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**Port of Port Townsend
1st Monthly Meeting Agenda
Wednesday, August 10, 2016, 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 Public Workshop Minutes – July 27, 2016.....1-2
 - Approval of Meeting Minutes –July 27, 2016.....3-6
 - B. Operations Reports – July 2016.....7-9
 - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
 - A. General Public Comments
 - B. Port of Port Angeles Presentation
- V. Second Reading
 - A. Port Townsend Boat Haven Renovation Reserve.....10-11
- VI. First Reading
 - A. Proposed Changes to Organizational Chart.....12
- VII. Potential Immediate Action Items
- VIII. Other Business
 - A. Topics for Meeting with Derek Kilmer.....13
 - B. Projects Tour.....14-15
- IX. Staff Comments
- X. Public Comments
- XI. Commissioner Comments
- XII. **Next Public Workshop / Special Meeting: Wednesday, August 24, 2016: Workshop at 3:00 pm, Meeting at 5:30 pm, Timberhouse Restaurant, 295534 US Hwy 101, Quilcene**
- XIII. Executive Session (if called):
- XIV. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – July 27, 2016

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 – Gibboney
Auditor – Berg
Director of Planning, Properties & Environmental - Toews
Minutes -- Nelson (not present)
Attorney - O'Malley

I. CALL TO ORDER:

The Workshop was called to order at 3:00 p.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop reconvened and adjourned at 4:52 p.m.

ATTEST:

Peter W. Hanke, President

Brad A. Clinefelter, Secretary

Stephen R. Tucker, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, July 27, 2016, 3:00 p.m.
Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

1. Update on Capital Improvement Plan schedule and funding strategy.
2. Public Involvement in budget process and capital improvement planning.

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.

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

BOATHAVEN OPERATIONS REPORT/MOORAGE

MONTH: JULY 2016 DATE: 7/4/2016

MONTHLY PERMS: 380

MONTHLY GUESTS: 24

# OF SLIPS BY SIZE	OCCUPIED	empty	% occ.
25' 34	32	2	94%
27' 11	10	1	91%
30' 105	102	3	97%
35' 24	24	0	100%
40' 44	43	1	98%
45' 41	40	1	98%
50' 32	31	1	97%
OVER 52' 7	7	0	100%
TOTAL: 298	290	9	AVG: 97%

LINEAR SPACE/FT	OCCUPIED	% OCCUPIED
LIMITED ACC. 1455	1455	100%
TOTAL: 3806	3806	AVG: 100%

	CURR	PREV MO	YTD
NIGHTLY GUESTS:	759	477	2592
CREDIT SYSTEM:	48	37	222
TEMP TIE UP:	56	18	109
FREE NIGHTS:	0	0	0
PTYC:	45	36	128
RAMP/DAILY:	236	100	760
RAMP/ANNUAL:	76	48	375
RAMP NOT PAID:	15	13	53

WAIT LISTS	
25' PLEA:	24
27' PLEA:	0
30' PLEA:	59
35' PLEA:	35
40' PLEA:	44
45' PLEA:	22
50' PLEA:	25
OVER 52':	9
OVERWID	0
30' COMM.	0
40' COMM.	0
50' COMM.	0

TOTAL OCCUPANCY %: 98%

Port of Port Townsend

POINT HUDSON MARINA & RV PARK

MONTHLY OCCUPANCY REPORT

2016

& 5 YEAR COMPARISON

MARINA NIGHTLY GUEST NIGHTS											
	2012		2013		2014		2015		2016		
	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	
JAN	28	28	58	58	53	53	83	83	70	70	JAN
FEB	96	124	80	138	57	110	104	187	92	162	FEB
MAR	73	197	95	233	77	187	101	288	56	218	MAR
APRIL	240	437	159	392	209	396	163	451	235	453	APRIL
MAY	541	978	605	997	585	981	619	1070	594	1047	MAY
JUNE	749	1727	606	1603	520	1501	537	1607	706	1753	JUNE
JULY	1035	2762	1089	2692	993	2494	1018	2625	1015	2768	JULY
AUG	1178	3940	1188	3880	996	3490	1033	3658	0		AUG
SEPT	831	4771	899	4779	778	4268	958	4616	0		SEPT
OCT	175	4946	214	4993	120	4388	221	4837	0		OCT
NOV	86	5032	138	5131	114	4502	73	4910	0		NOV
DEC	65	5097	64	5195	52	4554	60	4970	0		DEC

RV NIGHTLY GUEST NIGHTS											
	2012		2013		2014		2015		2016		
	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	
JAN	176	176	180	180	285	285	304	304	286	286	JAN
FEB	221	397	261	441	150	435	291	595	281	567	FEB
MAR	229	626	359	800	249	684	244	839	392	959	MAR
APRIL	445	1071	209	1009	546	1230	652	1491	634	1593	APRIL
MAY	638	1709	637	1646	706	1936	955	2446	806	2399	MAY
JUNE	645	2354	910	2556	1015	2951	1036	3482	963	3362	JUNE
JULY	1247	3601	1275	3831	1169	4120	1202	4684	1256	4618	JULY
AUG	1300	4901	1293	5124	1228	5348	1287	5971	0		AUG
SEPT	1076	5977	1079	6203	1120	6468	1072	7043	0		SEPT
OCT	580	6557	694	6897	796	7264	771	7814	0		OCT
NOV	290	6847	352	7249	432	7696	403	8217	0		NOV
DEC	246	7093	165	7414	269	7965	269	8486	0		DEC

PERMANENT & SEASONAL TENANT SUMMARY					
	AVAIL/GOAL		OCCUPIED		%
LTD ACCESS MOORAGE	40	SLIPS	39	39	98%
COMMERCIAL MOORAGE	850	FEET	817	817	96%
SEASONAL MOORAGE	32	SLIPS	0	0	0%
SEASONAL RV'S	10	SITES	0	0	0%
UNDESIRABLE	3	SLIPS	7	7	233%

STORAGE OPERATIONS REPORT

DATE: 8/5/2016

	JUL 2013	JUL 2014	JUL 2015	JUL 2016	2013 YEAR TO DATE	2014 YEAR TO DATE	2015 YEAR TO DATE	2016 YEAR TO DATE	REMARKS
HAUL-OUT									
BOAT YARD - OUT	83	90	78	78	460	419	494	442	LOTS OF SHORT TERM STAYS
BOAT YARD - IN	78	97	80	83	440	493	487	448	
67% RE-BLOCK	2	2	5	5	37	45	32	56	
40% INSPECTION	5	11	3	6	20	23	15	25	
OTHER	2	1	4	4	17	29	29	21	
SUB TOTAL	170	201	170	176	974	1059	1057	992	
SHIP - OUT	9	11	5	6	102	82	78	84	
SHIP - IN	13	14	9	8	93	86	77	84	
SHIP - RE-BLOCK	0	1	1	0	1	7	6	4	
SHIP - INSPECTION	0	0	1	0	3	4	2	4	
SHIP - OTHER	0	0	1	0	5	0	2	2	
SUB TOTAL	24	25	17	14	207	174	165	178	
TOTAL	194	227	187	190	1177	1263	1222	1170	

STORAGE

PTBH - START	72	70	87	66					
PTBH - END	74	68	68	55					
PTBH-O.P.P.	2	25	19	36					
SHIP-START	15	16	19	15					
SHIP-END	11	14	11	14					
SHIP-O.P.P.	1	1	1	1					

PERMS
PAID R/T

OFF PORT PROPERTY

Longterm (Boats)	24	21	18	18					
					GOLD STAR - 7				
					STEPHENS - 0				
					FRY - 1				
					HAVEN - 1				
					PT CO-OP - SHIP - 1				
					PT CO-OP - SMALL - 24				
					CRAFTMAN - 1				
					STEELHEAD - 1				
					SMALL - 1				

JCIA OPERATIONS REPORT

HANGERS	13	12	12	12					
TIE DN - PAVED	2	2	2	2					
TIE DN - GRASS	0	0	0	1					
TIE DN - NIGHTLY	13	6	28	41					
W/L - HANGERS				0					

PORT OF PORT TOWNSEND

MEETING OF: August 10, 2016

AGENDA ITEM: V. Second Reading
A. Port Townsend Boat Haven Renovation Reserve

Background:

On November 29, 2004 Port Commissioners adopted Res. 433-04 adopting a progressive moorage rate plan and establishing the Port Townsend Boat Haven (PTBH) renovation reserve fund. The "progressive moorage rate plan" was developed as part of the 2005 Budget process and included a three (3) year implementation schedule. The resolution states the Port will restrict all new revenue generated from this plan in excess of that generated from current (2005) and future (through 2007) projected CPI increases to be held in reserve for the future PTBH design, engineering, permitting and renovation work. These excess revenues were to be transferred monthly into the reserve. During this three (3) year period, the transfers annually totaled \$25,000, \$47,000 and \$87,600 for 2005, 2006 and 2007, respectively, which were based on budgeted amounts.

Subsequently, on March 26, 2008 Port Commissioners adopted Res. 505-08 revising the *budgeted* transfer of funds for the PTBH Renovation Reserve Fund for 2008. It was originally established in the 2008 budget at \$80,000 for the year and changed to \$250,000 in this resolution. There have been no additional resolutions regarding these annual transfers into the PTBH Renovation Reserve fund except as part of the annual budgeting process.

Current balance: \$777,849.53*
Monthly transfer: \$ 10,000.00

**This is as of March 31, 2016 financial report date, as prepared on 5/28/16. Balance transfers occur when monthly financial reports are prepared and as such, no transfers have been made since May.*

Analysis:

It appears the original resolution establishing the PTBH Renovation Reserve fund was only for a three (3) year period as it followed the progressive moorage rate plan and there were no subsequent resolutions except to amend the budget for the reserve funding.

The Port is currently in the process of identifying capital infrastructure priorities. The PTBH Renovation Reserve fund is a set-aside for PTBH renovations, though there is much more capital repair and maintenance required Port-wide.

Executive Director's Recommendation:

We propose that the PTBH Renovation Reserve fund continue to be funded, as per the 2016 budget, through year end. The PTBH Renovation Reserve fund would be maintained for future boat haven project costs. Further, we recommend the 2017 budget no longer fund the PTBH Renovation Reserve, and instead fund a new Port-wide Capital Reserve with amounts to be determined annually as part of the capital budget process.

PORT OF PORT TOWNSEND

MEETING OF: August 10, 2016

AGENDA ITEM: VI. First Reading
A. Proposed Changes to Organizational Chart

BACKGROUND:

Ms. Gibboney will present proposed changes to the current Organizational Chart.

Executive Director's Recommendation:

For discussion.

PORT OF PORT TOWNSEND

MEETING OF: August 10, 2016

AGENDA ITEM: VIII. Other Business
A. Topics for Meeting with Rep. Derek Kilmer

BACKGROUND:

Ms. Gibboney will provide a briefing. She requests any topic ideas from the commission to take to her meeting with Representative Kilmer.

Executive Director's Recommendation:

For discussion.

PORT OF PORT TOWNSEND

MEETING OF: August 10, 2016

AGENDA ITEM: VIII. Other Business
B. Projects Tour

BACKGROUND:

The Port's "Project Tour" is scheduled for Wednesday, August 17, 2016 from 10 a.m. to noon. It is advertised in today's Leader (copy of ad attached) and is also displayed on the Port's website. Reservations are required, as space is limited.

The tour will begin at 10 a.m. at the Point Hudson Marina kayak float. Half the group will depart on the Port boat for a tour of the jetty and the other half will be led on a ground tour of a few Point Hudson properties. Afterwards, the groups will switch places. Then, at 11 a.m. folks will regroup outside the Port Administration Office for a tour of some Boat Haven properties.

Executive Director's Recommendation:

For information only.

PROJECTS TOUR

WEDNESDAY, AUGUST 17, 2016

10 A.M. – NOON

The Port is planning major capital investments in our facilities. You are invited to an up close tour of our proposed projects. This will be a walking & boating tour. Please wear appropriate footwear.



10 A.M. meet at Point Hudson Marina kayak float
11 A.M. transfer on own to Port Administration Building
for Boat Haven tour

**PLEASE RSVP TO:
snelson@portofpt.com – SPACE IS LIMITED!**