

**PORT COMMISSION REGULAR BUSINESS MEETING – December 12, 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/visual)

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 (00:00:58):

Jeff Keley commented on nightly rates for 2019.

IV. CONSENT AGENDA (00:04:25):

A. Approval of Regular Business Meeting Minutes – November 28, 2018  
B. Approval of Warrants  
Warrant #059899 through #059906 in the amount of \$62,829.09 for Payroll & Benefits  
Electronic Payment in the amount of \$108,849.91 for Payroll & Benefits  
Warrant #059907 through #059968 in the amount of \$85,738.57 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):

A. Establishment of Reserve Funds (00:04:36):

Ms. Berg reminded that in August of 2016 the commission moved to terminate the Boat Haven Reserve and instead, replace it with a Port-wide capital reserve. Ms. Berg stated that today, staff is planning to develop a resolution that would combine the Port-wide Capital Reserve and a new Operating Reserve. She explained the reasoning for an Operating Reserve and stated the annual funding goals are dependent on operations and expenditures.

VII. REGULAR BUSINESS:

A. Lease – Dave’s Mobile Welding (00:15:54):

Mr. Toews briefed on the lease for David Fletcher, a former Craftsmen United employee who has been renting the space for his business since spring on a month-to-month basis. Mr. Toews stated the lease includes the building space and the land situated directly to the north of the building. He discussed the lease rate, the terms, the deposit and maintenance work.

Commissioner Tucker commented on the land portion of the lease and what it will be used for. He stated he would like to see common areas addressed in leases and to discuss this at the commission retreat. After discussing further, it was suggested by Mr. Pivarnik to remove the land portion from the lease and to negotiate the land portion separately with Mr. Fletcher.

**Commissioner Hanke moved to approve the lease with the correction to the land portion as discussed.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**B. Lease Assignment Cunningham / Fishery Point (00:28:59):**

Mr. Toews stated that since the passing of Bob Cunningham, his partner, Mary Cunningham decided not to continue the business. Mark Burn, owner of adjacent property, hopes for approval of the lease assignment to his company for the balance of the term. Mr. Toews stated at the end of the term in 2019 this would be revisited to potentially negotiate a new lease with Mark Burn/Fishery Point.

**Commissioner Putney moved to approve the Cunningham/Fishery Point Lease Assignment as presented.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

**C. Point Hudson Jetty Historical Designation (00:32:18):**

Mr. Pivarnik explained there has been increasing dialogue on proposed construction of the jetty since rejection of the high dollar amount of the project bid. He stated there is a committed group of individuals who have been coming up with options, including Ashlyn Brown who gathered photos and history of the jetty. Mr. Pivarnik stated that Commissioner Tucker requested this on the meeting agenda for a discussion on the next steps for the jetty; whether to look at historical designation of the jetty or to move forward with plans for funding a combi wall.

Commissioner Tucker stated from the beginning he wanted to replace the jetty using the same foot print, mainly to save the wildlife and for permitting issues. He has since learned from citizens who are concerned about wave reflection off the back.

Commissioner Tucker stated individuals have come forward with the idea of possible historical designation of the jetty. He stated a historical designation would ease up permitting requirements and open up funding and construction options. He asked Robert D'Arcy, who has been researching the designation to speak.

Mr. D'Arcy briefed on issues that were discussed in his meetings with Artifacts Consulting, WA State Preservation and John McDonagh of the City including rules, costs, zoning codes, historic designation, etc.

Mr. Pivarnik suggests an MOU with the City prior to historical designation application.

Mr. Toews discussed funding, time scale, re-permitting for a different construction design if one is chosen. He stated staff would assess further and bring information to the commission. Mr. Toews suggested retaining a neutral third party to evaluate the jetty and develop a list of alternatives, provide an assessment, investigate permitting, funding, etc.

Commissioner Hanke suggested the option of a long-term repair plan until ready to rebuild. Mr. Pivarnik explained succession repairs are not allowed in permit.

Attorney Chmelik advised to be cautious with a historical designation and explained reasons.

Commissioner Tucker stated he would like to authorize staff to discuss this with the City.

Commissioner Hanke commented that he does not believe another consulting/engineering firm should be hired.

Commissioner Tucker believes it would be foolhardy to not bring on another consultant. He would like to see a firm hired to see if a historic designation is even viable.

Mr. Pivarnik discussed the Jefferson County PIF, stating the deadline for PIF applications is February 1 and recommends submitting applications for two jetty studies – to determine technical feasibility and to determine if historical designation is the route to take.

Emergency repairs, federal funding and more was discussed.

Commissioner Putney thanked Ashlyn Russell and Robert D'Arcy for their work and

Commissioner Tucker stated he appreciates the community's involvement.

**D. Resolution No. 691-18 Surplus of 75-ton Travelift & Sentry Safe (01:27:03):**

Mr. Pivarnik reported the old Travelift is disassembled and rusting in the yard. Maintenance staff has stripped it for parts. The lift needs to be surplussed for scrap metal.

**Commissioner Tucker moved to adopt Resolution No. 691-18 as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

VIII. STAFF COMMENTS (01:3733):

Ms. Nelson stated that she was able to confirm the Old Alcohol Plant in Port Hadlock for the Commission Retreat, two days – January 16 & 17, 2019.

Ms. Berg is working to convert the Port's annual reporting to cash basis (currently on an accrual basis). She reported she has discussed this with the State Auditor's Office and will contact other Ports who have chosen this method. She stated a cash basis will make the annual report much shorter and simpler and will cut staff time in the preparation of the report.

She discussed the FSM software program and stated she expects it to be implemented in March. Last, Ms. Berg reported the Port received a clean 2-year Financial Statements and Accountability audit from the State.

Mr. Toews reported he will meet next week with Dept. of Ecology and Parametrix staff to discuss details of the Port's response to the 2016 Level 3 Engineering Report. They will determine if infiltration is a long-term response for stormwater compliance for the Boat Haven.

Mr. Toews announced the JCIA Runway Rehab Update meeting on December 18 from 5:30-7:30 pm.

Mr. Pivarnik stated the Jefferson County PIF applications are due February 5, 2019 and the Port has many properties on their list.

IX. COMMISSIONER COMMENTS (39:44):

Commissioner Putney reported he attend a meeting regarding the search for a new City Manager. He attended a Linger Longer Committee meeting and they discussed the need for dredging of the Quilcene marina. He said the WPPA conference he attended was a good one.

X. NEXT SPECIAL MEETING/PUBLIC WORKSHOP/REGULAR BUSINESS MEETING:

Wednesday, January 2, 2019: Special Meeting, 9:00 am (warrant approval only)

Wednesday, January 9, 2019: Public Workshop, 9:30 am, Regular Business Meeting 1:00 pm

Port Commission Building, 333 Benedict Street, Port Townsend, WA

XI. EXECUTIVE SESSION:

None


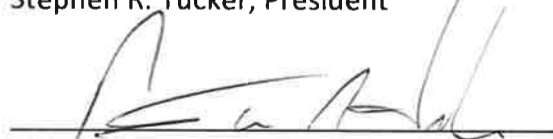
XII. ADJOURNMENT:

The meeting reconvened at 2:39 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