

PORT COMMISSION SPECIAL BUSINESS MEETING – Wednesday, December 11, 2019

The Port of Port Townsend Commission met for a special 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 Erickson
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 (00:22):

Executive Director Pivarnik asked for item IV. C. Revised Organizational Chart to be moved down under Regular Business (VII. F.) in order to allow time to answer questions about the changes.

Commissioner Tucker moved to approve the Agenda as modified.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:56):

Bertram Levy commented on boat storage at Boat Haven sharing ideas for long-term & immediate dry storage for boats not used often to free up moorage space, and to move derelict boats to a less valuable port storage area. A discussion ensued about ideas for utilizing more space in the shipyard and freeing up space in the marina.

Pam Petranek thanked Commissioner Tucker for his years of public service, stating that now that she is taking his seat as commissioner she understands how much a commissioner gives up of their own to learn as much as they can. She encouraged him to be a resource for this commission, and stated that she hoped to carry on some of the things he helped to start like affordable public access, citizen participation, and working on the environment.

Commissioner Tucker stated that he planned to be a resource and to stay active as a citizen.

Bob Frank of Admiral Ship Supply asked if meeting materials could come out on a weekday rather than a weekend, since they go to his work email.

IV. CONSENT AGENDA (09:05):

A. Approval of Special Business Meeting Minutes – November 26, 2019

B. Approval of Warrants

Warrant #061408 through #061421 in the amount of \$68,170.96 for Payroll & Benefits and Electronic Payment in the amount of \$116,651.38 for Payroll & Benefits.

Warrant #061422 through #061458 in the amount of \$23,760.96 for Accounts Payable.

Commissioner Tucker moved to approve the Consent Agenda as amended.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING – None

VI. FIRST READING – None

VII. REGULAR BUSINESS (09:19)

A. Resolution 712-19 to establish a dedicated reserve account for IDD monies (11:34)

Finance Director Berg explained that this resolution sets up a separate reserve fund for those monies collected from the IDD tax levy; the Jefferson County Assessor and Treasurer have assured the Port that those monies will be deposited directly into this separate reserve account. She assured the commission that this reserve account will also be tracked separately in the Port's accounting system. This resolution outlines that, and as per statute allows it to be carried over year to year. Although the Port does not anticipate this happening, item 3 states that if the monies don't get used for capital projects, it can be used to extinguish Limited General Obligation Tax (LTGO) debt.

Commissioner Hanke clarified that the Port could choose to leave the funds in an interest-bearing account, rather than being required to pay off debt. Finance Director Berg assured him that this was true. Attorney Chmelik elaborated that it would only be if you had no capital projects to spend the money on that the Port would use the funds to retire G.O. debt. Commissioner Putney clarified that the funds were sequestered and therefore easily identified, and Finance Director Berg asserted this was true.

Commissioner Hanke moved to approve the Resolution.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

B. Schooner Martha Lease (11:42)

Deputy Director Toews stated that the Port is pleased to continue to accommodate the Schooner Martha Foundation in a building adjacent to Puget Sound Express in Point Hudson. He described the property as a unique building that is a glorified shed with a partial dirt floor and no plumbing or heat. There is a small office space, but it is primarily for materials storage and work related to the foundation's mission. What is proposed is a five-year lease with a five-year option to renew.

Commissioner Tucker moved to approve the Schooner Martha Lease.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

C. Revision Marine Lease (14:00)

Deputy Director Toews introduced and described the space for this business in Boat Haven that is working on cutting-edge, zero-carbon alternatives for vessel propulsion. They were occupying this space as a sub-tenant and are now seeking to be the lessee. The space is adjacent to Key City Fish in a 2400 ft² marine-related, light-industrial building. This is a start-up business requesting a five-year, fixed-term lease. Mr. Toews called attention to a correction to the packet provided earlier relating to the deposit amount. The Port hopes to provide what amounts to incubator space for new business. Commissioner Putney commented that this sounds like a great business for the Port to get into.

Commissioner Hanke moved to approve the Revision Marine Lease with corrections.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

D. 2020 Rate Correction (18:00)

Finance Director Berg explained that the rates the commission approved on November 26 had a few typos. She went over a handout explaining the updates to the rate sheets, and an added rate for boat on trailer in Quilcene, which the Port did not previously have at that location.

Commissioner Tucker moved to approve the 2020 Rates as corrected.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

E. Co-op Property Acquisition & Lease Amendments (19:48)

Executive Director Pivarnik introduced and described this draft real-estate transaction with the Co-op, who purchased the Townsend Bay building quite a few years ago. Over the years their business model has shifted to bigger boats, and most of their activity is in the ship yard now. The Co-op still has a space in the yard that has mainly been rented to Craftsmen United and another small Marine Trade business. The Port and the Co-op have worked together on a deal where the Co-op relinquishes their lease hold, and deeds over to the Port all buildings (valued at \$655,000) in exchange for 4 adjacent spots in the ship yard, allowing them to expand. They will rent this space from the Port and will run concurrent with their lease through 2050. This gives the Port space for long-term boat storage, and allows the Port to work directly with Craftsmen United and other small business(es). After analysis, the Port recommends that we move forward, but there remain a lot of moving pieces, and the Port is working with the Port Attorney to create the needed documents for this transaction. Commissioner Putney clarified that this was not a property swap per se, but the value in the Co-op building in exchange for what we would charge them to lease the spots they want. Executive Director Pivarnik agreed that this was a very complex deal and but that it had been a painless task working with Co-op members on it. Commissioner Tucker stated that this was a very forward-thinking idea and was pleased that it came together. Finance Director Berg clarified that the Port will still bring

forward the lease amendment to the commission for approval. Executive Director Pivarnik agreed that the intent was for this to be effective the first of the year, and staff would bring back to the commission the actual lease documents for them to approve. At this time staff are asking the commission to approve the Port to move forward with this transaction, so they can prepare the quitclaim deed and other documents.

**Commissioner Hanke moved to give the Port direction to move forward on this transaction. Commissioner Tucker seconded the motion.
Motion carried by unanimous vote.**

F. Revised Organizational Chart (26:26)

Executive Director Pivarnik explained that over the last 12 years the Port has worked with Skookum to provide janitorial services, but the price had increased so much that it is now less expensive to hire a custodian to work directly for the Port. The revised organizational chart shows one FTE for custodian, who would work Saturday-Wednesday, plus one FTE for yard and custodian – the custodian portion would cover Thursday-Friday and holidays not covered by the other custodian, in addition to yard duties. Mr. Pivarnik felt that with the partnership between yard and maintenance teams, the Port could get custodial work done more efficiently and cheaper than through hiring Skookum to do the work for us. Commissioner Tucker clarified that this hire would cover its costs just by the reduction in janitorial costs, as well as open up lease potential with the Skookum Building, and stated that it was something he had been wanting to do for a long time.

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

VIII. STAFF COMMENTS (30:33):

Finance Director Berg commented that she'd been working on the application and interview process for the new positions covered in the revised Org Chart, and that the Port was getting new phone service and equipment.

Port Attorney Chmelik mentioned that they were holding their annual port leasing seminar the 28th of February 2020 at Bellingham International Airport.

Deputy Director Toews shared that Port staff have a preconstruction meeting with Scarcella brothers on January 18, and once preconstruction materials are in hand, they're looking to meet with pilots at JCIA in late February/early March coordinate with everyone the timing of what will be happening when on the airport runway project.

Executive Director Pivarnik reminded the commission about the Deck the Docks event – cosponsored by the Port, the Yacht Club, the Moorage Tenants, and the Marine Trades -- to be held Thursday, December 12, 2019, starting at 3:30. There will be a community photo, refreshments and lights on the docks and boats, as well as music. He encouraged everyone to attend and help us celebrate a great year.

IX. COMMISSIONER COMMENTS (33:39):

Commissioner Tucker stated that since this was his last meeting, he wanted to say how much of an honor it has been for him to serve and that being chosen by the community to help lead the Port has been something he hasn't taken lightly – difficult at times, but always fulfilling.

Commissioner Putney commented that this commission, with their different personalities, really made a strong coalition and were able to come to consensus on a lot of things. He stated that Commissioner Tucker's service on this commission for the last 8 years has been a tremendous gift to the community.

Commissioner Hanke stated he'd known Commissioner Tucker a long time, serving together for six years now, and that he had learned to lead calmly and gracefully from Commissioner Tucker through some really tough, interesting times. He commended Commissioner Tucker for demonstrating what it means to be apolitical and thanked him for his service to the Port.

X. NEXT PUBLIC WORKSHOP / REGULAR BUSINESS MEETING (37:42):

Thursday, January 2, 2020: Special Meeting (to approve warrants) at 9:30 am
Wednesday, January 8, 2020: Workshop at 9:30 am, Meeting at 1:00 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA

Executive Director Pivarnik stated that Pam Petranek would be sworn in at the special January 2 meeting. Commissioner Putney stated that it would be a monumental point in the Port's history – the first woman on the commission in its nearly century-old existence – in his opinion, it is well overdue. Commissioner Hanke commented that he was excited to have Ms. Petranek on the commission, that she had already been hard at work learning about the commission, and that he was looking forward to working with her.

XI. EXECUTIVE SESSION (38:00)

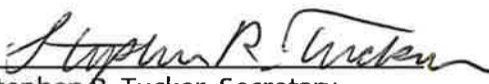
A. Evaluating the Qualifications of Applicants for Public Employment RCW 42.30.110 (1)(g)

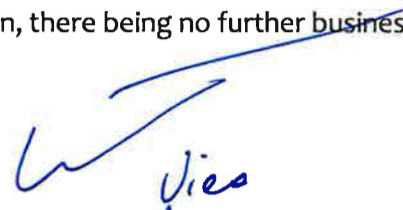
Commissioner Putney commented that the commission did not anticipate there would be any decisions coming out of this session, and they expected that it would take an hour.

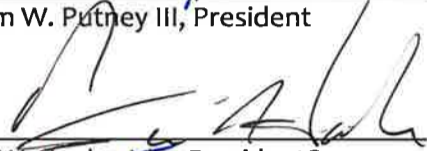
XII. ADJOURNMENT (39:58):

The meeting adjourned at 1:40 p.m. into executive session, there being no further business to come before the Commission.

ATTEST:


Stephen R. Tucker, Secretary


William W. Putney III, President


Peter W. Hanke, Vice PresidentS