

PORT COMMISSION SPECIAL BUSINESS MEETING – Wednesday, January 22, 2020

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 & Petranek
Executive Director Pivarnik
Deputy Director Toews
Finance Director & Port Auditor Berg
Port Recorder Erickson

Port Attorney Chmelik (attending via Zoom online video)

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA (00:01:15):

Executive Director Pivarnik asked to add "D. Consider Ramp Fees for Fishing Tournament" under Regular Business.

Commissioner Putney moved to approve the Agenda as amended.

Commissioner Petranek seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:01:47):

Gwendolyn Tracy commented on the change in staffing at the Port to reduce FTE by one and promote Terry Khile to Operations Manager over both yard and customer service staff. She gave the Port kudos on finances with this move and said she felt that Port staff were more than capable to handle problems like the net float. However, if another person were added to maintenance crew, it would help reduce costs by employing Port staff, rather than having to hire outside for some projects.

IV. CONSENT AGENDA (00:03:50):

A. Approval of Public Workshop Minutes – January 8, 2020

Approval of Regular Business Meeting Minutes – January 8, 2020

B. Approval of Warrants

Warrant #061569 through #061578 in the amount of \$15,519.61 and Electronic Payment in the amount of \$68,357.98 for Payroll & Benefits.

Warrant #061579 through #061629 in the amount of \$250,702.45 for Accounts Payable.

Electronic Debit in the amount of \$1,342.05 to Washington State Employment Security Department for Paid Family Medical Leave.

Electronic Debit in the amount of \$20,218.76 to Washington State Department of Labor & Industries for 4th Quarter Tax Return.

Electronic Debit in the amount of \$3,616.74 to the Washington State Department of Revenue for Combined Excise Tax.

C. Resolution 715-20: Sale of Abandoned Vessels

Commissioner Putney moved to adopt the Consent Agenda.

Commissioner Petranek asked for correction to the spelling of Blaiklock and acronym PTMTA.

Commissioner Petranek seconded the motion – with changes noted.

Motion carried by unanimous vote.

V. SECOND READING (00:06:28)

A. Resolution 714-20 Commission Meeting Procedures

Commissioner Putney noted that in the past few years we have not had a second meeting in December due to holiday scheduling, which has caused some issues with finance, and suggested having a meeting explicitly on the Wednesday before Christmas, to be sure it didn't fall between holidays. He suggested a short meeting – consent agenda only – to allow for warrants to be approved and avoid late fees for bill payments.

A short discussion ensued as to when a meeting could be held at the end of the year to allow for bills to be paid. Commissioner Hanke noted that he would be on holiday on the Wednesday before Christmas, and suggested adopting the procedures as is, and adjust dates later.

Commissioner Petranek asked if a second public comment period at the end of the meeting could be added, with the note that they not be related to actions taken. She felt that after hearing the commission discuss certain agenda items, constituents might have a different view to put forward, and a second comment period at the end of the meeting would provide them with a time to do that. Commissioner Putney stated that public comments later in the meeting are confusing, and noted that comments could be made directly with commissioners after the meeting via email,

phone, or in-person meetings. Commissioner Petranek agreed with this approach. Commissioner Hanke realized that he should have asked for public comments “related and not related to the agenda” at the beginning of the meeting when he asked for comments not related to the agenda; to remedy this, he asked for any further comments regarding the agenda today. (None were made.)

Commissioner Petranek moved to approve Resolution 714-20.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

VI. FIRST READING - none

VII. REGULAR BUSINESS (20:38)

A. Port Townsend Furniture Clinic Lease (00:20:38)

Deputy Director Toews introduced a two-year lease including three one-year options with the Port Townsend Furniture Clinic at 308-A 10th Street, 1,000 square feet of manufacturing space without guaranteed parking associated with the building. The space is currently being rented by Tom Powell on a month-to-month basis, and used for his furniture repair and finishing business as well as office space. He has been a Port tenant in good standing at the same location since 2007.

Commissioner Petranek moved to direct staff to proceed with this lease.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

B. Development LOI: Port Townsend Aero Museum (00:23:00)

Executive Director Pivarnik introduced potential plans for the Aero Museum to expand their footprint, and stated Museum Director Michael Payne had requested a new lease on Port property at 105 Airport Road, a site that has been problematic in the past because of its proximity to wetlands. Executive Director Pivarnik said that Mike took the step of doing a wetland delineation, and that the next step would be an update to the Airport Layout Plan, which will need input from the Federal Aviation Administration. Deputy Director Toews commented that if the commissioners accept the letter of intent, it will allow Mr. Payne to approach Jefferson County’s Department of Community Development for a pre-application meeting. If successful, this would lead to a future lease amendment that would be brought before the commission. The museum was founded in 2001 and has operated continuously since 2008. Commissioners invited Payne to speak during the meeting, and he said the museum is unusual because it operates and restores antique aircraft, and young people play a significant role.

There was a short discussion about changes to the Airport Layout Plan, which could be rolled into one request to the FAA, and it was decided to move a more detailed discussion about these changes to a later date.

Commissioners directed staff to proceed with the LOI.

C. Quarter 4 preliminary Financials for the Port (00:33:08)

Director of Finance Berg presented this preliminary report by saying our 2019 operating revenues as compared to 2018 and last five years show a revenue trend that is doing very well – with 2019 almost \$400,000 more than the prior year and almost \$1 million from two years ago, with expenses staying steady. She told commission that next month she plans to provide a detailed list of all the capital expenditures in 2019. Commissioner Hanke asked what expenses were expected for 2020, and Director Berg reported that projected Operating Expenses for 2020 are \$5,114,823, and projected revenues are \$6.3 million.

D. Consider Ramp Fees for Fishing Tournament (00:38:10)

Executive Director Pivarnik reminded the commission that the Fishing Tournament was coming up on March 13, 14, and 15, and asked the commission if the Port should continue the past practice of waving ramp fees to promote tourism and economic development.

There was a short discussion including getting feedback from those who use the ramp who were present. The commissioners were encouraged to keep the ramp fees free for the tournament.

Commissioner Hanke moved to approve the proposal to keep ramp fees free for the fishing tournament in March.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (00:40:53):

Reporter Erickson commented that the calendar for commission meetings needs to be set for 2020. Commissioner Hanke suggested that we revisit the calendar on February 26, 2020, at the afternoon meeting.

Port Attorney Chmelik commented that on February 11 at 1:00 PM he would be holding the annual leasing seminar of Port staff at the Bellingham Airport Holiday Inn.

Deputy Director Toews mentioned that last week's preconstruction meeting regarding the JCIA runway project was delayed until tomorrow with Reid Middleton & Scarcella Brothers at 10:00 AM here in the Commission Building. They will confirm the preliminary project schedule, which anticipates that field work will conclude no later than June 26 with restriping to occur in Autumn 2020 (after the summer flying season). The Port will work with the Jefferson County Pilots Association to schedule a pre-construction meeting with pilots. Commissioner Putney asked about tree removal to obtain instrument approach, and Deputy Director Toews answered that removal of obstructions had occurred as a pre-condition to the FAA funding runway reconstruction.

Executive Director Pivarnik commented that engineers for the Point Hudson jetty project would be at the Public Workshop on February 12. He said that he would share the drawings from the engineers with the Jetty committee and the commissioners. Robert D'Arcy, who is on this committee and was present, made the comment that the drawings he saw are exactly what the committee asked for: steel pilings, narrower than today and closer to the original design.

Executive Director Pivarnik asked if any of the commissioners planned to go to Port Day in Olympia, which is slated for next Tuesday, January 28. After a short discussion, it was suggested that since the legislative session is short, it would be more productive to invite our representatives to the Port for a tour after the session is over, since Port Day only affords five minutes with the legislators, and this would give us much more quality time with them.

IX. COMMISSIONER COMMENTS (00:54:58):

Commissioner Putney thanked everyone involved in the selection process for the new Executive Director. He was happy to see so many constituents stepping up and participating in both the invitation-only and the public events and offering advice.

Commissioner Petranek noted that at one count, at least 60 people showed up to the public event on a very bad evening for weather and when other competing events were happening. She said she appreciated the engagement of the community and is thankful for the feedback both at the event and afterwards in the form of letters.

Commissioner Hanke echoed these comments, and said that the whole selection process had gone well, and thanked everyone for a great process resulting in some impressive choices.

Commissioner Hanke clarified that the Executive Session is where the commissioners would get instructions from their lawyer and from Karras Consulting. Since the presentation by Karras was predicted to be a half-hour, Commissioner Hanke estimated that the Executive Session would take about an hour total, but might go longer. They would then reconvene and discuss candidates and their votes in the open public meeting.

X. NEXT PUBLIC WORKSHOP / REGULAR BUSINESS MEETING (00:58:09):

Wednesday, February 12, 2020: Workshop at 9:30; Meeting at 1:00 p.m.
Port Commission Building, 333 Benedict Street, Port Townsend, WA

XI. Executive Session

Commission adjourned into Executive session at 2:00 PM, and planned to return at 3:00 in regular session.

Evaluating the Qualifications of Applicants for Public Employment RCW 42.30.110 (1)(G)

XII. Reconvened with possible decisions from Executive Session (01:00:53)

Commission reconvened from into Executive session at 3:32 PM.

Commissioner Putney began the discussion by stating that the process to hire a new Executive Director was a long one that began in September, and ended with these four excellent candidates. The vote has come down to two candidates: Eron Berg and Andy Haub. Commissioner Putney mentioned that after watching the Port over the years, he had a strong, clear picture of the qualities in a person it would take to lead the Port as Executive Director: someone who has worked as an executive with an elected board, and someone with credentials to be a peer with other leaders in Port Townsend and Jefferson County. After the IDD electoral win – a first in Washington State – Commissioner Putney thought that what is needed is someone who will work for the good of everyone for the preservation

of the Port. He expressed that while both Berg and Haub are excellent candidates, Mr. Berg had been on both sides of the commission-director dynamic, and is someone who would think outside the box and see opportunities that other candidates would not.

Commissioner Petranek spoke about her decision process: listening to constituents, going over the qualities sought in a new Executive Director, listening to the candidates' answers to questions and looking at their experience. She expressed that we are a special place that is very unique with most of our assets at or adjacent to the sea. She felt that the Port should be a leader in the area of sea level rise, since most of our economic development depends upon it, and Andy Haub is an expert in sea-level rise. She listed many qualities she wanted in a new executive director, and felt strongly that Andy Haub was the best candidate.

Commissioner Hanke stated that he felt all four candidates were very strong. Travis Matheson had roots in Port Townsend and demonstrated good management skills. Tony Warfield was a great port person. However, it came down to Eron Berg and Andy Haub, who both came from similarly sized communities, had great educational stories, and showed that they are good listeners and open to meeting with anyone to hear them out. Commissioner Hanke felt it was very important that we find someone who has been in the trenches, is inventive and has the ability to leverage the IDD money. He felt that Mr. Berg is that person.

Commissioner Putney moved to send an offer letter to Eron Berg to be the next Executive Director of the Port.

Commissioner Hanke seconded the motion.

There was a short discussion about whether or not there could be another interview of each of these two final candidates, due to new criteria raised in this session. However, the candidates were waiting for a decision, and the feeling among the commission was that the vote would not change after taking more time.

A vote was taken, with Commissioners Hanke voting yes, Commissioner Putney voting yes with the codicil that he'd like it to be a unanimous vote because a split is not a good harbinger. Commissioner Petranek voted no. Motion carried by vote of 2 to 1.

Commissioner Putney moved to appoint Eron Berg as the next Executive Director of the Port with a salary of \$155,000 per year pursuant to the terms of the appointment letter dated January 22, 2020, and authorize the current Executive Director to execute the employment letter on behalf of the Port of Port Townsend Commission and forward to Mr. Eron Berg for his acceptance.

Commissioner Hanke seconded the motion. Commissioners Hanke and Putney voted yes; Commissioner Petranek voted no. Motion carried 2 to 1.


XIII. ADJOURNMENT:

The meeting adjourned at 4:13 p.m., there being no further business to come before the Commission.

ATTEST:


Pamela A. Petranek, Secretary


Peter W. Hanke, President


William W. Putney III, Vice President