

**PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, August 26, 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  
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 p.m.
- II. **APPROVAL OF AGENDA (00:00:50)**  
Commissioner Hanke asked to move item IV.C. to VII.A. (from Consent Agenda to Regular Business) on the agenda in order to give visitors Mr. Payne and Mr. Butler a chance to talk about the Aero Museum Expansion.  
**Commissioner Putney moved to approve the Agenda as presented and altered.**  
**Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**
- III. **PUBLIC COMMENTS (00:02:18) ~ submitted via voicemail and read aloud:**  
Lou Salzburg commented on the fees charged at the airport.
- IV. **CONSENT AGENDA (00:04:29)**
  - A. Approval of Workshop and Regular Business Meeting Minutes from August 12, 2020
  - B. Approval of Warrants  
Warrant #062726 through #062730 in the amount of \$9,194.30 and Electronic Payment in the amount of \$70,538.16 for Payroll & Benefits.  
Warrant #062731 through #062782 in the amount of \$139,313.39 for Accounts Payable.  
Electronic Debit in the amount of \$13,989.62 for Combined Excise Tax Return.  
**Commissioner Putney moved to accept the Consent Agenda as presented. Commissioner Petranek seconded the motion.**  
Commissioner Hanke inquired about one of the warrants; it was a yard deposit refund.  
**Motion carried by unanimous vote.**
- V. **SECOND READING - none**
- VI. **FIRST READING - none**
- VII. **REGULAR BUSINESS (00:05:37)**
  - A. Port Townsend Aero Museum Expansion – Preliminary Plans  
Mike Payne, Aero Museum director, spoke about the need for the expansion, which began with a donation from the North Cascades Vintage Aircraft Museum by the Hanson Family Trust of 8 flying airplanes and 5 aircraft projects. This moved up the expansion plans for an additional 5400 ft<sup>2</sup> that is needed -- a 60 x 90-foot extension, with the same rooflines and siding. One big improvement will be windows on the south side which will make it look less like a warehouse and help draw people from the highway to the airport. Mr. Payne felt that by growing the youth program, they were growing the airport and helping other businesses at the airport.  
Commissioner Putney asked if the expansion was approved by the FAA, and Mr. Payne stated that he was not dealing directly with them but had heard from the Port that it was under review and looks like it will be approved.  
Commissioner Hanke asked about when the project might get started, and Mr. Payne said that it would be as soon as possible after the lease gets finalized.  
**Commissioner Hanke moved to approve the Aero Museum Expansion Plans.**  
**Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**  
Executive Director Berg commented that as the museum works on getting design and permitting done, the Port would be working on the lease consistent with the January 2020 letter of intent and working with the FAA on the ALP amendment (timed for October) to include this expansion. Commission felt that permitting could probably get started, but that the ALP would need to be complete before any construction could start under FAA rules.

## B. 2021 Budget Status &amp; Issues: (00:16:55)

Executive Director Berg introduced this item by saying the submitted materials were identical to what was submitted for the last Commission meeting, and today's meeting is on the budget schedule for an "as needed" discussion about any items Commission would like to discuss further.

Commissioner Petranek asked that we go over the submitted materials line by line – starting with the bullet points on page 41, followed by the paragraphs on page 42 & 43.

- Updating boat launch fees to reflect the new "annual" pass and deleting the early bird discount. Executive Director Berg commented that having the rotating 12-month model was working well. In July the Port sold 75 annual boat launch passes, and ramp sales were over \$11,000. Finance Director Berg added that providing a kiosk for easy payment also helped increase sales. Commissioner Hanke commented that launching the night before a big opening and paying for an overnight at boat Haven and then taking off the next morning was a great thing that we offered.
- The possibility of a 5% discount for permanent moorage tenants who pre-pay annually, in cash. This idea came to Executive Director Berg from the Moorage Tenants Association and the benefit would go to the tenant; if they know they're going to be here next year, this works well. After a short discussion about what the benefits would be for the Port, Executive Director Berg proposed that the Port test this program in 2021 and see how it works.
- Review and consideration of possible stormwater fees at JCIA to cover annual stormwater maintenance (i.e., ditches, catch basins and piping). This was to address stormwater costs; however, the majority of the leases at the airport do not have the provision for the Port to charge for stormwater. The appropriate conversation for the user group would be to ensure that our lease rates would cover these costs. Try to make sense of why there are variations in lease rates and discuss about where we think these rates should be, so when leases are up for renewal, we can work at getting lessees at the same rate. Somewhere between 4 and 6.6 cents – prevailing rate is 5 cents – fine tuning.
- Review and update to JCIA tie-down fees to align with similar airports (i.e., offering a few hours of free use of the ramp). This was addressed at the last meeting.
- Addressing the "grandfathered" issue relating to approximately 70 Boat Haven moorage slip tenants who are paying moorage based on the size of the vessel rather than the size of the slip, updating to conform to current policy effective January 1, 2021. Executive Director Berg reminded Commission of his proposal from the last meeting to send a letter out to these 69 tenants letting them know that their rates would be phased in to the current rate method (paying for the length of the slip, not the length of their boat). Phase 1 on January 1, 2021 would increase their rate by half the discrepancy amount, and Phase 2 on July 1 would increase rates the other half of the discrepancy amount. There was a discussion about how much this would be for individual customers, and about giving tenants the option to get on the switch list to move to a smaller slip. Commission approved of sending the letter, as long as the letter also mentioned that tenants could add their name to the switch list. It was decided that regardless of whether or not they were able to make the switch to a shorter slip, all Boat Haven moorage tenants would be paying current rates as of 7/1/21.
- The CPI is also used as a rate to apply to compensation to ensure staff pay is current with the rising cost of living. Contractually and in accordance with Port policy, the Port is obligated to apply a minimum CPI increase to compensation in the amount of 2%, which is above the June CPI reported amount of 0.9%. There was a discussion about rounding up to 1% or 1.5% for other rates, since CPI is always looking backward, not forward.
- With the passage of the IDD Levy and our renewed focus on maintenance and projects, the Port has a need for a capital projects manager. The Port is currently looking at the possibility of hiring an engineer to serve in that role, managing our capital program, supporting maintenance and freeing up the Deputy Director to perform his primary duties. Executive Director Berg stated that he planned to bring a revised organization chart to the next meeting to allow him to move forward with hiring this capital projects manager. Commissioner Putney asked that he include how this would impact the Port's contract and project costs.

- All other points in the budget memo were briefly covered, as they had been covered in the past meeting. Commissioner Hanke wanted to highlight that our conversion to cash basis will be easier for the public to understand.

C. COVID-19 Update (no materials) (01:06:11)

Executive Director Berg mentioned that preliminary review suggests that July has been an extremely busy month on the tourist side of the Port's operations.

Consulting the Operations Report, Commissioner Petranek noted that the Port had the highest number of overnight guest moorage at Point Hudson than in any other July for the past 6 years, and it's been very busy at Boat Haven as well.

D. Intergovernmental Coordinating Committee (ICC) updates (01:08:51) (no materials)

Executive Director Berg reported that everyone should have received an agenda for the meeting scheduled for the following day (8/27/2020), and the focus for the ICC is on the community groups, who are working through problems and developing proposals. At the meeting there will be a check in with these groups on their progress, including a discussion of timelines. He predicted a lengthy discussion of CARES Act funding – the county has identified \$400,000 funding available that must be spent very quickly.

Commissioner Petranek spoke about a proposal on the agenda for invigorating the ICC planning process submitted by Commissioner Kate Dean, City Council members Michele Sandoval & Ariel Speser, and herself. Their goal is to take the initiative while the government entities are working together and proactively create a shared language, involve the public, invite outside speakers to talk on relevant topics, and discuss how we can creatively work together into the future. She described looking at funding and direction for way beyond this short timeline created by the current pandemic.

Commissioner Hanke asked if there were any groups with ideas that could be funded in the short timeframe.

Commissioner Putney talked about the Broadband group having ideas, but not having any project that could even get started in the timeframe given.

Commissioner Petranek said that the Food System Resiliency group had many projects that could be funded immediately.

Executive Director Berg shared some apprehension about the workload shifting from the community groups to the ICC, with the short timeline and so many important decisions to make.

Commissioner Hanke stated that as an entrepreneur, he estimated that businesses were coming out of this year at 15-20% of their normal income, and that he sees it as a mandate to help those who are on the verge of not making it. He joined the commissioners who submitted the initiative to invigorate the ICC in wanting to continue their joint work into the future.

VIII. STAFF COMMENTS (01:20:42)

Executive Director Berg commented that Commissioner Petranek and he had been meeting with the Lingerlonger Advisory Committee and would like to rotate in the other commissioners in future meetings. Currently he is getting history from their perspective, and the goal is to craft a process to engage the Quilcene community with ideas and vision for the future of Port property at Quilcene. Since COVID-19 prevented an in-person meeting in Quilcene earlier this year, the Port will find a way to meet with that group in Quilcene. Mr. Berg stated that he and Finance Director Berg had met with the Teamster's Union this week and as soon as there is a tentative contract, they will bring it to the Commission. The Port is consulting with 3 software vendors for an online reservation system that works for RVs and boats, and so far Mr. Berg is very impressed with what the products available today can do. The target is to have a software selection made soon, with an implementation phase and then go live in January, so we're proficient by tourist season next year. Mr. Berg reported that the Comp Scheme is due next Wednesday, and Deputy Director Toews is working hard to make the CSHI Update complete.

Finance Director Berg commented that she agreed with everything Mr. Berg had said, and that the Collective Bargaining Agreement work with the union is going well. She is busy working on the July YTD Financial report, the Covid-19 projections update, and the 2021 budget.

Commissioner Putney asked if the proposed software can work with the Port's accounting system, and Ms. Berg said that they were told yes, which would be a great savings to have the two systems integrated.

Port Attorney Reardanz stated that it was expected that the Governor's proclamation on Open and Public Meetings, which currently expires at midnight on September 1<sup>st</sup>, would get extended. The

thought is that if required to meet in person, there would be no safe way to do so until at least Phase 3, if not Phase 4 of the recovery plan.

IX. COMMISSIONER COMMENTS (01:30:59)

Commissioner Putney commented that he and Executive Director Berg had a lunch meeting at the Spruce Goose, and one of the discussions was to make the new WSDOT kiosk available to local businesses for advertising. This would apply to the guest areas at the marinas, too – any “welcome to Port Townsend / Jefferson County, how can we make you more comfortable?” type of ads for itinerants. For example, the Old Alcohol Plant will send a car to pick people up at the airport. This would allow the enterprises in the county to do a little marketing with our guests. He also mentioned that with more complaints about airport noise policies not being followed, the Port is putting up more signs that explain noise abatement procedures.

Commissioner Petranek said she’d had 7 meetings but would condense that to 2 for discussion here. She & Executive Director Berg met with the Lingerlonger Advisory Committee who want to work with their community, the Port, and Coast Seafoods – we are all looking to create more of a community process. She thought that there would be more meetings with individual commissioners before it gets to be a Port meeting. The other meeting was with the Port Townsend Marine Trades Association Board – they’ve decided to do a forum for our County Commissioner candidates – September 10<sup>th</sup> at 6:00 PM – and she would love to ask KPTZ to air it (Commissioner Putney said he’d ask). It will be moderated by the Marine Trades with questions by and for the membership, but with so many in the community interested in these subjects, they want to open it up for everyone to hear.

Commissioner Hanke commented that he had a meeting with the Jamestown S’Klallam tribe about their becoming a part of Point Hudson with a FLUPSY being located there, which is both a necessity and an attraction for the public. He thought it is particularly exciting because of the tribe’s tie to that location, and, as a long-term tenant (1985-today), he felt there is some real synergy happening at Point Hudson. He met with a group at the airport and said it could be a good framework to talk more about community involvement in other areas of the Port – to open more avenues for the public to have input with the Port.

Executive Director Berg mentioned that the Jamestown S’Klallam tribal members will be making a presentation on the FLUPSY, their aquaculture program and their interest in Point Hudson at the September 23<sup>rd</sup> commission meeting.

X. Next Public Workshop & Regular Business Meeting (01:41:18): Wednesday, September 9, 2020, with a Public Workshop at 9:30 a.m. and a Regular Business Meeting at 1:00 p.m., via Zoom.

XI. EXECUTIVE SESSION (01:41:28) re potential real estate lease, purchase and sale, RCW 42.30.110(1)(b,c)

Commissioner Hanke adjourned at 7:15 p.m. to executive session for approximately twenty minutes. With no potential decisions made today, Commission will not reconvene in order to adjourn.

XII. ADJOURNMENT: after close of Executive Session, meeting adjourned at 7:40 p.m., there being no further business before the Commission.

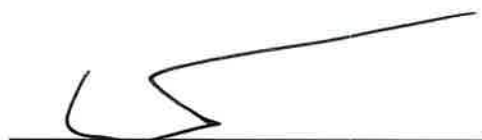
ATTEST:



Pamela A. Petranek, Secretary



Peter W. Hanke, President



William W. Putney III, Vice President