

PORT COMMISSION MEETING – September 13, 2006

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

Present: Commissioners – Beck, Sokol, Thompson
Executive Director – Crockett
Deputy Director – Pivarnik
Marine Facilities Director – 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 Beck, the Agenda was unanimously approved as amended.

III. CONSENT AGENDA

The minutes of August 23 were corrected to show the proper date in the header on pages 2, 3, & 4.

A. Approval of Minutes – 8/23/06

B. Approval of Warrants

#35211 through #35211 in the amount of \$1,742.66

#35212 through #35213 in the amount of \$82,682.75

#35214 through #35242 in the amount of \$34,927.52

#35243 through #35253 in the amount of \$109,976.18

#35254 through #35326 in the amount of \$108,992.18

#34693 as a VOID

C. Write-Off Register

D. Lower Hadlock Dinghy Festival

Upon motion of Commissioner Beck, the Consent Agenda was unanimously approved as amended.

IV. PUBLIC COMMENTS (Not related to agenda)

Andrea Raymor, one of the owners of the Spruce Goose Café, recommended to the Port that they hold off on a decision regarding the lease of the last remaining commercial space at the airport until the café owners have a chance to explore the options for expansion of their business.

Elsa Goltz, tenant at the Boat Haven, raised concerns about the unsightly trash and recycling accumulation at the Boat Haven. She encourages more signage for port tenants' use only, and for the individual bins.

Stacy Chastain, an employee of Oceanview Marine Services, commented on the eviction notice they received. She said it is vague, they have 13 fulltime employees, and they use additional subcontractors. They would have to cancel several upcoming job contracts; they received no written warnings.

Glenn Neat ("Buzz") spoke in support of Mike Hogan, owner of Oceanview, and suggested the port deal more directly and frankly with Mr. Hogan. He said Mr. Hogan has brought a lot of revenue into the port as a steel boat man. He says there will be a lot of hard feelings between the port and many people. It's better to have the income than to throw out a business that does a good job. He's good for the town and the port.

Walt Trisdale, who works in the Boat Haven, said he feels strongly about this matter and has worked next to Mr. Hogan. Hogan is a rule-breaker; obviously EPA rules are broken. City ordinances and unwritten rules of ethics and good-neighbor need to be considered too. They have stopped playing loud music but that is not enough. The situation does require action.

Jim Warner of Craftsmen United spoke on the rules in the port pamphlet, as well as guidelines for operation. It doesn't stipulate disciplinary action very clearly. If he wants to get rid of an employee he must have verbal and several written warnings or he can be sued. He would not want an eviction notice served without notice. Revising or clarifying the warnings and actions would give marine trades a bit more security in their operations.

Peter, with Peter's Marine, commented about never once hearing good reports about port staff. He says that raises red flags and questioned why it is like that in the community.

Terry from P&T Fabrications wants to see written policies on why they cannot put a houseboat in the port, as well as who is making these rules, and "when and how".

Don Thorne of Central Welding and Key Electric spoke on the economic impact of the eviction being discussed. Mr. Hogan's business is in their top 6 accounts. Mr. Thorne's businesses will be impacted by this eviction. He wonders where this port is going. He has seen ports suffer because of marine trades being displaced.

V. OLD BUSINESS

A. Aero Museum Lease Option

Mr. Crockett indicated the Aero Museum wishes to lease the last remaining commercial property at JCIA, and the Commission has received copies of a design schematic. The port today received a letter from the owners of the Spruce Goose, regarding the same parcel, and both proposals need to be considered before a decision is rendered.

Commissioner Sokol indicated the clock starts on any option only after the stormwater project is completed. There is some concern that this may not be finished until next spring because of Corp of Engineers delays and winter weather hindrances.

Discussion continued on the schematic and additional parking area. Mr. Crockett recommended further study of proposals, and Mr. Pivarnik suggested examining whether two tenants could co-exist.

Upon motion by Commissioner Sokol, the Commission unanimously approved that this topic be tabled for future consideration.

B. Point Hudson Marina Update

Mr. Pivarnik sent an award letter for the contract to Caicos Corp. No contract has yet been signed, pending final permits. Mr. Crockett indicated he may try calling a permit hotline for the Dept. of Ecology. Deepwater dredge dumping may become a concern in terms of safety in operating in winter weather. Discussion continued.

C. Hudson Point Resolution No. 474-06

Mr. Crockett reviewed the process over the past two months of obtaining historical references and proof to the original wartime name of this facility as "Hudson Point". The Commission had previously discussed the desire to restore the historically accurate name. This resolution would do that.

Upon motion by Commissioner Thompson, the Commission unanimously approved the adoption of Resolution No. 474-06.

Mr. Crockett indicated the 369th personnel (7 members) were in town for a reunion and would be coming by for a photo session and to receive this resolution. They are linked to the mural in the office.

D. 2007 Operating Budget Update

Mr. Taylor commented that there remains a lot to talk about on the budget, but there have been three workshops so far. Quilcene projects need to be put on paper; the 2007 proposed rate changes for the port are available; the draft budget should be ready by the second meeting in October. A public hearing will be held on November 8th, and will be published in local papers. Discussion followed.

VI. NEW BUSINESS

A. Operations Reports – Month of August 2006

Mr. Radon described moorage for the month as very strong. Annual cumulative numbers were not included, but the nightly guest totals were up over last year and we continue to be strong in ramp use in August. There is a lot of recreational activity including Mats Mats and Quilcene. The yard operations handled over 100 boats in August. Additional numbers for the month were reviewed.

B. Derelict Vessel Policy

Mr. Radon reviewed the existing policy and 2001 modifications to it, and indicated that the port loses 6 months of revenue when a vessel is deemed derelict. There are numerous harbors where derelict vessels are moored on illegal buoys, and the state is enforcing the rules resulting in more derelict vessels being dealt with by ports

such as ours. Discussion followed. The policy needs to be revised. Mr. Harris stated he would like to review wording before adopting a final policy.

C. DOT Ferry Terminal Upgrades

Mr. Crockett attended a City Council workshop on August 28 on this subject. The DOT wants to create holding lanes and a bike path, the latter of which could impact port property. But the port has a sand drainage along that area outside the fence along Sims Way. There is a DOT public open house and forum today at Ft. Worden to discuss their proposals. Discussion followed and diagrams were distributed.

VII. STAFF COMMENTS

Attorney Harris indicated the need for executive session with no decision to be made.

Mr. Taylor reminded all of the wind storm in Quilcene, and explained a remaining insurance claim matter from that. Mr. Dressler's insurance denied the claim and it has come back to the port's coverage. It's about \$10,000 and will be reviewed by our insurance adjuster. He also indicated the state audit has begun.

Mr. Radon thanked the Commission for their help with the port booth at the Wooden Boat Festival. There will be a debriefing in the near future with the festival coordinator.

Mr. Crockett reminded all of the Korean War veterans visiting at 4pm, the DOT forum at 4:30, and said he would be attending a WPPA Environmental conference in Bremerton on Thursday.

VIII. PUBLIC COMMENTS

Tamara Conway asked for information on how liveaboard fees are used. She also made mention of the garbage accumulation. She said in the past there was no liveaboard fee and the tenants felt important. She does not know where the money is going. Mr. Crockett said she could make an appointment with him to discuss this.

Imants Goltz commented on the proposed rate changes for the port. He said the consumer price index figures used for the calculations were for a year and a half, and the port should use a one-year index for their annual increase determination. Mr. Taylor responded and explained the calculation methods applied. Mr. Crockett reminded Mr. Goltz it is just a proposal. Discussion followed, and touched on capital improvements to A/B Dock at the Boat Haven and other projects/timetables.

Susan Moffett says she is a monthly guest at the Boat Haven and she inquired about the summer monthly availability. Commissioner Beck responded. In her case, she may be "grandfathered" in, but the Port is seeking better use of the space in question as it becomes available (i.e.- when monthly guests get permanent moorage). Discussion followed.

Mike Hogan questioned how, with a 22-day eviction notice, he is supposed to deal with his customers already under contract. He says he is obligated to \$500,000 in refit work for the winter. He wonders about the rules for his contract work. He says this eviction is without warning, he provides substantial services to customers, and he wants to know the next phase in order to proceed. He continued to describe his predicament, and Mr. Crockett and the commissioners responded on the facts of the matter. Discussion and back-and-forth continued. Mr. Crockett read one of the letters from a resident regarding Mr. Hogan, and provided a copy of the best practices agreement signed by Mr. Hogan. Mike Hogan indicated his relationship with port staff has changed in the past year.

Tamara Conway commented on a portable pumpout station for the docks. She suggested a grant could be pursued. Responses to her comments indicated that under such grants, the state would pay half, not all of the cost.

IX. COMMISSIONER COMMENTS

Commissioner Sokol reminded all that an executive session of approximately 15 minutes would be needed on two litigation matters with no action expected.

X. NEXT MEETING: REGULAR MEETING: Wednesday, September 27, 2006 at 7:00PM in the Commission Room, Port Administration Office, 375 Hudson Street in **Hudson Point.**

XI. EXECUTIVE SESSION

The regular meeting recessed for executive session at 3:03PM.

XII. REGULAR SESSION (reconvened)

The regular meeting was reconvened at 3:28 PM with no further business.

XIII. ADJOURNEMENT

The regular meeting adjourned at 3:29 PM

Recorder: D. Kilburn

ATTEST:

President

Secretary

Vice President