

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, January 27, 2021

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 Woolson

I. CALL TO ORDER (00:00:01)

Commissioner Hanke called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA (00:00:11)

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

III. PUBLIC COMMENTS (00:01:23)

Bertram Levy commented on an email he sent prior to the meeting about plans for changes to Boat Haven, including moving or adding a new building for the Moorage / Yard office. He stated that building any more structures before a thorough study of the organization of Boat Haven properties is completed would be counterproductive.

Patricia Jones commented on the Quilcene Planning Process, saying that the Port facilities at Quilcene are more than the Herb Beck Marina, and suggested that planning documents going forward should include a complete description of the Port property (swimming beach, both boat launches, marina, bathrooms, leases, camping area), and associated income and uses. She asked the Commission to build on the history and past community planning efforts and their tremendous volunteer body of work, and include full budget information in planning materials on the Port's website. She also stated that the Port should include a retrospective of investments countywide for the past levy funds and capital funds, as well as future plans, in a side by side report so the public can see the actual investments countywide.

Kit Kitteredge also commented that she wanted to echo what Patricia said about the Quilcene Planning Process. She feels that it needs a full-spectrum look, include due diligence, and is important for Port to review the results of the query to get the full picture and interpret that information accurately. She stated that the community is not looking to put a lot of money into just the docks. What they're looking for and what the Port's needs are should encompass the entire property. She thanked the Port for tending to Quilcene.

Bob Frank of Admiral Ship Supply sent in a comment on lease rates based on the 2018 Kidder Mathews study, which he stated included market comparisons that are quite different than his facility, and that the actual fair market retail lease rate is closer to the study's light industrial rate findings. He requested that the Port hire a professional evaluator in the near future to prepare a study that uses updated and accurate information.

IV. CONSENT AGENDA (00:13:39)

A. Approval of Workshop & Business Meeting Minutes from January 13, 2020.

B. Approval & Ratification of Warrants

Warrants #063319 through #063322 in the amount of \$10,201.60 and Electronic Payment in the amount of \$83,917.83 for Payroll & Benefits.

Warrants #063323 through #063362 in the amount of \$274,307.49 for Accounts Payable.

Electronic Debit in the amount of \$4,614.08 to WA Dept. of Revenue for Combined Excise Tax.

C. Admiral Ship Supply Lease Amendment #1

Commissioner Putney moved to approve the Consent Agenda and Commissioner Petranek seconded the motion. The Consent Agenda was approved by unanimous vote.

V. SECOND READING ~ none

VI. FIRST READING ~ none

VII. REGULAR BUSINESS (00:14:43)

A. QUILCENE PLANNING

Deputy Director Toews thanked both Quilcene citizens whose comments focused on the outline presented to the Commission at the January 13 workshop, which has since been

revised. He said the earlier version outlined a detailed, intensive process that would extend throughout the summer as a starting point for discussions, and today's agenda item is a revised version, based on conversations with each of the commissioners, that is less complex. Mr. Toews said that the Port must ask the right questions that get the kind of feedback from the community that would be helpful both to the community as well as to the Commission, helping to inform decisions like the operating and capital budget later in the year. He said going forward the Port would use work done previously and all background information necessary to support and facilitate meaningful conversations and that he believes the inventory information included in the Comp. Scheme is a good start on that. (He clarified that when the Port refers to the Herb Beck Marina, it is shorthand for the entire facility, not just the in-water portion.)

Mr. Toews said that based on what he has heard from individual Commissioners, staff is recommending that the process be slowed down to actively engage with the community. Between now and March a questionnaire would be developed that augments the work that was previously done and gets at the questions that need answers. Staff would bring a draft questionnaire back to Commission for approval before administering it later in spring, augment those discussions with in-person community meetings later in summer (if possible), identify common themes from all discussions, and report back to Commission in late autumn.

Commissioner Hanke moved to authorize staff to proceed with plan outlined in the memo. Commissioner Petranek seconded the motion. Discussion was invited.

Commissioner Hanke stated that the photo on the Port's website of Quilcene is representative of what the task is before us: the updating of the properties, the dredging, the boat ramp, the marina, the upland properties, and there are a lot of pieces in place and a lot of community involvement that has already been done, and he promised to review that material. He said he was glad the Port was in a fairly aggressive maintenance mode for the docks, but as soon as we can, it would be great to meet in person about this, because it would be more productive to be together on site.

Commissioner Putney said was that although the future is uncertain, this draft is more in line with what he'd like to see. He commended Port Maintenance staff for working hard and being good stewards of Quilcene facilities, and said the questionnaire is an important first step in this process.

Commissioner Hanke suggested we add information to the Quilcene website about the plan, the questionnaire, a comments page, and a list of all Port properties.

Commissioner Petranek suggested that the Comp. Scheme refer to the Quilcene property as just "Quilcene", instead of the Herb Beck Marina. She asked that the website for Quilcene planning include a narrative of the property, a map, a "walking tour", background information, history, and community comments. She asked to also include former planning documents, a list of what the Port is doing now, capital projects that we know are critical, and what the community has already identified as critical needs.

Deputy Director Toews said it was the intent of staff to provide such a website with all these components.

Motion passed by unanimous vote.

B. 2020 NOVEMBER FINANCIALS (00:40:37):

Finance Director Berg said that the COVID-19 budget model was working well, and each month the Port performance did a little better than the model, progressing well with revenues and staying below budget on operating expenses.

Commissioner Petranek gave kudos to areas of the Port that did very well in 2020 (over and above budget projections): permanent moorage in Boat Haven, Work Yard, Quilcene Marina and properties, Point Hudson moorage, and the overall winner that did the greatest increase for a year was the Boat Haven leases.

C. QUARTERLY PROJECTS REPORT (00:47:27)

Port Engineer Love gave the Commission highlights of an extensive list of Port projects for information purposes only. He said that the list relied heavily on the Port's maintenance crew, and noted the labor hours predicted for these projects. He explained that with each weather emergency, or otherwise, the maintenance crew is drawn off these projects to help fix problems, and this needs to be understood when noting costs and times for projects.

Commissioner Hanke thanked staff for the excellent reports and said he was impressed with the detail which helps him see what the projects are. He said that there needs to be a discussion about how we define maintenance vs capital projects sometime in the future.

Referring to Commissioner Petranek's list of budget winners, he said a big contributor was the maintenance crew and suggested that the Port consider hiring another crew member.

Commissioner Putney agreed that it was important to monitor personnel/staff expense but supported expansion when its warranted.

Finance Director Berg said that she thought this would be pivotal year with Port Engineer Love onboard to help direct and focus on these capital projects and using Maintenance in a way they've not been used in the past. This will be a beta for us to see how that works.

Commissioner Petranek commended Port Engineer Love on the stellar reports, and brought up the concern about relocation of the Yard Office. Port Engineer Love said that they were looking at all options for improvements needed in the Yard Office, not just relocation.

Commissioner Petranek asked about the impetus behind the storage units, since yard space is at a premium. Port Engineer Love stated that these storage units were a place to safely store tools and equipment out of the weather, and were small enough to be moved by a forklift as needed. This would be a service to provide to help keep the yard clean, and free of debris for stormwater runoff, too. Executive Director Berg stated that currently there quite a few companies providing these storage units where we have no control over placement, and this would provide security for tools and benefit us in terms of operations. This would be \$25/week rental, and the plan is to build a few and see how well it works.

Port Engineer Love said he could speak in more detail on these projects at the retreat, including work done at Quilcene that may have been overlooked. Commissioner Hanke said for the retreat on Feb. 17th, he'd like to see an overall assessment of what it is Maintenance is capable of this year, and what it would look like if another employee were hired this year.

IX. STAFF COMMENTS (01:06:39)

Executive Director Berg commented that our Boat Yard 480 conduit project in partnership with the PUD is moving forward, they've gone out to bid, we have a pre-construction meeting with them maybe as early as Friday this week to compare notes and go over the plan. He thanked the PUD for their partnership. Potential tenants' first question always seems to be, "Is there 480 power?" so the power being available makes the buildings more usable for different tenants. He spoke about a meeting with Betsy Davis of the NWSWB "Boat School" about possible occupancy of the Skookum Building for an auxiliary classroom for Systems classes, as well as on-going continuing education for experienced marine trades people here in Boat Haven. He said it was exciting to discuss the possibility of supporting the development of next-generation marine trades and professional development of all marine trades in that partnership, which is in complete alignment with Port mission. He gave a hiring update, with replacements needed in Customer Service, as well as in the Yard.

Deputy Director Toews commented on the RCO program grant for Gardiner boat launch, a phased project; the Port is phase 1, and DFW is phase 2 with adjacent upland improvements. This is a \$810,000 project and an 80/20 grant, so potentially \$675,000 funding from RCO. The Port is proposing a concrete wedge with adjacent handling float and new ramp. He said that there would be a presentation with the funding board in mid-February and he was hoping for another success with funding to help us with a very underused facility. He also commented that he's working on a new Skookum lease agreement, which is a challenging issue that would be discussed at the retreat in mid-February.

Finance Director Berg commented that MOLO is going quite well; customers are getting used to it. She said that the Port is still struggling with reservations because we're waiting to get that part of the software so we can test drive it before releasing it for public use. She reported that the 2021 LGTO LOC Bond is set to close on Friday. She said she is working on the interview process for CSRs next week, and then will move forward with yard laborer interviews. She will then work on December and annual reports.

Port Engineer Love commented that the stormwater filtration system media ordered in December is installed and the stormwater treatment is up and functioning as it needs to be. He said that after the most recent storm event, the sample results were good.

X. COMMISSIONER COMMENTS (01:18:21)

Commissioner Petranek commented that she attended a Port Townsend Marine Trades Association meeting – the last day as a board member – where they discussed joint marketing with the Port. She said she attended the Marine Resources Committee last week with Commissioner Putney; at the meeting they developed a list of recommendations for the County regarding use of the County's state parks for Navy training. She reminded everyone that the Port

was hosting Chuck Marohn for a "Strong Towns" presentation next week on Thursday, February 4 from 5:00-7:00 p.m. at the Intergovernmental Collaborative Group meeting.

Commissioner Putney commented that he also attended the Marine Resources Committee meeting and gave input on the use of the County's state parks for Navy training. He was happy to get some input from a constituent on this and stressed the importance of good communication of these concerns with the Navy. He was excited that community members attended the meeting and gave input tonight, and encouraged more participation.

Commissioner Hanke commented that he was excited about Quilcene planning process and getting the community's expectations aligned with the Port's as far as what we're going to do with the properties there. He said he thinks that District 3 is a big district and one area that adds tax revenue to the Port where we have no properties is Port Ludlow. He said his boats had been hauled this past week and gave a shout out to yard staff being so professional with boat hauls.

XI. NEXT REGULAR BUSINESS MEETING (01:24:23)

Next Special Meeting of the Intergovernmental Collaborative Group (ICG), Thursday, February 4, 2021 at 5:00 p.m., via Zoom

Next Workshop & Regular Business Meeting: Wednesday, February 10, 2021; Workshop at 9:30 a.m. & Meeting at 1:00 p.m., via Zoom


XII. EXECUTIVE SESSION (01:24:57) - To discuss with legal counsel representing the Port litigation or potential litigation - RCW 42.30.110(1)(i)

Commission Hanke closed the meeting to Executive Session at 6:57 p.m., estimating that the Executive Session would last approximately one hour, with no action to be taken.

XIII. ADJOURNMENT

Meeting was adjourned at 8:08 p.m., there being no further business before the Commission.

ATTEST:



William W. Putney III, Secretary



Peter W. Hanke, President



Pamela A. Petranek, Vice President