

PORT COMMISSION SPECIAL BUSINESS MEETING – Tuesday, November 10, 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 Attorneys Reardanz & Chmelick

I. CALL TO ORDER (00:00:18)

Commissioner Hanke called the meeting to order at 1:02 p.m.

II. APPROVAL OF AGENDA (00:00:55)

Commissioner Putney moved to accept the Agenda. Commissioner Petranek seconded the motion. The agenda was approved by unanimous vote.

III. PUBLIC COMMENTS (00:01:18) – none

IV. CONSENT AGENDA (00:01:48)

A. Approval of Regular Business Meeting Minutes from October 28, 2020

B. Approval of Warrants

Warrant #063044 through #063051 in the amount of \$32,422.32 and Electronic Payment in the amount of \$154,688.20 for Payroll & Benefits.

Warrant #063052 through #063111 in the amount of \$66,466.78 for Accounts Payable.

C. Resolution 729-20 Section 125, Flexible Benefits Cafeteria Plan.

D. Resolution 730-20: Emergency Reserve Fund

E. Reid Middleton Contract Amendment

Commissioner Putney moved to accept the Consent Agenda as presented. Commissioner Petranek seconded the motion.

Commissioner Hanke asked if the extension on the Reid Middleton Contract was for Airport Runway project closeout. Executive Director Berg stated that it was for extra time needed for contract negotiations, and Deputy Director Toews stated that it was also to give time for closeout with the FAA, since this process could go long, in his experience.

Motion carried by unanimous vote.

V. PUBLIC HEARING ON DRAFT 2021 OPERATING & CAPITAL BUDGET, RATES, PROPERTY TAX LEVY AND IDD TAX LEVY – (00:04:47)

Commissioner Hanke opened the public hearing at 1:05 p.m. He then introduced Finance Director Berg to present the budget.

Finance Director Berg went over changes to the Budget document since the meeting on October 28, noted in her memo. One typo was noted on page 4 of her memo in reference to utilities the increase should be \$10,000 not \$29,186. On the rate cards, one was added - a fee for replacing the restroom / laundry room key fobs. This is not a new or increased rate, but hadn't previously been published on the rate cards.

Commissioner Hanke commented that the Org Chart was well organized, and the flow of information was clear. Commissioner Petranek added that under customer service staff she would like to the number of staff represented for each job title. Executive Director Berg said the org chart would be updated with this information.

Commissioner Petranek asked about Resolution 732-20 regarding the update to the CSHI, and whether the new document was available now. Deputy Director Toews reminded Commission that they had adopted the 2020 Updated CSHI with Resolution 724-20 with one change (language describing in detail how the IDD levy works), and the CSHI 2020 Update with that change would be posted this week. Port Attorney Chmelick commented that the CSHI could be a compendium of documents, and Deputy Director Toews added that the expectation in the future would be to append the budget resolutions to the CSHI so people can see how the plan has changed through time with Commission-adopted capital budget decisions.

Commissioner Hanke closed the Public Hearing at 1:25 PM.

A. 2021 Rates (rate cards) (00:24:37)

Commissioner Putney moved to approve the 2021 rates, as detailed on the proposed rate cards. Commissioner Petranek seconded, and motion carried by unanimous vote.

B. Resolution 731-20: 2021 Budget Adoption (00:25:30)

Commissioner Putney moved to adopt Resolution 731-20 - Adopting the 2021 Operating and Capital Budgets. Commissioner Petranek seconded the motion.

Commissioner Putney asked if adopting the Operating and Capital Budgets also implies that we have a way to fund them, and if the funding was in the resolutions 733-20 and 735-20. Executive Director Berg said yes, and put another way, the budget has additional acts necessary to implement it, including the rate cards, the property tax and the IDD levy.

Commissioner Petranek asked about the revenue trends and goals mentioned on page 8 of the budget document and was told that although the upward trend was broken this year due to the pandemic, the Port's goal is still to grow revenue by approximate \$200,000 each year. She asked why there were two audit costs in the budget. Finance Director Berg answered that there is a regular 2-year cycle audit for 2018 and 2019 going on now, and there will be a mandated federal audit next year, due to the Port's federal expenditures of over \$750,000 (for the airport runway rehab) in 2020.

Vote was taken, and motion carried by unanimous vote.

- C. Resolution 732-20: Update to Comprehensive Scheme of Harbor Improvements (00:33:11)
Commissioner Petranek moved to adopt Resolution 732-20 – Updating the Comprehensive Scheme of Harbor Improvements. Commissioner Putney seconded, and the motion carried by unanimous vote.

- D. Resolution 733-20: 2021 Budget Property Tax Levy (00:34:40)
Commissioner Putney moved to adopt Resolution 733-20 – Establishing the 2021 Property Tax levy. Commissioner Petranek seconded, and motion carried by unanimous vote.

+ Resolution 734-20: Implicit Price Deflater (IPD) index Resolution of Substantial Need

Commissioner Petranek moved to adopt Resolution 734-20 – 2021 Implicit Price Deflater (IPD) Finding Substantial Need (for Property Tax levy). Commissioner Putney seconded and motion carried by unanimous vote.

- E. Resolution 735-20: IDD Multi-year Levy (00:36:30)
Commissioner Putney moved to adopt Resolution 735-20 – Establishing the 2021 IDD Tax Levy. Commissioner Petranek seconded.

Commissioner Putney noted that the tax the Port is proposing is 26¢/\$1,000 property value, which is twice the 13¢/\$1,000 we levied last year.

Commissioner Petranek said she understood that this had to do with the five-year Capital Plan and taking the total costs and dividing by five years, to come up with this number, so we can be funding our capital work for the next five years.

Executive Director Berg explained that by levying more in the next five years, we are able to work with our Line of Credit and avoid taking on more long-term debt. Page 52 of the packet (29 of the Budget document) explains the anticipated use of IDD levy reserve funds – to fund 5 years of planned capital expenses.

Commissioner Hanke commented that this puts the Port in a position to put financing together for big capital expenses like the Point Hudson jetty.

Vote was taken, and motion carried by unanimous vote.

+ Resolution 736-20: Implicit Price Deflater (IPD) index Resolution of Substantial Need

Commissioner Petranek moved to approve Resolution 736-20 – 2021 Implicit Price Deflater (IPD) Finding Substantial Need (for IDD Tax levy). Commissioner Putney seconded, and motion carried by unanimous vote.

VI. FIRST READING (00:41:06) ~ None

VII. REGULAR BUSINESS (00:41:13)

- A. COVID-19 Model/2020 Budget September Year to Date

Executive Director Berg said overall this model is working fine and there are no COVID updates. He thought that perhaps he could shift to just a budget update / report monthly.

Finance Director Berg said that she would like to confirm that the Commission would like to see monthly reports showing month to month budget-to-actual, instead of what we did prior to COVID, which was a year-to-date comparison to prior year model. This will be presented and discussed further at the December 9th meeting.

- B. Intergovernmental Coordinating Committee (ICC) updates (00:47:19) (no materials)

Executive Director Berg reported that the ICC had met on November 5 to prioritize top 3 objectives from each of the community groups that would go into the plan. They plan to draft a shorter document with the entire community reports as appendices, so the actual work of the community groups will be available. Members of the ICC agree that the Intergovernmental Collaborative Group (ICG) should continue to exist in 2021, with continued collaboration and

perhaps speakers like Economist Michael Schuman at quarterly meetings. The ICG will meet again on November 18 when a first revised draft of the plan will be presented to the full group, the ICC will meet on December 3rd to make any final edits on the plan before the ICG meets on December 16 for potential adoption. He said he is drafting a new joint resolution to create an ICG for the future, possibly to be signed on December 16.

VIII. STAFF COMMENTS (00:58:48)

Executive Director Berg thanked and acknowledged Finance Director Berg on her hard work making the budget accessible and readable. He reported that the Port had hired a new security person, Trevor Hansen, who was a Port Townsend Police Reserve / provisional officer. He will start on November 16 and will spend his first few days touring the Port with Environmental Specialist Taylor so he can meet and get to know Port tenants. Mr. Berg reminded the Commission that the last meeting of the month is on a Tuesday, November 24.

Finance Director Berg commented that now that the budget is approved, she would make it available to the County, along with the Resolutions. She said that Port staff are working with Molo to upload data so that the software is ready to implement by January 1, 2021. She informed Commission that the 2018-19 audit had started, and report was due December 31, 2020, but audit would continue into 2021.

Port Attorney Reardanz reported that the Governor had extended the OPMA in-person exemption to December 7, 2020.

X. COMMISSIONER COMMENTS (01: 04:48)

Commissioner Putney commented that when trying out a new flight planning software that allows pilots to plan for fuel stops and reports fuel prices, he discovered that JCIA has the most expensive fuel from the Canadian border to Portland. He reminded Executive Director Berg of the Industrial Development Corporation of the Port of Port Townsend (IDC), which should be a part of the first meeting of the year in January 2021. He also reported that he had been meeting with the Jefferson County Broadband action team.

Commissioner Petranek commented on the following:

- She had signed up for an economic development seminar through the MRSC that is happening now, and she asked Recorder Erickson to send out a link to a recording of the seminar to Commission when its available.
- PTMTA had invited the Port's new Security Officer, Trevor Hansen, along with Environmental Specialist Taylor to their meeting on November 17, so that he could be introduced and begin a rapport with tenants.
- The Shoreline Master Plan review by the City and County will be discussed today at 6:00 PM, and some of the things they're discussing are things that affect the Port, like mooring buoys.
- The Marine Resource Committee is meeting tonight at 6:00 PM.
- She and Executive Director Berg had done another Working Waterfront interview with KPTZ for the month of November, which will be aired today. It focusses on citizen participation. She will send a link to Recorder Erickson so she can post it to the Port's website.
- Julian Arthur passed away last September, and his obit was in the paper this week. He was a long-time friend and crane operator in the Port's yard who received a Lifetime Achievement Award in Spirit & Culture from the Wooden Boat Foundation. He will be missed.
- The PT Leader's annual Working Waterfront Issue had just been issued.
- The School of Wooden Boats had a refrigeration class on Cape Cleare this week.

Commissioner Hanke commented that Julian was a good friend whom he met through motorcycle racing. He said that the Port is discussing the possibility of offering to serve in the role of the Associate Development Organization in Jefferson County.

XI. Next Special Business Meeting (01:19:05): Tuesday, November 24, 2020 at 5:30 p.m. via Zoom.

XII. EXECUTIVE SESSION (01:19:24)

Commission paused the meeting to go into executive session to discuss the performance of a public employee, RCW 42.30.110(1)(g) at 2:20 p.m. Session began at 2:45 p.m. for an estimated 45 minutes with action to follow executive session.

Commissioner Hanke called the meeting back to order at 4:18 p.m. He proposed a brief discussion about giving Executive Director Berg the annual COLA plus a raise of \$4,000 based on his performance. Commissioner Putney said that Executive Director Berg has the experience to give him the potential to be a great Port director and he was thrown into the position at a time that would be very difficult for anyone. Commissioner Petranek said she was excited to work with him and liked how he worked with each commissioner to help us all work together, including the level of rapport and collaboration throughout the Port staff. She said she liked how he was eager to try

so many different things to solve problems. Commissioner Hanke said Executive Director Berg has done an excellent job; the trust level at the Port is extremely high and he wished him many good years at the Port. Executive Director Berg thanked the Commission and said his family and he were very happy in Port Townsend and he is enjoying the job and is looking forward to many more years of service. He said he appreciated the vote of confidence from the Commission.

Commissioner Hanke moved to give Executive Director Berg a raise of \$4,000 over the COLA he will receive. Commissioner Petranek seconded the motion. Motion passed unanimously.

XIII. **ADJOURNMENT:** meeting adjourned at 4:25 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