

## PORT COMMISSION SPECIAL MEETING– November 25, 2014

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

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

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

### II. APPROVAL OF AGENDA:

Item added to XII. Executive Session, A) Real Estate, pursuant to RCW 42.30.110 (c), duration of twenty minutes with no action.

**Commissioner Tucker moved to approve the Agenda as amended.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

### III. CONSENT AGENDA:

A. Approval of Meeting Minutes – November 12, 2014

Approval of Special Meeting Minutes – November 19, 2014

B. Resolution No. 619-14 – Authorizing Sale of Abandoned Vessels

C. Approval of Warrants

Warrant #053773 through #053787 in the amount of \$69,576.87 for Payroll & Benefits

Warrant #053788 through #053826 in the amount of \$78,632.21 for Accounts Payable

Electronic Debit to Union Bank in the amount of \$6,379.45 for Washington State

Department of Revenue Combined Excise Tax Return for October 2014

**Commissioner Tucker moved to approve the Consent Agenda as presented.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

### IV. PUBLIC COMMENTS (Not related to agenda) (1:32):

J.D. Gallant, Quilcene resident, read his “Quilcene Bay Status Report”.

### V. SECOND READING:

A. Rates and Fees (4:36):

Mr. Crockett reminded that at the November 19 meeting 2015 rates and fees were approved by the commission, with the caveat that discussions would be continued.

Commissioner Tucker informed all that he met with former Port Commissioner, John Collins who explained to him the mechanics of the square foot rate formula, which Commissioner Tucker explained in detail. Mr. Crockett added that the square foot formula was established because there was a huge disparity. Commissioner Tucker added the goal was to have every boat pay the square foot charge. Commissioner Tucker explained that Mr. Collins is out of town until early December and that he would prefer to leave the rates as adopted until Mr. Collins returns and could explain the rate formula to all at a future workshop or meeting.

Bertram Levy requested the removal of the electric charge from the base rate as, he explained, it adds an unfair Leasehold Tax on the electric portion. He also said if a customer is paying the electric fee in the base rate, it might discourage them from using alternative forms of power.

Discussion ensued on electrical fees and whether or not to separate them from the base rates.

Ron Hayes also requested removing the electrical fee from the base rate, as the additional LHT would cost tenants extra. Commissioner Tucker agreed.

Jim Heumann said he is in agreement with Mr. Levy on the electrical fee. He also believes it would be confusing to send out new rates to customers and change them again a month or so.

George Yount discussed money received from property taxes and asked where the additional money would come from if the Port did not receive that money from taxpayers, and how repairs and maintenance would be paid for without that funding.

Commissioner Tucker added that he just attended a government infrastructure class last week and the information he learned will be very helpful.

Mr. Levy commented on Mr. Yount's comments.

Mr. Yount expressed he is very put out with the amount of time the commission has spent on rates. He added Economic Development should be the focus of the Port and he has not seen that. He also stated that if money is spent on the marina and uplands than have the users pay those costs, not the taxpayers of Jefferson County.

Mr. Crockett stated he continues to gather information on the boat ramp rate survey and he said rates are all over the map, from free to \$150 annual passes, with some passes good for more than one boat ramp location. He read rules from one boat ramp that he thinks need incorporating into our rules, where a ramp pass is required of any boat using a boat lane, no matter where the vehicle and boat trailer are parked.

Troy McKelvey stated he has heard of an agreement with the Feds that when the ramp was built the Port could not collect fees for ramp use. Commissioner Tucker added that fees are collected for repair and maintenance of the ramps.

Commissioner Hanke went back to the subject of the electrical fees and he would like to see them separated from the base fee.

**Commissioner Tucker moved to separate the base electrical fee from the base slip rate.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

Commissioner Clinefelter stated that wants to see a survey that includes information on lay day charges and discounts at other yards.

Mr. Crockett and Commissioner Tucker both responded that it is hard to compare our yard rates with others, as our yard is one of the few that allows "do-it-yourself" work on boats.

Bertram Levy commented on Dave Griswold's comments from the previous commission meeting. He then commented on Mr. Collins rate formula and keeping the shipyard 3% surcharge to pay towards stormwater fees.

After hearing discussion on electrical fees, Mr. Pivarnik summed up that the commission would like the electrical fee backed out of the base rate and charged separately. Staff asked Ms. Khile what the current electrical hookup fee is. She responded \$50. Discussion ensued on a fair rate to charge for electrical hookups.

Commissioner Hanke discussed lay day discounts in the shipyard.

Commissioner Tucker continued the discussion on electrical charges and the electrical infrastructure installation, where he believes every slip should pay for this.

**Commissioner Tucker moved to change the electrical hookup fee to \$30 in the 2015 rate schedule.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

## VI. FIRST READING:

### A. Coast Seafoods (1:00:13):

Mr. Crockett explained the Coast Seafoods lease presented to the commissioners consolidates the four individual leases that Coast already has, some dating back to 1975. These leases are for multiple parcels of land. He added the consolidation would benefit both Coast and the Port. Some of the leases are due to expire in two years, where the newly consolidated lease would have a twenty-five year term. The lease also contains new lease language. Mr. Crockett reminded this is a first reading. He then informed that reps from Coast Seafoods were in the audience. In summary, changes in this lease include new lease language and do not add any extra land parcels or increase in their fees.

### B. Engineering Services (1:05:09):

Mr. Crockett mentioned the capital facilities plan is in the 2015 budget, and discussions with Larry Aase and Al Cairns confirmed that if this plan is in the budget, we need an accurate assessment of the Port's infrastructure, which would include life span and cost for repair or replacement. Staff recommends hiring an engineer, on a contract or other means. Mr. Crockett said staff has estimated this job to last about six to eight months. He would like to get an engineer on board soon so that this information can be taken into consideration in the 2016 budget planning. Mr. Crockett added that all Port properties would be assessed. He reminded this is the first reading.

Commissioner Clinefelter stated he has been hesitant on this in the past because of contract services costs in the past. He agrees that the Port needs a clear identifier as to the

future of the Port's infrastructure and an assessment would provide a good picture more than five years out.

Commissioner Hanke added that staff should be specific in what we want from the engineer, keeping the cost down.

Mr. Crockett said that in the contract there will be a “not to exceed” cost.

Commissioner Hanke suggested this for discussion at a future retreat.

C. October 2014 Financials (1:10:31):

Ms. Khile summarized the financials, explaining that we were 83.3% through the year and we have collected 87.51% of our projected revenue. She added the largest increase has come from the yard over the past year. Operating expenses are \$3.4M, less depreciation, and are running at 89.6% of budgeted. She added net income is \$26,507, after non-operating revenue and expenses.

Commissioner Clinefelter asked for clarification on administrative costs.

VII. POTENTIAL IMMEDIATE ACTION ITEMS):

VIII. STAFF COMMENTS (1:14:56):

Attorney McCarthy advised the commission that the approved two amendments to the rates and fees need a waiver from the second reading for approval, as per commission rules.

**Commissioner Tucker moved to waive the second reading of the rates and fees amendments as discussed.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

Ms. Khile announced that as of this morning, the 2015 Budget is in the hands of the County.

Ms. Nelson explained the two boxes on the table are filled with entries for the 300-ton haulout and the 70-ton haulout contests that were held during the Pacific Marine Expo in Seattle last week. Commissioner Tucker asked Suzi Clinefelter from the audience to draw the winning entries. The winner of the 300-ton haulout was Makai Magnuson of Suquamish with a 72' long vessel with a 26' beam. The 70-ton haulout winner was Ken Sierleja of Bainbridge Island who has a 58' long vessel with a 17' beam. Winners will be notified.

Mr. Crockett informed he signed a contract with a vendor, presented by Mr. Cairns, who will provide hearing tests to about fifteen yard and maintenance employees, as part of our safety requirements.

He also discussed an invitation to a tourism dinner at the WPPA Annual Meeting sponsored by the Ports of Walla Walla and Seattle. He asked any commissioner interested in attending to let Ms. Nelson know by December 5.

IX. PUBLIC COMMENTS (1:19:53):

Vigo Anderson thanked the commission for their part in getting the Port's Mission Statement up on the Port website. He also talked about the recent article in the PDN where the Port of Port Angeles is noncompliant with their leases and hopes the Port of PT leases are in compliance.

Jim Heumann thanked the commission for their work on the rates and the budget.

X. COMMISSIONER COMMENTS (1:21:59):

Commissioner Hanke discussed a recent Fort Worden Advisory Committee meeting he attended. He said they are moving ahead with improvements to the stairs. He also talked about a recent PRTPO meeting he attended where he heard a great presentation from a WA State Ferries rep on the ferry system.

Commissioner Tucker said he was very inspired by the Government Infrastructure seminar he attended. He said he was the only port person in attendance. He added that he learned a lot.

He then informed of a Marine Resources Committee (MRC) conference he is attending at the Northwest Maritime Center in Port Townsend the first part of December (Dec. 5 & 6).

XI. NEXT MEETING/PUBLIC WORKSHOP: Next regular meeting will be held MONDAY, December 8, 2014 at 1:00 PM, with the Public Workshop at 9:30 AM, in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

The regular session recessed into Executive Session, at 2:25 PM to discuss potential sale of Real Estate, duration of twenty minutes with no action, pursuant to RCW 42.30.110(c). The Executive Session was delayed until 2:31 PM until the public left the building.

At 2:52 PM, Ms. Nelson checked outside for any public waiting for the reconvening of the regular meeting. Finding no one, the Executive Session was extended another five minutes. At 2:58 PM, Ms. Nelson checked again for anyone outside, and finding no one, the Session continued another three minutes.

XIII. RECONVENING/ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened at 3:01 PM, and there being no further action to come before the Commission, the meeting adjourned at 3:01 PM.

ATTEST:

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Peter W. Hanke, Secretary

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Stephen R. Tucker, President

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Brad A. Clinefelter, Vice President