

**PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, October 14, 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  
Capital Projects Director & Port Engineer Love  
Port Recorder Erickson  
Port Attorney Reardanz

- I. **CALL TO ORDER (00:00:50)**  
Commissioner Hanke called the meeting to order at 1:00 p.m.
- II. **APPROVAL OF AGENDA (00:00:55)**  
**Commissioner Putney moved to accept the Agenda as presented. Commissioner Petranek seconded the motion. The agenda was approved by unanimous vote.**
- III. **PUBLIC COMMENTS (00:01:38) – shared live; and submitted via voicemail and read aloud:**  
Bertram Levy commented on a letter he had emailed to the Port regarding Boat Haven legacy rates and spoke about how few 30' slips were available, which is a popular size in Port Townsend. He said he thought that the slips having been remeasured as 34' should continue to be called 30'.
- IV. **CONSENT AGENDA (00:06:00)**
  - A. Approval of Regular Business Meeting Minutes from September 23, 2020 and Special Meeting Minutes for October 6, 2020
  - B. Approval of Warrants  
Warrant #062894 through #062901 in the amount of \$33,941.48 and Electronic Payment in the amount of \$145,512.56 for Payroll & Benefits.  
Warrant #062902 through #063000 in the amount of \$139,515.11 for Accounts Payable.
  - C. Resolution 726-20 regarding Auction of Various Boats.  
Commissioner Petranek asked that item IV.D. Resolution 727-20 regarding grant application for Gardiner & Mats Mats Boat Ramps be moved to Regular Business for further discussion (item VII.F).  
**Commissioner Putney moved to accept the Consent Agenda items A-C as presented. Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**
- V. **SECOND READING – (00:07:13)**
  - A. Adoption of Comprehensive Scheme of Harbor Improvements (CSHI) (Resolution 724-20 regarding CSHI 2020 Update):  
Deputy Director Toews reminded Commission they had previously held a Public Hearing on the CSHI at First Reading during the Commission Meeting on September 23, 2020. There was no public testimony submitted nor were there any changes directed by Port Commission at that time. The State Environmental Policy Act programmatic review has been concluded for this matter; therefore, the CSHI is capable of adoption at this time, and Resolution 724-20 would accomplish that. If Commission adopts CSHI 2020 Update today, Port staff would immediately forward it to Washington State Recreation and Conservation Office, along with whatever form of grant-authorizing resolution is adopted today, making the Port grant eligible for boating facilities program monies in this biennial cycle.  
**Commissioner Petranek moved to adopt Resolution 724-20, approving the Comprehensive Scheme of Harbor Improvements Update 2020. Commissioner Putney seconded the motion.**  
Commissioner Petranek compared the draft CSHI with the Capital Budget and asked why there are projects and budgets that don't match up. Deputy Director Toews explained that the object of the CSHI is to give the public an idea of the scope and extent of capital investments undertaken at Port facilities through the life of the plan and that the annual capital budget operates to refine and amend the broad net cast by the CSHI. The projects that the Port intends to pursue should be reflected in the CSHI, but timing might change, due to funding issues.  
Commissioner Petranek suggested that the description of the IDD levy in the CSHI be changed to make it more clear how the IDD money is set each year and how the public can be part of the process. Deputy Director Toews stated that he would modify the language on page II-3 of the CSHI 2020 Update document, making it clear that the decision on setting the levy would be an annual process as part of the budget, up to the discretion of the commission within a statute authority.  
**Vote taken on motion to adopt CSHI 2020 Update with clarifications made to the description of the IDD levy on page II-3. Motion carried by unanimous vote.**
  - B. Draft 2021 Budget w/Proposed Rates (00:25:00)  
Finance Director Berg introduced the 2<sup>nd</sup> draft of the 2021 budget, which used the COVID-19 model as the starting point. The first draft was based on the July YTD numbers plus the

remaining COVID-19 budget for the year, and this 2<sup>nd</sup> draft uses the August YTD and again includes the consolidated budget, but adds in the department budgets and debt service costs for capital work done in each area. She felt this was helpful to see where the capital costs were borne. She reminded Commission that on October 28 there will be a public hearing on the 2021 budget and at that time a full budget document with narrative and graphics will be presented. She said that she added highlights in the memo portion of the budget assumptions to show what had changed from the 1<sup>st</sup> draft. She said that the operating revenues increased slightly by \$14,000 and expenses increased about \$116,000 from the first draft – minor adjustments to give a more accurate picture of what the Port expects its costs will be.

Executive Director Berg mentioned that the Port is planning to purchase 18 emergency-band radios for daily use in the yard and between Port properties, as well as in emergencies. These would work on licensed frequencies that we would rent, provided on a repeated tower. He stated that the Port is also purchasing radios that would be able to communicate with aircraft, allowing Port crew at the airport to stop planes from landing on a closed runway, for instance. Commissioner Putney asked if the Port had asked the county for an assigned band so that in a real emergency, we'd be able to speak to other government entities. Mr. Berg stated that the Port could have radios capable of listening to but not speaking on a law-agency frequency, and that staff will talk to emergency management and the 911 call center for a path to interoperability that makes sense (moving to a dual-band radio is much more expensive).

Finance Director Berg went over capital project expenses at the Port, which have increased from \$1.4 million to \$1.5 million. Executive Director Berg introduced Mike Love, Capital Projects Director and Port Engineer, who talked about the main stormwater pump station, centrally located in Boat Haven, which drains an area of about an acre, without which the Port would be flooded. This pump station is badly damaged and in need of repair, which he said Port crew can repair with made-to-order parts.

Commissioner Petranek asked if the potential grant for the Point Hudson should be reflected in the budget, and Executive Director Berg stated that it would be added if and when the grant is awarded. Finance Director Berg explained that initially in working through this presentation, she did put those numbers in on p. 44 of the packet under unsecured anticipated grants, and forgot to change the numbers back, which is one of the errors noted between the projects themselves and the funding.

Commissioner Petranek asked where the funding for dredging in Quilcene was, and Port staff responded that the bathometric study would be done this year, and that the actual dredging would happen if the outcome of our planning process results in a desire to dredge. These funds are now line item "Quilcene plan"—a community plan, preliminary engineering and, in 2022, funding for dock repair and whatever implementation looks like.

VI. FIRST READING (01:00:39) – None

VII. REGULAR BUSINESS (01:00:38)

A. COVID-19 update/2020 budget August YTD

Finance Director Berg said that the Port is all on a cash basis now, going back to January 2020, and that cash conversion back to 2018 caused adjustments that resulted in beginning cash decreasing by \$381,000, this difference being outstanding warrants and recognition of 2019 expenses paid in 2020. The Port saw improved numbers in August compared to July by about \$96,000. She said that staff had removed the airport terminal project and Boat Haven Main Breakwater repairs from the 2020 budget because staff didn't anticipate getting these completed this year.

**Commissioner Petranek moved to approve the updated 2020 budget COVID-19 model. Commissioner Putney seconded the motion. Motion carried by unanimous vote.**

B. C-D Dock Rates Discussion — Public Comments (01:09:50)

Executive Director Berg reminded Commission that this item had been discussed before by Commission: that affected tenants were informed that their rates would be increased in a two-step process after Commission decision in September, increasing by half on 1/1/2021, and the other half on 7/1/2021. This was followed by a second letter letting just the C-D dock tenants (who were mostly affected by a remeasuring done in 2017) know that these new rates would be discussed at today's meeting with a chance for public comment. He said he still felt that two (2) boats moored side by side paying different rates was not consistent with Port policy.

Commissioner Hanke asked for a cost differential between leaving these tenants at their current rates and moving to the published rates for all. He said he would like to revisit the current two-step process (going to published rates in 6 months) as it is too quick. He also felt that remeasuring their slips and charging them for a bigger slip than the one they signed up for was a bit harsh.

Commissioner Petranek agreed, saying that the amount might be small, but it would be hard on some of our tenants. She also agreed with the goal of everyone paying the same published

rate, but wanted to be sure that the process followed was really thoughtful, inclusive of the Port's history, and sensitive to the plan to do work on C-D dock in the near future.

Finance Director Berg, in answer to commissioner Hanke's question about cost differential, said that the Port anticipated an additional \$19,000 for the first year, and more the second year, since everyone would be up to full rate.

Commissioner Putney felt for those who had to pay more, but said he thought it was important that everyone pay the same rate for the same length slip.

Commissioner Hanke suggested that the Port increase the C-D dock rates by half on 1/1/2021 and have them pay full published rates by 1/1/22. Commissioner Petranek agree that extending the timeline for increasing the rates was a good idea.

**Public Comments:**

- Don Gibson submitted a comment via email. He runs the reciprocal program for the PT Yacht Club, and when visitors come to PT with a boat 30' or under and stay in the 30' slip, they will expect to pay rent on a 30' slip, as he has done since he signed a contract in 2016. He asked if the Port would update the map on its website with corrected lengths; what the plan for increased rates was; and if rates could remain the same for those who'd been paying the rate for a 30' slip, increasing to corrected length when a new tenant moved in. Commissioner Petranek commented that this felt like bait and switch to her. Commissioner Putney stated that these tenants were paying moorage on a month-to-month basis, and that although he has sympathy for them, changing rates were a part of life, and equity for all tenants was important.
- Bertram Levy commented that the rate was one issue, but the other issue was losing 60% of the 30' slips. He also stated that the 30' slips remeasured as 34' slips were built as 30' slips, and so it was a matter of definition.
- Carl Berger commented that he felt that it is important to get rates equitable; his boat is 5' shorter than his slip length, which works out to about \$1500/year more for him, but he feels in fairness all need to have the same rates, no matter how long it takes.

**Commissioner Hanke moved to sunset the legacy rates, increasing the rates on C-D dock by half on January 1, 2021, and the remaining difference on January 1, 2022. Commissioner Putney seconded the motion.**

Port Attorney Reardanz commented that there is no right for a rate *in perpetuity*. Leases are month-to-month and the Port needs to get to an equitable solution to address any question of gifting that may arise.

**Motion carried by unanimous vote.**

**C. Contract with Molo for marina management and billing software (01:35:10)**

Executive Director Berg summarized for the record what had been introduced and discussed at the workshop earlier today. The current situation at the Port for making reservations is not adequately serving the Port's needs or the Port's users' needs. Port tenants have also been asking for improvements in the Port management software for years. The Port gathered a committee of internal users to study what software would meet all the Port's needs, spoke with other marinas about what they use, interviewed 3 different marina software companies, and chose Molo as the best at meeting Port needs. Port staff then had site visits at the Port of Bremerton where Molo is being used, to ask questions about how it was working. As Molo appeared to be the best software for the Port, staff worked on a final agreement, and then went over contract costs. Port staff feel that having Molo available would drive usage up as well as improve customer service by freeing up time of our customer service reps. Mr. Berg stated that although January 1, 2021 was coming up in just 10 weeks, that the Port is ready to begin implementation on that day.

Commissioner Putney asked what the cost of the current software was. Finance Director Berg answered that it was software that we bought outright (no subscription fees) for \$30,000, then a fee of about \$1800/year for technical support. Another big change is using cloud storage which would facilitate Point Hudson's access to data greatly improved. The Molo subscription of \$87,675 for 5-years includes software, tech support and cloud storage of our data. Commissioner Hanke commented that customers would need to be directed to use the software, but it was exciting that they could use it anytime, 24/7. Commissioner Petranek asked what kind of guarantee the Port had, once the \$87,675 is paid in 2020. Ms. Berg stated that the Port is getting 5 years at a discounted cost since it is paid in advance. Staff built into the contract an ability to opt out in 6 months, in which case the \$87,675 would be reduced by the regular annual fee, and the Port would get the rest back. Commissioner Putney said he was confident that staff had spent a good amount of time doing due diligence because they know how painful deciding against it later would be for the Port.

**Commissioner Petranek moved to authorize Executive Director Berg to execute a five-year agreement with Molo marina management software in a final form to be approved by the Port's general counsel. Commissioner Putney seconded the motion. Motion carried by unanimous vote.**

D. Intergovernmental Coordinating Committee (ICC) updates (01:48:52) (no materials)

Executive Director Berg reported that the next ICC meeting would be on October 22, with a special meeting on November 5. The Intergovernmental Collaborative Group (ICG) meets on October 27 (hosting a talk by Michael Schuman), and again on November 18 & December 16. He said it was possible there could be an additional ICG meeting regarding the ferry situation in late November or early December. He said the ICC was rounding 3<sup>rd</sup> base on the community group plans – the special November 5 meeting is in advance of the ICG to give them time to check in and hopefully have an adopted plan.

E. E.O. 2020-11 re 300-Ton Mobile Travel-Lift Tire Replacement (01:50:29)

Executive Director Berg reported that the tire manufacturer indicated that the tires were not the correct ones; however, the Travelift manufacturer confirmed yesterday that the tires were correct. The Port still needs tires, so he said he'd like to keep the resolution in place in order to be able to order a full set of tires when both manufacturers agree on the same tire. The Port wants to be safe – the new tires are identical in specification to the tires the Port has been using for 23 years, which is comforting, but Port staff would be more comfortable if the tire manufacturer said these were the correct tires, as well.

**Commissioner Hanke moved to approve Emergency Order 2020-11. Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**

F. Resolution 727-20 regarding grant application for Gardiner & Mats Mats Boat Ramps (01:54:33)

Executive Director Berg said the Port was looking for authorization to apply for grant programs and asked if there were any concerns from the Commission, to please address it now.

Commissioner Petranek said she was uncomfortable with adding the ADA accommodation at Mats Mats boat ramp. She felt the Port should go ahead with repairs for Mats Mats, but not with ADA compliance, and that the Port should go full speed ahead for Gardiner boat ramp.

Commissioner Putney felt that the Port might have a better chance of getting anything if we make it ADA compliant, but if we decided to go for only one ramp in this grant application, the Port should prioritize Gardiner, because we'll lose it if we don't repair it.

Commissioner Hanke felt that the Mats Mats ramp is worthless unless you replace it; the ADA would make the ramp easier to walk onto, but it will cost us more money in matching funds. He thought it best to lose the Mats Mats application altogether and go with Gardiner.

Commissioner Putney was not convinced that splitting the project at Mats Mats into two (2) parts over 10 years was the way to go, saying that if the Port wants to keep it, we need to build it right. He went on to say that there is a need in Jefferson County for more trailer boat access than we currently have – there are marginal ramps at Mats Mats, Port Hadlock, and Quilcene – and the Port can't fix them all, so maybe we should do one (1) really well.

Commissioner Petranek thought that it was possible to repair Mats Mats boat ramp with \$300,000, but not to make it accessible to more people, because of the parking situation there.

**Commissioner Petranek moved to approve the attached Resolution 727-20 authorizing the executive director to execute the RCO grant funding to support the Gardiner launch ramp improvement project. Commissioner Hanke seconded. Motion carried by unanimous vote.**

VIII. STAFF COMMENTS (02:01:07)

Executive Director Berg commented on the following:

- The 4 Amigos<sup>1</sup> have continued the conversation about the North Olympic Legislative Alliance, and he anticipates that he will soon have an agreement for the Commission to consider that would more formally incorporate within NOLA the City, County, Port & PUD – with NOLA being the equally weighted Clallam/Jefferson alliance advocating on issues of mutual agreement and mutual interest.
- The Security Officer position at the Port remains open.
- He spoke with Kyle of the Jamestown S'Klallam Tribe yesterday to find out how things are coming together and they're working with their team on more fully developing the proposal they talked about last month. They will come back to the commission with a more refined proposal for further deliberations in a few months. At that time the public could make more

<sup>1</sup> County Administrator Philip Morley, City Manager John Mauro, Port of Port Townsend Executive Director Eron Berg, Jefferson PUD General Manager Kevin Streett.

direct comments. No questions have come through the website, so there are probably people waiting for the opportunity to share their ideas for that type of use at Point Hudson.

- It's sunny, we're busy, and the yard is filling up, so things are looking good at the Port.

Deputy Director Toews informed Commission that Port staff would be having the conversation with FAA and WSDoT aviation for the upcoming 5-year capital planning. Port staff have submitted an initial request to accelerate a design for both the second taxiway connector as well as the rehabilitation of the parallel taxiway, with design in 2021 and hopefully construction in 2022. They are reaching out to FAA to see if there were any possible funding for the terminal project. He also told the Commission that the Jefferson County International Airport (JCIA) would be closed this upcoming week for implementation of Runway 9/27 Corrective Action Plan: pre-levelling, application of a tac-coat and then 2" of overlay, mandated by FAA rules; as well as saw cutting and replacing of asphalt on the A-2 Connector to address ponding.

Finance Director Berg thanked Commission for their feedback on the capital and operating budgets and looks forward to getting the next version of the budget out that will be closer to the final version. She also stated she was excited about getting and implementing the Molo software at the Port.

Port Attorney Reardanz commented that the Governor's proclamation on open and public meetings was extended to November 9<sup>th</sup> at 11:59 PM.

X. COMMISSIONER COMMENTS (02: 07:27)

Commissioner Petranek commented that she and Executive Director Berg had another Working Waterfront interview on KPTZ that aired yesterday, and they went over the budget process, comp. scheme, boats sinking, etc. at the Port. She gave an update on Marine Trades:

- Joni Blanchard made the cover of the Professional Boat Builder magazine, and Matt Mortenson and Chris Brignolli of Revision Marine received "best entrepreneurs of the year" from Jefferson County Community Leadership Awards.
- She noted the passing of Leif Erickson on September 22, who had a marine trades business for decades and was former Port Commissioner 2010-2013; and the passing of Gordon Nielson this past Saturday, who was many things and also a great citizen advocate for the Port.
- She is representing the Port on the Marine Resource Committee, which had a guest speaker on sea-level rise and they'll be exploring ways to bring that up more in conversations with our governmental entities.
- She will take the Port boat out this Sunday and help to move buoys back in for the winter.
- Regarding our public comments for Jamestown S'Klallam proposal, she couldn't find it anywhere on our website, and suggested it be moved front and center on our home page.

Commissioner Hanke said that he had lots of comments on the airport but would save them for later; except for a few logistical questions about the work being done on the runway.

XI. Next Public Workshop & Regular Business Meeting (02:15:18): Wednesday, October 28, 2020, Regular Business Meeting at 9:30 a.m. and a Special Executive Session at 11:00 a.m. to discuss the performance of a public employee, RCW 42.30.110(1)(g).

XII. EXECUTIVE SESSION (02:15:38) - Current or Potential Litigation, RCW 42.30.110(1)(i) Commission moved to Executive Session at 3:15 p.m. for approximately 30 minutes with no action following executive session.

XIII. ADJOURNMENT: meeting adjourned at 3:49 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