

**PORT COMMISSION MEETING & 2017 BUDGET PUBLIC HEARING –
October 26, 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 Operations & Business Development - Englin
Director of Planning – 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 Tucker moved to approve the Agenda as presented.
Commissioner Clinefelter seconded the motion.
Motion carried by unanimous vote.**

III. CONSENT AGENDA:

- A. Approval of Public Workshop Minutes – October 12, 2016
Approval of Meeting Minutes – October 12, 2016
- B. Approval of Warrants
Warrant #056791 through #056799 in the amount of \$12,119.00 for Payroll & Benefits
Electronic Payment in the amount of \$55,340.03 for Payroll & Benefits
Warrant #056800 through #056836 in the amount of \$151,235.52 for Accounts Payable
Electronic Debit in the amount of \$10,731.89 for WA State Dept. Of Revenue Combined
Excise Tax Return for September 2016

**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) (0:56):

Pam LaNua Petranek discussed attracting commercial fishers to the Port and moorage rates.

V. PUBLIC HEARING ON 2017 OPERATING & CAPITAL BUDGET AND 2017 PROPERTY TAX LEVY:

Commissioner Hanke opened the Hearing at 5:05 p.m. Finance Director/Port Auditor Berg and Executive Director Gibboney briefed on the Operating & Capital Budget and Cashflow Projections. Ms. Gibboney explained that staff would be developing a complete pricing structure study later (which will be discussed at future commission meetings in open session).

Commissioner Hanke opened the Hearing for public comment. The following people commented (names read from sign-up sheet):

Charley Kanieski & Liz Hoenig Kanieski, Jim Heumann, Jack Becker, Peter Robinson, Kay Robinson, Sue Hoover, Melinda Bryden, Peter Osenberg (sp?), Kit Kitrige and Elizabeth Becker.

After hearing no further public comment, Commissioner Hanke closed the Hearing at 6:08 p.m.

**Commissioner Hanke moved to bring the budget, as presented, to the November 22, 2016 Commission meeting for adoption.
Commissioner Clinefelter seconded the motion.
Motion carried by unanimous vote.**

Commissioner Hanke commented on the huge budgetary hurdles the Port faces and that the commission has some big issues that need to be resolved.

Audience member George Yount asked if the Port would take any further written testimony prior to the November 22, 2016 adoption of the budget. Commissioner Hanke answered yes.

Commissioner Tucker discussed the challenges that lie ahead. He stated a proposed rate structure would be discussed in open sessions after budget adoption. He talked about the budget and it being a cash neutral one.

Ms. Gibboney reiterated the rate structure is not proposed at this time and that staff is reviewing that comprehensively. She also wanted to clear up a misunderstanding, brought to her attention by Bertram Levy, on his post on the PT Moorage Tenants Union website that showed the Port cashflow projections with an annual rate increase of 5% above inflation, which she said is not correct.

Ms. Gibboney also reiterated that the cash projections show an increase in cash reserves in years (2019 & 2020) as it is not coupled with a realistic capital budget, which staff deliberately left some projects out, as the Port is at bonding capacity limits.

Commissioner Hanke closed the Hearing extension at 6:16 p.m.

VI. SECOND READING (Action Items):

VII. FIRST READING (Discussion Only):

VIII. POTENTIAL IMMEDIATE ACTION ITEMS):

A. Boat Haven Breakwater Bid Results (46:52):

Ms. Gibboney explained the contracted engineering firm Mott MacDonald (formerly Coast & Harbor) will present their briefing on rehabilitation/renovation options for the Boat Haven breakwater later in November. She presented a briefing on the breakwater history, its make-up, deterioration and discussed the threat of cost escalation the longer the project is delayed. Ms. Gibboney stated Port engineer, Harold Andersen, worked up a “band aid” fix, where the lowest, responsive bidder was American Construction Co. who bid \$192K. Ms. Gibboney explained that a work schedule would be supplied to the commissioners upon contract acceptance. Ms. Gibboney stated she recommends awarding this project with confidence as this fix is necessary. She added this repair would add five to ten more years to the structure and that without the fix, there could be a catastrophic failure of the breakwater, even this year.

Commissioner Clinefelter stated that a similar repair was necessary in 2006, and without this current fix, the marina would be unprotected. He added insurance would not cover this repair.

Discussion ensued on the original cost estimate and the amount of the bid received. Engineer Harold Andersen stated this is a big cost but the cost of not repairing the breakwater would be much greater. Mr. Andersen believes the permit from the Corps will arrive within two weeks.

Commissioner Hanke moved to approve immediate action on the breakwater project.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

Commissioner Clinefelter moved to proceed with the breakwater project contract, as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

IX. OTHER BUSINESS:

X. STAFF COMMENTS (37:10):

Ms. Gibboney reported she spoke to airport tenants and pilots at the airport (October 15), at the invitation of the Jefferson County Pilots Association. She thanked Bill Putney and **Eric Johnson? – not Scott Erickson??** for hosting.

She reported on a meeting with Team Jefferson where she asked for proposals to support their contract to increase specific business assistance and provide the Port with assistance in developing a strategy for the Industrial Development District (IDD).

Lastly, she reported on the WA Public Ports Assoc. Small Ports Conference she recently attended.

Greg Englin reported that ACI Boats approached the Port to solidify their business even more, regarding economic development.

Eric Toews reported staff is progressing on the final disposition of the vessel, John C. Cobb. In-water and out-of-water surveying begins Friday. He has heard from a number of interested potential buyers and is investigating that they meet statutory standards. Mr. Toews said he expects to solicit bids the second or third week of November and hopes to have it wrapped up by Thanksgiving.

Mr. Toews reported we are seeing good headway on the Level 3 Engineering report for the Boatyard Stormwater System. He added Parametrix submitted their draft report and we are on course with the Dept. of Ecology's timeline.

Attorney O'Malley stated he believes the financial analysis presented is exceptional.

Ms. Nelson informed that the video of Ms. Gibboney's presentation at the airport can be found on the Port's website for those interested.

XI. PUBLIC COMMENTS (1:13:27):

Sean Rankins discussed past incentives and soliciting marketing ideas from local trades.

Kit Kittrige asked about progression on the Coast Guard lease.

XII. COMMISSIONER COMMENTS (1:17:54):

Commissioner Tucker reported he also attended the Small Ports Conference, where finance and working with local governments were on the agenda. He also reported a commissioner at the conference came up to him and complimented on the outstanding customer service he received from Julie Hayes while vacationing in their RV at Point Hudson recently.

Commissioner Clinefelter asked for an update on the Quilcene septic system study. Mr. Toews explained that Tetra Tech is still in the process of trying to obtain permissions from identified property owners to perform perk tests on their properties. He expects to have this by the end of the year, before the expiration of Tetra Tech's contract.

Commissioner Hanke commented on the budget and invited anyone to contact the commissioners with any of their additional comments. He then reported he would be absent from the November 9 workshop and meeting, as he will be in Haiti on a work mission.

Commissioner Tucker stated he looks forward to receiving budget comments from the public.

XIII. NEXT PUBLIC WORKSHOP & REGULAR MEETING:

Wednesday, November 9, 2016. Workshop at 9:30 a.m. and meeting at 1:00 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIV. EXECUTIVE SESSION:

XV. ADJOURNMENT:

The meeting adjourned at 6:53 p.m. there being no further business to come before the Commission.

ATTEST:

Peter W. Hanke, President

Brad A. Clinefelter, Secretary

Stephen R. Tucker, Vice President