

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, February 8, 2023

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 Carol Hasse and Pam Petranek (in person) with Pete Hanke (virtual)
Executive Director Eron Berg
Deputy Director Eric Toews
Director of Finance and Administration Abigail Berg
Director of Capital Projects & Port Engineer Matt Klontz
Operations Manager Chris Sparks
Lease and Contracts Administrator Sue Nelson
Attorney Seth Woolsen
Port Recorder Joanna Sanders

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)
Commissioner Petranek called the meeting to order at 1:00 p.m.

There was a moment of silence in recognition of the untimely death of yard crewmember Cameron Dean.

II. APPROVAL OF AGENDA (Rec. 00:02:00)
The agenda was approved as amended by unanimous consent.

III. PUBLIC COMMENTS – GENERAL (Rec. 00:02:42)
Tom Ehrlichman provided written comment on the Short Farm proposed purchase.

IV. CONSENT AGENDA (Rec. 00:04:40)
A. Approval of Workshop & Business Meeting Minutes from January 25, 2023
B. Approval & Ratification of Warrants
Warrant #066300 in the amount of \$303.76
Warrant #066301 in the amount of \$471.10
Warrant #066302 in the amount of \$1,444.20
Warrant #066303 through #066308 and electronic payment in the total amount of \$221,440.91
Warrant #066309 in the amount of \$1,576.72
Warrant #066310 through #066368 in the amount of \$107,986.91
C. Pete Stein & Compass Woodwork, LLC/The Shop Cooperative - Building Lease Assignment

The Consent Agenda as written approved by unanimous consent.

V. SECOND READING ~ none

VI. FIRST READING ~ none

VII. REGULAR BUSINESS (Rec. 00:05:30)

A. December 2022 Year-to-Date Financials - Preliminary

Director of Finance and Administration Abigail Berg led a review of the report. The 2022 Annual Report would be completed by the end of May with the audit to follow this summer. The Port ended the year with \$5.3 million in capital expenditures; approximately 82% of those were related to the Point Hudson Jetty Project. There were no other changes to capital purchases from the previous month's report. Cash balances ended with roughly 30% more than the prior year. Debt service obligations were properly paid off in 2022. Responding to questions, it was noted there is a new section on the 2021 line of credit which was used as a bridge to pay the jetty contractor Orion until grant funding was received. Some discussion ensued about the financial statement and operating revenues, expenditures, and budget. Questions related to the large increase in bank charges and differences in various budgeted versus actual expenses, fuel dock revenues in Boat Haven properties, and utilities (electric, garbage and water). Director of Finance Berg explained an additional line item was added in 2022 to separate garbage and water revenue from what was previously titled "Reimbursed Utilities," and review of these compared to 2021 shows an overall increase of

almost \$14,000. The negative Electric revenue reflects a legacy Port practice of reimbursing Port tenants that have customer vessels blocked on their leased property and provide electricity to them during the vessel's repair work window. There was a request for Boat Yard revenues for the month of December 2021 and 2022. There were also questions about why Operating Supplies had gone up so much.

B. Point Hudson Jetty Update (Rec. 00:33:40)

Director of Capital Projects & Port Engineer Klontz gave a report of contractor activities and cooperation among the project team throughout the first project phase. Anticipating demolition of the south jetty, coordination has begun with the diving community. Some discussion ensued regarding the timeline for replacing that structure in a shorter work window.

C. Short Family Farm (Rec. 00:51:00)

Executive Director Eron Berg reported that discussions continue with the Short Family. A special Commission meeting would be called for next week to authorize capital budget financing of \$1.4 million contingent upon receiving State legislative funding. There may be a possibility for a lease back of the family home to the Shorts. Executive Director Berg spoke about the difficulties with the approach suggested by Tom Erlichman of negotiating a purchase and sale dependent on further study. A firm proposal is needed when seeking support from the State.

Commissioner comments were as follows: Public feedback has reflected concerns about a breakeven operation and support for a revenue-producing venture. Public comment includes a valuable report from the Jefferson County Farmer's Survey from 2012 provided by Diane Johnson. It verifies the large need for farming among others in favor of this property purchase. There was strong interest in organic farming practices even if not siting "certified" organic farms to ensure pesticides do not show up in Chimacum Creek.

D. Port Commission Retreat (Rec. 01:13:27)

The retreat was set for April 19-20, 2023.

VIII. STAFF COMMENTS (Rec. 01:15:55)

Executive Director Eron Berg noted the agenda packet included a BOCC funding request for the waterwalk project comprised of \$200 million for preliminary study and feasibility that would lead to future funding requests. Effort has been made on the airport terminal. Port resources would be used to build a 320 sq. foot structure with septic permitting and building design by Guy Hupy. A termination agreement associated with the County MRW facility is forthcoming to the Commission. Senator Patty Murray has opened her spending portal and over the next three weeks, the Boat Haven main breakwater project would be presented. A Commission suggestion was to consider solar panels for the airport terminal and that consideration of alternative sources of energy might be a retreat discussion item.

Deputy Director Toews announced the submission of the zoning code text amendment for short-term rental use of the Point Hudson duplex building. The City would act on this matter later in the year. The West Boatyard stakeholders met January 24 and would meet again the first week of March. Next Tuesday, he and Matt Klontz would present a request to RCO for the boat facilities grant for the Herb Beck marina launch ramp, handling float, parking and other site improvements, including renovation of public restrooms. Several lease matters coming forward to the Commission include PT Shipwrights leasehold space formerly held by Ernie Baird and negotiations continue with Sea Marine. He and ~~Kimberly~~ Webber met with AEG Atlas on the Phase II environmental assessment of San Juan grocery site to identify the scope of contamination and set up the site for reuse and redevelopment. Options are under exploration for making Point Hudson building repairs timed with other marina activities.

Director of Finance and Administration Abigail Berg reported two new CSRs would start next week. Today is the first day for the AR/Billing Accountant

replacement. Openings still include: Custodian, Maintenance Tech II, and now a Hoist Yard Operator I.

Director of Capital Projects & Port Engineer Klontz reported on the Gardiner boat launch replacement preliminary design and joint aquatic permit application and Boat Haven stormwater project base mapping being done by Clark Land Office.

Operations Manager Sparks reported the shipyard is full, there are 15 open spots in the 75-ton yard. Changes in the yard include areas near Haven Boatworks. The Port purchased three fleet replacement vehicles. A surplus list would come before the Commission at an upcoming meeting.

Lease and Contracts Administrator Nelson recognized the Commission's approval of the lease assignment for the Shop Cooperative. She reported lease negotiations continue with Sea Marine, and Shipwrights Coop, and is working on small rental agreements.

Administrative Assistant Sanders: noted a Commission meeting schedule would be included in future packets following up from today's workshop discussion.

IX. COMMISSIONER COMMENTS (Rec. 01:55:25)

Commissioner Hanke: Recognized staff for the many projects currently underway and discussion at the Commission retreat whether the staff organizational structure is sufficient.

Commissioner Hasse: Recommended Matt Klontz forward to the Jefferson County Marine Resources Committee data associated with the shoreline storm damage at the marina.

Commissioner Petranek reported on her attendance at WPPA Port days in Olympia with state legislators. There were funding requests for the Short Farm purchase in 2023 and dock replacements in 2024. Related to alternative energy exploration and the perspective of "cradle to grave" impacts, she pointed to the book *Cobalt Red*. She attended an Economic Development Council event at Finn River for community members starting a business. This Friday, there would be another recording for *Our Working Waterfront*.

X. Next Public Workshop & Regular Business Meeting (Rec. 02:05:24)

Thursday, February 16, 2023 at 5 p.m. Intergovernmental Collaborative Group hosted by the PUD at the Pavilion.


Wednesday, February 22, 2023 at 5:30 Regular Business Meeting at the Pavilion Building & via Zoom.

A Special Meeting was set for Wednesday, February 15 at 1 p.m. regarding the Short Family Farm.

XI. EXECUTIVE SESSION: None

XII. ADJOURNMENT (Rec. 02:09:00): meeting adjourned at 3:09 p.m., there being no further business before the Commission.

ATTEST:



 Peter W. Hanke, Secretary



 Pamela A. Petranek, President



 Carol L. Hasse, Vice President