

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, July 14, 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 Berg
Port Engineer Love
Port Recorder Erickson
Port Attorney Woolson

I. CALL TO ORDER (00:00:08): Commissioner Hanke called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA (00:00:26)

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

III. PUBLIC COMMENTS (none) (00:01:36)

IV. CONSENT AGENDA (00:01:54)

A. Approval of Regular Meeting Minutes from June 23, 2021.

B. Approval & Ratification of Warrants

Warrant #063928 in the amount of \$31,816.00 for Accounts payable.

Warrants #063929 through #063938 in the amount of \$36,127.39 and Electronic Payment in the amount of \$158,134.32 for Payroll & Benefits.

Warrants #063939 through #063992 in the amount of \$94,385.36 for Accounts Payable.

Electronic Debit in the amount of \$14,180.92 for Combined Excise Tax Return.

C. 75-Ton Travelift Sole Source Resolution 748-21

D. Widener Contract Amendment #2

Commissioner Putney moved to accept the Consent Agenda; Commissioner Petranek seconded, and motion was approved unanimously.

V. SECOND READING (none)

VI. FIRST READING (none)

VII. REGULAR BUSINESS (00:02:43)

A. May Year-to-date Financial Report

Finance Director Berg referred to her informational memo on this subject and said that the Port continued to grow strong this year: capital projects increased in May by almost \$60,000 with most activity being done by Port maintenance staff (Nomura building remodel, upgrades to Sperry buildings, Commercial dock repair at New Day Fisheries, and remodel of Pavilion building at Point Hudson). She said cash balances look good compared to last year, reserves all increased, and debt service continues to be paid down. Referring to her report, Ms. Berg said that revenues are up from the prior year by 24% and expenses are up by 13% (the same as April). She said it is noteworthy to look at the prior year activity and compare year to year, but that it is more significant to look at the budget because that is what was planned for based on known changes and initiatives that were put in place and is therefore a more relevant comparison. She reported that significant changes other than capital spending were in legal expenses, environmental materials, and facilities operations (computer supplies, including additional screens mounted on CSR workstations, 2 new laptops, and 2 weather stations; environmental supplies; repair and maintenance; bank charges).

Commissioner Petranek asked when five-year comparisons would be presented, and Ms. Berg stated that this was typically done as part of the budget presentation. Ms. Petranek asked that IDD be listed separately, and Ms. Berg stated that this was listed under cash balance, and people understand that the IDD availability is strictly for capital use, separate and distinct from other funds.

Commissioner Petranek asked about the increased expenses from new software and if this was offset by lessened staff time that is reflected anywhere in staff costs. Executive Director Berg replied that the goal of the new software is not to reduce staff cost, but to allocate more staff time to customer service, which is already reflected in the incoming and outgoing voice- and e-mail volumes.

B. Budget Schedule & Process (00:18:54)

Finance Director Berg presented the draft schedule for the Port's 2022 Budget, saying that it is similar to prior years, except that it doesn't include the second meetings in July & August.

Commissioner Petranek asked that since the year-to-date June financials will be presented at the August meeting, could she also get 5-year comparisons at that time? Ms. Berg replied that the Commission would see the 5-year comparison in the first draft of the budget report in the September 17th materials packet for the meeting on the 22nd. Since June financials are half-way through the year, they present a good opportunity to discuss what the rest of the year might

look like and plan for the future. Commissioner Hanke said that the public workshop session September 8th would be good time to include future Commissioner Carol Hasse. Commissioner Petranek noted that this would be the day before Wooden Boat Festival starts.

Commissioner Hanke moved to approve the budget schedule as proposed. Commissioner Putney seconded, and motion passed unanimously.

C. PUD request to remove trees between Boatyard & Sims Way (00:23:43)

Executive Director Berg said the poplar trees on Port property conflict with PUD main transmission lines that feed the Dana Roberts substation and are arcing & sparking to the trees and burning the nearby branches. PUD cannot make mandated minimum separation or trim so the trees live and flourish outside the conflict; they have requested Port authorization to remove the trees. Separately they propose replanting whatever is appropriate there in cooperation with the City. Mr. Berg said the conflict was evident and the risk is clear—trees may fall on power lines, hurting or killing others, or possibly cause a fire. Therefore, Port staff recommended allowing the PUD to proceed with removal of the trees; their next step would be working with the City on process.

Commissioner Hanke asked about the possibility of expanding the yard with the trees gone. Mr. Berg conjectured that the power could be run underground after the trees are gone and replanted on City right-of-way instead of Port property. This would allow the boatyard to expand up to 20' along that property line and eliminate the conflicts we have now between mast stays and high-voltage transmission lines. Scott Bancroft, Projects Manager at PUD, said that they were pricing the conductor to run that type of voltage underground; it is rather expensive.

Commissioner Petranek asked if the PUD had discussed what to do with the wood from the trees and suggested we could provide it to local boat builders or artisans. Scott Bancroft said it would be up to the Port to decide what would be done with it and suggested a discussion between the City, Port and PUD.

Commissioner Petranek noted that the poplar trees are at the end of their lifespan and are unsafe; she suggested replacement plantings that would work better.

Commissioner Hanke asked if it were possible to replant trees over underground transmission lines. Scott Bancroft said they would have to be a certain distance away because of the root systems—conduit is better, but it is not optimal for trees to grow over conductors, even in conduit.

Commissioner Putney thought a plant that grew up as more of a screen would be best, or perhaps a nice running mural that depicts the marine trades. Executive Director Berg agreed that the Port could have something more attractive as our boundary, as well as a path with nice plantings would be an improvement.

Commissioner Petranek moved to authorize Jefferson County PUD to remove trees located on Port property between Sims Way and the Boat Yard. Commissioner Putney seconded, and motion was approved unanimously.

D. Covered Shelter Report (00:37:03)

Executive Director Berg said he wanted to provide an update to running a covered shelter in the boat yard—how often it's used and how much money has been generated. He reviewed the revenue generated from the covered shelter and said that if the Port were to lease it to one tenant it could generate \$1,450 per month (about double what we've made so far, without staff management of it). He asked Commission if they would like to keep this asset in its current use, saying that there is clearly demand for covered workspace that is unfilled.

Commissioner Putney said he thought it was a good amenity to have a covered space for people who needed one. He suggested that staff investigate if leasing longer term is a good investment.

Commissioner Petranek said she thought that the price and non-refundable deposit (if date was changed) was a barrier, and the price was too expensive for a do-it-yourselfer. She suggested that it should be advertised better on the Port website or leased to a business.

Commissioner Hanke said that his business had used this covered shelter twice in the last two years, and that the deposit is to make sure the schedule is held—for both the Port and the boat owners. He proposed marketing it for a year and then reassess the situation, because covered storage for do-it-yourself projects is hard to find.

Commissioner Putney said that Port staff should keep statistics on revenue from the shelter, because the Port may want to build a second one later, if warranted.

E. Port-designated EDC Representative (00:50:44)

Executive Director Berg said the Port had entered the five-party agreement and consistent with that agreement, the EDC Team Jefferson had reformatted its board and asked the Port for the name of a commissioner to serve on the board. He sent them Commissioner Petranek's name, and she has attended one of the meetings in the interim; however, the Commission needs to officially appoint someone to the board for the rest of 2021. He

suggested that after this year, the EDC assignment would be added to the list of committee appointments made in 2022 by the Commission.

Commissioner Petranek said that the next day the EDC Team Jefferson board would go over the hiring process for a new director, adding new board members, etc. She thought it was important to be a part of the new EDC, and wanted the Port Commission to be well informed, and able to weigh in on the hiring process. A discussion about the timing of the job ad and review of candidates became a concern among the Commission, and they noted that a local would be sought first. Executive Director Berg said he would ask the EDC what the role of the public sector cabinet is.

Commissioner Putney nominated Commissioner Petranek to serve on the EDC Team Jefferson Board, Commissioner Hanke seconded, and nomination passed unanimously.

F. In-person Meeting Status and Discussion (01:05:52)

Executive Director Berg said that the rules had changed at the end of June regarding public meetings; we are required to have an online component, and in-person meetings were allowed with no restrictions on room capacity but would require a hybrid of in-person and online. He said that the new Commission space in the Pavilion building at Point Hudson would not be finished until September, but if the commission wanted to meet in person before that, there were other options. He suggested using a device called the Meeting Owl Pro, which would sit in the center of the meeting room and swivel to pick up speakers on video for the Zoom participants. He asked when the Commission would like to get back to in-person meetings.

Commissioner Petranek said she was excited about meeting in person again but would be fishing in August and hoped to join the meeting remotely.

Commissioner Putney suggested the Marina Room or even JClA or other location for the in-person meeting in August.

Commissioner Hanke said he was going to be gone in August as well but planned to attend the meeting via Zoom. He suggested a Zoom meeting in August and an in-person / hybrid meeting on September 8 at the Pavilion. Mr. Berg said that this would work well with the remodeling schedule, and if not ready, we could find another location.

IX. STAFF COMMENTS (01:14:19)

Executive Director Berg commented that he had been dealing with parking concerns at Point Hudson, and he shared a drawing that showed where a dirt area could be graded, graveled, and lined out to create a better parking area. He said this would not be permanent, just interim tenant parking and to make room for events. He also briefly described some ideas for better parking at Point Hudson, as parking is needed more and more every day.

Mr. Berg also commented that the Quilcene restrooms would be locked using the Brivo system in August, with notices posted letting people know that they may use the restrooms only if they are tenants, and one can become a tenant by purchasing an annual boat launch pass.

Referring to the workshop discussion earlier in the day, Mr. Berg asked the Commission if they would like him to explore the possibility of going to a 5-person commission and put it on a meeting agenda later. After a short discussion about the benefits, legislation, and perceptions of moving to a 5-person board, it was agreed that this idea would be explored at a future meeting.

Deputy Director Toews said the Port was on track to get the Boating Infrastructure Grant submitted next Wednesday for review; hopefully this will result in funds to help with Boat Haven infrastructure; although the formal will be submitted at the end of August and then it will be up to five months before the Port hears back on whether it is successful. He reported that both Boat Haven planning & Quilcene outreach projects are moving ahead; a Quilcene report to the Commission was scheduled to be in August but this may be something that should be delayed until Commission can meet in person. He said a new item on his list of tasks is a draft governance manual—he plans to prepare a draft for Commission for their August meeting, potentially in lieu of the Quilcene report—with a complete manual approved by Commission later this fall.

Mr. Toews also reported working with Lease & Contracts Administrator Nelson on leases, licenses, and use agreements, and said he hoped to have the JClA Runway Rehab Project finalized by the August meeting as well. He said the ALP will be amended after the construction of the second connector is complete.

Finance Director Berg commented that the Port had hired its second full-time custodian, who will start on July 22. She said she was working on the marina liability and the UST liability insurance renewal applications. She received the June CPI numbers with a reported 5.5% increase, allowing her to work on projected compensation for 2022, something done as part of the Port's union contract. She recently closed the AIP 015 grant for runway rehabilitation and has been working with Deputy Director Toews and Reid Middleton to bring this project to completion so the remaining grants can also be closed out. She said the ecology grant on pyrolysis was completed by Tetra Tech, and she had completed the grant reimbursement for that project. Commissioner Hanke asked how Molo, the new software for reservations, was working and Ms. Berg replied that it was working well from the customer standpoint, but that there were still some issues from the Port's accounting perspective that were being worked out.

Port Engineer Love commented that the airport access road had been fog-sealed thanks to the County. He reported that the Port maintenance crew was wrapping up the improvements to the Sperry buildings housing Sunrise Coffee & PT Brewery. After those are complete, the crew will begin parking lot grading at Point Hudson, New Fisheries dock repair, and completing the Pavilion building remodel, among other projects. He said the Point Hudson breakwater design kick-off meeting with Mott McDonald is next week, and he hoped that the timing would work so that design is finalized by the end of the year and coincide with getting the required construction permits.

X. COMMISSIONER COMMENTS (01:35:50)

Commissioner Petranek commented that she and Executive Director Berg had had another Working Waterfront interview with KPTZ to be aired July 18 at noon, regarding two young shipwrights and an apprentice: an excellent example of the economic development at the Port. She said she would propose an agenda item for the upcoming Marine Resource Committee meeting for August to weigh in on the Washington proposal for Net Pens which was put on hold when the 2017 disaster happened; now the deadline for public comment is August 5th. She said that it would have a definite detrimental economic and environmental impact on the Port, and she would be making comments not to allow these pens here.

Commissioner Putney commented that he had attended the North Olympic Development Committee meeting, and the Jefferson Broadband Action Team as well as the WPPA broadband meeting. He also attended a WPPA broadband roundtable the day before where there were a lot of legislators in attendance; he gave input there that legislation was taking too long and he felt it was because discussions were about the wrong things, and the legislature was not tackling the problem in the right way. He feels that broadband should be a win for everyone—enterprise and public sector together—not an “us vs. them” scenario.

Commissioner Hanke commented that a potential infrastructure packet going through US congress could have an effect on getting a project from permitting to completion. If the Port gets the opportunity to get funding, the availability of crews and material costs would be affected, because the availability of funds would mean more competition at every level.

XI. Executive Session – none.

XII. Next Workshop & Regular Business Meeting: Wednesday, August 11, 2021, with workshop at 9:30 a.m. and meeting at 1:00 p.m., via Zoom (01:44:21)

XIII. Adjournment: Meeting adjourned at 2:45 p.m.

ATTEST:



William W. Putney III, Secretary



Peter W. Hanke, President



Pamela A. Petranek, Vice President