Commissioner Tucker moved to direct staff to search for agriculture development grants.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

D. Correction to Staff Organizational Chart (01:14:41):

Ms. Berg explained that when the Organizational Chart was adopted by the commission, there was an error, which listed a past maintenance position and left off the replacement position of Maintenance Tech II/Mechanic I. The attached Chart is the corrected version.

**Commissioner Tucker moved to adopt the revised Staff Organizational Chart as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

E. October 2018 Financials (01:15:24):

Ms. Berg stated the presented financial statement shows the Port as one unit and has the cash flow attached. She reported revenues are better than the prior year and are ahead of budget. Expenses are above the prior year but are below budget. Net operations are below budget and net income is over 2017 by about \$300K.

VIII. STAFF COMMENTS (01:17:00):

Ms. Nelson presented the raffle tickets from the Pacific Marine Expo for the 75-ton and the 300-ton to Commissioner Tucker for drawing. He drew the following winners: 300-ton: Seth Steben from Cordova, Alaska and for the 75-ton: Nathan Jarrett of Bremerton.

Mr. Chmelik discussed the upcoming WPPA Annual Meeting in Bellevue.

Mr. Pivarnik reported staff is planning arrangements for the commission retreat for the third week in January at Port Ludlow.

IX. COMMISSIONER COMMENTS (01:22:45):

Commissioner Hanke asked how attendance was at the Pacific Marine Expo and how the booth partnership with the Marine Trades went.

Commissioner Putney stated he arranged for a Port booth at the NW Aviation show last year in Puyallup and the Jefferson County Pilots Association helped staff it. He would like to have the Port present at the 2019 show as well. He reported he reviewed the WSU 2011 study for a food hub, with a possible future location to the Jefferson County International Airport Eco Park.

Commissioner Tucker reported he attended the 2-day NW Straits Conference.

He stated he and Mr. Pivarnik met with the County who asked for consideration of Port property for the Rhody Carnival and reported the Port is "off the hook". Commissioner Tucker announced the State Auditor reported a clean audit for the Port in the recent Exit Meeting.

Commissioner Tucker announced he attended today's PIF meeting and discussed the approved funding to the EDC in the amount of \$50K over the next three years. His belief is that the funding, used towards staffing the EDC, should come from other sources since the PIF money is targeted for infrastructure. Commissioner Tucker stated \$800K in PIF money is available in 2019 and the Port is eligible to apply. Applications due by February 1.

X. NEXT PUBLIC WORKSHOP/BUSINESS MEETING:

December 12, 2018: Public Workshop at 9:30 am and Business Meeting at 1:00 pm  
Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:


None

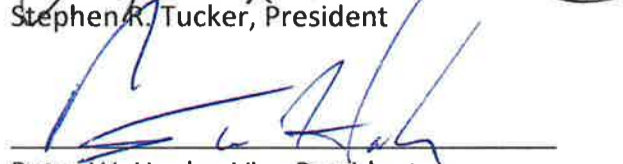
XII. ADJOURNMENT:

The meeting adjourned at 7:09 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