

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, November 9, 2022

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  
Lease and Contracts Administrator Nelson  
Attorney Seth Woolsen  
Operations Manager Chris Sparks  
Port Recorder Sanders

- I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)  
Commissioner Petranek called the meeting to order at 1:00 p.m.
- II. APPROVAL OF AGENDA (Rec. 00:01:09)  
**Agenda was approved as amended by unanimous consent.**
- III. PUBLIC COMMENTS (Rec. 00:01:25)  
Ric Brewer provided written comment in support of the purchase of the Short Farm.
- IV. CONSENT AGENDA (Rec. 00:03:00)
  - A. Approval of Regular Business Meeting Minutes from October 26, 2022
  - B. Approval & Ratification of Warrants  
Warrant #065870 in the amount of \$2,663.15 is declared void  
Warrant #065928 through #065934 and Electronic Payments in the total amount of \$215,788.30  
Warrant #065935 through #065986 in the amount of \$96,079.47
  - C. Authorize Amendment No. 1 for Gardiner Boat Ramp Reid Middleton Contract
  - D. Approval of Pay Estimate #2 Wire to Orion Marine Construction for Point Hudson North Jetty Construction Work for \$2,633,937.33

**Commissioner Hanke moved to approve the Consent Agenda as written. Motion was approved by unanimous consent.**

- V. CONTINUED PUBLIC HEARING ON DRAFT 2023 OPERATING & CAPITAL BUDGET (Rec. 00:04:40)

Commissioner Petranek reviewed the procedures for the public hearing.

There was no Commission objection to reopening public testimony.

Director of Finance and Administration Berg highlighted changes from the third draft presented on October 26 as covered in her detailed memorandum.

There was no public testimony and therefore public testimony was closed.

Commission discussion: There was a discussion about the revenue and expenditure escalators. Operations Manager Sparks also responded to questions about the existing capacity in the yard. Overall, the 300-ton is 95% full and in the 75-ton 22 spots are open with 28 expected. There was clarification that Commission questions and interest in yard operations relates to impacts of discontinuing the discounted rate rather than a desire to comment on yard operations and management.

The public hearing was closed.

**Petranek moved to approve Resolution 777-22 to increase the general tax levy by 1% as allowed by statute. Unanimously approved.**

**Commissioner Petranek moved to approve Resolution 778-22 to maintain the same rate for the IDD levy in 2023 as in 2022. Unanimously approved.**

**Commissioner Petranek moved to approve Resolution 779-22 to adopt the 2023 budget as presented. Unanimously approved.**

**Commissioner Petranek moved to approve the 2023 Rate cards as presented. Unanimously approved.**

VI. SECOND READING ~ none (Rec. 00:25:33)

VII. FIRST READING ~ none (Rec. 00:25:40)

A. Mission Statement Update

Executive Director Berg gave the staff report on the suggested amendment to include the word “environment.” In lieu of considering other suggested language changes, the Commission agreed to engage in an in-depth review of the mission statement next year and remove it from the second side of the business cards for now.

**Commissioner Hasse moved to approve amending the mission statement as written. Unanimous approval.**

B. 2023 Legislative Agenda (Rec. 00:30:56)

Insight representatives Chelsea Hager and Caron Cargill gave a presentation with early mid-term election results, the 2023 legislative session, including new member composition and covid-19 economic impacts. They reviewed a rough timeline of key dates for the legislative session to be formally released in late December or early January. The budget timeline/process for the final budget would take effect July 1. They explained the listed 2023 Priorities under consideration as well as the likelihood of funding. Insight’s work also continues with the WPPA and the Port on electrification.

The Commission discussed priorities as follows: Short Farm acquisition, linear dock, and pool facility. Broadband was thought to be a lesser priority unless the Jefferson County PUD has a different recommendation. Discussion and questions of staff centered on whether CERB funds might be available for the Short Farm and about the timing of the appraisal/study related to the legislative session.

Executive Director Berg noted that CERB might best be used for the study of the western boatyard expansion as well as a loan/grant CERB combination. Another consideration is applying for a loan/grant for improvements to Chinook and Skookum buildings for ACI and applying for a U.S. Department of Agriculture grant for the Short Farm project. He fielded western boatyard expansion questions noting the likelihood of a future capital project budget request in 2025-26 (estimated to be 80% federally funded) with possible support from the Department of Natural Resources.

There were questions about available tax funding for Point Hudson building renovations as well as considering a priority for changes to state tax laws regarding vacant second homes. Insight said this would not be difficult to track if there was interest – however, effort and capital need to be expended to focus on that priority. Little federal tax funding is available for renovating old buildings, however, pricing for roofing would need to be explored for the Cupola House in 2023 and the Duplex coming in 2024.

**Commissioner Hanke move to approve adopting the 2023 priorities from Insight Strategic Partners as presented but dropping the item on broadband infrastructure. Unanimously approved.**

VIII. REGULAR BUSINESS (Rec. 01:19:33)

A. August 2022 YTD Financial Report (01:19:35)

Finance Director Berg reviewed the written memorandum and highlighted budget changes since the last review. Some discussion ensued about bank services charges and considerations for passing the expenses to customers in the form of a credit card processing surcharge. Staff noted that payment processing reduces payroll costs of cash handling and results in quicker receipt of amounts owed. Staff also addressed Commissioner questions about cameras and a new key fob system for the Enviro centers.

B. Point Hudson Jetty Project Update (01:34:46)

Director of Capital Projects & Port Engineer Klontz provided a photographic update on the template and piling installation for the new breakwater structure. There are now 37 piles installed of the total of 178 piles to place. Rock would begin to be installed once piling is complete. It was noted that the consent agenda included significant payment to the contractor for material on hand. The construction schedule is on target.

IX. STAFF COMMENTS (Rec. 01:43:47)

Executive Director Berg reported Deputy Director Toews is working on processing derelict vessels and the Quilcene grant request for marina improvements. Green light bulbs have been added at the Port in recognition of Operation Green Light the week of Veteran's Day. He continues to serve on the WPPA executive director search. Carol Hasse will represent the Port at the Trustee's meeting at the WPPA Annual Meeting December 9, including hiring a new Executive Director for WPPA. A scope is nearly finished and an agreement needed regarding Ecology-funded consultant work at the site of the San Juan Grocery and future cleanup and redevelopment efforts. A lot of meeting time has been spent on the Short Farm to foster efforts in food production, sustainable agriculture, and salmon restoration. A special commission meeting might be held at the Grange in January to share with the Commission learnings of the Phase 1 and 2 investigative assessment and hear from the agriculture community before approving the acquisition and moving forward with development plan. At the time of approving the acquisition, there would remain many unanswered questions. Commissioners asked about an extension on the existing letter of intent to consider alternatives. While there is support and excitement, there is some concern about Port staff time and resources. It was noted that Washington State University Extension Office would be subject matter experts. The Commission might have some discussion at a workshop in December prior to the January meeting.

Director of Capital Projects & Port Engineer Klontz reported that a final contract is nearing completion for the Boat Haven stormwater improvement project as well as a scope of work with SCJ Alliance on the North boatyard expansion project.

Lease and Contracts Administrator Nelson reported that Port maintenance did a great job renovating the interior of the Cupola House Annex for Washington Department of Fish and Wildlife use. Gatheringplace has moved the dog biscuit baking operations out of the Nomura Building to the Fairgrounds temporarily. They plan to vacate the south duplex by mid-January. A naval marine architect would begin renting a small office on the second floor in the north half of the Point Hudson Duplex. Staff is negotiating a lease with the PT Sailing Association for the vacated space in the Nomura Building. The Spruce Goose is up for sale. A new lease for Marine Surveys in the Rubicon Yachts space would begin February 1. SEA marine discussions continue, and a walkthrough was conducted of the ACI building with Mark Grant to do a building assessment.

X. COMMISSIONER COMMENTS (Rec. 02:12:42)

Commissioner Hanke reported meeting with farmers regarding the Short Family Farm.

Commissioner Petranek asked for Commission discussion before year end about its own performance and accomplishments on goals as well as a quick round robin at the end of each meeting on any future workshop topics. KPTZ Working Waterfront this week would feature the long-liner fishing boat *Polaris*. At the EDC Board, they are discussing strategic planning. Commissioners would work through Eron Berg on feedback for the Nov. 17 ICG meeting. She would attend the Pacific Marine Expo occurring that same week. Port staff, Commission, and marine trades membership are invited to attend the PTMTA annual general membership meeting at the Nomura Building 5:30 pm. Wednesday, Nov. 16.

XI. Next Public Workshop & Regular Business Meeting (Rec. 02:19:15):

ICG Meeting November 17 at 5pm at the Pavilion Building & via Zoom

Regular Business Meeting: Tuesday, November 22, 2022 at 1 p.m.

XII. EXECUTIVE SESSION ~ none

XIII. ADJOURNMENT (Rec. 02:19:03): meeting adjourned at 3:20 p.m., there being no further business before the Commission.

ATTEST:

  
\_\_\_\_\_  
Peter W. Hanke, Secretary

  
\_\_\_\_\_  
Pamela A. Petranek, President

  
\_\_\_\_\_  
Carol L. Hasse, Vice President