

PORT COMMISSION MEETING – September 27, 2006

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

Present: Commissioners – Beck, Sokol, Thompson
Executive Director – Crockett
Deputy Director – Pivarnik
Auditor – Taylor
Attorney – Harris
Absent: Marine Facilities Director – Radon

I. CALL TO ORDER

The meeting was called to order at 7:00PM.

II. APPROVAL OF AGENDA

A revised agenda was distributed prior to the start of the meeting. Commission President Sokol made note of this before beginning business before the Commission.

**Commissioner Sokol moved Old Business Item C. to Old Business Item A.
Commissioner Beck made the motion to approve the agenda as amended. Revised Agenda was unanimously approved.**

III. CONSENT AGENDA

A. Approval of Minutes – 9/13/06

B. Approval of Warrants

#35327 through #35351 in the amount of \$ 32,352.46

#35352 through #35358 in the amount of \$ 95,410.84

#35359 through #35419 in the amount of \$ 66,534.73

C. Northwest Maritime Center Month-to-Month Lease

D. Lease Termination of Strider Development Co., LLC/Marilyn Kurka

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

IV. PUBLIC COMMENTS (Not related to agenda)

Glen Paris Stamm, PTBH tenant, addressed the issue of a red warning or danger sign on the rocks, as people are taking their boats into the wrong area along the linear dock. She also questioned the liability insurance requirement and if it was applied to everyone. Mr. Crockett responded and discussion followed. She then inquired about the Herb Beck Marina rate changes.

V. OLD BUSINESS

A. Hood Canal Bridge Mitigation

Mr. Tim Caldwell addressed the Commission on the money available and plans in the works for mitigating the Hood Canal Bridge closure. The Chamber and several other entities want to focus on the Gateway Visitor Center, the Port Ludlow Marina, and Kingston Marina. They are pursuing their plan with the Governor because there are federal restrictions on the use of funds. Mr. Caldwell seeks the Port's assistance in support of their plan. Discussion followed.

B. Monthly Guest Moorage Policy Update

Mr. Crockett indicated this was put on the agenda separate from the budget topic, as rumors have been generated. He assured the audience there is no change in policy as yet, and there are numerous factors involved. Marine trades want more slips available for their work; boats need to be relocated from Hudson Point to the Boat Haven; during construction there has been an increase in moorage requests; there is a lengthy waiting list. The monthly guest policy is being reviewed and there may be some changes. There is a current moratorium in place now for new monthly guests. Discussion followed, involving the Commission and staff, and that was followed by numerous comments from the gallery: rafting was suggested and discussed; setting of policy and notification of it to those affected was brought up; there was discussion of better management of existing resources.

Chris Brignoli said notification of procedures needs to be clear. He will now lack a marine electrician because of unclear policy. Mr. Crockett indicated this is an individual situation and he needs to come and talk about it.

Andrea _____ said she is being evicted after taking a 5-week trip with their boat then returning. They've called other marinas and would have to relocate as far as Seattle. They were not aware that if they moved they would lose their space and be evicted.

Glen Paris Stamm asked whether a floating dock could be placed in the Boat Haven area.

Diana Talley addressed safety issues and specifically rafting. She believes certain boats that are not moved could be "stacked creatively" and more space created. Lots of marinas they have been to have rafted boats.

Tim Hoffman of Steelhead Marine said the policy of rafting up is no big deal. Everyone works cooperatively. It's an unwritten maritime law that rafting is acceptable. He also went on to say that a policy needs to be established to make rafting safe and understood.

Theresa Hoffman spoke on rafting, saying it could be a temporary situation during the period of time that it's needed.

Steve Brown asked whether this will be discussed further before any decision is made. Staff replied that it definitely would be and anyone with ideas should contact the office. Steve said it's important that Matt and Andrea be dealt with fairly and be allowed to stay.

Rick Petrykowski said the Wooden Boat Festival is a perfect example of how rafting can work, and that if the port had a crew who understood rafting issues and boat owners it could work. Liability issues could all be handled. There was more discussion.

Diana Talley asked about the marine trades' needs for boats in the water longer than two weeks. Mr. Crockett responded. There are a lot of rumors and staff needs to find out specifics about how much more space is needed. She then asked for clarification on how to have input on policy-making by the port.

Tim Hoffman indicated port tenants need better lines of communication with port employees and the port can get some great ideas from the tenants.

David King said aggressive management of the existing resources is necessary. A reservation system could help everyone understand what was available and businesses could tell clients what to expect.

Peter Chaffee, with Peter's Marine, stated whatever policy is passed, the port needs to verify that frontline staff are on the same page.

Les Schnick said ultimately we're talking about space for boats in the water; but boats on land need to be dealt with efficiently as well. Discussion followed, focusing on all the different examples and situations. Mr. Schnick said boats that sit and are not worked on are dealt with and the same should be done with boats in the water that are never moved. Mr. Crockett responded and discussion followed. Mr. Schnick indicated the port should have active marine tenants, in-water and out, not just have slips and spaces used for storage. A policy should be developed.

Commissioner Sokol stated the key factor is that someone who is on monthly status needs to maintain that status by paying their fees even if gone for some time. More discussion followed.

Commissioner Thompson urged a clear starting date for the specific policy.

C. 2007 Operating Budget Update

Mr. Taylor indicated there have not been a lot of changes in budget proposals in the last two weeks. Four weeks from tonight the draft budget will be presented and reviewed. Mr. Taylor then reviewed certain items on the proposed rate sheets and adjustments to be made for inflation and other budget assumptions, including tax levy amount. This was followed by considerable discussion between staff and members of the audience.

D. Hudson Point Marina Construction

Mr. Pivarnik expects all permits to be in place by November, or December at the latest. He suggested certain aspects be started, with the signing of the contract, as they can be done 'upland'. Once the in-the-water permitting is finalized then those aspects can be started. The contractor will honor their quoted prices for the duration. Discussion followed. The goal is still to have the project completed next June or July. No boats can enter, anchor in, or use the marina in any way during the project.

Upon motion of Commissioner Sokol, the Commission unanimously authorized the commencement of all aspects of the project except for in-water work.

E. Ocean View Services

Mr. Crockett reviewed the Port's position on the eviction of a tenant, Ocean View Services. The deadline is Saturday, Sept. 30 at midnight. The issue of tailgating is a matter needing some examination. Should the Port allow the evicted individual and his workers to complete projects as tailgaters, (working on Port property but not as a tenant business)? It is a broader issue beyond just this one business.

Extensive discussion followed, during which 10 individuals in the audience were given a chance to speak their views on the eviction of Mr. Hogan.

David Renn spoke about the "19th century industry" that is filthy and noisy; he walks his dog every day and he sees Mr. Hogan's operations. He says it's not just that business, the mess is all over. He said as long as the port has built this shipyard they should keep a business that will be there to do work on large metal boats, not on small wooden boats. It's an active shipyard.

Walt Trisdale said he worked for Ernie Baird for ten years and they did heavy haulout on large boats. A clean operation can be done.

Tim Hoffman asked whether the port has considered a containment building that the heavy lift can be driven into. He brought it up about 8 years ago. A skeleton of a building could be put up to contain the debris from sandblasting. Mr. Crockett responded.

Bill Perka reviewed a venture he was involved with many years ago, and said there is a shipyard and money has been spent for a heavy haulout; the port should stand up to the city and explain that the work is noisy and dirty, and he would hate to see a business with ten families' jobs get thrown out. An inexpensive containment building could be accomplished. A management team could work with Mike and he could have another chance.

Chuck Molisky said Mike Hogan is not a poster boy for civic responsibility but he's brought in a lot of work. He's made a lot of mistakes, and the staff issues are absolutely valid. But evicting him was a big move, and he really just needs a shortened leash. He has something like \$1.5 million to be completed. Chuck doesn't want to see him continue to operate the way he has, but he should be allowed to continue the work that is scheduled. Then if he blows it, he should be gone. How can we make it work that doesn't jeopardize the port and other businesses? Mr. Crockett responded.

Thurman Smith with Ocean View has worked shipyards since he was 19, has run machinists' groups, and has done a lot of sandblasting. He's never seen an eviction like this ever, and it caught him completely off guard. He believed there would be a better effort put into containment. He needs his job.

Mike Hogan asked the commissioners how he can disassociate himself from his employees so they can continue the work of his business. He is seeking answers to how his employees and his equipment can continue on, and he will remove himself from the picture. With proper supervision from port staff he feels his employees will make every effort to stay in compliance. Discussion followed. Commissioner Thompson indicated to Mr. Hogan that he now knows what the whole deal is and it has been an awakening for many on why compliance is necessary to the extent that it is. Mr. Hogan said staff had warned him and dealt with him gracefully, but he was not aware of the overall ramifications of the policies and rules. He tried to act as responsibly as he could. He said it was never his intent to jeopardize one other marine trade.

Theresa Hoffman said the port has a very important decision in front of it, and the community would lose a lot by having Mike leave. Following rules is important, but the port should consider the other families that are involved. The real ramifications were not made clear until recently. The rules were not made real clear. She thanks God there are men like Mike who are there to do the work when that type of work needs to be done, and she asked the port to reconsider its position.

Tim Hoffman said containment is tough, and if Mike's offenses can get all of them put out of business he would still stake his future on giving Mike another chance. The customer needs to go fishing on time. He doesn't believe Mike understood the jeopardy to others.

Rick Petrykowski doesn't know Mike or his work, but he thinks it's a real shame for that work to be lost. It seems like the perfect opportunity for the port to work with such an individual, and meet the regulations involved. Mr. Crockett said it was not the port's job to baby-sit such a business; the business signs an agreement that is very clear about the regulations. Everyone knows what the rules are and it is the business's responsibility to operate accordingly. Mr. Hogan responded that he has always shared those responsibilities.

After considering all comments and factors, the Port maintained its position to evict Mr. Hogan as a tenant. Commissioner Sokol reiterated the eviction was based on a "whole series" of events. He stated further: given that money is owed to the Port by this individual, he cannot see his business being permitted to work on the Port property after the eviction.

VI. NEW BUSINESS

A. Resolution No. 475-06 – Amending Auditor's Revolving Fund

Mr. Taylor explained the reasons for this resolution, mainly that the fund has evolved and needs to be increased by \$700, to \$2,200.

Upon motion of Commissioner Beck, the Commission unanimously approved Resolution No. 475-06 authorizing the stated increase in the Revolving Fund.

B. Change Order for Reid Middleton

Mr. Pivarnik described the additional permitting and design charges, bidding services, and construction management. This involves the next phase of the Hudson Point project. Mr. Crockett briefly went into further detail of design changes. Both discussed having someone oversee the project. The project control form was discussed. After this discussion, the Commission agreed the project control form needs to be revised for the adjusted amount of \$114,800 + construction amounts. This will be on the next agenda.

VII. STAFF COMMENTS

Attorney Harris said the legislature has adopted a new policy on public records. It requires all public agencies to adopt their own rules for such, and the Attorney General's office has a model. He recommends the Port adopt that model. He will prepare the document and distribute it next week. There was discussion about a specific request recently made of the Port, and other applications of the guidelines.

Mr. Pivarnik reviewed the RFQ process for the Boat Haven A/B Dock and commercial docks. The RFQ has been sent to 19 firms. There will be a briefing next week, then a tour of the docks. The selection is based only on qualifications, and then specific negotiations begin. Discussion followed. Mr. Pivarnik then listed possible selections for an advisory committee and asked for any others to be communicated to him.

An artist rendition of the streetscaping and landscaping between Hudson Point and NW Maritime Center was reviewed and discussed.

Mr. Crockett indicated the Port property that could possibly be traded with Mr. Seton for his adjacent land off Hwy. 19 has been taken out of the essential public facility. The Port can begin negotiating with Mr. Seton on this matter.

VIII. PUBLIC COMMENTS

Glen Paris Stamm stated her concern for the 12 employees who will be displaced from their employment when Mr. Hogan is evicted. Responses were made and discussion continued. It was reiterated the Port cannot -and should not be expected to- build a containment facility for such work as sandblasting. Ms. Paris continued to petition for some way for the employees to continue with their work. Discussion followed. Commissioner Thompson reminded all that what the Port has done is evict Ocean View as a Port tenant. Commissioner Beck said there are numerous opportunities for the workers being displaced. Commissioner Sokol reminded all that we are a boat yard of finite space. Discussion continued.

IX. COMMISSIONER COMMENTS

Commissioner Thompson attended a meeting on ferry advisory, and was asked to return to the Port Commission and ask that the Intergovernmental Committee be revived. The County, Port and City need to get on the same page regarding ferry issues. Ms. Paris Stamm spoke up on these issues then, and discussion followed. Mr. Crockett will contact Mr. Fischbach and Mr. Timmons.

Commissioner Beck spoke about increasing public service and RV facilities at the Quilcene property. Also, he has been attending WRIA 17 and he feels the Port needs to be on the government unit of the group. The Port was excluded at a retreat, and belongs to the planning unit. He will propose the Port be moved to the government unit.

Commissioner Sokol attended a WPPA legislative committee meeting, where airport encroachment and aviation overlays (and other topics) were discussed. There is also some discussion about compensation adjustment for Commission meeting attendance. Other topics of importance were briefly described by Mr. Sokol.

X. NEXT MEETING: REGULAR MEETING: Wednesday, October 11, 2006 at 1:00PM, in the Commission Room of the Port Administration Building, 375 Hudson Street, with the WORKSHOP proceeding at 9:30 AM.

XI. EXECUTIVE SESSION

None required.

XII. ADJOURNMENT

The regular meeting adjourned at 11:00PM.

Recorder: D. Kilburn

ATTEST:

President

Secretary

Vice President