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**Port of Port Townsend
2nd Monthly Meeting Agenda
Tuesday, November 24, 2015, 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/Public Hearing Minutes – November 9, 2015.....1-3
 - Approval of Public Workshop Minutes – November 9, 2015.....4-5
 - B. Resolution No. 635-15 – Authorizing Sale of Abandoned Vessel.....6
 - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (action items)
 - A. Dog Park.....7
 - B. Boat Ramp Update.....8
 - C. Quilcene Wastewater Update.....9
- VI. First Reading (discussion only)
- VII. Potential Immediate Action Items (unanimous Commission approval required)
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Meeting/Public Workshop: Wednesday, December 9, 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 MEETING & PUBLIC HEARING (2nd) ON 2016 OPERATING BUDGET – November 9, 2015

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 – Berg
Attorney – O’Malley
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

**Commissioner Tucker moved to approve the Agenda as presented.
Commissioner Hanke seconded the motion.
Motion carried by unanimous vote.**

III. PUBLIC HEARING ON 2016 OPERATING BUDGET, 2016 RATES, AND 2016 PROPERTY TAX LEVY:

Commissioner Tucker opened the Public Hearing at 1:01 PM and began by explaining the rules of the hearing. He then introduced Finance Director Abigail Berg.

Ms. Berg stated that everyone has had a chance to see the Draft Operating Budget, posted on the Port's website. She invited discussion from the commission and staff.

Mr. Pivarnik reminded all of the first Draft Budget that originally included a 2% CPI increase, but showed a \$104K deficit. He explained the handout (2016 Budget Summary Income Statement) represents a 5.5% rate increase, including the 2% CPI, and one-third of the salary survey increase. He added this handout shows the Port with \$50K in the bank at the end of the year. He explained a 3.3% rate increase would leave the Port with approximately \$30K at year's end.

Commissioner Tucker opened the hearing for public comment.

George Yount, Port Townsend, commented on rate increases and that the rate increase should be determined based on economic markets.

Melinda Bryden, Port Townsend, stated she is troubled by this budget and discussed her concerns with raising rates by only \$0.02/per square foot. She asked the commission not to adopt the budget at this time.

Ron Hayes, Port Townsend, discussed the Port not charging enough for rates and asked where the Port could increase rates to generate more revenue. He stated, "It sounds like to me that the only place to reduce costs is in salaries, so in other words, we will subsidize the Marina at the expense of our employees and that seems ridiculous".

Hearing no further public testimony, Commissioner Tucker closed the public hearing at 1:14 PM.

Mr. Crockett recommended adopting the budget now as it is due to the County the first part of December. He added that approval of the budget does not mean that rates cannot be revised later on.

IV. CONSENT AGENDA (1:16):

A. Approval of Meeting/1st Budget Hearing Minutes – October 28, 2015

B. Operations Reports

C. Approval of Warrants

Warrant #055302 through #055319 in the amount of \$100,038.40 for Payroll & Benefits
Electronic Payment in the amount of \$45,481.60 for Payroll & Benefits

Warrant #055320 through #055382 in the amount of \$116,006.00 for Accounts Payable

Commissioner Hanke made comments on the Ops Reports (boat & shipyard numbers, Point Hudson nightly guests and RV numbers). Commissioner Hanke recommended increasing Point Hudson prime RV sites to \$56/night and the other sites to \$46/night

Commissioner Hanke moved to approve the Consent Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

V. PUBLIC COMMENTS (Not related to agenda) (20:47):

Bill Putney, Port Townsend, requested scheduling a formal workshop to discuss the reformation of the Port Strategic Advisory Committee (PSAC) as soon as possible.

Mr. Crockett explained he is drafting a proposed work plan and the PSAC is included. He plans to present this at the January workshop as the December workshop agenda is full with the Capital Facilities Plan.

VI. SECOND READING (Action Items):

A. 2016 Budget (22:52):

Mr. Crockett stated the budget would work, although it is not ideal. However, he reminded, it can be modified. He said the budget is an educated guess and added different factors will come up, which will require adjustments. Mr. Crockett recommends the commission approve the budget today.

Commissioner Clinefelter asked why there has been such a decrease in cash flow, from \$5M down to \$2M in a short period.

Mr. Crockett answered this is not the reason for the meeting today. He stated the commission is here to make investments in the community and provide job creation.

Commissioner Clinefelter discussed commercial fishing rate increases.

Commissioner Tucker believes the 5.5% increase in fees is a good proposal.

Commissioner Clinefelter said the rate increase will not “fix our woes”, and he believes a 5.5% increase is too much at this time and a 3.5% increase is more reasonable. If the commission feels the need to increase fees at another time, they can reexamine the fee structure.

Commissioner Clinefelter agreed with Commissioner Hanke’s earlier proposed RV rate increase.

Mr. Crockett reminded the commission if they are undecided on yard lay day rates, those rates could be changed at any time.

Commissioner Clinefelter asked why military projects receive discounts in the yard.

Commissioner Hanke stated it is okay to keep lay day rates below market. However, he would like to see yard rate comparisons in the Alaska market.

Commissioner Tucker would like to look at other economic indicators other than CPI rates alone when considering rates. For now, he sees the 5.5% proposed increase as a fair increase.

Much discussion ensued on factoring rate increases. Comments made from the following audience members – Ron Hayes, Melinda Bryden and Cathy Langley.

Commissioner Hanke moved to increase rates 3.5% (\$0.02/per square foot) as discussed.

Commissioner Clinefelter seconded the motion.

Motion tabled for further discussion.

Discussions included whether to increase rates 3.5% each year for three years or increase rates 3.5% at this time, only for the year 2016.

(Commissioners were reminded to take action on resolutions in the order presented.)

Commissioner Tucker moved to adopt Resolution No. 631-15 – Fixing the Amount of Tax to be Levied.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

Ms. Berg explained Resolution No. 632-15 to the commission.

Commissioner Hanke moved to adopt Resolution No. 632-15 – Adopting the Limit Factor for Property Tax Increases for the 2016 Port Budget

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

Motion remains on the floor for rates and fees.

Commissioner Hanke reread his motion to adopt Resolution No. 634-15 – 2016 Operating Rates and Fees, with a 3.5% rate increase for one year.

Commissioner Clinefelter seconded the motion.

Commissioner Tucker opposed the motion, expressing the need for a 5.5% increase.

Motion carried by two for and one against.

Commissioner Hanke moved to adopt Resolution No. 633-15 – 2016 Operating Budget.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VII. FIRST READING (Discussion Only):

None

VIII. POTENTIAL IMMEDIATE ACTION ITEMS):

None

IX. STAFF COMMENTS (1:15:39):

Mr. Crockett reported on a teleconference staff had with the FAA and WSDOT in regards to the FAA Grant for runway replacement. He said staff would be meeting with Reid Middleton, the Port's airport consultants, next week. Currently the Port is set to receive \$1.7M from the FAA for a shed runway but Reid Middleton will help to decide whether the more expensive crown runway would be the better choice. Mr. Crockett explained it is better to ask for the larger grant now in case the crown system is the chosen method. The paving project will occur in 2018, with a 10% grant match from the Port. Mr. Crockett then informed that he and Commissioner Tucker attended Team Jefferson's "Five Things" workshop, attended by the City, the County, Main Street, the PUD and the Port.

IX. PUBLIC COMMENTS (1:19:23):

Bill Putney asked if staff has looked in to disaster relief requirements for the runway. He Said there may be grant money available for the runway from Homeland Security/

X. COMMISSIONER COMMENTS (1:20:42):

Commissioner Hanke asked about the AWOS and the antennae at the airport. He then thanked Mr. Pivarnik, Ms. Berg and Mr. Crockett for their work on the budget. Commissioner Tucker reported on the Joint Steering Committee meeting he recently attended.

XI. NEXT MEETING: Next regular meeting on *Tuesday*, November 24, 2015 at 1:00 PM in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

None

XIII. ADJOURNMENT OF REGULAR MEETING:

The meeting adjourned at 2:22 PM there being no further business to come before the Commission.

ATTEST:

Peter W. Hanke, Secretary

Stephen R. Tucker, President

Brad A. Clinefelter, Vice President

PORT COMMISSION PUBLIC WORKSHOP – November 9, 2015

The Port of Port Townsend Commission met for the Public Workshop session in the Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Tucker, Clinefelter and Hanke
Executive Director - Crockett
Deputy Director – Pivarnik
Finance Director – Berg
Minutes Nelson

I. CALL TO ORDER:

The Workshop was called to order at 9:30 AM.

II. AGENDA:

Refer to attached Workshop agenda for items discussed.

III. ADJOURNMENT:

The Workshop adjourned at 11:21 AM.

ATTEST:

Stephen R. Tucker, President

Peter W. Hanke, Secretary

Brad A. Clinefelter, Vice President

**Port of Port Townsend Public Workshop
MONDAY, November 9, 2015, 9:30 AM
Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

2016 Budget:

- Final discussions on the 2016 Operating Budget.

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

RESOLUTION NO. 635-15

A Resolution of the Commission of the Port of Port Townsend

RESOLUTION AUTHORIZING THE SALE OF ABANDONED VESSELS

WHEREAS: The Port of Port Townsend has in its possession Vessel(s) described as follows:

<u>VESSEL</u>	<u>OWNER</u>	<u>ACCOUNT #</u>
28 ft. Power Vessel SADIE	Rob Nadge	35557

WHEREAS: proper notices have been sent to the person believed to be the true owner, or to anyone who might claim an ownership interest in the boat and no person or persons or entity has responded claiming ownership and/or willingness to pay the charges owing for storage, and ninety (90) days have elapsed since the sending of such notices,

NOW, THEREFORE BE IT RESOLVED:

1. That the above designated vessel is declared to be abandoned; and
2. The Port Director is directed to sell the said boats at public sale to the highest and best bidder for cash pursuant to the procedures set forth in RCW 53.08.320 (5); and
3. That the date of public auction to be set and proper notifications made.
4. Auction to be held at the Port of Port Townsend Work Yard located at 2790 Washington Street, Port Townsend, Washington.

ADOPTED this 24th day of November 2015 by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

Peter W. Hanke, Secretary

Stephen R. Tucker, President

Brad A. Clinefelter, Vice President

APPROVED AS TO FORM:

Port Attorney

PORT OF PORT TOWNSEND

MEETING OF: November 24, 2015

AGENDA ITEM: V. Second Reading
A. Dog Park

BACKGROUND:

Rich and Debbie Jahnke will present the next steps on a proposed dog park at Jefferson County International Airport.

Executive Director's Recommendation:

For discussion and direction.

PORT OF PORT TOWNSEND

MEETING OF: November 24, 2015

AGENDA ITEM: V. Second Reading
B. Boat Ramp Update

BACKGROUND:

Mobilization for boat ramp construction began last Friday. Staff will provide an update to the commission.

Executive Director's Recommendation:

For discussion only.

PORT OF PORT TOWNSEND

MEETING OF: November 24, 2015

AGENDA ITEM: V. Second Reading
C. Quilcene Wastewater Update

BACKGROUND:

Staff will brief the commission on SOQ responses received for the Wastewater project.

Executive Director's Recommendation:

For discussion.