

PORT COMMISSION MEETING – June 23, 2004

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

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

Absent: Commissioner Beck (*excused*)

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 movement of New Business Item A – Approval of Additional Warrants to the Consent Agenda.

III. CONSENT AGENDA:

- A. Approval of Minutes – June 9, 2004
- B. Approval of Warrants:
 - #30360 through #30385 in the amount of \$29,372.25
 - #30386 through #30388 in the amount of \$13,181.58
 - #30389 through #30414 in the amount of \$23,405.05

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

IV. PUBLIC COMMENTS (not related to Agenda):

Neil Slater and Leo Landry:

Following up on their earlier correspondence expressing interest in hangar development at JCIA. Mr. Crockett reported that the Port is talking with the FAA about the matter.

V. OLD BUSINESS:

A. Corrosion Testing Policy

Mr. Radon reported on revisions to the proposed Corrosion Testing Policy, which included clarifying how a power disconnection would occur after receiving authorization from boat owners.

Commissioner Sokol moved to adopt the Corrosion Testing Policy as written. The motion carried by a unanimous vote.

B. IAC Grant Update

Mr. Crockett announced that Staff would give a project review presentation to the Interagency Coordinating Council (IAC) on July 13, seeking grant funding for the redevelopment of the Port Hadlock boat ramp. Mr. Pivarnik is working on the briefing content. Mr. Radon would also be obtaining initial cost estimates for cement overlay repairs to bring the Mats Mats ramp back into serviceable condition. It is believed that a 6-8 inch overlay would cost about \$50K. The Port might do some of the preparation work.

C. Head Tax Relief

Mr. Crockett reviewed the request from Pete Hanke of Puget Sound Express and Captain Jacks seeking relief from the 2004 Head Tax (.60 cents per passenger boarding fee) to offset high fuel prices. After a review of the Port's records indicated that Mr. Hanke has not completed his head tax payments for 2003, he withdrew his request and instead asked for relief from the 2003 tax. While there was sympathy for the operators' situation, staff felt it was not the Port's responsibility to solve the problem of high fuel prices since it impacts all Port

businesses. The Commission agreed with Staff's recommendation that head tax payments should be brought current for 2003 and 2004. Staff also said it would begin monitoring payment of the head tax amounts on a monthly basis.

D. Point Hudson Marina Redevelopment Scope of Work

Mr. Crockett said he had copied the Commission on his correspondence with Moffett Nichols stating that the Port's budget for plans and environmental work on the Point Hudson development is \$250K. The scope of work is still being reviewed in an effort to reduce project costs. Although the original scope requested two different conceptual designs of the marina for the purposes of judging their respective strengths and weaknesses, the cost of this additional work led Staff to recommend only one design.

Commissioner Pirner moved to direct the Executive Director to revise the scope of work to reflect the production of only one conceptual design. The motion carried by a unanimous vote.

VI. NEW BUSINESS:

A. WPPA Committee Chair Meeting – Write-Up Items for Legislative Committee

Mr. Crockett solicited topics for the July 29 WPPA Committee Chair meeting on emerging issues that should be brought to the attention of the Legislative Committee. Citing another recent fire in a marina, Commissioner Sokol suggested that all marina tenants be required to obtain liability insurance. This requirement might prevent future marina fires and would not cost the State money to implement. It was suggested that since the Sheriff's Department is funded to monitor boater registration, they could also check for insurance at the same time. Mr. Crockett agreed to draft some information for Commissioner Sokol's review. On another item, Mr. Crockett said that it does not seem to be in the best interest of the taxpayers that Port contracts for architectural and engineering services be granted based on qualifications rather than price.

B. May 2004 Financial Update

Mr. Taylor reported that the 2004 Operating Budget is nearly the same as 2003 actuals. As of May 31st, operating revenues were \$103K ahead of 2003, primarily due to workyard and shipyard revenues. Property revenues are also up \$14K and airport revenues were up \$19K, mostly due to fuel sales. Operating expenses are \$80K ahead of last year, but the net income from operations is \$23K better than last year. Non-operating net income shows the Port is \$23K ahead of last year, which is where the Port accounts for its interfund transfers. The bottom line net income is positive \$47K compared to negative \$113 last year.

When asked by William Miller if hoist or yard rates have increased, Mr. Taylor responded that they have remained the same for about three years.

C. 2004 Capital Budget Revision

Mr. Taylor noted that the agenda packet contained an updated 2004 Capital Budget and a list of the changes made since the June 9 Commission workshop. Mr. Crockett then reviewed some of the projects that have already been completed as well as those that would need to be deferred to 2005. There was some mention of the impact on the budget of the federal requirement to pay prevailing wages. Mr. Taylor reported that if the Port met its 2004 budget goals, there would be about \$369K available for capital projects. Currently, the capital budget totals \$395K. The 2005 capital budget needs to be updated to better reflect estimates on the marina redevelopment. The Commission confirmed Staff's understanding that because the Commission would need to take action as individual items, no action is needed to approve revisions to the capital budget.

D. Year 2005 Operating Budget and Capital Facilities Plan – Proposed Schedule

Mr. Taylor reviewed the proposed schedule for development of the 2005 Operating Budget and Capital Facilities plan.

Commissioner Sokol moved for adoption of the budget schedule as proposed. The motion carried by a unanimous vote.

E. Port Commission Meeting in Quilcene

Mr. Crockett proposed that given Commissioner Beck's recent surgery, the Commission postpone its workshop and regular meeting in Quilcene until August. The Commission recognized this change would impact the budget schedule and agreed to tentatively schedule the Quilcene meeting in August.

F. PUD Water at Airport

Mr. Pivarnik noted that the PUD has explored a possible location for well drilling in the southwest location of the Port's newly-purchased 24-acre parcel. Although the PUD recognized that wellhead protection would prevent the Port from developing roughly three quarters of an acre of land (valued at roughly \$5K), they would be adding infrastructure (road with three-phase power and a six-inch water line) from Four Corners Road. Mr. Crockett recommended that rather than an exchange of funds, there be an interagency agreement whereby the PUD would be allowed access to a high-producing well and the Port receives access to the utility infrastructure. The Commission was agreeable to in-kind compensation and continuing discussions with the PUD on the possible well development.

VII. STAFF COMMENTS:

Mr. Taylor:

He confirmed with the Commissioners that the Port would support the traditional lowering of fuel prices for the fly-in. He would also be out most of next week on vacation.

Mr. Radon:

Waste oil tank contamination has been addressed. An Ecology contractor would cover the investigation, testing and disposal costs for the roughly 100 gallons.

Mr. Pivarnik:

He distributed to the Commission a rough outline of a Port newsletter insert for *The Leader* prepared by Phil Watness.

Mary Vargas of the FAA reported that \$400K awaits Port's projects and the FAA is particularly excited about the runway project. The FAA would like the RFQ for engineering companies divided into three categories: engineering, environmental services and one for planning.

Mr. Crockett:

He will be out all day tomorrow for another nearshore policy group meeting. Monday and Tuesday of next week, he and Commissioner Sokol will attend the WPPA Environmental Conference.

VIII. PUBLIC COMMENT:

Keith Swisher:

Asked if the Port would be able to tap into electricity the PUD is installing at the airport. Mr. Pivarnik noted that it is the Port's desire to tap into the three-phase power they would be installing for new hangar development.

He wished the public could see the hub of activity down in the shipyard. He said this might be better publicized.

Clair Candler:

He believes the fishing fleet is coming back and should soon be restabilizing.

IX. COMMISSIONER COMMENTS:

Commissioner Sokol:

On Tuesday, the Aero Museum announced the receipt of the \$200K grant from the M.J. Murdoch Charitable Trust, bringing their total to \$900K toward their goal of \$1.5M. Now that these grants have been received, it should help secure additional grants.

In receiving the Intergovernmental meeting minutes, he appreciates the Port's minute-taking services and the detail given.

Commissioner Pirner:

In receiving Nancy Dorgan's email asking about the Port's specific objections to the master plan, he suggested the Port publish an open letter with the Port's objections to the master plan. Mr. Crockett agreed to draft a letter for Commission review.

X. NEXT MEETING:

Wednesday, July 14, 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 8:11 PM, the Commission recessed into Executive Session for 5 minutes to discuss a real estate issue, with no expected decision.

XII. ADJOURNMENT:

The meeting was adjourned at 8:16 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President