

PORT COMMISSION MEETING – April 28, 2004

The Port of Port Townsend Commission met in regular session at the Tri-Area Community Center, Chimacum, WA.

Present: Commissioners – Beck, Pirner and Sokol
Executive Director – Crockett
Auditor – Taylor
Operations Manager – Radon
Facilities Manager – Pivarnik
Attorney – Harris

I. CALL TO ORDER: The meeting was called to order at 7:00 PM.

II. APPROVAL OF AGENDA:

Upon motion of Commissioner Sokol, the Agenda was unanimously approved with the following changes.

Additions:

- V. Old Business:
 - C. Lower Hadlock Dock Use Fees
- VI. New Business
 - F. Hood Canal Bridge

Reordered:

Hood Canal Bridge Issues and Shipwrights Co-op Lease were placed at the top of Old Business Items.

III. CONSENT AGENDA:

- A. Approval of Minutes – April 14, 2004
- B. Approval of Warrants:
 - #30028 through #30050 in the amount of \$26,988.65
 - #30051 through #30055 in the amount of \$16,095.22
 - #30056 through #30101 in the amount of \$95,365.94
- C. Resolution No. 418-04 – Surplus Property
- D. Point Hudson Tenant
- E. Galmukoff Lease

Upon motion of Commissioner Sokol, the revised Consent Agenda, as handed out, was unanimously approved as corrected.

IV. PUBLIC COMMENTS (not related to Agenda): – None

V. NEW BUSINESS: - (Changed order)

- A. Hood Canal Bridge – (Changed order for public's convenience)

Paul Zeusche of Port Townsend Marine spoke about recent adverse financial impacts to their business. The first was the little information and short notice given about restrictions on over-width loads across the Hood Canal Bridge due to narrowed traffic lanes. Second was the inability of the Port to haul a boat with the 60/70-ton lift within a reasonable amount of time because of a full booking. While he understands the bridge situation is nothing the Port could affect, he would appreciate the Port's assistance when and wherever possible. He stressed the cumulative financial impact of these limitations, which is unfortunate for their business. Mr. Radon expressed his concern about the loss to any business as a result of the haulout scheduling this spring, which he indicated is booked full until May 18. He has already authorized yard staff to move into overtime, but regretted the fact that the Port did not gear up earlier. Commissioners were also sympathetic to the situation.

Paul Zeusche then described the bridge restrictions, which were a result of pre-bridge reconstruction. His company relies on public roads to move such loads; and

this short notice regarding a summer closure severely impacts their business. Barging these loads to Port Townsend would make it hard for his company to remain competitive. With advanced notice, they could have had parts made smaller. Mr. Crockett reported that while he had personally noted the signs about the pending restrictions on oversized loads, he was unaware of the modifications even after a recent Department of Transportation (DOT) briefing at the Peninsula Regional Public Transportation Organization (PRPTO) on the bridge closure update. In meeting with the Chamber's Tim Caldwell and others, he learned that several people have contacted the DOT but none has yet had a call returned. The WSDOT website lists the work schedule, which indicates another 18 months of similar restrictions. He noted the Commissioners are also aware of the situation and, along with the Port, would be seeking more information. There might need to be modifications such as reserving certain hours for wide loads.

B. Shipwrights Co-op Lease – (Changed order for public's convenience)

Mr. Pivarnik presented a request from Shipwrights Co-op for a 25-year lease extension in order to secure financing to build the new 3,000 square foot marine trades structure on their leased parcel in the Boat Haven. They currently have 11 years remaining.

Commissioner Sokol moved to authorize Executive Director to extend the term of an existing lease with the Shipwrights Co-op by 25 years subject to the same conditions as the existing lease. The motion carried by unanimous vote.

VI. OLD BUSINESS:

A. Request for Qualifications (RFQ) Update – Point Hudson Redevelopment

In response to the Request for Qualifications, Mr. Crockett reviewed that Staff and the Commissioners had received seven packets for review. He solicited Commission and Staff input on choosing the top three or four contractors to begin interviews, possibly by the end of the week. Based on a poll of the Commissioner's and Staff's rankings, Staff agreed to contact Moffatt & Nichol, KPFF, Reid-Middleton, and PND to schedule interviews before the next Commission meeting.

B. Boat Insurance at Quilcene

Mr. Crockett asked whether the Commission's requirement that permanent moorage boaters provide proof of liability insurance and that nightly transients also state whether they have liability insurance applies to all Port-operated facilities, including Quilcene. Mr. Radon noted that this policy had originally been meant to apply to the Boat Haven and Point Hudson. He reviewed that small skiffs could avoid the requirement by not using electricity and by pulling the gas can out of the boat. His concern was that the majority of boats in Quilcene, which are small and trailerable, would leave the marina rather than meet the insurance requirement. In the interest of fairness and equity, the Commission agreed with Mr. Crockett that the same policy should apply to all Port-operated facilities – the boat should be insured no matter where it is.

Quilcene Marina operator, Ken Dressler, estimated that one third of the boats moored at the Quilcene marina have insurance. If this insurance were to be required at Quilcene, they would put notice in next month's billing.

Mr. Harris agreed there should be a standard policy that applies to all facilities. The Commission reaffirmed that all boats permanently moored at any Port facility should be subject to the new insurance requirements. Mr. Radon distributed a list of insurance underwriters that is now available in the Port office, which includes a copy of the policy to be implemented July 1, 2004, as well as a disclaimer.

C. Lower Hadlock Dock Use Fees

Mr. Radon reported that Staff continues to monitor pay boxes at all launch ramps, with the exception of Lower Hadlock, where the Port is not currently charging because the ramp is not functioning well due to silting. The 120-foot float attracts many boats. Staff had a meeting last week with the Northwest School of Wooden Boatbuilding about the use of the float. The current policy of allowing skiffs to tie

he draft a policy and rate structure for nightly tie-ups. He also noted that the Port had applied for IAC funds to reconstruct the ramp. When the ramp is again serviceable, he would put the lock-box back in place. There was Commission support for Mr. Radon working on such a dock policy.

V. NEW BUSINESS (Continued):

C. First Quarter Financials Update

Mr. Taylor reported that operating revenues had reached \$705K and while up about \$44K from last year, were \$15K behind the seasonal budget for the first quarter. Operating expenses were \$790K or \$74K more than last year and \$24K over budget, resulting in net income from operations of negative \$85K (\$39K behind the anticipated seasonal budget). This was the first report since cost centers were consolidated and for the first three months of the year, all cost centers revenues were under budget, with the exception of the shipyard and the airport. One high point was that work yard revenues were \$24K ahead of the same period last year and were better than they have been in the last five years. The shipyard was \$9K ahead of the first quarter last year and roughly \$9K ahead of budget. Mr. Radon explained that the Port's previous six-man operation had allowed for a two-man team for each lift but when business was slower, the Port lost and had not replaced one position.

Mr. Taylor continued, noting that guest moorage revenue was down about \$10K from last year and \$18K from two years ago, partly because of a change in the policy, limiting the number of monthly guests. On the other hand, RV nights revenue had doubled last years revenues. At Point Hudson, monthly and nightly guests were all down by about \$14K from the previous year. Airport fuel sales were up a little over \$5K from last year, due to an increase in fuel prices as well as a 13.6% increase in gallons.

Commissioner Pirner pointed out that nightly guest moorage at Point Hudson and the Boat Haven was up \$4K over last year, which Staff attributed to increased boatyard activity.

D. Checking for "Hot" Boats in the Marina

Mr. Radon reviewed that Staff has contracted with a firm to come into the Marina with special equipment to check boats for electrical emissions or "hot boats." Recently, boaters have complained about problems with electrolysis (mostly in the Commercial basin). The Port might eventually get its own equipment, but Staff recommended it focus first on creating a firm policy to provide direction for how the Port would work with the owner to correct the problem when such a "hot boat" has been identified. Commissioners were supportive of creating the policy and authorizing the purchase of necessary equipment.

E. JCIA Annual Fly In

Mr. Crockett reviewed that this year's Fly In would be held July 17 and 18, 2004, sponsored by the Experimental Aircraft Association. The draft agreement included in the agenda packet was the same as previous years', reflecting the Port's waiving of tie-down fees, providing two Port-a-Potties, and grass cutting prior to the event. Liability insurance in the amount of \$2M would be required and Staff would meet with Johnny Odom, President of the Jefferson County Chapter of the EAA event regarding a Port booth, parking, signage, etc.

Commissioner Sokol moved to authorize the Executive Director to execute an agreement with the EAA for the 2004 Annual Fly In contingent upon receipt of proof of insurance. The motion carried by a unanimous vote.

F. Port of Port Townsend Summer Newsletter

Mr. Crockett announced a May 10th deadline for the newsletter. Suggested topics targeted at clearing up misperceptions in the community were: Hood Canal bridge information, "hot boats," boat ramp projects, Point Hudson maintenance projects, lease extensions, marine trades expansions, public/private investments, economic turnaround, status of Point Hudson marina project, boaters liability insurance, and grant requests for public access. Mr. Pivarnik agreed to obtain estimates for

producing a glossy annual newspaper insert with an “Introduction to the Port.”

VII. STAFF COMMENTS:

Mr. Taylor:

Fuel prices continue to increase and would soon be raised from \$2.75/gallon to about \$2.90. Many airports are already over \$3/gallon.

The capital budget contained \$10K for a network server, which he will order through the State of Washington for the reduced price of about \$4K, plus tax and professional services. Organization of archives at Point Hudson continues and a fire-proof cabinet would also be purchased.

Mr. Radon:

Yesterday’s windstorm blew over a 26-ft. plywood homebuilt sailboat in the yard.

Mr. Pivarnik:

Staff is working on IAC grant applications for the Hadlock and Mats Mats boat ramps.

The website would be transferred Friday from Olympus.net to a server in Boston.

The arbitration with Jeffco Hangar Association is set for May 18.

Mr. Crockett:

The PUD would host the next Intergovernmental Meeting on June 1st or 3rd.

A summary of the April 14 session with the City was given to the Commission. Questions or comments were solicited from the consultant.

The Port Townsend Chamber would have a mixer at the Yacht Club tomorrow at 5:00 p.m. The Hadlock Chamber would hold a mixer at the Valley Tavern on Friday.

The Port would host the statewide marina committee meeting on Friday.

VIII. PUBLIC COMMENT: None

Linda Swisher:

A committee of the Pilots Association would again provide the Port with a prioritized “wish list” of projects. She suggested that Pilots Association members might help with airport security by occasionally driving through the area. She and Marilyn Hoelt had spoken with County Sheriff about using a vehicle with flashing yellow light for such patrols, which the JCPA has since purchased. Sheriff Brasfield was supportive and was also interested in asking deputies to view the airport security video and asking that the Citizen patrols include the airport. Mr. Pivarnik suggested the addition of signage that the “airport is routinely monitored.”

Clair Candler:

He asked if the Port had considered putting in a few tidal grids. Staff noted that they used to have one, but did not feel one would be approved.

IX. COMMISSIONER COMMENTS:

Commissioner Sokol:

He would be having lunch this week with the City Mayor about her vision of Point Hudson.

Minutes of the last EDC meeting complimented the Port of Port Townsend’s website. He also said that the Port’s contribution to and involvement in the successful job fair was appreciated.

X. NEXT MEETING:

Wednesday, May 12, 2004 at 1:00 PM at the Point Hudson Marina Room, Port Townsend, WA. A workshop would begin at 9:30 AM.

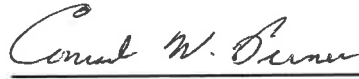
XI. EXECUTIVE SESSION:

At 9:13 PM, the Commission recessed into Executive Session for 10 minutes to discuss a real estate issue, with no expected decision.

XII. ADJOURNMENT:

The meeting was adjourned at 9:40 PM, there being no further business to come before the Commission.

ATTEST:



President



Secretary



Vice President

