

PORT COMMISSION REGULAR MEETING– July 27, 2016

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 – Gibboney
Auditor – Berg
Director of Planning, Properties & Environmental – Toews
Attorney – O’Malley
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA:

Commissioner Clinefelter moved to approve the Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA (1:11):

A. Approval of Public Workshop Minutes – July 13, 2016

Approval of Meeting Minutes – July 13, 2016

B. Resolution No. 648-16 – Cancellation of Warrants

C. Approval of Warrants

Warrant #056410 through #056417 in the amount of \$12,109.20 for Payroll & Benefits

Electronic Payment in the amount of \$59,866.21 for Payroll & Benefits

Warrant #054618 through #056447 in the amount of \$144,874.76 for Accounts Payable

Electronic Debit in the amount of \$11,630.79 for WA State Department of Revenue

Combined Excise Tax Return for June 2016

Commissioner Tucker made a correction to the July 13 meeting minutes, Section IX –

Staff Comments: “Commissioner Tucker spoke about **eelgrass signage** that directs boaters to call...”. He corrected it to read “existing **City signage**”.

Commissioner Hanke moved to approve the Consent Agenda as presented with the correction to the minutes.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (1:55):

Melinda Bryden commented on the “lack of understanding regarding the sustainability of the Port” and on the draft Capital Budget and financial statements from quarter one of 2016.

Bertram Levy complained about the volume of the radio that ACI Boats plays out of their shop. He said the noise can be heard all the way down at ‘D’ dock.

V. SECOND READING (Action Items):

A. 2017 Operating & Capital Budget Development Schedule (5:33):

Ms. Berg reviewed the draft budget schedule and reported that Cynthia Weed (bond counsel) and the County Assessor and Treasurer would be at the August 10, 2016 workshop. She explained the August 17 Open House for Tier 1 projects is not a commission meeting. She reported the County Assessor would also attend the September 14th workshop to present 2017 tax levy budgeting.

Ms. Gibboney stated the goal of the open house is to educate the public and stakeholders on capital improvement projects. The gathering is tentatively scheduled to begin at 8 a.m. based on low tide. She added the open house will be advertised, but not as a public commission meeting.

A commissioner pointed out that the September 28 date on the budget schedule is incorrect, as that meeting date was changed to September 27, 2016 due to a conference conflict. Ms. Berg reported she would correct the schedule to read September 27.

Commissioner Hanke moved to approve the 2017 Operating & Capital Budget schedule as presented, with the corrected date of September 27, 2016 as discussed.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

B. Johnson Fabrication, LLC Lease (9:32):

Mr. Toews stated this lease is being presented as a second reading and that no changes have been made to the draft lease since the last meeting. Mr. Toews was tasked to see if there was a way to bring the lease up to market rate sooner rather than later. Mr. Toews reported he met with Port Engineer Andersen and Maintenance Manager Aase and their best estimate to repair the roof is a minimum \$100K. He added the roof is very unusual structurally. Mr. Toews reminded this lease is based on \$0.41/sq. ft. and would increase to \$0.67/sq. ft. once the roof has been repaired. Discussion ensued regarding the cost of the roof repair.

Commissioner Clinefelter moved to approve the lease as presented and to allow Johnson Fabrication to continue operations without a “huge” Port investment in the repair.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

VI. FIRST READING (Discussion Only):

A. Port Townsend Boat Haven Reserve (15:29):

Ms. Gibboney recommends capping the current fund off and keeping the funds for their intended purpose, and creating a new organization-wide capital reserve fund.

Commissioner Clinefelter discussed what he interprets as the original intention of the Boat Haven Reserve fund. He added this is not what the fund was created for “in spirit”.

Ms. Berg stated the original Reserve Fund Resolution from 2004 was related to the progressive moorage rate plan and was good for a three-year period. In 2008, another resolution was created to amend the budgeted 2008 Boat Haven Renovation Reserve contributions from \$80K to \$250K. No additional resolutions have been made regarding this reserve except by the budget process..

Ms. Bryden commented on past use of the reserve funds.

Mr. Levy commented on the intended use of the reserve fund.

Ms. Berg added she could look at past use of the reserve fund, but there is an urgency to create a Port-wide capital reserve fund.

Ms. Gibboney stated the fund is for capital improvements and for grant match money.

Commissioner Tucker stated the history of the fund is important but we need to move forward.

Commissioner Clinefelter added that we need to make the necessary repairs to maintain the marina.

Commissioner Hanke reminded all that this is the first reading and invited the public to call their commissioners to voice their comments.

Mr. Levy reported on a meeting he had yesterday with Ms. Berg, Ms. Gibboney and Commissioner Clinefelter where they discussed the concept of the reserve fund. He discussed his fear is the reserve money being thrown into a general fund.

Ms. Gibboney stated there are many ways of analyzing this fund. She added that the general reserve fund resolution would specify where expenditures could be made.

B. Resolution Establishing Port SEPA Policies, Procedures and Implementing Rules (30:43):

Mr. Toews reported this was reviewed at a previous commission meeting in December of 2015. Due to the lapse of time the decision was made to list this as a First Reading. He explained how this resolution would speed up the processes in handling non-project actions and smaller in-house projects, and SEPA exempt projects. Further discussion ensued.

VII. POTENTIAL IMMEDIATE ACTION ITEMS):

VIII. OTHER BUSINESS:

A. August 24, 2016 Commission Workshop and Meeting (38:13):

Ms. Nelson reported that Commissioner Hanke requested at the last commission meeting to hold the the August 24 workshop (3:00) and meeting (5:30) in the south county area. She added the Timberhouse Restaurant meeting room has been reserved. The change in location changes the meeting to a Special Meeting.

IX. STAFF COMMENTS (39:10):

Ms. Gibboney announced the Port has advertised for temporary part-time help at the Quilcene marina to help while the caretaker is on medical leave. Two applications have been received to date.

Staff is working on gathering documentation for the Boat Ramp closeout, shooting for completion by the August 10 commission meeting. Documentation and developing a schedule for additional items remain to be completed.

Ms. Gibboney talked about the Open House project tour on August 17. She informed the Port boat would be docked at Point Hudson to take people out to see the jetty. The tour would also include one or two land sites at Point Hudson. Following Point Hudson, the group will meet at a Boat Haven location to tour one or two facilities there. She explained we will advertise and will have a limit on the number of people that we can accept. More to come.

Ms. Gibboney reported on the increase in summer hours at the Boat Haven and Point Hudson moorage offices.

She then reported she has scheduled a conference call with the Port of Ilwaco and WPPA to discuss a potential demolition site.

She and staff met with Northwest Municipal Advisors who briefed on the Port's bonding capacity and how it relates to the IDD.

Maintenance will apprise Ms. Gibboney on the replacement costs of the REILs at the airport.

Staff is researching the repairs needed at the Boat Haven breakwater.

Airport ditch cleaning is on the agenda for staff. At this time staff is researching jurisdictional issues there.

Ms. Gibboney reported there have been a few issues with the fire escape at the Armory Building and she will keep the commission posted on progress.

Ms. Gibboney informed that she has a meeting with Representative Kilmer on August 12. Capital funding possibilities will be among issues discussed. Ms. Gibboney will work with Port staff prior, to identify federal funding needs.

Mr. Toews briefed on the stormwater feasibility study at Boat Haven and the recent report received from Parametrix on hydrologic modeling showing test site infiltration results. He explained the Port is holding off on long-term tenant requests for now until infiltration sites are established.

Mr. Toews stated he received permit drawings from Coast & Harbor (now Mott McDonald). These drawings include public access on the south jetty arm as requested by the City.

He announced the SEPA and Shoreline review will be conducted by the City in the next week or so.

Commissioner Hanke asked for an update on DOE stormwater schedule. Mr. Toews answered staff is taking early action regarding operational and management changes. He discussed vessel encapsulation; screening at the 300-ton washdown pad; and removal and replacement of gravel in "hot" areas of the yard, as potential future projects for Level 3 compliance.

Ms. Berg reported she is in the process of renewing insurance policies (general liability, property, vehicle, airport, storage tank pollution and marinas). She added most policies have increased about 2% in the cost. She stated there was no increase in the JCIA storage-tank pollution liability policy; however, the deductible increased from \$5K to \$15K.

Ms. Berg reported she attended the recent staff safety committee meeting. They added five in-water safety ladders at the Boat Haven Marina. The committee also discussed parking in the Travelift area and signage for safety recommended by staff. Concern was raised that there are holes underneath the sidewalk along the Boat Haven Marina.

Ms. Berg then reported she is making progress on the financial report and is providing a draft 2015 statement of activity for NW Municipal Advisors.

X. PUBLIC COMMENTS:

XI. COMMISSIONER COMMENTS (55:47):

Commissioner Tucker stated former Port Commissioner Dave Thompson told him that A/B dock tenants have noticed ramp usage has doubled with the ramp expansion.

Commissioner Clinefelter asked for an update on the abandoned vessel, "John Cobb".

Commissioner Hanke reported he is holding a public gathering in Quilcene on August 9 at the Gearhead Deli at noon to hear comments from his district.

Commissioner Hanke stated the need to review the 3% heavy haulout fee charged by the Port.

Commissioner Clinefelter discussed the original intent of the 3% fee. He added that the aging lift requires constant maintenance and eventually will need to be replaced at some point.

Commissioner Hanke believes the Port needs to be careful on how the fee is collected, by ensuring it is collected on a fair basis.

XII. NEXT PUBLIC WORKSHOP/REGULAR MEETING:

August 10, 2016: public workshop at 9:30 a.m., regular meeting at 1:00 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION (if called):

none

XIV. ADJOURNMENT OF REGULAR MEETING:

The meeting adjourned at 6:33 p.m. there being no further business to come before the Commission.

ATTEST:

Brad A. Clinefelter, Secretary

Peter W. Hanke, President

Stephen R. Tucker, Vice President