

## PORT COMMISSION REGULAR MEETING– September 14, 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 – Goodstein  
Minutes – Nelson

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

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

### II. APPROVAL OF AGENDA:

Attorney Goodstein added an Executive Session on Litigation, pursuant to RCW 42.20.110 (i), five minute duration, no action.

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

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

### III. CONSENT AGENDA:

A. Approval of Public Workshop Minutes – August 24, 2016

Approval of Special Meeting Minutes – August 24, 2016

B. Operations Reports – August 2016

C. Approval of Warrants

Warrant #056573 through #056577 in the amount of \$44,794.70 for Payroll & Benefits

Electronic Payment in the amount of \$109,716.42 for Payroll & Benefits

Warrant #056578 through #056670 in the amount of \$190,626.40 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) (1:29):

Bill Putney commented on moving the development of the PSAC (Port Strategic Advisory Committee) forward.

Anne Ricker of Quilcene asked for assurance that the Quilcene Marina would not be offered for sale.

Bertram Levy questioned boat ramp costs and referred to a letter he sent to the commission.

### V. SECOND READING (Action Items):

### VI. FIRST READING (Discussion Only):

#### A. Proposed Moorage Rate (14:13):

Ms. Gibboney stated the commission had requested staff to look into a 2% moorage rate increase for the remainder of the year and to include projected revenues for 2016/17. Ms. Berg provided an update to page 11 of the packet (Estimated Increased Revenue for 2016-Qtr 4 Rate Increase & 2017 Projections). Ms. Gibboney explained the \$75K for Boat Haven breakwater emergency repairs is a very rough estimate, but there is an immediate need to increase revenues.

Commissioner Clinefelter asked if staff has any other recommendations on increasing revenues and Ms. Gibboney responded more recommendations would be presented in the 2017 Draft Budget at the September 27, 2016 commission meeting.

Commissioner Tucker believes that a mid-year rate increase suggests the commission went light when setting 2016 rates.

Commissioner Clinefelter stated he did not vote for the additional 2% rate increase for 2016 rates, but now with more information he sees the obvious need to increase rates.

Ms. Gibboney reported that if rates are increased mid-year, staff asked how this news could be communicated to the public.

Commissioner Hanke asked counsel if he should recuse himself from a future vote on this. He then stated that since the mid-year rate increase would only bring in an additional \$7K, he feels it would be better to hold off on that increase until the next budget cycle.

Commissioner Clinefelter concurred and thought it might be better to add the 2% rate increase in 2017.

Mr. Levy (from audience) asked about the eliminated Boat Haven Reserve Fund and said those fund should be used for the Boat Haven breakwater repair.

Gordon Neilson (from audience) suggested the Port should get collaboration from the City and the County on breakwater repairs and replacement (referring to Point Hudson).

Commissioner Hanke reported he and Ms. Gibboney already met with the County on collaborations and will be meeting with the City next week.

Commissioner Tucker stated he would like to have developed, a plan with a five-year rate structure increase to provide stability to the rate structure.

Commissioner Clinefelter agreed and suggested tabling the 2016 Quarter 4 rate increase and begin to develop a long-range rate plan.

(Attorney Goodstein reported Commissioner Hanke does not need to recuse himself from a vote on this.)

**Commissioner Hanke moved to table the 2016 Quarter 4 rate increase.**

**Commissioner Clinefelter seconded the motion.**

**Commissioner Tucker amended the motion to table the 2016 Quarter 4 rate increase and to work on a multi-year, predictable rate plan.**

**Commissioner Clinefelter seconded the amended motion.**

**Motion carried by unanimous vote.**

VII. POTENTIAL IMMEDIATE ACTION ITEMS):

VIII. OTHER BUSINESS:

A. Presentation of 2015 Annual Report (32:52):

Ms. Berg explained the Port is required yearly to submit the Annual Report to the State Auditor's Office and bondholders. Ms. Berg briefed on highlights of the report, which include revenues, expenses, assets, liabilities and net position.

IX. STAFF COMMENTS (41:18):

Ms. Gibboney explained interviews were conducted for the Director of Operations and Business Development position and she hopes to inform the commission of her selection at the next commission meeting.

She reported on a meeting yesterday with a rep from Department of Natural Resources, where they discussed the possibilities of a demolition facility. She stated DNR would supply her with a pre-feasibility study on such a facility.

Ms. Gibboney reported she continues meeting with staff on budget projections. She will have a draft to present at the next meeting.

She added the Port completed another year in Wooden Boat Festival participation. Ms. Gibboney wanted to recognize publicly, Port Maintenance Manager, Larry Aase and his staff for fixing the Boat Haven fuel pump during Wooden Boat Festival weekend. She also thanked Port staff for their work towards the festival.

She stated at the next commission meeting, the Capital Budget will be presented along with potential funding sources, which will include the Corps of Engineers, the Coast Guard and the Department of Commerce, to name a few.

Mr. Toews provided updates on both the Quilcene wastewater feasibility study and the Boat Haven stormwater feasibility study.

He reported Mott MacDonald is under contract to perform a feasibility assessment on the Boat Haven breakwater. He expects to have their report by the second commission meeting in October. Mr. Toews added he has applied for the BH breakwater permits.

Mr. Toews provided an update on the vessel, the John Cobb, discussing the pumpout schedule, surveying and then contacting potential buyers.

Last, Mr. Toews briefed on the Point Hudson Jetty permitting process.

Ms. Berg provided a copy of the July 2016 year-to-date financials. She detailed expense trends, WIP costs, debt service and cash & investment balances.

Ms. Gibboney reported the Port has secured dismissal of the last Landry lawsuit. She added the Court awarded the Port all attorney fees.

X. PUBLIC COMMENTS (1:07:57):

Gordon Neilson, Port Townsend, discussed rate increases and handed out a Port of Bellingham rate study, which he thought might be helpful to the commissioners.

Port Townsend commercial fisherman, Rick Oltman discussed the Bellingham rate study and commercial fishing vessels.

Bertram Levy, Port Townsend, suggested surveying Port customers.

Ms. Gibboney added staff is making an effort to collect customer email addresses for a Port database, which will provide ease in communicating with our customers for surveys, announcements, etc.

George Yount, Port Townsend, thanked the commission for today's "informative and complex" workshop. He expressed his appreciation for the conversation on Point Hudson. Last, he commented on the boat ramp costs and how the Port has had clean audits for the past twenty years.

XI. COMMISSIONER COMMENTS (1:16:39):

Commissioner Tucker reported he worked two booths at the Wooden Boat Festival and was amazed at the number of people who came from across the country.

He also reported on a talk he gave last night to the Yacht Club on what Ports can do.

Commissioner Clinefelter discussed the waitlist and its relationship to commercial moorage tenants. He discussed the lack of slips available for boats coming out of the yard that need a slip for a short period to finish their boat project.

Commissioner Tucker said he believes the buoy test would be an effective way to reduce the size of the waitlist. He agreed with Commissioner Clinefelter that the unavailability of slips to customers definitely hinders their projects.

Ms. Gibboney added that the buoy test is in the plans for the first quarter of 2017, as well as an in-house audit on insurance compliance with our customers.

After further discussion on the waitlist policy, Commissioner Tucker would like to re-examine it.

Commissioner Clinefelter asked for an update on the wage increase for staff. Ms. Gibboney replied that will be a part of the budget process.

Commissioner Hanke asked for an update on the search for microphones for the commission building and stated there needs to be a solution soon.

He provided an update on a meeting he attended along with Ms. Gibboney, and Kathleen Kler and Philip Morley of the County. They spoke on a number of issues, including Point Hudson, restroom issues, and IDD potential. He said the County looks forward to monthly meetings with the Port. Commissioner Hanke informed that he and Ms. Gibboney are meeting with the City next week on these same subjects.

XII. NEXT PUBLIC WORKSHOP/SPECIAL MEETING:

*Tuesday*, September 27, 2016: Workshop at 3:00 p.m., Meeting at 5:30 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:33 p.m. to discuss litigation, pursuant to RCW 42.30.110 (i), duration of five minutes with no action.

At 2:33 p.m., Ms. Nelson announced to the outside public the session is extended fifteen minutes. At 2:50 p.m., Ms. Nelson announced the meeting is extended another ten minutes.

XIV. RECONVENING AND ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened and adjourned at 2:59 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