

## PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, April 28, 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  
Finance Director Berg  
Port Engineer Love  
Port Recorder Erickson  
Port Attorney Woolson

I. CALL TO ORDER (00:00:52): Commissioner Hanke called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA (00:00:54)

**Commissioner Putney moved to accept the Agenda as presented; Commissioner Petranek seconded the motion, and the motion carried unanimously.**

III. PUBLIC COMMENTS (00:01:19) comments sent in via email, and read aloud for the record:

Bertram Levy commented about the clause on Due Diligence in the Port's Lease Policy and asked that the Port create a standardized financial form for public scrutiny.

IV. CONSENT AGENDA (00:02:57)

A. Approval of Public Workshop Meeting Minutes from April 14, 2021.

B. Approval & Ratification of Warrants

Warrant #063657 through #063662 in the amount of \$11,500.52 and Electronic Payment in the amount of \$78,113.11 for Payroll & Benefits.

Warrants #063663 through #063705 in the amount of \$219,611.76 for Accounts Payable.

**Commissioner Putney moved to accept the Consent Agenda as presented; Commissioner Petranek seconded, and the motion carried unanimously.**

V. SPECIAL PRESENTATION (00:04:57)

2021 Legislative Session Review – Insight Strategic Partners: Chelsea Hager and Caron Cargill gave a presentation on how the Port fared with regard to its legislative priorities. They gave a broad session framework, what happened to some of the other session policy areas outside the Port interests, and then went into specifics of the Port's legislative agenda.

VI. SECOND READING ~ none

VII. FIRST READING (00:36:50)

A. Custodial Services

Port Engineer Love said there were restrooms that the Port would like to open up that are new to the Port's maintenance program. He referred to a spreadsheet showing the facilities the Port currently maintains and those it is planning to maintain in the future. He said 70 hours is currently spent on janitorial work each week split between 15 restrooms, 2 laundry facilities and 5 offices, and this proposal adds 26.5 hours per week to the cleaning schedule. Some of these restrooms have been closed during the pandemic, others are connected to and cleaned by tenants. The pandemic has induced the Port to make sure restrooms get extra deep cleaning, and the Port wants to maintain this level of service to Port facilities.

There followed a discussion regarding who would have access to these restrooms and whether the Port could share responsibility for maintaining public restrooms with other Government entities.

Executive Director Berg said he would bring a modified Organizational Chart to the Commission that includes establishment of a new janitorial position; if approved, the Port could fill that position and then reopen the west-end bathrooms – maybe around July 1.

VIII. REGULAR BUSINESS (01:00:12)

A. Updating Resolution Delegating Administrative Powers and Duties to the Executive Director and Designees

Executive Director Berg reviewed what would change on the delegating of administrative powers in this draft besides a few typos and corrections:

- XIV. POLICY GOVERNING INTERLOCAL AGREEMENTS FOR USE OF PORT PROPERTY FOR TRAINING PURPOSES AND EVENT SITE USE AGREEMENTS FOR ~~ONE-DAY~~ EVENTS (remove "one-day" specifically for the Wooden Boat Show, which is a three-day event).
- XVII. POLICY GOVERNING AUTHORITY TO ENTER INTO NON-DISCLOSURE AGREEMENTS (NDA) (adding this authority to allow the Executive Director to give assurance of confidentiality to prospective clients).
- XVIII. POLICY GOVERNING PROMULGATION OF ADMINISTRATIVE RULES AND REGULATIONS (was an omission that needed to be included to allow the Executive Director to enforce a new rule regarding noise in the yard).

Commission Petranek asked in regard to the NDA, why now, and what are the benefits? Executive Director Berg said he had seen the NDA in action recently during a public meeting in Whatcom County and thought it could be applied by the Port in lease negotiations with Sea Marine; there is information that Sea Marine would not want to share with the public that would help the Port in its decision making. He suggested moving forward with the rest of the changes in this document and leaving the NDA paragraph out, in order to allow for further discussion by the Commission, if needed.

Port Attorney Woolson gave an overview of how NDAs work with public ports, which are subject to OPMA and PRA laws. An NDA would give the tenant/business the assurance that the Port would not give out information in casual discussions, and if there is a request for records that pertain to the NDA, the Port would notify the tenant/business that there is a request so they can take action, if needed. Final agreements would come to the Commission when ready for approval and would then be a part of the public record. He noted that an NDA does not prevent the Executive Director from talking to the Commission about the agreement.

**Commissioner Putney moved to adopt Resolution 745-21 delegating administrative powers and duties to the executive director, with the exception of paragraph XVII (governing non-disclosure agreements), which shall be struck. Commissioner Petranek seconded.**

Commissioner Hanke suggested that NDA authority be added to the May 12 agenda for further discussion. Commissioners Putney and Petranek both felt that this would be enough time for them to consider this topic and continue the discussion.

**Vote was taken and motion carried unanimously.**

B. Yard Stormwater Update – no materials (01:26:25)

Port Engineer Love briefed the commission on the new general boatyard permit that will go into effect August 1. Port staff provided feedback to Ecology on the draft permit about the potential cost to the Port if required to meet these more stringent water quality standards for water outfall, and what about the science for this is different than it was five years ago. He went on to say that the Port is now exploring two different options for treatment: (1) to somehow get our stormwater effluent pumped to the City's wastewater treatment facility (Port of Anacortes does this); or (2) use the funding of \$2 million from WA State to build a central treatment here in the boatyard.

Port Engineer Love reported that last Saturday's rain allowed Port staff to take samples of our stormwater effluent with results anticipated in a few days. He is looking forward to seeing if the new pre-settling tank is working to lower our total suspended solids, lowering equal amount of copper and zinc, and help us determine if this is a good investment.

Commissioner Hanke asked about timing, since our permit is up July 31 – what happens after that? Mr. Love said that if we don't meet the quality standards they set, we go into engineering analysis and reporting, with a plan to work towards meeting the new standards. Like the current permit the new one will require testing in certain months, but the conditions of the tests and how to meet them are more stringent with the proposed permit.

Executive Director Berg explained that the Port hopes to solicit qualifications from engineering firms as soon as the permit requirements become clearly known, so that our team in consultation with the Dept. of Ecology can work on designing a system that can be built as soon as practicable. Ecology will permit what we're doing and make sure it complies with the boatyard permit. He said that this is a \$2.6 million investment to solve an existential crisis here at the Port and he thanked Rep. Tharinger for getting the Port the \$2 million needed to make clean water.

C. March Year-to-date Financials (late addition) (01:42:10)

Finance Director Berg said that revenues are up 12% comparing this first quarter of 2021 to the first quarter of 2020 and up in comparison to budget for the same time period by 11%. Expenses are more complicated; they are up 32% compared to 2020, but there are some timing differences with getting up to speed with cash reporting, as well as increases in auditing, legal; and some required expenses related to annual maintenance, environmental supplies, and aggressive cleaning due to COVID-19. As an aside, she mentioned that the Port might be able to recoup the cost of some COVID-related supplies and materials for the disaster-related event earlier in the year at the airport, City Dock and Stormwater. Ms. Berg pointed to the Quarterly report which shows a 5-year trend for revenue comparative year to year and showing increases. She said that Yard Operations are leading the pack with an increase of 20%, Point Hudson is up 11% and Boat Haven properties are up 10%; other areas do not look as good, but it's not good to draw a lot of conclusions from some of these results so early in the year. She referred to page 59 of the packet, which showed accounts payable, total long-term debt, debt service for the year, and capital project expenses YTD. (Commissioner Petranek stated this was her favorite part of the report.)

Commissioner Hanke asked about the permanent moorage numbers being lower, and Executive Director Berg explained that due to the anticipated D-dock work, the Port held off on filling permanent moorage slips until staff concluded that the work could not move forward at this time.

Commissioner Petranek asked about bank charges for when customers use credit cards, and whether Molo software would allow us to pass those charges onto customers. Finance Director Berg stated that Molo doesn't do that, and it would be complicated for us to figure out a way to do that fairly. Commissioner Hanke said that this might be better discussed further at another meeting.

IX. STAFF COMMENTS (01:57:57)

Executive Director Berg commented that he has been working with a design person on a scope for the Pavilion building project that would include historically appropriate windows, bathroom modifications, HVAC system, fresh paint, flooring, and an AV upgrade to serve the dual purpose of a place for Commission public meetings, as well as a day-rental space the rest of the time. He said that as the plan is scoped further, he will bring it to Commission for review. He said another future agenda item—as early as the next meeting—is the possibility of the Northwest Maritime Center renting a portion of the Landfall site.

Executive Director Berg also commented as a follow-up with Commission from the last meeting regarding in-person meetings that Jefferson County Health Officer Dr. Locke did not modify his prior order but replaced it with a new order that requires the Port to comply with Governor order 20-28-14 requirements of established protocols. He went over all the requirements of three different orders and guidelines, distilled down to what the Port would have to do to meet in person. He then asked Commission if they wanted staff to develop a recommendation on how to comply with these requirements, beginning with where to meet. Commissioner Petranek commented that King County is talking about rolling back to phase 2 of Governor Inslee's Healthy Washington Roadmap to Recovery plan, and with all of the COVID numbers going up again, she wanted to wait until it's a comfortable environment for all. Commissioner Putney said the biggest issue is that we would have to adjourn the meeting if we don't have enough room for everyone, and scheduling has its own requirements. Commissioner Hanke said that even if we have a mix of in-person and on-line, if there is a glitch with the on-line service, we'd also have to reschedule. He agreed with the other commissioners that the Port should put the situation on hold until we learn more. Mr. Berg said that perhaps the timing would work to meet in person when the Pavilion Building remodel is complete, possibly later in the fall.

Port Engineer Love commented on the Point Hudson Breakwater replacement project, saying that he had received a tentative schedule from a consultant—a timeframe for construction phase of the north jetty. He suggested that the Port hold a public meeting, starting with a presentation like the one he gave to Marine Resources Committee, then diving into details of the project schedule and impacts. He said that with the uncertainty of when the project permits will be issued, the opportunity to start construction during the 2021 fish window is quickly diminishing.

Commissioner Hanke commented that it's too soon to have a public meeting in May, preferring to have more discussion between Port staff and Commission first to better understand the situation with the Jetty construction. He suggested not mentioning the 1% chance of starting this year; the public has been talking about this for 10 years and is Pt. Hudson Jetty weary. He said he doesn't want to come back later and have to explain what has changed. Commissioner Putney stated that before we have a public meeting on this subject, something to think about is how to accommodate businesses that rely on the marina. Commissioner Petranek said that giving the public a little information along the way serves them better—announcing a public meeting focusing on the jetty would be a huge deal in our community—instead, she suggested using the Port's quarterly newsletter, Commission workshops and meetings for regular updates, and then have a public meeting next year when we know more and can say what the schedule is for sure.

Executive Director Berg reminded the commission that there were requirements for public notices with respect to grant funding, and that the Port would have to publish notices about the project in the coming months. He agreed that there were a number of unknowns that the Port would continue to identify, and that it is important to share project changes and impacts to our tenants and to the downtown community who will have to put up with the noise for two seasons (2022-23 and 2023-24). He said that the Port doesn't want to confuse anyone but does want to keep the public up to date on progress, suggesting regular jetty project updates at Commission meetings.

Commissioner Hanke asked that staff comments like this one be put on the regular agenda; issues like this will be better addressed and get more time for discussion on the correct part of the agenda. Executive Director Berg suggested that there could be a new item on the agenda that is "reports & updates," or perhaps under staff comments, staff could list specific things that will be commented on, so commission would know what to expect.

Recorder Erickson commented that she had attended her first ORMCA (Olympic Regional Municipal Clerks Association) meeting the past week and had learned a lot.

X. COMMISSIONER COMMENTS (02:21:25)

Commissioner Petranek commented that she attended the Maritime Washington National Maritime Heritage (MW-NMH) planning process the day before, a meeting that was part of a series and included three Counties—Jefferson, Clallam, & Grays Harbor—about getting feedback from the community on what funding and ideas are needed for the 3,000 miles of coastline that has been designated MW-NMH Corridor. She also commented that Jacques White, Executive Director of Long Live the Kings, has agreed to come and talk about Salish Sea restoration at our next workshop on May 12. He would give a presentation followed by a Q&A, and would like to invite a guest to help answer questions about the whole region and Idaho Rep. Mike Simpson’s proposal. Commissioner Hanke suggested 30 minutes for the talk. Commissioner Putney asked if this speaker could be at an ICG workshop later.

Commissioner Putney commented that he had been spending a tremendous amount of time on broadband issues (legislation, tracking). Two diametrically opposed bills passed and are now on the Governor’s desk waiting for his decision on which to adopt. Mr. Putney is very curious about how the governor will decide and is anxiously awaiting the outcome.


XI. Executive Session – to discuss the performance of a public employee, RCW 42.30.110(1)(g) (2:27:05). Commission moved into Executive Session at 7:57 p.m. Commission moved back to the public meeting at 8:30 p.m. – (Second Recording 00:00:05)


**Commissioner Hanke moved to increase the Executive Director’s compensation by five percent starting immediately. Commissioner Putney seconded. Vote was taken and motion passed unanimously.**

XII. Next Workshop & Regular Business Meeting (00:00:36): Wednesday, May 12, 2021, with Workshop at 9:30 a.m. and Meeting at 1:00 p.m., via Zoom

XIII. Adjournment: Meeting adjourned at 8:31 p.m.

ATTEST:

  
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William W. Putney III, Secretary

  
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Peter W. Hanke, President

  
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Pamela A. Petranek, Vice President