

PORT COMMISSION MEETING – August 11, 2004

The Port of Port Townsend Commission met in regular session at the Quilcene Yacht Club, Quilcene, WA.

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

Absent: Operations Manager – Radon

I. CALL TO ORDER:

The meeting was called to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Upon motion of Commissioner Sokol, the Agenda was unanimously approved as amended with the following additions and reordering of the agenda:

V. Old Business

A. Skookum Janitorial Services Contract

VI. New Business

B. Coast Seafood Building Renovation

III. CONSENT AGENDA:

A. Approval of Minutes – July 28, 2004

B. Approval of Warrants:

#30653 through #30679 in the amount of \$31,106.14

#30680 through #30686 in the amount of \$37,540.80

#30687 through #30737 in the amount of \$55,213.21

C. Resolution No. 424-04 – Authorizing Warrant Cancellation

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

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

V. OLD BUSINESS:

A. Skookum Janitorial Services Contract

Mr. Pivarnik said he felt that a better explanation was needed concerning the Skookum contract discussed at the last meeting. Skookum has been cleaning Port bathroom facilities for several years and while there have been some quality concerns in the past, their work has been exemplary since implementing a performance improvement plan. Following the raising of Commission concerns at the last meeting, Staff of both the Port and Skookum met to consider how to develop a better working relationship. He proposed the Commission reconsider hiring a Port employee and suggested this work be done on a contract basis with Skookum, which would save the Port roughly \$20K. (Mr. Taylor clarified that the savings are actually about \$9K over what we are currently paying and the remainder is a reallocation of current staff time being charged to restroom cleaning.) Skookum cleans five days a week in exchange for rent abatement. In exploring an expansion of services to 7 days and to include the Point Hudson facilities, Skookum has given a one-year proposal (with a 90-day cancellation period) plus some cash exchange. He clarified that Skookum had allowed for depreciation of equipment based on a percent used for the Port's facilities.

Brent Shirley of Skookum recognized the Port's support over the years and expressed his commitment to ensuring the continuation of quality work.

Commissioner Sokol moved to enter into an agreement with Skookum for janitorial services. Commissioner Beck reiterated the importance of continued

positive feedback about the cleanliness of Port restroom facilities. Bebe Bentley, of Skookum, expressed her commitment to improved supervision. Maurice Correa, Regional Contract Administrator, provided additional information about their organization and copies of the contract. He explained that, with a few exceptions, Skookum employees are paid in accordance with prevailing wages. Commissioner Pirner spoke further about the importance of publicizing the collaborative relationship between the Port and Skookum. **The motion carried by a unanimous vote.**

B. Townsend Bay Marine Reorganization

Mr. Crockett reviewed Townsend Bay's plans to reorganize the company and divide its assets. The Port received an update of their planned restructure, which Mr. Harris said is to shift to a newly created entity the business assets of the Port's existing tenant, leaving them only the real property assets and reducing the net worth of the company. As the Port is responsible for protecting taxpayer interests by ensuring the credit worthiness of its tenants, Staff recommend the Commission consent to a substitute lessee, provided that all companies guarantee the lease and that the current lessee supplies financial statements to further detail the structures of the new businesses.

The Commission was supportive of Port Staff continuing discussions with Townsend Bay.

VI. NEW BUSINESS:

A. Coast Seafood Building Renovation

Mr. Pivarnik talked about Coast's interest in demolishing the shed, which is old and unused, the concrete floor is damaged and the roof leaks. A Coast representative presented pictures of the current shed and explained their proposal to replace this 16x32 shed with a 30x70 greenhouse in order to culture micro algae for feeding oysters. Since the area currently floods, they also propose raising the area about 20 inches on a 4-in. concrete slab.

Staff confirmed that this expanded area is covered under the current lease, but the current lease does not mention the shed. Mr. Crockett proposed Coast go through the permitting process for building the new structure. Staff noted that a lease revision would be necessary to include the greenhouse and stipulating that at the termination of the lease it would eventually become the property of the Port.

Commissioners confirmed that this improvement would benefit Coast's business. Commissioner Beck noted he has heard past complaints that Coast's pumps are loud and suggested the addition of insulation. The Coast representative acknowledged the noise of the air blowers and suggested they could investigate solutions.

Commissioner Beck moved to support Staff renegotiating a lease amendment with Coast Seafood to include a new greenhouse building. Staff would return to the Commission with a resolution to demolish the existing shed. **The motion carried by a unanimous vote.**

V. OLD BUSINESS: (Continued)

B. Point Hudson Marina Redevelopment Project

Mr. Crockett reviewed negotiations with Reid Middleton and presented the Commission with the resulting costs and a revised scope of work not to exceed \$230K on a time-plus-expense basis. He then reviewed the proposed timeline/schedule for the redevelopment work.

Commissioner Pirner moved to direct Staff to enter into a formal contract with Reid Middleton for engineering services to redevelop the Point Hudson Marina. The motion carried by a unanimous vote.

C. PUD Water Proposal

Mr. Pivarnik reviewed the Port's work with the PUD to identify a site for a well at the airport and to negotiate proper compensation to the Port. They have located an area in the corner of the Port's new 24-acre parcel. Monetary compensation for this roughly 2/3rds of an acre was mentioned but not established. Ecology has already granted water rights and drilling is expected to begin the first week of September. The PUD is looking at running 3-phase power to that site and is willing to develop a gated road to the facility from the back side of the airport and to replace the existing 2-inch main servicing the Spruce Goose and airport administrative office, saving the Port about \$110 dollars a month from their current meter configuration.

Commissioner Beck moved to authorize Staff to move forward with negotiations with the PUD on the project as outlined in the PUD's letter referred to by Mr. Pivarnik. The motion carried by a unanimous vote.

D. Airport Trash

Mr. Crockett reviewed the Port's concerns about the improper dumping of trash at the airport. The Port is considering solutions, such as a fee, to cover the \$136 it pays per month for the dumpster. Conversations with the Jefferson County Pilots Association resulted in confidence that with careful monitoring, increased awareness and notification to pilots to keep non-airport patrons from using the dumpster, controlling unauthorized trash should not be a problem. The Pilots Association also helped sort out who is and who is not authorized to use the trash receptacle. Staff's recommendation is to not make any changes at this time. Commissioner Sokol spoke highly of the collaborative relationship with the Pilots Association, which helps the Port monitor this site.

E. Airport Master Planning and Engineering Services

Mr. Pivarnik noted that the Port's website has posted the Request for Qualifications for engineering services, which was approved by the FAA. The Commissioners are welcome to attend an engineer briefing on Monday, August 16 at 10:00 AM. Proposals are then due by August 20th. In addition to the engineering component, the FAA wants a modification of the ALP to have hangars and a taxiway extending all the way down the south side of the airport.

VI. NEW BUSINESS: (Continued)

B. Operations Report – Month of July 2004

Mr. Crockett reported that nightly guest activities are ahead of last year, as are ramp fees. Usage of all three hoists is up. The 70-ton activities reflect 387 versus 357 to the same date last year. The 60-ton haulouts were at 99 versus 82 last year. The 300 ton saw 71 actions versus 61 last year. Year to date, Point Hudson moorage is up slightly, with 1,590 nightly guests and RVs are up 128%. Special note was made of the contribution to the local economy of the gathering of "Beaver" RVs.

Commissioner Pirner noted that the marina was 80% filled, with 380 slips being out-of-service due to oversized vessels. If we had more room, the Port could have exceeded last year's figures.

VII. STAFF COMMENTS:

Mr. Pivarnik:

The Delta Rays will be performing the Concerts on the Dock this evening.

Mr. Crockett:

He and Commissioner Beck would try to attend Friday's PRPTO meeting.

He received a letter inviting a Port representative to join the Fort Worden State Park advisory committee, since the Port owns adjacent property. They next meet August 19 at 12:00. Commissioner Sokol agreed to attend.

He will be attending a WPPA meeting and would be unable to attend the next Port meeting.

As directed by the Commission, he is creating a Deputy Director's position and hoped to be able to provide the Commission with a job description and salary recommendation at the next meeting.

VIII. PUBLIC COMMENT:

Bob Henderson:

He invited the Port's participation in the Quilcene Fair & Parade the 3rd Saturday in September.

He asked how much of the Port's tax revenues from Quilcene are returned to the area. Staff cited the Quilcene Marina and beach, the water system, purchase of state land for the Coast Seafood operation, partnering with Fish and Wildlife to redo the ramp and dock at Pt. Whitney and Brinnon, and the employment of community members in the Port Townsend facilities. Mr. Crockett noted that the Port is preparing a comprehensive presentation to explain its activities, which it hopes to take to all communities in the County. It was also pointed out that other proposed activities await changes in zoning.

Luke Bogues:

After covering the Port for the *Peninsula Daily News* for over two years, he would be leaving to go into public service. The Commission thanked Luke for his efforts and the good articles about the Port.

IX. COMMISSIONER COMMENTS:

Commissioner Sokol:

He received a phone call from Phil Flynn of the County Planning Commission and chair of an Airport Committee requesting his attendance at their committee meetings to provide information about the Port's plans for the airport and feedback about the UGA sewer plan. They meet at 6:30 p.m. on Sunday, August 22.

Commissioner Beck:

He suggested the Port write a letter of congratulations to the 16-year old pilot who just received his pilot's license for solo flight.

X. NEXT MEETING:

Wednesday, August 25, 2004 at 7:00 PM at the Tri-Area Community Center, Chimacum, WA.

XI. ADJOURNMENT:

The meeting was adjourned at 2:11 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President