

PORT COMMISSION SPECIAL BUSINESS MEETING – October 23, 2019

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

Present: Commissioners Hanke, Putney & Tucker
Executive Director Pivarnik
Finance Director & Port Auditor Berg
Recorder Erickson
Deputy Director Toews
Excused: Attorney Chmelik

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Putney called the meeting to order at 9:30 a.m.

II. APPROVAL OF AGENDA (01:04):

**Commissioner Hanke moved to approve the Agenda.
Commissioner Tucker seconded the motion.
Motion carried by unanimous vote.**

III. PUBLIC COMMENTS (01:12):

None

IV. CONSENT AGENDA (00:01:26):

- A. Approval of Public Workshop Minutes – October 9, 2019
- B. Approval of Regular Business Meeting Minutes – October 9, 2019
- C. Approval of Warrants
Warrant #061185 through #061195 in the amount of \$16,943.05 for Payroll & Benefits and Electronic Payment in the amount of \$45,024.21 for Payroll & Benefits.
Warrant #061196 through #061241 in the amount of \$175,444.88 for Accounts Payable.
Electronic Debit in the amount of \$13,361.35, combined excise tax return for September, 2019.

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

V. STAFF COMMENTS (00:01:33):

Ms. Berg stated that a few changes to the budget had been made since the printing: union-represented health care costs are more than anticipated, raising the budget by approximately \$5,500. The Port also received positive feedback on the budget from a citizen, with a request that we parse out the insurance line item for Port-wide insurance. That will be broken out in the final budget; this line item is about \$300,000, and is currently under facilities and operations in the consolidated budget.

Executive Director Pivarnik commented that 2 commissioners (Putney and Tucker), himself, and Finance Director Berg were heading out at noon for the WPPA Small Ports Conference in Leavenworth, WA, and will be gone for the rest of the week.

VI. COMMISSIONER COMMENTS (00:03:43):

Commissioner Hanke commented that this is the last Commission meeting for Commissioner Tucker before the election. He thanked Commissioner Tucker for his service.

Commissioner Putney also thanked Commissioner Tucker for his leadership and diligence.

VIII. REGULAR BUSINESS (00:02:32):

A. YTD September 2019 Financials. (00:05:05)

Ms. Berg stated that we continue to do well, and at 75% through the year, expenses are below budget, and revenues are strong. Overall the Port is looking healthy and is moving in a positive direction.

Commissioner Tucker asked if the \$88,000 on Write-off Register on the consent agenda was more than usual this year, and where the loss shows up on the budget?

Ms. Berg explained that most of it is from prior years – people who owed the Port money, and the expense is in the current year. We are reimbursed by the DNR for 90% of destruction costs for boats left on our dock and declared derelict.

Recessed at 9:43 AM for a break until 10:00 AM for the Public Hearing on the Budget (00:13:17).

VII. Public Hearing on Draft 2020 Operating & Capital Budget - reconvened at 10:00 AM (00:13:20)

Commissioner Putney read the rules of the hearing.

Ms. Berg introduced the Draft 2020 Operating and Capital Budget for the Port of Port Townsend, which includes narrative, a message from the Executive Director, the Org Chart, a consolidated operations statement as well as by department. The Port is anticipating overall to get close to \$6.4 million in revenues next year in operations while holding down operating expenditures to \$5.1 million. The Port has a large capital project at the airport which is almost fully funded by the FAA, and some other smaller projects in planning stages. The Budget includes our general operating levy as dictated by the County Assessor, which is just over \$1 million; and includes our current debt service.

Executive Director Pivarnik pointed out that for the first time in awhile the budget document presented to them integrates both the operating and capital budgets. He congratulated Finance Director Berg and staff on the final product.

Having no public comments, Commissioner Putney closed the public portion of the meeting and stated that it was now in order for the commission to discuss the matter. (00:17:37)

Commissioner Hanke stated that the budget document was outstanding work, laid out clearly and including both operating and capital. He reminded others that in the past there were times when no budget packet was presented, and he complemented staff for this year's budget. He stated that it shows accurately what the Port's needs are, and commented that these needs are dramatic and can't be fulfilled, given our current operations and taxing structure.

Commissioner Tucker stated that this was the eighth budget he'd looked at, and that he found it the best prepared and laid out one he's seen. He commented that we have a lot of constraints ahead of us as a Port, but he felt that the Port's operations are working to balance that. The Port is not yet able to fund the needed capital projects but it is on the right track. This document shows that and it should also give the general population confidence in how the Port spends their tax money. He congratulated staff on the budget and commended them on coordinating the capital budget with the operating budget.

Commissioner Putney added his complements to the staff on the budget, and said he felt that progress had been made in his short time on the commission to being completely open and proactively presenting to the public information that they need to understand where their port is financially. He then closed the public hearing at 10:21 AM and reconvened the special commission meeting at 10:21 AM.

VIII. REGULAR BUSINESS:

B. 2020 Operating & Capital Budget, 3rd Draft (00:22:22):

Commissioner Tucker asked if the budget included rates, or if that were a separate discussion.

Commissioner Hanke posed the question to Ms. Berg about what was done, or what is anticipated as far as rates were concerned.

Ms. Berg stated that we anticipated that we would discuss a 3% rate increase (which is actually slightly below the most recent CPI) along with ramp fees at the next Commission Meeting.

Commissioner Hanke felt that a rates discussion after adopting the budget would not risk a substantial change in the budget, and would be fair to do after passing the budget.

Commissioner Tucker agreed that he felt we could adopt the budget and tweak the rates in small ways that would not affect the budget substantially.

Executive Director Pivarnik stated that the one exception was the increase of \$5,500 for health care costs, which would be changed in the budget presented today.

Commissioner Tucker moved to adopt the 2020 Operating and Capital Budget as amended with the \$5,500 increase for health care. (00:27:03)

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

Commission deferred discussion and adoption of the Resolution fixing the amount of tax to be levied, and the resolution establishing the year 2020 operating and capital budgets until their next meeting.

IX. NEXT PUBLIC WORKSHOP AND REGULAR BUSINESS MEETING (00:34:34):

Wednesday, November 13, 2019. Public Workshop at 9:30 a.m., Meeting at 1:00 p.m.
Port Commission Building, 333 Benedict Street, Port Townsend, WA


X. ADJOURNMENT (00:34:58):

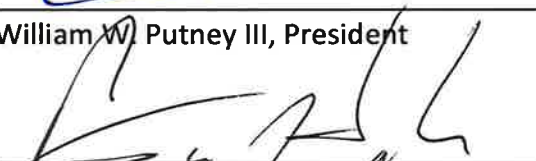
The meeting adjourned at 10:35 a.m. there being no further business to come before the Commission.

ATTEST:



Stephen R. Tucker, Secretary



William W. Putney III, President


Peter W. Hanke, Vice President