

## **PORT COMMISSION MEETING – October 12, 2005**

The Port of Port Townsend Commission met in regular session at the Point Hudson Marina Room in Port Townsend, WA.

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

### I. CALL TO ORDER

The meeting was called to order at 1:01PM.

### II. APPROVAL OF AGENDA

**Upon motion of Commissioner Sokol, the Agenda was unanimously approved with the following additions and changes:**

#### III. Consent Agenda

D. Contract – Port Recorder

#### V. Old Business

A. Freyja Boat Works Lease

B. 2006 Operating Budget Update

C. Proposed LTGO Bond Issue Update

Executive Director Crockett indicated a need for executive session following regular meeting agenda.

### III. CONSENT AGENDA

A. Approval of Minutes – 9/28/05

B. Approval of Warrants

#33137 through #33165 in the amount of \$32,916.98

#33166 through #33172 in the amount of \$40,496.06

#33173 through #33173 in the amount of \$5,619.52

#33174 through #33222 in the amount of \$46,916.97

#21774 and #33091 as VOIDS

C. Resolution # 450-05 – Authorizing Warrant Cancellation

D. Contract – Port Recorder

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

### IV. PUBLIC COMMENTS (Not related to agenda)

### V. OLD BUSINESS

#### A. Freyja Boatworks

Mr. Pivarnik welcomed the co-owners of Freyja Boatworks and described the changes made for their lease, which will be for a period of 5 years, commencing November 1, 2005. A survey is presently being completed but the parcel is estimated to be between 4,000 and 4,500 square feet, and will go at market rate. Staff recommended the Commission approve the lease. Discussion followed. Many wished the men well with their business.

**Commissioner Sokol made a motion to accept the lease, and it passed unanimously.**

#### B. 2006 Operating Budget Update

Mr. Taylor commented that almost everyone in attendance today was at this morning's workshop, so the need to review all of the budget assumptions again, was probably not necessary. Commissioners agreed, except for items affecting JCIA, as two airport patrons were in attendance. Mr. Taylor discussed the possibility of offering a discounted annual payment option for JCIA grass tie-down rentals, as this item was brought up at an earlier budget workshop by an airport tenant. Staff and Commissioners were in agreement, that such a plan should offer 12 months rental for

the price of 11 months, payable in advance, with no refunds, if terminated early. It was agreed, this incentive would probably not increase usage of the tie down area.

He also discussed possible tax levy amounts, and debt structuring options for the proposed new LTGO Bond as follow-up to the budget workshop. Discussion followed. Mr. Crockett reminded the Commission that the amount of new construction in the county is significant and this will affect the amount of tax revenue. Discussion evolved into Item C.

C. Proposed LTGO Bond Issue Update

Mr. Taylor discussed the potential upcoming LTGO Bond issue, as a follow-up to the financing workshop held on Monday October 10<sup>th</sup>, with Port Financial Advisor Alan Dashen, and Dave Trageser of Banc of America Securities. He discussed the refunding portion for the 1997 LTGO Bonds, and the new money portion needed for upcoming construction of JCIA taxilanes and hanger pads, Point Hudson Marina reconstruction, and the Point Hudson Hospital Building.

Mr. Taylor also discussed the FAA grant amount and potential amounts needed to finance projects currently being planned. Based on current estimates, new money needed after planning is \$4.5 to \$5.0 million. He said the consensus seems to be to borrow at today's low rates than to wait. The Port has 36 months from date of issuance to use proceeds from the bond sale. Commissioner Sokol reminded everyone the projects are revenue-generating and will ultimately benefit the city and the county and enhance the revenue stream, so the implications are significant.

Mr. Taylor indicated the refunding portion for the existing bonds will save a significant amount, approximately \$10,000 a year for 12 years.

**Commissioner Sokol moved to authorize staff to continue working with Alan Dashen and Dave Trageser on the proposed LTGO Bond issue of approximately \$7,005,000, to refund 1997 LTGO Bonds and provide approximately \$5,000,000 in new project funding, with potential of bond sale to occur in mid-November. The motion passed unanimously.**

VI. NEW BUSINESS

A. Operations Report – Month of September 2005

Mr. Radon reviewed the numbers for September, 2005. He states the month of September was no less busy than the rest of the year, and overall numbers are up. Ramp fee revenues were down slightly in August, increased in September, and with winter crabbing opening today ramp revenue should continue to increase. Quilcene ramp receipts were held all summer then turned in at one time. The boatyard is exceeding last year's record figures and the shipyard is also showing very strong numbers. The shipyard is bidding on some government contracts. Accounts receivable is based largely on lineal feet and that figure is much higher. Point Hudson continues to do very well both in moorage and RV revenue. Commissioner Pirner commented on Mr. Radon doing a good job accommodating 106% capacity in the boatyard. Discussion followed regarding waiting lists for varying lengths, and it was pointed out that Seattle and North Sound boatyards are full and activity is reflecting slow expansion and no new marinas being developed. Mr. Radon indicated the new 5-year permit for the boatyard would be issued Nov. 2 and it is estimated 5% of boatyards will cease operations because they don't meet environmental criteria. Those boats will have to relocate for project work so our Port's numbers should continue to rise.

B. Commission Meeting Dates – November and December 2005

There was much discussion of schedules and dates for second meeting of the month for both November and December. It was decided that there would be a regular meeting on November 9, and on November 28 the meeting will be held at 10:00 AM in the Port Administration Office. In December the meeting dates will be a regular meeting December 14 and a meeting on December 28 with a special time of 10:00 AM, again, in the Port Administration Office. Mr. Crockett indicated he would make sure the proper notices of meeting dates are published.

C. Economic Summit

Mr. Crockett discussed the EDC's request for a \$100 sponsorship of the upcoming economic summit. There was discussion of the 'sponsorship' of the summit.

**Commissioner Sokol made a motion that the Port make a \$100 contribution to the EDC for the Economic Summit. The motion passed unanimously.**

VII. STAFF COMMENTS

Mr. Harris discussed land use issues and other issues discussed at a meeting he attended, and the Foss lawsuit over relocation of his hangar.

Mr. Pivarnik commented on Airport activity, septic concerns on the part of the Health Department, and permits for the FBO. We're moving forward on a pre-treatment facility bid.

Mr. Crockett discussed the hangar locations, walking the site with Mr. Foss, and that T-Hangar tenants wish for longer leases than the ten-year leases being offered. He stated he will be attending the City Planning Commission meeting on SMP Oct. 13.

VIII. PUBLIC COMMENTS

IX. COMMISSIONER COMMENTS

**Commissioner Pirner** remarked the Port is doing a good job moving forward on updating marina and airport properties.

**Commissioner Sokol** mentioned the a Seattle Times article on Supreme Court hearings regarding wetlands, regulating commerce on navigable waterways, definitions of wetlands adjacent to waterways and how this relates to wetlands issues we are having with the Airport property.

**Commissioner Beck** said he attended a regional transportation meeting and 2 Olympic Peninsula projects were awarded, one an acquisition project and the other a bicycle locker. He also discussed the technical advisory committee meeting and how projects in our area can be put forth to that meeting.

X. NEXT MEETING: Wednesday, October 26, 2005 at 7:00 PM at Tri-Area Center in Chimacum, WA.

XI. EXECUTIVE SESSION (if needed)

The Commission recessed at 2:46 PM and immediately went into Executive Session for 17 minutes, with no action taken.

XII. ADJOURNMENT

The regular meeting was adjourned at 3:03 PM.

Recorder: D. Kilburn

ATTEST:

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President

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Secretary

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Vice President