

PORT COMMISSION MEETING– March 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, Clinefelter and Hanke
Executive Director – Crockett
Deputy Director - Pivarnik
Auditor – Khile
Planning Analyst – Toews (at Executive Session only)
Attorney - Harris
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

Because these items had been discussed in past meetings, but were not listed on past formal agendas, the following change was requested:

Section V, Second Reading, **Item A, the Goldstar Lease Assignment;** and, **Item B, AWOS** were moved to Section VII, Potential Immediate Action.

Commissioner Clinefelter moved to approve the Agenda as amended.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA (4:56):

A. Approval of Meeting Minutes – February 26, 2014

B. Resolution No. 606-14 – Authorizing Sale of Abandoned Vessels

C. Operations Reports – February 2014

D. Approval of Warrants

Warrant #052586 through #052608 in the amount of \$118,479.73 for Payroll and Benefits

Warrant #052609 through #052661 in the amount of \$115,666.92 for Accounts Payable

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):

None

V. SECOND READING (Action Items):

C. Communications Consultant Contract (6:01):

Mr. Crockett explained that staff met with Keven Elliff, the selected consultant, and requests commission approval to approve the contract presented.

Commissioner Clinefelter asked exactly what services the Port would receive from the consultant for the money we are paying.

Mr. Pivarnik explained Mr. Elliff's services, his goals and the amount of time per week he plans on working for the Port.

Commissioner Clinefelter said he has heard from members of the public asking why the Port would spend so much on communications.

Commissioner Tucker commented that he hears people asking, "Why doesn't the Port communicate?"

Mr. Pivarnik explained the contract is not to exceed \$24,500. If the Port decides to cut back on services then the Port will not spend that much.

Commissioner Tucker moved to approve the communications consultant contract with Keven Elliff of Windridge Solutions, not to exceed \$24,500.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

D. Engineering Consultant Contract Update (19:33):

Mr. Crockett reported that staff met with Coast and Harbor consultants regarding their contract. Mr. Pivarnik stated that after discussions with their firm, it is probable that this contract will be a three-phase contract (design phase; permitting phase; final engineering contract). He explained the contract phases would be developed depending on whether the Point Hudson Jetty project will be a repair or a replacement. After further discussion, Mr. Pivarnik explained Coast and Harbor is planning to hire a company to do a full survey of the project, to determine the scope of work. He added the contract would be presented at the next meeting.

VI. FIRST READING (Discussion Only):

A. Puget Sound-wide Marina Survey (24:37):

Mr. Crockett explained this was discussed at the earlier workshop as part of the 2015 budget process. Staff would like to gather rates from marinas throughout Puget Sound and to learn what is included in these rates and what their additional charges are. Discussion occurred on how to collect this information, such as developing a simple form and emailing to marinas with follow-up phone calls.

Commissioner Clinefelter asked to do a yard survey as well and to include Alaska, Oregon and BC in that survey, since many boats come from those states and BC. The commissioners agreed that staff should move forward with the surveys.

B. December 2013 Draft Financials (32:27):

Ms. Khile presented the draft financials. Discussion ensued on different line items, such as advertising, legal fees, maintenance, and bad debt. Mr. Crockett posed the question to the commission on whether they would like to see the ship and work yards combined as one cost center, rather than the two. The commissioners leaned towards keeping it as is.

VII. POTENTIAL IMMEDIATE ACTION ITEMS (unanimous commission approval required) (54:32):

Commissioner Tucker moved to approve the Goldstar Lease Assignment and the AWOS as Potential Action Items.

Commissioner Hanke seconded the motion.

Motion carried by unanimous approval.

A. Goldstar Lease Assignment (51:03):

Mr. Pivarnik reminded the commission of the Heckmanns, the couple purchasing Goldstar Marine, dependent upon the commissioner's approval of the lease assignment. They are planning on closing on Friday and the lease assignment would be a part of their closing documents. Mr. Pivarnik reminded there are twenty years remaining on the lease.

Commissioner Tucker moved to approve the Goldstar Lease Assumption.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

B. AWOS (53:21):

Mr. Pivarnik stated since the last meeting, he received an email from Mary Vargas of the FAA and it sounds like a grant of 90% funding will go through for the AWOS. Staff needs commission direction to move forward. Besides the 10% (\$40K) match from the Port, there will also be the expense of a five-year maintenance plan for the system (\$4K/per year). Bid openings would need to be opened by the first of June.

Further discussion ensued.

Commissioner Hanke moved to direct staff to proceed with the FAA grant for the AWOS.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (1:09:40):

Ms. Nelson informed the commission that she had received a letter from the Rhody Festival Association asking if the commissioners would like to participate in this year's parade. The commission declined.

Mr. Crockett discussed CERB legislation that Rep. Tharinger was wavering on in this legislative session. The WPPA called and asked Mr. Crockett to send Rep. Tharinger a letter encouraging him to sign the bill, which Mr. Crockett did.

He then informed that he would attend monthly CEO breakfast meeting tomorrow.

IX. PUBLIC COMMENTS (1:12:48):

Vigo Anderson suggested that the Port perform audits of marine trades businesses on the 3% fee; commented on the financials and budget.

Local pilot Bill Putney asked if there were any plans on future development of the Airport Industrial Park.

X. COMMISSIONER COMMENTS (1:28:59):

Commissioner Clinefelter asked if the decision on moorage tenant environmental fees would be delayed until results were gathered on the marina survey. He added that he believes the moorage tenants need this resolved now and should not have to wait.

Mr. Crockett answered this is a commission decision. He suggests that before the 2015 budget adoption in November, staff will develop a single rate, with a goal of eliminating all the extra add on fees. He explained if they cease the environmental fee now, it will have an impact on this year's budget.

Ideas floated about on ways to recover environmental expenses.

Commissioner Tucker would like to see the fee eliminated and to charge a set market rate in 2015. He thinks this would please moorage tenants.

Commissioner Clinefelter added that he continues to hear from tenants that the environmental fee needs rescinding.

Commissioner Clinefelter asked about a possible partnership with DNR on installing a containment pad in the yard, allowing DNR's derelict vessels to be dismantled safely, and asked how to put this on a fast track.

Mr. Pivarnik explained that Environmental Compliance Officer Al Cairns pursued and received a quote of \$175K on a pad and forwarded this in an email to Melissa at DNR, discussing a partnership. However, the legislative session ends tomorrow and Mr. Pivarnik believes nothing will come of it this year.

Commissioner Hanke would like to add to the next commission meeting agenda, First Reading, "compromising by lowering the environmental fees". In addition, to include discussion on a base fee in the yard with a progressive rate structure, dependent on vessel size.

Comments were received on environmental fees from marine tradesmen, Joe von Volkli.

Commissioner Tucker stated he attended a "North of Falcon" meeting in Olympia, with a handful of local anglers. This is a meeting where fishing seasons are determined. Mr. Tucker said he was pleased, because at this meeting there was a proposal on the table, based on input he had given them. The proposal still needs to go the tribes and commercial fisheries.

X. NEXT MEETING: Next regular meeting will be held Wednesday, March 26, 2014 at 5:30 PM in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

The regular session recessed into Executive Session, at 2:46 PM to discuss a real estate matter, duration of twenty minutes with no action, pursuant to RCW 42.30.110(b).

At 3:06 PM, Ms. Nelson checked for any members of the public waiting outside for reconvening of the regular meeting. Finding no one, the Executive Session continued. At 3:09 PM, the session was extended another five minutes. At 3:15 PM, Attorney Harris checked and found no public waiting outside. The session was extended another five minutes. At 3:22 PM, Ms. Nelson checked and found no one waiting outside.

XIII. RECONVENING/ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened at 3:23 PM.

There being no further action to come before the Commission, the meeting adjourned at 3:23 PM.

ATTEST:

Peter W. Hanke, Secretary

Stephen R. Tucker, President

Brad A. Clinefelter, Vice President