

PORT COMMISSION MEETING– November 12, 2014

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners – Tucker and Clinefelter
Executive Director – Crockett
Deputy Director - Pivarnik
Auditor – Khile
Attorney – Goodstein, McCarthy
Minutes – Nelson
Excused: Commissioner Hanke

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

**Commissioner Tucker moved to approve the Agenda as presented.
Commissioner Clinefelter seconded the motion.
Motion carried by unanimous vote.**

III. CONSENT AGENDA:

- A. Approval of Meeting Minutes – October 22, 2014
- B. Operations Reports – October 2014
- C. Resolution No. 619-14 – Authorizing Sale of Abandoned Vessels
- D. Write-off Register
- E. Approval of Warrants

Warrant #053670 through #053689 in the amount of \$133,560.23 for Payroll & Benefits

Warrant #053690 through #053772 in the amount of \$170,478.25 for Accounts Payable

Commissioner Clinefelter moved to approve the Consent Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (1:03):

Bertram Levy commented on Commissioner Tucker's November 12, 2014 posting on the Port's website and proposed rate increases.

Troy McElvy, as a member of the Puget Sound Anglers, commended the commission on their work. He would like to see issues worked out reasonably.

Ron Hayes commented the Port has an important role and its highest priority is to generate enough revenue to cover costs. He commented the proposed rate increase is minimal.

Jerry Johnson, Puget Sound Angler, added the Port must continue to look for ways to generate income. He added the boat ramp expansion would bring revenue to the entire community.

Vigo Anderson expressed his disappointment that there is no proposed rate increase to the boat launch passes, and commented about the Port's other boat ramps being run down.

Jerry Johnson responded to Mr. Anderson's comments, explaining the ramp fee is for parking privileges.

George Yount discussed the State Leasehold Tax and how governments were "giving away the farm". He added the Port's authority is to create economic development within the County. He believes the budget has been well thought out and was planned with input received from Port staff and the community.

Bertram Levy added more comments on the proposed rate increases.

V. SECOND READING (Action Items):

A. Point Hudson Breakwater Project Update (30:44):

Mr. Crockett informed he, Mr. Pivarnik and Mr. Toews recently met with Coast & Harbor Engineers in Edmonds. The engineers will be ready in about thirty days to present to the Commission, at a meeting or workshop, the different options. He explained it looks possible to leave the existing main breakwater intact (south breakwater) while the new one is built around it. A combination of steel sheet piling and rubble mound construction are in the design stage for the breakwater. He explained the goal is to keep it cost effective and to mirror it as close as possible to the existing breakwater functionality. Mr. Toews clarified the engineering plans.

B. 2015 Budget (38:22):

Mr. Crockett reported he and Mr. Pivarnik met today with reps from the Shipwrights Co-op. They expressed their concerns with the elimination of the shipyard discount, as currently proposed in the draft budget. Mr. Crockett suggested re-looking at this. One recommendation is to offer the discount in the shipyard to active projects staying beyond 60 days, which would encourage the large projects to stay and finish their work. He agrees with the budget plans of elimination of the small boatyard discount.

Martin Mills remarked that by keeping the discount, ship owners are encouraged to keep their project in the Port's shipyard so to complete their long-term projects. Otherwise, many owners will only have the minimal work done, take their vessel back to sea and have the remaining needed work on the vessels performed at other yards. Mr. Mills explained the discount encourages the ship owner to complete the project here, which increases revenue to the marine trades, the Port and the local economy. The biggest complaint he hears from shipyard customers is the yard rates are too high, and he hears the lift rates are fine.

Commissioner Clinefelter said he hears contradictory information from customers. He hears customers stay here because our rates are so low. Commissioner Clinefelter then adamantly stated there is no way he can approve this budget as presented. He said the budget fails in fiduciary responsibility. He asked for things to be included in the budget and pointed out they are not there.

Commissioner Clinefelter expressed his many concerns about various elements of the budget. He also stated that he believes the budget should include an appendix and prioritization matrix. Mr. Crockett added that Commissioner Hanke has expressed his desire to hold a retreat and Mr. Crockett believes this would be a good subject to discuss at a retreat, such as the matrix, Quilcene Marina, etc.

John Collins, former Port Commissioner, pointed out that in his view the budget is not just a planning document, but also an important communication vehicle. He expressed his concerns in "smudging" the environmental fee into the base rates. He believes the environmental fee should stand alone as an important fee that pays important costs.

Bertram Levy commented on how to increase savings in other areas if other areas are seeing increases in costs.

Cathy Langley commented that she believes if there is a discount offered to the larger shops, it should apply to the smaller shops as well.

VI. FIRST READING (Discussion Only):

A. "Six Things" (1:37:00):

Mr. Crockett discussed the recent workshop he attended; a follow-up to a workshop that he and Commissioner Tucker participated in back in January of 2014. The group consists of several entities (City, PUD, County, Port, etc.) that each come up with five things all entities can work together on and support, which he reviewed. He added, at the workshop it changed to "Six Things". The group will meet again in six months. Mr. Crockett stated this would also be a subject for discussion at a retreat so that he could bring back the Commission's thoughts and recommendations to the group.

VII. POTENTIAL IMMEDIATE ACTION ITEMS):

A. December 10, 2014 Workshop and Commission Meeting–Rescheduling (1:44:34):

Mr. Crockett explained that the Washington Public Ports Annual Meeting that senior staff and the commission would be attending conflicts with this date. He recommends moving the 9:30 AM workshop and 1:00 PM meeting to Monday, December 8, 2014.

Commissioner Clinefelter moved to reschedule the Public Workshop and Meeting to Monday, December 8, 2014, as discussed.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (1:46:22):

Ms. Lake introduced the newest addition to the Goodstein Law Group, Attorney Conon McCarthy.

Mr. Toews informed he would attend a Climate Action Committee workshop in Port Angeles on Friday. Critical infrastructure vulnerabilities are on the agenda, for which Mr. Toews is writing a paper, as requested.

Mr. Crockett informed he would be attending the CEO breakfast meeting tomorrow morning at 7:30.

IX. PUBLIC COMMENTS (1:52:56):

Bertram Levy spoke about the boat ramp expansion and disputed letters to the editor in today's Leader.

Ron Hayes commented on number of out-of-towners who use our Port because of the low rates, and discussed fund allocations for the docks.

Martin Mills discussed his views on the benefits of keeping the shipyard discount in place and to how to keep customers coming here focusing on the overall value - good rates and good customer service.

Vigo Anderson stated the importance of filling the yard, which benefits the community. Open spaces are lost opportunities, he added. He agreed with Mr. Mills on the importance of the overall value from the Port.

X. COMMISSIONER COMMENTS (2:04:15):

Commissioner Tucker discussed the many conferences he has recently attended and the education he has received from each, such as legislation, attorney updates, and keeping informed of other port's activities. He talked about his recent road trip to California, where he took photos of many empty marinas along the way. He commended the Port of Port Townsend for its 91% occupancy, even during the winter months.

XI. NEXT MEETING: Next Special Meeting (Public Hearing for the 2015 Operating and Capital Budget) will be held Wednesday, November 19, 2014 at 5:30 PM in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

None

XIII. ADJOURNMENT:

The meeting adjourned at 3:07 PM there being no further business to come before the Commission.

ATTEST:

Peter W. Hanke, Secretary

Stephen R. Tucker, President

Brad A. Clinefelter, Vice President