

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, May 27, 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 Chmelik

- 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 Petranek asked to add a discussion revisiting the seasonal Workyard rates to Regular Business section of the agenda.
Deputy Director Toews asked for item IV. D. (JCIA Runway Project Update with Change Orders) to be moved from Consent Agenda to Regular Business.
After assigning item IV.D. to VII.D. and new item re Workyard rates to VII.E., **Commissioner Putney moved to adopt the Agenda as amended. Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**
- III. PUBLIC COMMENTS (00:01:32) sent in via email or given live: none
- IV. CONSENT AGENDA (00:01:49)
 - A. Approval of meeting minutes for Regular Business Meeting & May 13, 2020, and Special Business Meeting, May 19, 2020.⁽¹⁾
 - B. Approval of Warrants⁽¹⁾⁽²⁾
Warrant #062294 through #062301 in the amount of \$14,694.88 and Electronic Payment in the amount of \$71,771.28 for Payroll & Benefits.
Warrant #062302 through #062372 in the amount of \$105,480.08 for Accounts Payable.
Electronic Debit in the amount of \$5,064.97 for Combined Excise Tax Return.
 - C. PUD Easement for Fiber near Commission Building
 - D. Acceptance of the Point Hudson Hospital Building Ventilation project
Commissioner Putney asked if the ventilation project was acceptable to WDFW as meeting the requirements for the purpose of the lease. Executive Director Berg replied that although it meets the requirements for that item on the list, the lease agreement has a list of 16 different items required by the Washington State Department of Enterprise Services (DES). He plans discuss the list with DES soon.
**Commissioner Putney moved to accept the Consent Agenda.
Commissioner Hanke seconded the motion. Motion carried by unanimous vote.**
- V. SECOND READING (00:05:20)
 - A. Approval of rate for newly acquired covered yard space⁽¹⁾
Former Executive Director Pivarnik told the Commission that since the first reading on this item, Operations staff had been consulted and they suggest that instead of charging a deposit, we instead ask for a pre-paid amount. Port staff suggest \$500 prepay (about the same as 6 days in storage) that will be credited to the account if they follow through with the haul-out and use of the reserved covered space. Both Commission and Port staff feel that the rate of \$1.15/foot, with a base charge for 70 feet, or \$80.50/day, plus \$1.15/foot for boats over 70 feet, since the structure is 70 feet long, but will hold a boat up to 90 feet long. The space is rated for the 75-ton lift.
Commissioner Petranek commented that after consulting with marine trades on this, she felt that a flat rate would be better, as it is for a 70' shelter, not a space in the yard, and this would be easier for the Port to plan for as well. She also felt that it would be more fair to charge only 3-day prepay, or \$240, because of high turnover and considering cancellations, a 3-day window would be more manageable and easier to fill.
Commissioner Hanke commented that he was leaning more towards what Port staff had suggested (the \$500 prepay), because people using such a shelter would be using it for at least a week and possibly up to a month or more, and because it is a premium space.
Commissioner Putney felt that the \$500 prepay could also be treated like a no-show deposit, despite the fact that it is not technically a deposit, since there would be no bill to credit it towards if the person reserving the space cancelled.

Other items discussed:

- Cancellations for yard space are usually due to weather, and that would not be a concern with the shelter.
- If a cancelled reservation can be rebooked by the Port, then the prepay could be refunded.
- Try out a 3-day prepay and a waiting list, which could be used to backfill cancelled spots. Better to start low, as this is our first covered space, and this shows good will towards the Port's customers.

Commissioner Putney moved to adopt the rate of \$80.50/day + \$1.15 per foot over 70 feet with a non-refundable prepayment of 3-days storage, depending on length of boat.

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

VI. FIRST READING - noneVII. REGULAR BUSINESS (00:22:33)A. YTD April Financials⁽¹⁾

Finance Director Berg summarized the year-to-date budget, saying that if you compare to revenues and budget from last year it doesn't look good; however, she prepared a YTD revenue received in cash comparison, and 2020 is only off \$20,000 compared to 2019. On the Expense side, the Port is very close to—in fact a bit under—budget. She stated that overall, the Port is doing pretty well, considering we were closed for part of March and all of April.

B. Covid-19 Update; Ratification of E.O. 2020-08⁽²⁾ (00:25:52)

Executive Director Berg gave 3 highlights to E.O. 2020-08. The Port:

- now has 7 lessees using the deferment plan;
- has offered restaurant tenants temporary extra space around their leased areas, to allow for outdoor dining space to make it easier for Phase 2 safety protocols;
- PUD is running fiber-optic cable and WiFi hotspots to Boat Haven and Point Hudson.

Commissioner Putney asked if it were possible to have a spare conduit installed while they have the trench open, for future use by the Port—essentially a “Common Trench Policy” to save the Port money later & Commissioner Hanke asked about placement of hot-spots and whether they'd be hooking up with the fiber-optic cable already installed at Point Hudson. Executive Director Berg said that he would confer with PUD and get back to the Commission on these questions.

Executive Director Berg informed the Commission that the Port participated in a joint meeting with Jefferson County Board of County Commissioners, Port Townsend City Council, and Public Utility District #1 to talk about a reopening plan. The Port is a part of a joint intergovernmental collaborative process with these four entities to work on a Covid-19 recovery and resiliency plan. He asked the Port if a kick-off meeting on June 17 worked for the Commission. He explained that the specific concept behind that is the creation of an intergovernmental collaboration group that would be the 16 elected officials representing those four entities; within that would be an intergovernmental collaboration committee, which would be a group of 8 including an elected official and an appointed official from each of the four entities, who would interact with community-oriented task forces with specific expertise in an area, tasked by sector to develop recovery recommendations to work together on developing recovery recommendations between now and mid December. He asked the Commission if they were comfortable with this process, and the response was an emphatic yes. He explained that the outcome would be all four entities would adopt a common Covid-19 resiliency plan.

Executive Director Berg explained that the biggest issue to address in the Covid-19 memo is a reduction in our unreserved ending cash balance of about \$500,000. None of this is Covid-19 related; on the Covid-19 side, the model is working well. At an earlier meeting, the Port asked Commission for a target of \$1.9 million, and we'd like to keep that target for now.

Executive Director Berg discussed some unresolved information about Jefferson County moving to Phase 2 with camping / guest moorage linked, and with the decision to wait until both Kitsap and Clallam County move to Phase 2. Kitsap is allowing camping and restaurants at 50%, but Clallam has moved to phase 2, saying overnight camping will open when the rest of the state opens.

Commissioner Putney felt that RV camping is safer as a contained environment than restaurants, which are opening.

Executive Director Berg stated that there is wide variance with other Ports as to whether they are open to guest moorage. Should the Port continue linking guest moorage with RV camping now?

Commission was reluctant to bring people here who wouldn't normally be here, but it is difficult to close roads, and folks are already arriving here from outside the county. They felt it would be prudent to be proactive on this and talk with County Health Officer, Dr. Locke.

Executive Director Berg said he would reach out to the county and see if they agree with opening guest moorage. This would not change the county's phase 2 plan; closing guest moorage was done by executive order, so if there is consensus with county, then it can be undone the same way.

He then let Commission know that the Port had hired a consultant to help get the GAAP to cash transition completed beginning 1/1/2020. Port staff will bring back the COVID-19 model at the second meeting in June. He asked Commission if they were on board with this, and Commission agreed.

Commissioner Hanke moved to ratify and confirm Emergency Order 2020-08. Commissioner Putney seconded, and motion carried unanimously.

C. JCIA Leasing Update⁽¹⁾ (00:56:36)

Executive Director Berg told the Commission that there was some new interest in building hangars at the airport. There are currently 8 hangars sites – 5 undeveloped and 3 developed. He went over the questions on page 38 of the packet, with #1 being the important one to address first: Would the Commission wish to consider leasing site #6 which it had previously reserved for Port development?

A discussion followed:

- Infrastructure development fees: are payments for sites yet undeveloped being allowed to transfer to another site when it is developed.
- If yes to #1, what sort of rent rate would be approved, since the view hangars might be more of a premium than the others.
- Septic Plan: the system needs to have capacity for complete development of the other sites; might be required to be pumped up towards the museum.
- Sites 1, 2, and 5 would be vacant and available, site 6 would be leased. NW Hangars owner Dave Ward is confident he could have a hangar built on site 6 by October.
- Current lease required rent to be paid since 2008, but none has been paid on this undeveloped site.

Deputy Director Toews suggested that he bring back a letter of intent to commission that spells out the process and preconditions that would need to be fulfilled, including submission and approval of plans, designs, etc. requiring commission approval before bringing lease forward for approval.

Commission agreed that the Port could move forward conceptually on site 6 with a design effort authorized for now, and asked Port staff to bring recommendations back to them at a future meeting for further study.

D. JCIA Runway Project Update with Change Orders (change to agenda)⁽²⁾ (01:19:40)

Deputy Director Toews gave a brief update on the JCIA runway, which had a lot of work done since the last Commission meeting on May 13. He reminded Commission that they had approved a change order for up to \$100,000 for soft subgrade material found; however further excavation and proof rolling has revealed soft subgrade is present in a majority of runway 9/27. Since the FAA has approved 100% funding of this amendment to the Port's grant, if 2018 monies remain available, a change order was done on May 26 to address this issue. He asked for ratification of a change order executed earlier in order to move forward as expeditiously as possible.

Asked what the timing was for completion of the runway, Deputy Director Toews informed commission that the contractor has requested one additional work week to address this issue, and they will not be penalized if they finish by June 19. The carrier for the water main was installed, the weather forecast is good, and contractors are moving ahead as quickly as possible. One other change order includes making the test strip at the end of loop road into a finished parking lot.

Commissioner Hanke moved to ratify and confirm the Change Order executed by the Executive Director regarding excavation and repair soft sub-grade areas necessary to meet FAA design criteria. Commissioner Putney seconded, and motion carried by unanimous vote.

E. Revisiting Work Yard Seasonal Rates (change to agenda)⁽²⁾ (01:33:08)

Commissioner Petranek said she wanted to discuss the idea of extending the seasonal rates for the work yard to the end of June because the do-it-yourself boaters haven't been allowed to return yet, and this would allow those people to use the seasonal monthly rates if they would like.

Executive Director Berg was concerned that since the seasonal rates are set up to be prepaid, there wasn't much time to implement this and only a few days for folks to take advantage of this for the month of June. In addition, at this time the Port is not taking reservations for anyone who isn't based here in Port Townsend. It is a 50% reduction in lay days, and if the goal

is to incentivize and it doesn't drive new business to us, what is the purpose of doing this at this time?

Commissioners Hanke & Putney agreed and wondered if there was a lot of demand, we should just take that, rather than lose revenue.

Commissioner Petranek withdrew the suggestion.

VIII. STAFF COMMENTS (01:40:00)

Executive Director Berg commented that the Port continues to move forward on the ramp pass modification that allows pass for 12 months vs. calendar year passes. He mentioned that the CD dock project was moving forward, and that the electrical pedestals are being sourced from one of the marine trades here in the Port yard. He let Commission know that for the June 24 meeting, Port staff are planning a Point Hudson update from engineering team and permit consultant on timing of the project, contracts with scope with design/permitting, proposal from Artifacts on the buildings, and a document that embodies a three-phase plan to address the jetty, infrastructure, and building rehabilitation and maintenance within a historical context. He ended by saying that in general things have become busier at the Port.

Deputy Director Toews said that this was Former Executive Director Pivarnik's last commission meeting as a member of Port Staff. Mr. Toews stated that he was thankful for the opportunity to work with such a dedicated Port employee over the years and said he'd be missed.

Finance Director Berg echoed these sentiments and said she appreciated all the work he had done for the Port and how easy it is to work with him.

Port Attorney Chmelik commented that Mr. Pivarnik was an influence on the entire Port industry. He also commented that Gov. order 2028, which allows us to meet via Zoom only, expires May 31, and given the situation, it will probably be extended.

Jim Pivarnik calculated that he had attended 475 commission meetings over 19.8 years, with 16 different commissioners at 2 ports. He stated that it had been an honor to work with the team, and thanked Commissioners Hanke, Putney, and Tucker for bringing him back to the Port, and stated he would be around, if anyone needs to consult with him.

IX. COMMISSIONER COMMENTS (01:51:51)

Commissioner Petranek spoke about an earlier plan to purchase a hydraulic self-propelled boat handler to increase the number of spaces for boats in the yard, which was delayed due to the outbreak of the Corona Virus. She said that there were some people still working on a plan for how and where to place boats – something to look forward to. She thanked Mr. Pivarnik for choosing to come back during a hostile work environment and restoring the Port's reputation—his care for the Port will always be appreciated.

Commissioner Putney said he'd been in Port Townsend for 9 years and hanging out in Jim's office for a little over 7. He thanked Mr. Pivarnik for choosing to come back, putting up with him, for listening to him, and for his leadership in bringing the Port back from a sad situation.

Commissioner Hanke recalled when he first met Mr. Pivarnik in 2001 and spoke of his leadership through the years: a consistent leader who has managed well and is supportive of ideas and projects. He thanked him for coming back during a really uncomfortable situation and making things run so well. He wished him lots of enjoyment in his retirement

X. Next Public Regular Business Meeting (01:58:55):

Wednesday, June 10, 2020, Workshop at 9:30 AM; Meeting at 1:00 PM, via Zoom

XI. EXECUTIVE SESSION - none

XII. ADJOURNMENT (01:58:58)

The meeting adjourned at 7:29 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⁽¹⁾ or are matters necessary to respond to the COVID-19 outbreak and the current public health emergency⁽²⁾, 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.