

## PORT COMMISSION REGULAR BUSINESS MEETING – November 13, 2019

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

Present: Commissioners Hanke, Putney & Tucker  
Executive Director Pivarnik  
Deputy Director Toews  
Attorney Chmelik  
Port Recorder

Excused: Finance Director & Port Auditor Berg

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

Commissioner Putney called the meeting to order at 1:00 p.m.

### II. APPROVAL OF AGENDA (00:00:31):

Amendment to the agenda: remove item 5C, as staff is still working on that item; it will be resubmitted at a later time.

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

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

### III. WELCOME NEW COMMISSIONER (00:00:51): Commissioners officially welcomed the newest commissioner elect, Pam Petranek.

### IV. PUBLIC COMMENTS (00:01:31):

None

### V. CONSENT AGENDA (00:01:45):

#### A. Approval of Special Business Meeting Minutes – October 23, 2019

Amendment to the October 23 meeting minutes: Under VII. Public Hearing on Draft 2020 Operating and Capital Budget the comment attributed to Commissioner Hanke needs to be changed. Minutes should reflect the following: "... 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...".

#### B. Approval of Warrants

Warrant #061173 in the amount of \$103.43 is declared void for Accounts Payable

Warrant #061242 through #061254 in the amount of \$68,648.06 for Payroll & Benefits and Electronic Payment in the amount of \$108,671.24 for Payroll & Benefits.

Warrant #061255 through #061334 in the amount of \$129,275.02 for Accounts Payable.

#### ~~C. Maritime Center Parking Lot Letter Of Intent~~

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

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

### VI. FIRST READING (00:03:21)

#### A. Team Jefferson Economic Development Council (EDC) Contract Negotiations for 2020

Deputy Director Toews reminded the commission that Team Jefferson has served as the County's Associated Development Organization (ADO) since 2012 and the Port has had recurrent contracts with them until January of this year. Port staff has been working with the EDC board over the past several months to discuss a new agreement, and how Team Jefferson could provide a concrete return on the Port's continued investment. Mr. Toews presented a draft contract for discussion only. He stated that staff wanted to provide an opportunity for Team Jefferson and the EDC to make a presentation to the commission and for a discussion as to how best to proceed. He then introduced Brian Kuh, Executive Director of EDC Team Jefferson.

Executive Director Kuh gave an overview of the EDC board, introduced a few members present, and referring to a handout, talked about key activities of the last year:

- Business expansion and improvement, direct assistance to businesses, community readiness and capacity-building activities like transportation and community hygiene facilities.
- Re-established partnership with the Emerald Coast Opportunity Zone to bring investment into the area.

- Establishment of a working relationship with Clallam EDC across county lines to bring online the North Olympic Legislative alliance in bringing priorities (a list of critical infrastructure, etc.) to the legislature.

Mr. Kuh then went over 2020 objectives, and appealed to the commission to re-establish Port funding, which currently represents 20% of their budget and that, if re-established, would allow the re-establishment of a Small Business Development Center (SBDC) office in Jefferson County; and an APTAC (Association of Procurement Technical Assistance Center) in Jefferson County.

Commissioner Putney asked if the city were contributing to the support of the EDC or if lodging tax were paying for the EDC rent. Mr. Kuh explained that City does indeed pay for the rent in their half of the building, and the EDC's portion of the rent is worth about \$10K/year.

Commissioner Hanke asked what portion of the EDC budget is supported by the county, taking out of that the money that comes from Washington State Associate Economic Development Organization (ADO). Mr. Kuh responded that the County contribution comprises about 20% of the EDC budget, not including the public infrastructure funds.

Commissioner Putney stated that although District 1, the City, was the main focus of businesses in the county, he wondered if there could be a broader focus from the EDC.

Mr. Kuh reviewed what they are currently doing and agreed that more could be done.

Commissioner Tucker spoke about the years of work with the EDC and how over the years the return on Port's investment has gone down; he suggested the EDC be assigned tasks that are timely and measurable, to help the Port decide on the contract. Mr. Kuh asked for more details.

Commissioner Putney spoke about airport transportation, and hygiene facilities not getting done, and said he'd like quarterly progress reports on goals set.

Commissioner Hanke concurred with the other commissioners' comments, and stated that the Port is much more relevant and creates and promotes much of the economic development in the county. It would be helpful to see a concrete report of what has been done for businesses in the county.

Mr. Kuh stated that confidentiality would require that the names of the businesses be redacted, but that they could provide a greater level of detail about what is being done.

Commissioners agreed that future problems would be better solved if all commissioners (County, City, Port) worked together, and that together we would get more done.

Commissioner Putney thanked Mr. Kuh for the presentation and said that staff will now work with Mr. Kuh to drill down a bit on the items discussed.

## VII. REGULAR BUSINESS (00:37:05)

### A. 2020 Rates (00:37:08)

Executive Director Pivarnik introduced the proposed new Port rates for discussion, stating the Port was not looking for approval at this time. He referred to a handout comparing 2019 and 2020 rates, including 3% across-the-board increase for all rates and fees charged, except for certain rates that were either behind schedule or needed to be rounded up to make them easier to collect. Point Hudson monthly rates went up in winter because of power costs, which are included in the rate.

Commissioner Tucker commented that Point Hudson might be a place to introduce metering as was discussed at Boat Haven, which might actually bring in more money, and patrons would see that they're being charged for what they're actually using.

Executive Director Pivarnik went over each Port area and the fees associated with them, including the reasoning behind some of the different rates, including a per-foot environmental fee that is more fair. Launch ramp fees were discussed, and the rate of sales over the years. Research shows many different costs for ramp fees throughout the region.

Commissioner Tucker felt that our raising the price of annual ramp passes caused the number sold to go down. He stated that the Port has a responsibility to provide access to everyone, and higher fees exclude some people. If we use the State Park fee as the gold standard, we could go to \$80; but this would need to be advertised well. He asked if it would be possible to try a lower rate for a year, and monitor the sales and revenue to see they improved. He mentioned that fishing season openings have changed, and this might also be affecting usage.

Commissioner Putney agreed that allowing people to have access to the waterfront was important.

Executive Director Pivarnik said he hoped to hear back from the commissioners and the public on these rates before our next meeting.

B. Adopt Resolutions to formalize the 2020 Operating and Capital Budget (01:06:38)

Executive Director Pivarnik reminded the commission that the only change to the budget was the \$5,500 for increased cost of employee benefits for insurance premiums, that they had previously approved; Resolution 709-19: 2020 Budget is just an affirmation of the verbal vote taken at our last meeting. He also presented Resolution 710-19 solidifying the 1% Tax Levy discussed at our last meeting, and Resolution 711-19 regarding the IDD Multi-year Levy.

i. Resolution 709-19: 2020 Budget (01:08:00)

No further discussion.

**Commissioner Tucker moved to approve Resolution 709-19: 2020 Budget**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

ii. Resolution 710-19: 2020 Budget Tax Levy (01:08:33)

No further discussion.

**Commissioner Hanke moved to approve Resolution 710-19: 2020 Budget Tax Levy**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

iii. Resolution 711-19: IDD Multi-year Levy (01:08:55)

Commissioner Putney commented that the outcome of this ballot measure was uncertain at the last commission meeting, and stated he was gratified that the citizens of Jefferson County have entrusted the Port with their tax dollars and acknowledged the responsibility the Port now has to spend it wisely.

Executive Director Pivarnik reminded the commission that the Port won't see any of these funds until June, 2020, as the tax won't be levied until April. The plan to levy 13¢ per \$1,000 value is approximately \$809,354 per year for the Port. Staff is working on another resolution to bring to a future meeting opening a new restricted account for IDD funds.

Commissioner Putney stated that the work that staff has done in recent months to get our net profitability up has made it a lot easier to tell people how trustworthy an investment the Port is.

Commissioner Tucker approved of the amount chosen to levy this year (13¢ / \$1,000 AV); the least amount to levy in a year and still get the full amount over the course of the Levy, making it a predictable tax going forward, with no surprising jumps.

Commissioner Hanke agreed and stated that these funds represent not only insurance and a cushion for maintaining the Port's infrastructure, but also opportunities throughout the county. It's exciting to see what we can do in terms of substantial economic development in the County.

**Commissioner Tucker moved to approve Resolution 711-19: IDD Multi-year Levy**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

C. The Artful Sailor - New Lease (01:13:48)

Mr. Toews introduced this lease with Ms. Alvarado DBA The Artful Sailor, who has been occupying about 600 ft<sup>2</sup> of office space in the NW corner of the Armory Building at Point Hudson. It is a new one-year lease agreement with four one-year options to renew. The proposed lease rate is reflective of current lease rates, and the lease content is consistent with all leases since adoption of the lease policy.

**Commissioner Hanke moved to approve The Artful Sailor New Lease.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

D. Key City Fish Lease (01:17:09)

Mr. Toews introduced this lease for Johnpaul Davies DBA Key City Fish, a long-time tenant at Boat Haven, for property at 325B Haines Place, Boat Haven. Key City Fish wants to expand their operations with plans for tenant improvements to the interior of the building to provide space for cold storage, and about 32 ft<sup>2</sup> on the exterior to install compressors. The Term is five (5) years, with two five-year options to renew.

There was a discussion regarding the removal of storage lockers inside the building, and whether other storage existed on Port property, if there is benefit in having storage facilities, and whether there would be any problems with the building use. Mr. Toews reassured the commission that the tenant improvement plans will be submitted to the Executive Director for approval before any work is done.

**Commissioner Hanke moved to approve the Key City Fish Lease.**  
**Commissioner Tucker seconded the motion.**  
**Motion carried by unanimous vote.**

VIII. STAFF COMMENTS (01:23:53):

Deputy Director Toews thanked Ms. Nelson for her diligent work on the leases.

Executive Director Pivarnik commented that staff is working on a draft Comprehensive Scheme of Harbor Improvements they hope to have to commissioners in the next few weeks, and stated the Port would like to have it codified in the first quarter of the new year. He mentioned a possible partnership between the Port and the Washington Trust for Historic Preservation regarding Point Hudson. He also mentioned the WPPA annual meeting next week in Tacoma, which some Port staff and commissioners are planning to attend.

IX. COMMISSIONER COMMENTS (01:26:55):

Commissioner Tucker commented that he was amazed and happy that the community chose to trust the Port enough to approve the IDD Levy.

Commissioner Hanke commented on the IDD Levy and how over the course of 20 years it is not a lot of money in terms of the size of the Port's budget and what we are responsible for. He mentioned that surplus assets in the Port is still a relevant discussion to have, and encouraged everyone to keep looking at assets that we might want to surplus, which would leverage our IDD funds more.

Commissioner Putney commented on a discussion had with other small ports at the annual Small Ports Conference in Leavenworth. He remarked on a possible transportation loop bringing folks in from the airport, which he feels is an under-utilized facility. A discussion ensued around how the Port of Bremerton is using a Port courtesy bus -- by reservation -- from port facilities to the city, and about having a study to see if this would work in our county.

X. NEXT SPECIAL BUSINESS MEETING (01:38:57):

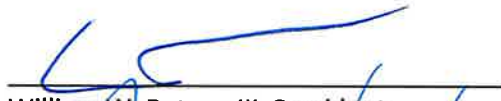
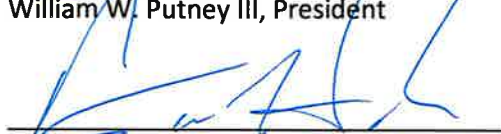
Tuesday, November 26, 2019. Meeting at 1:00 p.m.  
Port Commission Building, 333 Benedict Street, Port Townsend, WA

XI. ADJOURNMENT (01:39:27):

The meeting adjourned at 2:39 p.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