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**Port of Port Townsend
2nd Monthly Meeting Agenda – Special Meeting
Monday, December 22, 2014, 1:00 PM
Port Commission Building
333 Benedict Street, Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
 - A. Approval of Meeting Minutes – December 8, 2014.....1-2
 - Approval of Special Meeting Minutes – December 17, 2014.....3
 - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (Action Items)
- VI. First Reading (discussion only)
 - A. Lease Request from Mr. Todd Flye.....4-6
 - B. 2015 Commission Meeting Dates.....7
- VII. Potential Immediate Action Items (unanimous Commission approval required)
 - A. Lease Extension for Pygmy Boats.....8
 - B. Lease Extension for Commander’s Beach House.....9
 - C. Lease for Admiral Ship Supply.....10
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Meeting/Public Workshop: Wednesday, January 14, 2015. Meeting at 1:00 PM, Public Workshop at 9:30 AM, Port Commission Building, 333 Benedict Street, Port Townsend, WA**
- XII. Executive Session (if called):
- XIII. Adjournment

PORT COMMISSION SPECIAL MEETING– December 8, 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
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:

Mr. Crockett pulled from VII - Potential Immediate Action, Item A – CERB Authorizing Resolution No. 623-14. This item was moved to XII - Executive Session, pursuant to RCW 42.30.110 (c).

Commissioner Clinefelter 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 25, 2014

B. Operations Reports – November 2014

C. Approval of Warrants

Warrant #053827 through #053847 in the amount of \$126,431.63 for Payroll & Benefits

Warrant #053848 through #053902 in the amount of \$129,717.24 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) (1:33):

Jim Heumann commented on Mr. Crockett's "Note from the Director" on the Port's website.

Bertram Levy commented on snow on the docks and the marina survey.

George Yount expressed his concerns in the budget on debt service and cash flow.

Ron Hayes suggested establishing a "sinking fund", charging Port patrons a fee solely for this fund, for emergencies.

V. SECOND READING:

A. Point Hudson Breakwater Update (12:26):

Mr. Crockett reported that staff met with Coast & Harbor Engineers (C&H) on Friday for the latest briefing. He explained C&H would provide a presentation at the December 22, 2014 9:30 AM Public Workshop. He said when design is complete; it should be in permitting in January. Mr. Crockett also informed the commission that the Army Corps as well as the City might require the walkway, which would add a large expense to the project.

VI. FIRST READING:

A. Commission/Senior Staff Retreat (17:01):

Mr. Crockett stated that Commissioner Hanke has expressed his desire to hold a retreat. Mr. Crockett wanted to find out if all commissioners were interested, and if so, to think about how many retreats to hold, whether or not to have a facilitator, what topics to discuss and a venue to hold the retreat. He said one item to include for discussion might be the Strategic Plan and whether to create a new one, tweak the current one, or re-adopt the plan. Mr. Crockett referred to his message in the budget where he discussed the costs of maintaining facilities. The subjects of whether to improve or get rid of certain facilities, whether to build new infrastructure should also be a topic at the retreat. Commissioner Clinefelter wants to focus on establishing an advisory committee, which he believes should have been formed by now.

Mr. Crockett received permission from the commission to move forward with planning an off-site retreat.

VII. POTENTIAL IMMEDIATE ACTION ITEMS:

A. CERB Authorizing Resolution:

Moved to Executive Session

VIII. STAFF COMMENTS (24:41):

Ms. Khile is in the process of finalizing with financial advisor, Scott Bauer, a plan to meet on the refunding of outstanding debts. Mr. Bauer will make a presentation to the commission and staff in the near future. Mr. Crockett would like to see Cynthia Weed, our bonding attorney, to also attend and discuss refinancing options and various funding available to port districts.

Mr. Pivarnik informed that the AWOS equipment was delivered this week and is waiting installation. He added it should be functioning by mid-January.

Mr. Crockett talked about the WPPA Annual meeting staff and the commissioners would be attending, beginning tomorrow. He added he would attend the Marina Committee meeting on Wednesday. He also informed that he sent a public comment to Dept. of Natural Resources last week on DNR's draft Aquatic Conservation Plan. He explained there are great impacts on state tidelands in the plan. Since the Port has Port Management Plans (PMAs) with DNR, the question looms on whether our properties would be impacted. Mr. Crockett stated he is concerned that there is no Economic Impact Statement included in the Plan. The plan calls for no concrete docks, new shading rules, no more hard-armoring, etc.

IX. PUBLIC COMMENTS (31:13):

Richard Zade, "representing the scuba diving community", explained he traveled from Tacoma to get an update on the Point Hudson breakwater. His concern is to protect the marine life there. He explained removing the rocks would destroy seventy years of a great marine habitat.

Karen Fletcher, also a diver, discussed the different and rare kinds of marine life, including two endangered species spotted near the breakwater.

X. COMMISSIONER COMMENTS (39:36):

Commissioner Tucker discussed the annual Marine Resources Committee (MRC) conference he attended Friday and Saturday, which included MRC members from all over the Puget Sound region. They discussed the rain garden projects, the volunteer no-anchor buoys, eelgrass degradation, among other things.

XI. NEXT MEETING/PUBLIC WORKSHOP: Next Special Meeting to be held MONDAY, December 22, 2014 at 1:00 PM, with the Public Workshop preceding 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 1:41 PM to discuss potential sale of Real Estate, duration of fifteen minutes with no action, pursuant to RCW 42.30.110(c). The Executive Session was delayed until 1:46 PM until the public left the building.

At 1:52 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 few minutes. At 1:54 PM, Ms. Nelson went outside and told three bystanders the meeting was reconvening if they would like to attend.

XIII. RECONVENING/ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened at 1:54 PM. The commission and staff discussed the prevailing wage set for Jefferson County by Department of Labor & Industries, and how it is set the same as King County's wages. Whereas, Clallam County has its own set wage, which is much lower. The commission would like to press for a change in Jefferson County's prevailing wage with state representatives.

Having no further business to come before the commission, the meeting adjourned at 1:57 PM.

ATTEST:

Stephen R. Tucker, President

Peter W. Hanke, Secretary

Brad A. Clinefelter, Vice President

PORT COMMISSION SPECIAL MEETING– December 17, 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

Amy Strzalka and Abigail Berg from the Washington State Auditor's Office described the audit scope and procedures.

NEXT MEETING/PUBLIC WORKSHOP: Next special meeting will be held Monday, December 22, 2014 at 1:00 PM, with the workshop at 9:30 AM, in the Commission Building, 333 Benedict Street, Port Townsend, WA.

ADJOURNMENT:

The Special Meeting adjourned at 10:20 AM with no further business to come before the commission.

ATTEST:

Peter W. Hanke, Secretary

Stephen R. Tucker, President

Brad A. Clinefelter, Vice President

PORT OF PORT TOWNSEND

MEETING OF: December 22, 2014

AGENDA ITEM: VI. First Reading
A. Lease Request from Mr. Todd Flye

BACKGROUND:

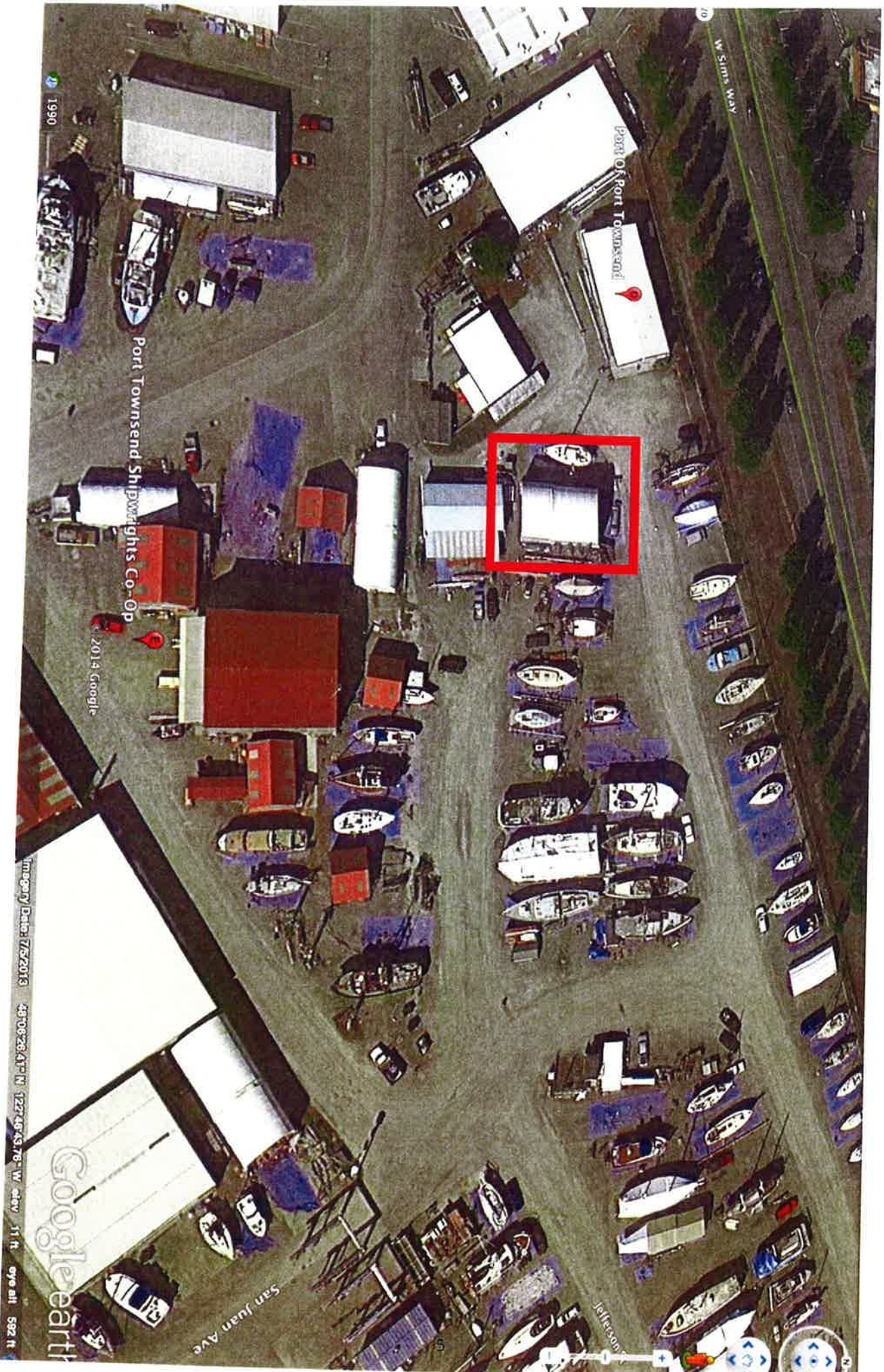
Commission and staff have received a letter from Mr. Flye requesting to rent an area of the boatyard where there is presently portable shelter (see attached photo). This shelter has been there for some time and was most recently used by Day Boats. Mr. Day is still the owner of the shelter and since joining the Shipwrights Co-op has expressed a desire to sell the shelter. You may remember that Mr. Day's lease was split five months ago when Scow Bay Boats purchased the metal building from Mr. Day. Scow Bay Boats at that time had no desire to own the shelter.

Mr. Flye is requesting a five-year lease with a five-year option that would in essence tie our hands of any future development of that area. Commissions in that past have questioned setting up businesses in a portable shelter and so I have asked Mr. Flye to express his desires in a letter to the Commission requesting this lease.

Staff has quite a few concerns about leasing this area on a long-term basis. Land rates are set to reflect a substantial permanent structure on leased land and rates for temporary buildings are much higher.

Executive Director's Recommendation:

For discussion and direction.



W SIMS WAY

Port Of Port Townsend

Port Townsend Shipwrights Co-Op

2014 Google

Imagery Date: 7/5/2013

48°06'26.41" N 122°48'43.76" W elev 11 ft eye alt 592 ft

Google earth

San Juan Ave

Jefferson

RECEIVED

DEC 03 2014

4601 Jackman Street
Port Townsend WA 98368
(360) 390-8771
Email: ontheflyept@gmail.com

Port of Port Townsend
Administration Office

Larry Crockett
P. O. Box 1180
Port Townsend WA 98368

Subject: Lease of Port Property

For the past twenty five years, I have been working in the field of composite and fiberglass construction, first in Alaska and then signed on with Galkmukoff Marine in 1998 and continued on when this company became Goldstar Marine. Two years ago, I formed my own company and have been kept very busy working in my field, with many customers and contacts.

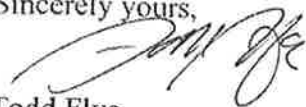
Since I have been on my own I have contracted with Galmukoff Marine, Goldstar Marine, Shipwrights Co-op, PT Rigging, Mort Systems and with many private boat owners.

One large concern I have is containment of dust. It would also be nice to be out of the weather. For these reasons, I am interested in purchasing a satellite shelter belonging to Arren Day. His facility is erected on Port property and has been there for many years. It is an excellent location and for this reason I am considering purchasing the satellite shelter and lease the site from the Port.

I already comply with all Federal, State and Port regulations. I have chosen to be a part of the Port community and wish to have a five year lease with an option for an additional five years specifically in this location.

I look forward to discussing this opportunity with you.

Sincerely yours,


Todd Flye

cc: Stephen R. Tucker
Brad Clinefelter
Peter Hanke
Jim Pivarnik

PORT OF PORT TOWNSEND

MEETING OF: December 22, 2014

AGENDA ITEM: VI. First Reading
B. 2015 Commission Meeting Dates

BACKGROUND:

Staff would like to avoid rescheduling 2015 commission meetings that conflict with holidays and conferences, which necessitates the change from "commission regular meetings" to "commission special meetings". Below are meeting dates staff would like to change ahead of time for the year 2015:

- May 13 Conflicts with WPPA Spring Meeting (May 13-15)
Reschedule to Mon or Tues, May 11 or 12?
- July 8 WPPA Port Director's Seminar is July 9-10, where the Director leaves for the seminar on the 8th
Reschedule to Mon or Tues, July 6 or 7?
- Nov 11, 2015 Veteran's Day
Reschedule to Mon or Tues, Nov 9 or 10?
- Nov 25, 2014 Off Nov 26 & 27 for Thanksgiving
Reschedule to Tues, Nov 24? (agendas out Mon 11/23)*
- Dec 23 Off Dec 24 & 25 for Christmas
Reschedule to Mon or Tues, Dec 21 or 22?

*Agenda packets wouldn't be able to be composed until Mon Nov 23 as WPPA Annual Meeting week prior.

Executive Director's Recommendation:

For discussion and direction as appropriate.

PORT OF PORT TOWNSEND

MEETING OF: December 22, 2014

AGENDA ITEM: VII Potential Immediate Action
A. Lease Extension for Pygmy Boats

BACKGROUND:

Pygmy Boats has been a tenant at Point Hudson for close to 20 years. Their lease has recently expired and they are requesting a lease extension. Because of all of the changes over the last 15 years to our boilerplate lease, staff has proposed to Pygmy that we draft a new lease using our new format. I have distributed to you a draft lease for Pygmy Boat that would be for 5 years with an option to renew for an additional 5 years.

The rate for this lease would be \$1150 per month with the normal escalation clauses that we have had in place for years.

Executive Director's Recommendation:

Authorize Executive Director to approve a lease renewal for Pygmy Boats for an additional 10 years.

PORT OF PORT TOWNSEND

MEETING OF: December 22, 2014

AGENDA ITEM: VII Potential Immediate Action
B. Lease Extension for Commander's Beach House

BACKGROUND:

The Commander's Beach House has been a tenant at Point Hudson for over 17 years. Their lease has recently expired and they are requesting a lease extension. Because of all of the changes over the last 15 years to our boilerplate lease, staff has proposed to The Commander's Beach House owners that we draft a new lease using our new format. I have distributed to you a draft lease for The Beach House that would be for 5 years with an option to renew for an additional 5 years.

The rate for this lease would be \$1894.33 per month with the normal escalation clauses.

Executive Director's Recommendation:

Authorize Executive Director to approve a lease renewal for The Commander's Beach House for an additional 10 years.

PORT OF PORT TOWNSEND

MEETING OF: December 22, 2014

AGENDA ITEM: VII Potential Immediate Action
C. Lease for Admiral Ship Supply

BACKGROUND:

David Carruthers has recently negotiated a sale of his business, Admiral Ship Supply with Mr. Robert Frank. The new owner is a local resident and former employee of Admiral Ship Supply. They are presently working out financing details with the bank and the bank needs to make sure that Mr. Frank has a lease that will be at least 15 years in length (the length of the note) to approve the financing.

We have provided the Commission with a draft 10-year lease with a five-year option. Mr. Frank intends to make few changes to the chandlery except for adding additional product.

The rate for this lease would be \$1500.00 per month with the normal escalation clauses.

Executive Director's Recommendation:

Authorize Executive Director to approve a lease with Admiral Ship Supply for 10 years with a 5-year option.