

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, July 8, 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
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 1:00 PM.
- II. APPROVAL OF AGENDA (00:00:12)
Commissioner Putney moved to accept the Agenda as presented.
Commissioner Petranek asked to move IV.C. Navy RoE for Mats Mats to Regular Business VII.E. and the rest of the Commission agreed.
Commissioner Putney amended his motion to accept the Agenda as revised, moving item C. of the Consent Agenda to item E of Regular Business.
Commissioner Petranek seconded the motion. Motion carried by unanimous vote.
- III. PUBLIC COMMENTS (00:02:49) ~ none
- IV. CONSENT AGENDA (00:03:26)
 - A. Approval of Regular Business Meeting Minutes from June 24, 2020
 - B. Approval of Warrants
Warrant #062530 through #062539 in the amount of \$39,609.35 and Electronic Payment in the amount of \$148,568.26 for Payroll & Benefits.
Warrant #062540 through #062603 in the amount of \$73,511.14 for Accounts Payable.
 - ~~C. Navy Right of Entry for Mats Mats~~
 - D. EDA Grant Authority Resolution
Executive Director Berg stated that for IV.D. EDA Grant Authority Resolution, needs to include updated dollar amounts to address construction phase anticipated contingencies to increase the grant request to “up to \$11.4 million” and the match requirement then “up to \$2.85 million.”
Commissioner Putney moved to accept the Consent Agenda items A, B & D with the modification of the proposed resolution.
Commissioner Hanke seconded the motion. Motion carried by unanimous vote.
- V. SECOND READING - none
- VI. FIRST READING - none
- VII. REGULAR BUSINESS (00:04:26)
 - A. Covid-19 Update:
Executive Director Berg said that it was the monthly time for a Covid-19 update, and this was the first time that Port staff would be changing the underlying assumptions for the Covid-19 recovery model. He went over the Covid-19 Moderate Recovery Model Assumption from April 22, 2020 on page 18 of the packet, which resulted in a reduction in revenue of just over \$1 million. He proposed updated assumptions, based on March, April & May actuals and how we see the pandemic’s development affecting the Port’s business model. Page 19 of the packet shows the July 2, 2020, updated assumptions with notable changes to the model listed on page 20 of the packet.

Commissioner Hanke asked if the fire suppression systems were required by Jefferson County Fire & Rescue (#4, \$65,000 for ensuring systems are operational) and was told that to get permits to install and occupy docks, these systems are required.

Executive Director Berg summarized his report by saying that Port staff feel that they can meet the Commission’s established target for ending unreserved cash balance for year’s end 2020.

Commissioners Petranek & Putney commended Port Maintenance team for their ability to look at the Port’s maintenance and fire suppression and find ways to save the Port money.
 - B. Enduris Annual Renewal Update (00:17:40):
Joe Davis, Director of Risk Management and Member Relations at Enduris presented information about Enduris, a risk sharing pool for Washington special purpose governments, to provide property and general liability insurance coverage for the Port. He described the way

they provide insurance, what they cover, and the Port’s deductibles. He stated that he plans to come to the Port for a site visit soon.

C. EDC Team Jefferson Semi-annual Report (Brian Kuh) (00:49:08):

Brian Kuh, Executive Director of EDC Team Jefferson, presented a report of EDC activity from January to June 2020. He said that since the covid-19 pandemic hit our county, EDC has been very busy. They helped 220 businesses (restaurants, manufacturers, farmers, meat producers, dentists, maritime supply) apply for Working WA Small Business Emergency Grant funds and are processing 85 awards – 8 to Port tenants. They helped people apply with Paycheck Protection Program loans (a total of 483 loans were made in Jefferson County for a total of \$24.9 million, with a stated preservation of 3,384 jobs). EDC continues to host the Jefferson Broadband Action Team (JBAT)—a focus group of the Interlocal Community Council (ICC); they volunteer administration of the LION fund supporting local businesses; continue to host the CEO monthly breakfast meetings virtually; host the 5-Things Meeting and cohost the North Olympic Legislative Alliance; serve on the Business Revitalization task force (also a focus of the ICC); JeffCo CARES; and collaborate with other agencies throughout the state.

Commissioner Petranek mentioned an interview Mr. Kuh had with Paul Rice on the local radio station, and when asked what sectors have been more stable through the pandemic, he had answered “high tech”; she wondered if he knew of other sectors that were strong besides high tech. Mr. Kuh stated that he’d had varying responses from the Marine Trades – some said the demand remained strong, others had trouble because of distancing requirements. The hardest hit industry has been the tourism related businesses.

Commissioner Putney asked about board members, and Mr. Kuh went over the business sectors represented, and mentioned that the Port Commission is always welcome to their board meetings and promised to subscribe them to the EDC email list.

D. Interlocal Community Council (ICC) updates (01:20:28)

Executive Director Berg gave an update on the first ICC (the group of 8) meeting on June 25, which was mostly spent going over scope of work for the six community groups and assigning a liaison from the ICC for each group. They drafted a plan to take to the Inter-Governmental Committee (IGC), and scheduled meetings and times to meet - the next ICC meeting is on July 23 at 5:00 PM.

ICC (Group of 8) members:

- Port of Port Townsend Reps: Pete Hanke, Eron Berg
- City of Port Townsend Reps: Ariel Speser, John Mauro
- Jefferson County PUD Reps: Jeff Randall, Kevin Streett
- Jefferson County Commission Reps: Kate Dean, Phillip Morley

Commissioner Hanke stated that for the focus groups, he would not be a liaison, so that others on the commission could serve. He said that the way this was being organized was not from the IGC down, but from the bottom up through members of the focus groups; however, it was not necessarily well formed or organized yet.

Commissioner Petranek asked what the end goal was – what the ICC was looking for from the focus groups –a broad policy, or take a more focused project and move it forward?

Executive Director Berg said that the ICC had created a tool kit and an outline with objectives that are being made available to be helpful in the process. They’re looking for the results to be about needs resulting from the Covid-19 pandemic, something that can happen quickly, and is conceivably fundable. Commissioner Hanke said that an example of the kind of project that would fit is the cold storage idea, where all four government agencies come together to help solve a problem for the community. Commissioner Putney said that this process brings to light areas that didn’t have urgency before, but that the pandemic made more clear that we should depend on our own local resources. Commissioner Hanke said that solid waste doesn’t fall into any of the six categories but that it is a big deal that spans all four government entities, and now could be an excellent opportunity to take a deeper look at this – maybe addressed under economy and jobs.

Commissioner Petranek asked if we needed to be clear who was attending which of the focus groups. Below is the list and who has volunteered to attend:

ICC Focus Group	ICC Liaison	Port Commission Rep
Culture & Events		Putney
Economy & Jobs	Jeff Randall	Petranek
Children & Families	Ariel Speser	
Human Services	Kate Dean	
Food System Resiliency	David Sullivan	Petranek
Broadband	Kevin Streett	Putney

E. Navy Right of Entry for Mats Mats (01:33:54)

Commissioner Petranek stated that since this had been a of high public interest in the past, she wanted to make sure the public could participate in the process. She attends the Marine Resource Committee, and as the county environmental group, they'd appreciate time to look at this request; their next meeting is August 4. She also mentioned a quarterly Navy meeting with the county that she felt the Port should send a representative to; County Commissioner Kate Dean is looking into this. She brought a list of questions from constituents that she wanted addressed by the Navy. She said that the Navy was requesting more than a right of entry – they had also requested entry to the Washington State Park nearby, and Governor Inslee had stated that their request was incompatible with the mission of the State Parks. She said that this request was part of a bigger picture and asked for time.

Commissioner Putney pointed out that the Navy was asking for a decision by July 15. He said for what they have outlined they will need, the Navy didn't have to ask to use a public boat ramp. He asked that any substantive comments be brought forward, but was less interested in comments like "we don't like the military." He stated that Jefferson County is very isolated and doesn't have much access, and that there might be a time in the future when the Navy is a friend we will need to count on.

Commissioner Hanke stated that no one had made a public comment on this topic today, had not heard from any constituents, and since the Port could cancel with 30-days' notice he had no problem signing this.

Commissioner Putney moved to direct the Executive Director to execute the Right of Entry request from the US Navy. Commissioner Hanke seconded the motion. Commissioners Hanke and Putney voted yes; Commissioner Petranek voted no. Motion carried.

VIII. STAFF COMMENTS (01:44:36)

Executive Director Berg commented that he taken a tour of Coast Seafood in Quilcene that day with Commissioner Hanke and was impressed with the work they're doing. They've done hatchery work for almost 50 years, have labs to study sea creatures, and tanks to grow varieties of algae and others for oysters. He also toured the S'Klallum Tribes FLUPSY (Floating Upweller System - which grows oysters to a certain stage) at John Wayne Marina in Sequim this week. He also met with the director of the Jefferson County Historical Society and did a Walking Tour of Point Hudson, and afterwards, talked with them about how their work can help feed into the work Artifacts, will do. They showed him a great little book on Port Townsend, and they talked about making a similar booklet available for sale at the Port and would introduce visitors to the history of Point Hudson. Artifacts began exterior documentation and photography today (7/8/20). He has met with Sea Marine about tenancy; and with S'Klallum tribe on where their work could fit into Point Hudson. He shared that Deputy Director Toews was not in attendance at the meeting because he is working on a grant application for the Point Hudson Jetty with a deadline for submission early next week. He met with moorage tenants about a making our pump-out facility more accessible.

Finance Director Berg commented on the GAAP to cash transition and her work with a consultant to focus on this project, while Port Finance staff are working on converting January numbers to bring all of 2020 into the same cash system. She stated that she hoped that the June Financial Report to the Commission to be provided later in July would include that update. She informed commission that as part of the 2021 budget process, she had sent a draft budget schedule to the Executive Director for a first review, which should be on the Commission Consent Agenda at their next meeting. The second grant billing to FAA was sent in a month ago and was approved today (7/8/20) and the first draw on the Port's Line of Credit was 7/7/20 for \$400,000 to contribute to the payment of the Airport Runway contractor.

Port Attorney Reardanz commented that the legislature did extend the Open Public Meetings Act proclamation to midnight on August 1, 2020.

IX. COMMISSIONER COMMENTS (01: 57:22)

Commissioner Petranek commented that KPTZ's Chris Bricker had interviewed her and Executive Director Berg on his "Morning on the Salish" show on June 30. Mr. Berg gave an update on JClA, and she gave an update on Point Hudson. The next interview will be July 28, and will be prerecorded; she asked if she could have a do-over session on July 28, and encouraged each commissioner to volunteer to participate and rotate through any subsequent interviews.

Commissioner Putney commented that he had met with Rep. Steve Tharinger (D-Port Townsend) and Rep. Mike Chapman (D-Port Angeles) about legislation in to do with broadband preparation for a JBAT meeting. Currently broadband is set up for private equity companies to serve rural customers, which is not profitable for them. There is some state and federal money available for broadband, but non-profits aren't eligible for these funds. Changing this might give more latitude to government entities, like Jeffco PUD or the Port, to set up broadband for citizens.

Commissioner Hanke agreed that this was important legislation, since our community has witnessed the failure of broadband in our community by private firms. He suggested that Executive Director Berg might discuss this with other directors at an upcoming WPPA Directors' Seminar. Executive Director Berg said that Skagit County set up a government LLC for this purpose with the Port and PUD – this works better than private firms, because government entities are willing to look further into the future for a return on their investment.

Commissioner Hanke commented that it was nice to have the airport opened up and great to see that FBO Scott Erickson was very busy with annuals on aircraft, and museum students were busy flying, too. He said it was fun to be the first to land on a new runway.

- X. Next Public Regular Business Meeting (02:09:34) Regular Business Meeting Wednesday, July 22, 2020, at 5:30 PM, via Zoom.
- XI. EXECUTIVE SESSION: none
- XII. ADJOURNMENT (02:09:42): The meeting adjourned at 3:10 PM, there being no further business before the Commission.

ATTEST:

Pamela A. Petranek, Secretary

Peter W. Hanke, President

William W. Putney III, Vice President