

The Port of Port Townsend Commission met for a regular business session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Hasse, Hanke, and Petranek  
Executive Director Berg  
Director of Finance and Administration Berg  
Director of Capital Projects & Port Engineer Klontz  
Attorney Seth Woolsen  
Port Recorder Sanders

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)  
Commissioner Petranek called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA (Rec. 00:01:07)  
**Agenda was approved as amended by unanimous consent.**

III. PUBLIC COMMENTS (Rec. 00:01:23)

Joni Blanchard provided written comment regarding an art exhibit entitled “Working Class Heros” at Point Hudson Café.

IV. CONSENT AGENDA (Rec. 00:03:00)

A. Approval of Regular Business Meeting Minutes from October 12, 2022

B. Approval & Ratification of Warrants

Electronic payment in the amount of \$11,339.82

Warrant #065870 through #065927 in the amount of \$247,470.22

Warrant #063415 in the amount of \$520.70

Warrant #065821 in the amount of \$1,460.65 and Warrant #065814 in the amount of \$214.50

Warrant #065866 through #065869 and Electronic Payment totaling \$101,475.12

C. Amendment to Multi-Party Agreement for Economic Development Services: EDC Team Jefferson

**Commissioner Hanke moved to approve the Consent Agenda as written with a correction to the Minutes of October 12, 2022 to change presiding officer to Commissioner Petranek and include the listing of warrants approved. Motion was approved by unanimous consent.**

V. PUBLIC HEARING (Rec. 00:04:17)

Commissioner Petranek opened and reviewed the procedures for the public hearing.

A. 2023 Rates (rate cards)

B. Resolution 776-22 establishing the 2023 Operating and Capital Budgets

C. Resolution 777-22 fixing the amount of general property tax to be levied for collection in the year 2023

D. Resolution 778-22 fixing the amount of IDD tax to be levied for collection in the year 2023

Finance Director Berg presented an overview of third draft of the 2023 budget noting only minor changes were made since Draft 2 was presented, although this is the first time the whole budget document is presented. There would be additional updates and minor adjustments to the budget narrative when the 4<sup>th</sup> draft is presented for November. Some discussion ensued about one change at the bottom of page 49 to replace the term “Net Income/Loss” to “Changes in Cash.” It was noted that it is not truly a loss. The negative balance (\$1,775,852) reflects the estimated changes in cash due to activity in 2023 (namely reflecting the jetty). Although there was interest in keeping existing language, there was instead support for added notation. Changes to the rate cards reflected that permanent moorage was lowered from 5% to 3% and includes regular, active commercial fishing, and other permanent moorage tenants. Yard rates reflect clarification of Port wash and owner wash even though presented at same rate, although Port wash has an added labor charge. A correction page was distributed reflecting the wash down rate is per 30 minutes not per hour.

There were no public comments. (Rec. 00:26:43)  
Public testimony was closed.

Commissioners (Rec. 00:28:00): The following was discussed. There was a suggestion to investigate implementing a surcharge for vessels moored at Union Wharf, especially during strong southerly winds which could damage the structure. Lowering RV rates during the jetty project was considered unwarranted. Staff reported charges are in the lower range allowed by the Commission and recognize the fluctuations of noise and interruptions related to construction activity. An upward rate adjustment would be appropriate when electrical upgrade to 50 amps is complete. There was a request to allow liveaboards to sublet and/or extend up to Port capacity considering boat school students as part of the marine trades. Staff noted that subletting is not allowed, and the Port is capped by DNR rules with the current priority for marine trades under temporary conditions. A future and separate Commission discussion is needed to consider offering to wooden boat students the guest monthly rate with as a liveaboard.

When discussing net operating income discrepancies (pages 46, 49, and 59 versus page 68), Ms. Berg noted these would be reconciled in the next draft. It was noted that debt is listed but it is not operating income which accounts for the difference. Also, the 2015 LTGO 2023 Budget amount of \$546,500 listed on the Point Hudson page should be \$539,000.

Additional Commission questions related to Quilcene Operating Expenses reflecting the customer service representative position and number of employees across departments. It was noted that moorage and leases are doing well. Questions arose about marketing expenses for the current year and whether such expense is anticipated in the future. Executive Director Berg recognized costs for community relations in preparation for the 100th year celebration in 2024, a Boat Yard BBQ event, and an Airport Day, continued quarterly Port Reports, advertising in cruising magazines, and RV guides. Responding to questions about ending the seasonal discounted yard rates and maximizing yard capacity, Executive Director Berg reported 90% occupancy and careful monitoring of yard space. Long-term storage is decreasing in order to focus on boats under repair. With uncertainty about how to modify rates for salvaging vessels and emergency hoists, additional discussion is needed possibly including DNR. The Port is cognizant in quickly responding to minimize environmental impacts and carefully employs Port equipment in emergency response, while insurance companies bear responsibility of their insured.

Staff reported that General & Administrative overhead/support, COLA increase, and recruitment costs are up and the budget reflects the full organizational chart. Three of the positions remain unfilled. The Commission approves changes to the organizational structure and staffing additions such as an on-the-water team to lead dock reconstruction.

Regarding the \$450,000 cost of preserving Point Hudson buildings, there was Commissioner concern about the return on investment and how revenues would cover the cost of building renovations.

**Commissioner Hanke moved to continue public hearing to November 9. Approved by unanimous consent.**

VI. SECOND READING ~ none (Rec. 01:43:55)

VII. FIRST READING ~ none (Rec. 01:43:55)

VIII. REGULAR BUSINESS (Rec. 01:43:58)

A. Point Hudson Jetty Project Update (01:44:02)

Director of Capital Projects & Port Engineer Klontz showed photographs of sample basalt rocks from the Washington rock quarry to be placed in the structure. Speaking about the photo of the excavation below the existing structure, he reported that near shore excavation would be done this week in the evening. Evening work was necessary to prepare the area during low tide. Next week, the contractor would begin building the template for installing the piling. During rail shipment, the steel pile shifted and needed to be reloaded causing some delay.

IX. STAFF COMMENTS (Rec. 01:54:00)

Executive Director Berg led the Commission in a brief discussion about recognizing Juneteenth as a Port holiday (along with other Federal, State and local jurisdictions) under his authority and subsequently executing a memorandum of understanding for the bargaining agreement the contract for which would come back to the Commission. There was some Commission discussion with concern about this addition due to the work disruption. It was noted that moorage offices would remain open. A suggestion was to consider recognizing holidays alongside other special Port events. It was noted that Staff and Commissioners attended the WPPA Small Ports seminar in Leavenworth.

Director of Finance and Administration Berg reported a focus of work on the budget and interviewing Customer Service Representative candidates.

X. COMMISSIONER COMMENTS (Rec. 02:00:40)

Commissioner Hasse reported the Jefferson County Department of Community Development is doing a study on sea level rise and is collecting input. As part of the Marine Resources Committee, she solicited input on the sea-level rise report. Information would go to Staff asked to be in contact with the MRC. When asked where we are with the strategic plan, it was mentioned Eric Toews agreed to provide an update in the coming year. If we are reprinting business cards, it is a perfect time to revisit mission statement language to include the Port's environmental stewardship.

Commissioner Petranek announced she is doing planning work with the EDC. She noted that in listening to Strong Towns, they focus on accounting, and she would be looking at ways to make it easier. KPTZ did a working waterfront interview which will be Part II on Commercial Fishing in Alaska. Professional BoatBuilder for October/November had a feature article on the Clean Bay Project as well as an article about boatyards.

XI. Next Public Workshop & Regular Business Meeting (Rec. 02:08:00):

Workshop: Wednesday, November 9, 2022 at 9:30 a.m. Regular Business Meeting: Wednesday, November 9, 2022 at 1:00 p.m. at the Pavilion Building & via Zoom.

XII. EXECUTIVE SESSION (Rec. 02:10:40)


At 7:40 p.m., the Commission went into Executive Session pursuant to RCW42.30.110(b) for ten minutes 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 for ten (10) minutes with no action to follow.

At 7:52 p.m., the Commission returned to open session.

XIII. ADJOURNMENT (Rec. 02:10:33): meeting adjourned at 7:53 p.m., there being no further business before the Commission.

ATTEST:

  
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Peter W. Hanke, Secretary

  
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Pamela A. Petranek, President

  
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Carol L. Hasse, Vice President