

PORT COMMISSION MEETING – November 9, 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 1:00PM.

II. APPROVAL OF AGENDA

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

- VI. Old Business
 - C. Corp of Engineers Letter
- VII. New Business
 - C. Townsend Bay Marine Expansion Project

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

III. CONSENT AGENDA

- A. Approval of Minutes – 10/26/05
- B. Approval of Warrants
 - #33298 through #33322 in the amount of \$29,524.89
 - #33323 through #33331 in the amount of \$62,349.02
 - #33332 through #33395 in the amount of \$61,962.50
- C. Resolution # 452-05 – Authorizing Sale of Abandoned Vessels
- D. Write-off Register

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

IV. PUBLIC COMMENTS (Not related to agenda)

V. PUBLIC HEARING ON 2006 OPERATING BUDGET & 2006 RATES AND CONSIDERATION OF RESOLUTIONS

Mr. Crockett, at the request of the Commission, reiterated that the budget process has been open to the public for examination, comment, and participation, and has been advertised in both newspapers as such for several months. Mr. Taylor gave a synopsis of the budget and proposed rate changes. Commission President Beck then opened the hearing for public comment. Gary Rossow queried about the rationale for the proposed tax increase, and any legal requirement to implement the increase besides the debt service. Mr. Taylor, Mr. Crockett and Commission President Beck responded regarding the desired cushion between the tax levy and the L.T.G.O. debt service costs, and discussion followed.

Kathy McKenna commented on Gary Rossow's point and said for the record that the timing of this budget discussion being the day after the election had no bearing, and the budget workshops and details have been worked on for months. Mr. Crockett indicated that to meet State needs, the Port must have its budget determined by November 30, 2005.

Gloria Bram indicated the Port is "gutsy" in taking the increase allowed and a 1% increase amounts to only a few cents. She doubts it will make a huge dollar difference on anyone's tax bill.

Mark Jochems questioned the percentages of rate increases, and discussion followed. He questioned haulout-for-free at times during the year, and commented on storage rates over the years. He said rates are beyond cost-of-living increases. He discussed drawing customers from Seattle, and looking at pro-rated monthly moorage rates for businesses. He questioned the Commission on setting aside monies for A & B Dock replacement.

He proceeded to discuss City stormwater charges and other costs to him, and indicated his expenditures over time. Discussion continued. Mr. Crockett indicated the need to take all these public utility and city issues and bring them to a future meeting with the City.

Commission President Beck closed the public hearing portion of the meeting at 1:36PM.

Resolution No. 453-05 – Year 2006 Operating Rates

Upon motion of Commissioner Pirner, the Resolution was unanimously approved.

Resolution No. 454-05 – Year 2006 Property Tax Levy

Commissioner Sokol read a statement he had prepared regarding the proposed tax levy for the Port. He highlighted the need for tax revenue to cover the cost of debt service, and commended outstanding management staff that controlled revenue streams and operating expenses. He emphasized the ways the Port has increased revenue through other means besides tax levy, and said the upcoming bond issue will benefit everyone, saying it is “the right time”.

Commission President Beck indicated he did not like ever proposing raising taxes, but this is a good business decision because of the savings of the refunding portion.

Upon motion of Commissioner Sokol, the Resolution was unanimously approved.

Resolution No. 455-05 – Year 2006 Operating Budget

Commissioner Sokol commented on staff’s extensive work in assembling the proposed operating budget, and thanked staff.

Upon motion of Commissioner Beck, the Resolution was unanimously approved.

VI. OLD BUSINESS

A. Point Hudson Hospital Building Update

Mr. Pivarnik reported on the progress of the renovation process, indicating the contract was awarded to Aldergrove Construction. They are currently investigating ways to cut some costs of the project and will report their findings. The current administration office space would eventually be leased to one of several businesses that have indicated interest, and that would bring in about \$1,800 a month. Discussion followed. A new project control form was reviewed.

Upon motion of Commissioner Sokol, the Project Control Form was unanimously approved, in the amount of \$900,000 for the Point Hudson Hospital renovation project.

B. LTGO Bond Issue Update

Mr. Taylor indicated the process has been continuing and we are looking at \$7M bond issue, broken into two issues. \$5M new money portion will close Nov. 29, then \$1.9M refunding issue will be in December. We are a Small Issuer, per IRS definition, so commercial banks can purchase the bonds for a tax savings, as they are Bank Qualified. The rating call with Moody’s was Nov. 8, and there will be a special meeting on November 16 at 9:30AM with the Port “finance team” at the Port Administration office, to approve the Bond sale.

C. Corp of Engineers Letter

Mr. Crockett discussed the retention pond issue at the Airport project. The Corp of Engineers contact was sent to New Orleans, but before they left they sent a letter giving recommendations for correction. The facility and project were re-designed and the retention pond item now rests outside the Corp’s area of concern. A letter will be sent to the Corp indicating this, and the Port will proceed with construction of the stormwater retention pond, pending coordination with the FAA. Discussion followed.

VII. NEW BUSINESS

A. Operations Report – Month of October 2005

Mr. Radon reported on activity in October, and said ramp fees increased due to crab re-opening. Boat Haven numbers are up, and several people remarked on the impressive numbers.

B. East Jefferson Fire/Rescue

Mr. Crockett discussed the letter received by the Port from Fire Chief Mike Mingee regarding funding for a storage shed and a vessel-mounted nozzle for the firefighting vessel. The shed would cost \$900 and the nozzle \$2,300. Discussion followed and it was determined that the Port would send the fire district a reply with a ‘counter offer’ of 50% but suggesting the City also play a part in funding these necessities.

C. Townsend Bay Marine Proposed Expansion Project

Mr. Crockett indicated Townsend Bay Marine has a couple of large, multi-year projects coming up and they anticipate hiring many new employees. They are seeking to build a two-story building in back of their permanent large building and are consulting with staff to get their project started. Discussion followed.

Commissioner Pirner made a motion for the staff to work with Townsend Bay Marine to move this project forward, and it passed unanimously.

VIII. STAFF COMMENTS

Mr. Taylor indicated that Mr. Dashen had just confirmed the bond rating has been issued as *Aaa* by Moody’s Investor Service. This is a first for the Port.

Mr. Radon reminded the Commission of the Fish Expo coming up. He also remarked about receiving the Boat Yard Permit re-issue this month. The Port will host a statewide boatyard-permitting workshop in December.

Mr. Crockett described streetscaping plans at the end of Water Street for the NW Maritime Center. Construction should begin in a year. This is the same time as Point Hudson Marina renovations and possibly Landfall as well. He also discussed the Bremerton waterfront revitalization. He will be giving a year-end Marina Committee report to the WPPA. He reminded everyone of the EDC economic summit on Thursday.

IX. PUBLIC COMMENTS

Tamara Conway commented on fire safety and liveaboards in the Boat Haven needing to have smoke detectors along with fire extinguishers on board. She wishes to see the Port require this of liveaboard tenants. The discussion that followed indicated there might be legal issues in trying to require this, but the Port will certainly strongly emphasize and recommend it.

X. COMMISSIONER COMMENTS

Commissioner Pirner said he attended the Small Ports Conference in Yakima where they discussed day labor, tax deferral for certain types of projects, and other issues.

Commissioner Sokol revisited the notion of drawings of Port property submitted to the City Council, and the letter from the Port that should specify it is not solicited or authorized. That letter is being written.

Commissioner Beck discussed WRIA 16 & 17 after having attended meetings, and the impact and relevance of these issues on all of us. WRIA 16 is a couple of months behind in establishing stream flows. WRIA 17 has a portion in the rainshadow.

XI. NEXT MEETING:

SPECIAL MEETING: Wednesday, November 16, 2005, 9:30 AM in the Port Administration Office, Subject: LTGO Bond

REGULAR MEETING: Wednesday, November 28, 2005 at 10:00 AM in the Port Administration Office.

XII. EXECUTIVE SESSION (if needed)

The Commission recessed at 2:37 PM in order to go into Executive Session.

XIII. REGULAR SESSION (Reconvened)

The regular meeting reconvened at 2:58 PM.

Commissioner Sokol made a motion to allow the Executive Director to initiate appraisal services in the Boat Haven, not to exceed a cost of \$8,000, as discussed in Executive Session. Motion passed unanimously.

XIV. ADJOURNMENT

The regular meeting was adjourned at 3:00 PM.

ATTEST:

Secretary

President

Vice President