

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, April 22, 2020

The Port of Port Townsend Commission met for a regular business session via Zoom online.

Present via Zoom online video: Commissioners Hanke, Petranek and Putney
Executive Director Berg
Deputy Director Toews
Former Executive Director Pivarnik
Finance Director & Port Auditor Berg
Port Recorder Erickson
Port Attorney Reardanz

I. **CALL TO ORDER (00:00:00)**

Commissioner Hanke called the meeting to order at 5:30 PM.

II. **APPROVAL OF AGENDA (00:00:14)**

Commissioner Putney moved to accept the Agenda as presented.

Commissioner Petranek seconded the motion.

Motion carried by unanimous vote.

III. **PUBLIC COMMENTS (00:0:42) sent in via email and read aloud:**

Bertram Levy commented on deferred rent payback, saying that good work had been done so far in addressing the financial losses from the pandemic (like waiving late fees and deferring rent payments), but he was concerned about the need for a broader policy to save the most vulnerable marine trade businesses during this lockdown. He felt that the Port should waive the rents until the lockdown is eased for those most severely effected, and that individual rents should be scaled back proportionally to their earnings.

IV. **CONSENT AGENDA (00:03:13)**

A. Approval of Regular Business Meeting Minutes – April 8, 2020⁽¹⁾

B. Approval of Warrants⁽¹⁾⁽²⁾

Warrant #061995 through #062003 in the amount of \$15,322.21 and Electronic Payment in the amount of \$77,968.93 for Payroll & Benefits.

Warrant #062004 through #062106 in the amount of \$207,626.88 for Accounts Payable. Electronic Debit in the amount of \$1,393.28 for Washington State Paid Family Medical Leave.

Electronic Debit in the amount of \$4,642.72 for Combined Excise Tax.

Void of Warrants 061915 (\$10), 061925 (\$22), 061932 (\$73.26), and 061938 (\$20).

C. PUD Fiber Easement at JCIA⁽¹⁾

Commissioner Petranek moved to accept the Consent Agenda.

Commissioner Putney seconded the motion. Motion carried by unanimous vote.

V. **SECOND READING -- none**

VI. **FIRST READING -- none**

VII. **REGULAR BUSINESS (00:04:42)**

A. Five-year anniversary for Shannon Broderson⁽¹⁾

Operations Manager Khile spoke about Ms. Broderson's service to the Port; having been hired on April 16, 2015, to work at Boat Haven Moorage, then when office was combined with the Yard office, she learned about Yard operations before she moved to Point Hudson where she makes customers happy in a very busy environment. The Commission wished Ms. Broderson a happy anniversary.

B. First Quarter Financial Report⁽¹⁾⁽²⁾ (00:08:04)

Finance Director Berg introduced the report and said references about the year-to-year differences between cash and accrual were included in the spirit of full disclosure – there was a conversion to cash reporting Port wide. The First Quarter is all cash, except for January revenues because the billing software cash module wasn't available for installation until the end of January. The effect of the pandemic shutdown can be seen in

March; April will be more informative as to how the shutdown is affecting revenues. The Port has processed many cancellations and reimbursed many reservations.

Commissioner Hanke asked how soon the Commission could see the April report, and Finance Director Berg replied that she may be able provide a report as soon as May 19th.

Commissioner Petranek commented on information provided in the YTD March financial report, on page 30, and stated that she was glad to see savings in maintenance, legal, and auditing expenses.

C. Covid-19 Update ⁽²⁾ (00:16:41)

- Revenue Forecast & 2020 Budget
- 2020 IDD Spending Plan

Executive Director Berg updated the Commission on what the Port had done since its last meeting in regards to the Covid-19 pandemic and its fiscal impact, including early forecasting of impacts on the 2020 budget:

1. Under the CARES Act, the FAA has offered \$30,000 for eligible operating costs at JCIA.
2. Yard operations remain at about 40% of typical for this time of year, with a high number of haul-outs scheduled for the week of May 4, after the shutdown is hopefully eased.
3. The Port has received five (5) rent deferral requests from lease tenants, zero (0) requests from moorage tenants, two (2) notices of intent to terminate (one of which has converted to a month-to-month storage use agreement).
4. The PUD is installing fiber to JCIA for the purposes of providing a WiFi hotspot for use by K-12 students. The WiFi will be installed in the AWOS cabinet.
5. The PUD is also installing the planned 480V power to the Yard; work began April 15.

He went over Quick, Moderate, and Extended recovery projections saying that Port staff suggested using the Moderate scenario, with anticipated loss of \$1.1 million in revenue, and would plan to update this plan at least monthly with actual (not budgeted) numbers and potentially revised projections.

One question for the Commission from page 38 of the report is its end-of-year goal for unreserved cash. Staff recommended that the Port budget to end the year where it started 2020, with \$1.9 million. Executive Director Berg explained that to get there, the adjustments to budget are indicated with colored lines on the spreadsheets. One of the most difficult of these changes was the shift of CSRs from full time to part time. Senior Staff worked with employees and the Union to keep staff working while maintaining their benefits, keeping them busy during this shutdown, and providing social distancing in their small offices. In addition, some maintenance staff work has shifted to capital work, which allows the Port to complete two (2) IDD projects for less than if bid out and keeps Port employees working.

Commissioner Putney asked if Port employees who had their hours cut back could ask for unemployment, and was told that they could get unemployment benefits to fill the compensation gap during the cutbacks.

Executive Director Berg asked the Commission to weigh in on the IDD spending plan presented on page 38. Proposed 2020 IDD Spending Plan:

\$809,054	Expected IDD Levy funds
(326,400)	D-Dock Structural Renovation
(55,050)	Linear Dock Electrical Upgrade
(25,000)	Quilcene Dredging Design
97,396	Boat Haven Reserve Use
\$500,000	Ending Balance – IDD Reserve

Commissioner Putney estimated that Jefferson County was lagging behind King County by about a month, and noted that the planners for summer festivals were having to decide now on whether to go forward with their events, and many were cancelling. He felt it would be good to have a discussion with County Health Officer, Dr. Tom Locke, about his ideas for our County's recovery.

There was a discussion regarding guest-nightly and guest-monthly live-aboards and RV customers and what would happen after May 31, with staff and Commission concluding that it is still too soon to tell. The Port has reservations booked through the summer, and if the Governor's order extends the lockdown, these would have to be cancelled, in which case those who have been staying in place at the Port could be extended.

Commissioner Petranek stated that she liked the moderate scenario, using the proposed spending on page 38, because it is a good safety measure and keeps our workers employed. She stated she is also OK with the IDD spending plan.

There was a discussion regarding the line item for \$25,000 for Quilcene dredging and what it covered. The Port hoped to get a bathometric survey, which would be helpful in deciding about the cost of dredging—deep dredging would cost more, and would have to be done more often, but would allow larger vessels into the marina, or another option would be to keep a shallower entrance, and allow a different type of vessel to use the marina, like shrimp boats.

Commissioner Hanke moved to accept the proposed spending on page 38, using the moderate scenario as currently drafted.

Commissioner Putney seconded, and motion carried unanimously.

Executive Director Berg asked, and Commission confirmed that this was also consensus that the Commission is comfortable with the 2020 year-end unreserved cash target of approximately \$1.9 million.

VIII. STAFF COMMENTS (00:43:05)

Executive Director Berg noted that there were 7 attendees online currently, and wondered if everyone understood how to submit public comments, and if anyone attending felt that they'd missed an opportunity for a public comment. No further comments were given. He then asked about the workshop scheduled for May 13, and whether it should be cancelled, given the current situation. Port Attorney Reardanz noted that if the Governor extends his order beyond May 4, then the workshop would need to be cancelled. Commission agreed to consider this as the date gets closer.

Finance Director Berg noted that she'd been working on budgetary adjustments regarding the Covid-19 pandemic. She's been working out the Port's eligibility for different grants and unemployment programs that are available; and that morning huddles via Zoom with other Executive Staff were helpful with this. The Port's line of credit is in process and should be closed before the end of the month. When asked about the federal unemployment program, and if some employees might get more under current circumstances, she stated her understanding is that the extra federal money was for those who are furloughed, and the Port is using a shared work program that allows employees to keep their positions and benefits. This allows the Port to keep their experienced workforce, and employees have access to partial unemployment for the hours they've been cut back.

Former Executive Director Pivarnik commented that he is working with Skookum on a plan to turn over portions of their building to the Port. The Port will bring more information to the Commission later about taking back a portion of that building early.

IX. COMMISSIONER COMMENTS (00: 50:59)

Commissioner Petranek thanked Ms. Berg for the excellent work on large spreadsheets she could read and follow, and to executive staff for their hard work. She also gave kudos to Chris Sparks and his maintenance team for their expertise, and accolades to the yard team for their stellar work. She has had her boat out and has noted a quiet happy hum of work in the yard.

Commissioner Putney commented that senior staff were doing great work. He replied to Bertram Levy's public comment saying that there are constitutional prohibitions preventing the Port from making the kind of concessions he asked for, which are also not amenable to executive action, but that the Port is doing their best to get us through this in one piece.

Commissioner Hanke commented that the airport was looking great and gave kudos to staff on mowing and preparing space for contractor's equipment for work on the runway, and for PUD laying conduit for fiber-optic cable. He hoped that there would be some fiber-optic cable access for the Port at JClA in the future. He stated that he thought the moderate scenario approach to recovery was the prudent way to go, and commented that senior staff were doing an excellent job.

X. Next Public Regular Business Meeting:

Wednesday, May 13, 2020. Tentative Workshop at 1:00 PM and meeting at 5:30 PM, Via Zoom

XI. EXECUTIVE SESSION - none

XII. ADJOURNMENT (01:01:18)

The meeting adjourned at 6:32 p.m., and after adjournment, with all still present, Commissioner Hanke asked if Port tenants could all be contacted to find out how they were doing, and to see if there were anything the Port could do to help individual tenants. Executive Director Berg informed him that this was already being done by Lease and Contract Administrator Nelson.

The meeting then adjourned at 6:34 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

Please note: Governor’s Proclamation 20-28 re Open Public Meetings Act states, “Subject to the conditions for conducting any meeting as required above, agencies are further prohibited from taking “action,” as defined in RCW 42.30.020, unless those matters are necessary and routine matters or are matters necessary to respond to the COVID-19 outbreak and the current public health emergency, until such time as regular public participation under the Open Public Meetings Act is possible.” Agenda items are marked with numbers to show which of these criteria they meet: (1) necessary & routine matters (2) matters necessary to respond to the COVID-19 outbreak and the current public health emergency