

PORT COMMISSION REGULAR BUSINESS MEETING – January 23, 2019

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners –Putney, Hanke & Tucker
Interim Executive Director Pivarnik
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 5:30 p.m.

II. APPROVAL OF AGENDA:

Director Pivarnik explained Ms. Berg is absent due to her mother's health and December Financials would need to be removed from the agenda.

Commissioner Tucker moved to approve the Agenda as amended.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

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

Gwendolyn Tracy stated she thought the Commission Retreat was fabulous.

Bertram Levy stated he also enjoyed the retreat. He also commented on Maintenance Manager Spark's please for additional help, mainly for an electrician. He questioned what the electrical fee charged is being applied towards.

IV. CONSENT AGENDA (00:02:59):

A. Approval of Regular Business Meeting Minutes – January 9, 2019

B. Approval of Warrants

Warrant #060064 through #060080 in the amount of \$14,514.62 for Payroll & Benefits

Electronic Payment in the amount of \$61,244.78 for Payroll & Benefits

Warrant #060081 through #060133 in the amount of \$214,902.66 for Accounts Payable

Electronic Debit in the amount of \$3,460.68 for WA State Dept. of Revenue Combined

Excise Tax Return for December 2018

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

V. RECOGNITION OF RETIRING CUSTOMER SERVICE REP JULIE HAYES (00:03:20):

Business Manager T.J. Quandt stated his appreciation for his employee, Ms. Hayes.

Commissioner Hanke added that Ms. Hayes has been a faithful employee and has handled her position with grace.

VI. SECOND READING (Action Items):

A. Delegation of Authority Resolution No. 694-19 and Policy (00:05:28):

Commissioner Hanke moved to adopt Resolution No. 694-19 and Policy as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

B. Meeting Procedures Resolution No. 695-19 and Policy (00:05:58):

Commissioner Tucker moved to adopt Resolution No. 695-19 and Policy as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

VII. FIRST READING (Discussion Only):

VIII. REGULAR BUSINESS:

A. US Coast Guard Supplemental Lease Agreement (00:06:32):

Mr. Toews reminded the USCG Supplemental Lease Agreement was presented at the January 9, 2019 meeting. He explained the USCG proposed an extension of their agreement, to three one-year options, from October 1, 2020 through September 30, 2023 with a 1.5% annual increase. The Commissioners expressed concerns about only a 1.5%

increase rather than the norm of a CPI annual rate increase. Discussion ensued. Mr. Toews described the benefits the Port receives in turn from having the USCG as a tenant.

Commissioner Hanke moved to approve the USCG Supplemental Lease Agreement No. 0002 as presented.

Commissioner Putney read detailed language for the motion:

This motion is an authorization from the Port Commission for the Port's Interim Executive Director to execute Supplemental Lease Agreement No. 0002 as presented, pursuant to the following findings, which shall be entered into the record:

1. The United States Coast Guard is a highly valued Port tenant that provides unique benefits to the Port and community.
2. These benefits include, but are not necessarily limited to the following:
 - a. **Promoting public safety.** The Coast Guard plays a central role in assisting mariners and ships in distress in the marine waters in proximity to Port Townsend; and
 - b. **Environmental response.** The Coast Guard is one of the first agencies contacted by Port staff in instances of spills of fuel or other hazardous substances in local marine waters and at Port facilities; and
 - c. **Responding to problem vessels.** The Coast Guard provides vital information and assistance to Port staff in responding to, and dealing with, derelict and abandoned vessels; and
 - d. **Infrastructure maintenance and access to funding opportunities.** The presence of the Coast Guard at Boat Haven facilitates routine dredging of the entrance channel by the United States Army Corps of Engineers, at no cost to the Port. This dredging would otherwise require Port expenditures of \$200,000 or more every 6-7 years. Moreover, the Coast Guard presence at Boat Haven increases the potential for the Port to succeed in accessing other federal monies, for instance Department of Homeland Security funding, which can help to maintain and improve Port facilities.

Therefore, because of these and other tangible benefits provided by the Coast Guard's presence at Boat Haven, the Commission expressly finds that a 1.5% annual rent increase for the period ending September 30, 2023, is appropriate, and provides full and fair value to the Port and public for the use of the premises.

Accordingly, the Interim Executive Director is authorized to execute Supplemental Lease Agreement No. 0002.

Commissioner Tucker requested a change in the lease language, first paragraph, from "highly valued" to "unique". A second change was proposed to the second from the last paragraph, adding "...a 1.5% annual rent increase for a three-year period, is appropriate..."

Commissioner Tucker seconded the motion with the two proposed amendments to the lease language as discussed.

Motion carried by unanimous vote.

C. Northwest Maritime Center (NWMC) Proposal to Lease Former Landfall Site (00:24:52):

Mr. Pivarnik stated he met with NWMC Executive Director Jake Beattie recently, where he presented an option to lease the former Landfall Restaurant site.

Mr. Beattie informed the NWMC employs 36 full-time staff in the winter and staff increases to 80 in the summer. He explained their programs have tripled in the ten years they have been open. Mr. Beattie discussed their support of the Maritime Schools Initiative and have been in discussions with Bremerton schools to develop a satellite school. If the former Landfall site lease is granted, this could be an option to pursue development.

Discussion ensued on the site currently being used as a parking lot, City zoning codes and past Port agreements made with other individuals for their development consideration of the site.

Mr. Pivarnik concluded that he would meet with Mr. Beattie to put together options, addressing unified parking, for a future presentation to the Commission.

D. Olympic Peninsula Salmon Derby (00:43:31):

Mr. Pivarnik stated in the past, the Commission has waived ramp fees for the derbies, and that has been requested for the 2019 derby by the Gardiner Salmon Derby Association. Discussion ensued, mostly about the business the derby participants bring to the town and the effect on that revenue if the Port reinstated the ramp fee for the derby.

Commissioner Tucker moved to waive ramp fees for the 2019 Olympic Peninsula Salmon Derby.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

IX. STAFF COMMENTS (00:52:31):

Mr. Toews reported the permit process for the JCIA Runway Rehab project has been initiated. He is waiting to have a pre-app conference with County staff.

Mr. Pivarnik suggested keeping Ms. Berg in our thoughts. He reported he and Commissioner Putney would be attending the WA Public Ports Association "Port Day" in Olympia on January 29. Only five-minute meetings are scheduled with Ports and their legislators. Mr. Pivarnik stated he discussed with Senator Van de Wege's office an invitation to come to the Port of Port Townsend in April to learn of the Port's needs (stormwater, the Point Hudson Jetty). He suggested inviting Reps. Tharinger and Chapman at that same meeting.

X. COMMISSIONER COMMENTS (00:54:47):

Commissioner Hanke informed that he and Mr. Pivarnik attended a stakeholder meeting at Fort Worden. State Parks is considering removal of the pier. He said it was a good discussion.

XI. NEXT PUBLIC WORKSHOP/BUSINESS MEETING:

Wednesday, February 13, 2019, workshop at 9:30 am, meeting at 1:00 pm in the Port Commission Building, 333 Benedict St, Port Townsend.

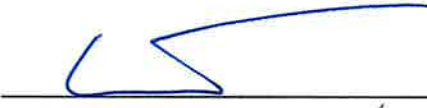
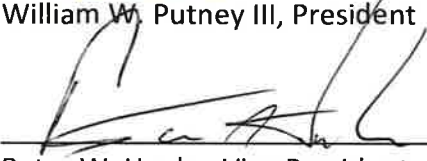
XII. EXECUTIVE SESSION:

XIII. ADJOURNMENT:

The meeting reconvened at 6:28 pm there being no further business to come before the Commission.

ATTEST:


Stephen R. Tucker, Secretary


William W. Putney III, President

Peter W. Hanke, Vice President