

## PORT COMMISSION PUBLIC WORKSHOP – September 14, 2022

The Port of Port Townsend Commission met for a Public Workshop  
Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend

Present: Commissioner Petranek (Excused)  
Commissioner Hasse  
Commissioner Hanke  
Executive Director Berg  
Deputy Director Toews  
Director of Finance and Administration Berg  
Director of Capital Projects & Port Engineer Klontz  
Operations Manager Sparks  
Recorder Sanders

### I. CALL TO ORDER: (Rec. 00:00:55)

Commissioner Hasse opened the Workshop at 9:38 a.m.

### II. AGENDA: (Rec. 00:01:52)

**Discuss Tax Levies for the 2023 Budget with Jefferson County Assessor:** Director of Finance and Administration Berg introduced Jefferson County Assessor Jeff Chapman and Lauralee Kiesel Lead Property Tech. Chapman led a briefing of historical trends in median home assessed valuations in Washington, a comparison of General Levy estimate calculations, and IDD levy assessments. Reviewing handouts on each, he urged the need to communicate effectively so as to not cause alarm that the property taxes would be going up as dramatically as the 20-30% increase in property valuations. There was discussion of the significant growth curve from 2019 to 2021. Speaking to the IDD, Mr. Chapman noted the total amount that could be collected up to 20 years, is nearly \$17 million. If the Port chooses to collect the same amount (\$2,634,289) next year as they did this year, the IDD levy rate decrease would be \$.37 to \$.31 cents per 1,000. With the limit on the budget submittal of the general levy set at 1% plus new construction, the resulting decrease would be roughly \$.15 to \$.13 cents per \$1,000 of property value. Mr. Chapman also reviewed the tax changes for residential properties for other areas of Jefferson County.

### **Start Discussion of the Potential Issues, Goals, and Assumptions for the 2023 Budget**

**Development.** (Rec. 00:38:40) Director of Finance and Administration Berg gave the staff presentation reviewing her written report. She and Executive Director Berg highlighted major impacts to Point Hudson revenues would come from the jetty reconstruction as well as the discontinuation of the 50% discount in the small boatyard. Staff expects an increase in yard and haulout revenue as the 300-ton yard is completely full and the 75-ton is at a negative 12 spaces over the next few months. Impacts to the boatyard in 2023 related to the Sims Way and Boatyard Expansion project are not yet known.

There were commissioner questions about impacts of inflation. Noted were dramatic increases in costs of products and services and CPI increases in the range of 5% to 10%. One suggestion was to consider a zero percent increase in small 75-ton yard storage rates since the seasonal discount was sunsetted. There was discussion of the ongoing impact of the property tax increase restrictions of 1% especially compared to inflation. Concern was expressed that operating revenues are not keeping pace with operating expenses. There was interest in data on the growth in the number of boats in Puget Sound as well as the types of vessels (work boats, fishing vessels, or recreational).

Executive Director Berg indicated that the draft budget would include a proposal for two new employees in the capital projects program, a midweek Boatyard celebration of successes for the Port and Community, airport day for the pilot community, Jefferson County Historical Society work on a 100-year Port historical retrospective, and IDD recommendation for exhausting the IDD levy and a 2027 target to payoff debt. Point Hudson roof replacement project estimate is roughly \$1 million and would be a budget challenge. It was noted there would be an amendment to this afternoon's meeting agenda regarding tenant uses and expansion. A full Commission needs to be present for that discussion.

**Executive Session (Rec. 01:15:19)**

At 11:00 a.m., the Commission recessed into executive session for 30 minutes with no action to be taken pursuant to [RCW 42.30.110\(b\)](#) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. At 11:43 p.m., the Commission came back into open session.

**III. ADJOURNMENT:**

The Workshop adjourned at 11:43 a.m.

ATTEST:

  
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Peter W. Hanke, Secretary

  
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Pamela A. Petranek, President

  
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Carol Hasse, Vice President