

PORT COMMISSION MEETING – December 13, 2006

The Port of Port Townsend Commission met in regular session in the Commission Chambers, Hudson Point Administration Building, 375 Hudson St, Port Townsend, WA.

Present: Commissioners – Beck, Sokol, Thompson
Executive Director – Crockett
Deputy Director – Pivarnik
Marine Facilities Director – Radon
Auditor – Taylor
Attorney – Harris
Senior Accountant/Recorder - Hawley

I. CALL TO ORDER

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

II. APPROVAL OF REVISED AGENDA

The meeting agenda was revised to remove Public Hearing Item B – Modification to the Jefferson County International Airport Master Plan, re: Surplus of Wills House and to include under Old Business, Item C: Boat Haven Renovation Consultant Selection. **Upon motion of Commissioner Beck the revised agenda was unanimously approved.**

Commissioner Thompson questioned if action was expected to be taken on the Independent Contractor Rules and Regulations. Yes, answered Mr. Crockett, unless the Commission decided to defer that decision to another meeting.

III. CONSENT AGENDA

- A. Approval of Minutes – 12/01/06
- B. Approval of Warrants
 - #35794 through #35821 in the amount of \$31,490.78
 - #35822 through #35830 in the amount of \$65,867.58
 - #35831 through #35832 in the amount of \$26,964.55
 - #35833 through #35891 in the amount of \$474,579.07

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

IV. PUBLIC COMMENTS (Not related to agenda)

Gloria Bram expressed her opinion that it was unfair and unreasonable of the Commission to separate one particular rate category, in this case over wides, and to leave everybody else to a later date. She stated she realized that due to RCW stipulations, discounts could not be given to seniors. She asked that any rate increase on any class of tenant be delayed until rates were determined for all tenants. Ms. Bram also wanted to know if the Airport Advisory Committee formed three/four years ago and to which she had been appointed, was going to be used in the future.

Mr. Crockett informed that the Airport Advisory Committee had been formed to help develop the Airport Master Plan under the FAA and was not an “on-going” committee.

At 1:08 PM, Commissioner Sokol announced that due to the large number of citizens present that the meeting would be moved to the larger Marina Room. The meeting reconvened at 1:17 PM.

V. Public Hearing

A. Independent Contractor Rules & Regulations

Resolution No. 481-06 – Establishing Rules & Regs. For Independent Contractors

At 1:20 PM Commissioner Sokol opened the hearing and reminded attendees of the Port’s public hearing procedures.

Mr. Crockett stated that discussion had begun four or five years ago about the need for development of a set of regulations and rules for independent contractors and also for the need for requirement of some level of insurance because of the liability issues created on public property for the Port, other tenants and taxpayers. Recent events in

the Ship Yard over the past few months brought the topic to the forefront again based on a threatened lawsuit by one of the contractors. The Commissioners had directed staff to develop a set of rules and regulations. Research took place regarding how other Ports governed those contractors and the rules used by those Ports. The Port of Olympia, Swan Town Boat Works, and the Port of Edmonds were some that were studied extensively. The process continued with two public meetings, revision by staff and the Port Attorney and two meetings with Marine Trades Association representatives and more revision. Essentially, the proposed rules and regulations require proof of a valid City of Port Townsend Business license, proof of the same amount of liability insurance as is required of all moorage and lease tenants; that amount is \$1 million dollars, and that when a contractor begins operation within the Port that they be given a complete copy of the Best Management Practices. A \$20.00 Administration fee is proposed to cover the cost of file set up and other administrative costs and a mechanism, or license, to establish who is working on Port property. Mr. Crockett clarified that those already holding a lease with the Port are unaffected by the proposed rules and regulations as were employees of lease holders and that the independent contractor, i.e. “tailgater” were the ones addressed. A Business License, proof of insurance, and acknowledgement of the Port’s Best Management Practices made up the requirements.

Commissioner Thompson inquired as to the body of rules adopted in 1997, and stated that one of the regulations listed there was that all contractors and service providers working on Port property must provide the Port proof of a current Business License, an executed copy of the hold harmless agreement and proof of insurance consistent with the Port leases requirements and wondered what was it about those rules that was not working and the necessity of adding a “license” to the equation.

Discussion followed about whether or not the term “license” was the correct term, the acknowledgement that the 1997 rules had not been enforced in part because they were developed at the time the Ship Yard began operation as part of the permitting process, that the 1997 document states Boat Yard on Port property, that some sections of those rules had been rolled into the Hold Harmless Agreement located on the BMP and the tenant signs, and adding another layer of regulations, etc.

Attorney Harris stated that one reason for requirement of a license was to enable identification of all those working in the Yards and to establish that those people are aware of the Best Management Practices and environmental requirements. By requiring them to sign assured that they are aware of all the Port requirements and that they have Port permission to do business on Port property. He stated that he had been concerned that the Port might be held accountable for failure to exercise some scrutiny over the people who are doing business on the Port’s property and believed that at least some minimal requirement for insurance should be required of those doing business here.

Commissioner Sokol opened the Public Hearing to Public Testimony:

Gloria Bram stated that as a small business accountant for the past 20+ years she had seen cases in which someone was classified as an “independent contractor” when, in fact, they were, according to Federal Government criteria, an employee of that business. By classification of the person as an independent contractor, payment of payroll taxes and Workman’s Compensation Insurance was avoided by the small business, but in her opinion, doing so does not mean the business was following Best Management Practices. She stated that the rules and regulations adopted by the Port should require all business owners in the Port who contract with an outside person to perform services in the normal course of their business should be required to hire that person as an employee inclusive of all the rights and responsibilities inherent with that position. She stated that an independent contractor performs duties outside the normal course of business. As part of the Port rules and regulations, she stated, there should be a requirement for proof of Workman’s Compensation Insurance. Boat owners, she continued, who hire people to do work on their boats should require those workers to provide a valid City Business License, a State of Washington Business License, proof of liability insurance and Workers Comp. Insurance covering all the people working on the boat as long as it is on Port property. She stated that to do any less is allowing the few to take advantage of the many.

Diana Talley expressed her concern over the proposed rules and regulations. She stated that she used independent contractors in the course of doing business to help her fulfill obligations to her customers. One of her concerns was that the small, seasonal, contractors would not be able to afford the \$1 million dollar liability insurance policy requirement. She spoke of the varnishers, painters, sail-makers, riggers, and surveyors who have a very small income compared to the larger contractors like Mike Hogan. She stated that small contractors had informed her that quotes for a \$ 1 million dollar liability insurance policy would cost up to \$2,000.00 a year and that each time they work in another area, example Port Ludlow, the cost would be an additional \$100.00 to hold harmless that Port. She believed that the cost of this coverage would put undue hardship on the small companies. She also expressed concern regarding Article 6, Sections 6.4 and 6.5.2 which addressed license termination if business is not conducted on a full time basis. Ms. Talley expressed concern that the over 100 local Marine Trade businesses mentioned in the Port's brochure would not be available to people coming into the area if it was too expensive for them to survive here. Ms. Talley also offered the results of a survey she made of different Ports around the area and in which she did not find a single Port that required a license as we were proposing. In conclusion, she suggested that the Commission direct staff to take a proactive approach and develop a proactive, consistent dialogue with the marine trades.

Tim Lee, instructor, Northwest School of Wooden Boat Building, felt the proposed rules and regulations put up a barrier to entry into the trades by asking the small contractor to jump through the same hoops as the large companies like Haven Boatworks or the Shipwrights Co-op. He stated that the Port had always acted as an incubator and allowed quality people to come here and learn and develop their trade, as he had, and now a barricade to that process was being made and another layer of bureaucracy added. He stated that he would like to see the \$20.00 fee used to pay instructors for a class on the Best Management Practices so that people could be educated as to what was expected of them on Port property.

Erik Durfey stated that the very nature of Port Townsend, which is a unique area, made it different from Olympia or any other place around here, not just in the boat building trades but also in the entire community. He hoped the Commission would look at the bigger picture and realize that the nature of this area was more free flowing about work and lifestyle both of which were seasonal and part-time. He understood insurance requirements and liability issues but stated that the small business and individuals fulfill a huge need.

Doug Lewis stated that based on his past experience, the Port had been inconsistent and capricious in the enforcement of regulations and that some actions had been based on hearsay, without concrete evidence or background, and had not been objective. It was not, in his opinion, the Port's business to regulate transactions between customers and contractors. He had concern with Section 6.5.2 and Section 6.5.8. He stated that he could see no basis for enforcement of the regulations and remarked that as Commissioner Thompson said, the Port was not enforcing regulations already on the books.

Jim Warner, Craftsmen United and Trustee for the Port Townsend Marine Trades Association (PTMTA), stated that he believed the requirements for insurance should be appropriate to the business being conducted. He commented that someone who scraped the bottom of a hull should not be required to maintain a \$1 million dollar liability insurance policy. He questioned the "act of God" clause.

Mr. Pivarnik responded and said that the proposed Independent Contractor Regulations did not pertain to Mr. Warner/Craftsmen United, as he was a lessee of the Port.

Commissioner Beck reminded that when part of the roof was blown off the Galmukoff Building a few years ago during a windstorm the Port paid the entire cost of \$58,000 to make the repairs and that it did not cost Mike Galmukoff anything.

Aaron Day, Freyja Boatworks, stated he was nervous about the cost to the seasonal, transient workers, that it seemed a little harsh for them.

Grant Seran stated that he had been a member of the Port community for over 32 years and inquired whether the proposed Rules and Regulations applied to all Port property including the Quilcene Marina.

A brief discussion followed regarding the fact that the proposed rules did apply to all Port property and that the omission of the airport was an oversight and would be corrected.

Grant Seran continued and inquired if anyone knew exactly how many independent contractors there actually were working in the Port. He expressed a dislike for the term “tailgater” as well as “independent contractor” and believed that if one held a Washington State business license, then they should be considered a business and should be referred to as “business”. He offered clarification by stating that if he hires a contractor and they were billing through him to his customer then they should be classified as a contractor, however if the customer was billed directly by them, then they should be considered a business. He stated that he had attended the meetings regarding the heavy haul-out and the Marine Trades 3% contribution but did not read anything in the proposed rules that addressed the collection of the 3% monies and felt that people coming into the Port should be informed of that also.

A discussion followed regarding available knowledge to determine the total number of independent contractors currently working on Port property, that the number could be obtained through the Marine Trades Association, the fact that the 3% contribution was covered under the boat-owners assignment when the boat first enters the Port, that payment was the boat owner’s responsibility, that payment was on the “honor system” and had been since the shipyard was opened in 1997, and that there was trust in the Marine Trades to remit the 3% contribution.

Tom George stated that he had been a member of the maritime community for a number of years, both as a tradesperson, vessel operator, a business owner and had been an employee. He stated that he had been motivated to promote business in the area and support the creative, maritime, community. He stated that the independent business made it possible to offer varying services and vendors for people needing work done on their boats. He felt that the additional layer of license requirements and the \$1 million dollar liability insurance policy requirements would severely limit and change the nature of the playing field of resources available to the boat owner.

Jim Quarles, Marine Surveyor, stated he had customers up and down the coast and had not seen a rule policy like the one proposed anywhere else and was concerned that it would severely limit the types of work performed in the Port by the maritime community. He stated that the proposed rules were contrary to the Port’s stated mission to promote economic opportunity for all. In his opinion, it made a rules and license zone out of the Port. He felt free enterprise would be discouraged. The Port, he stated, was owned by the public; and its uniqueness was in its diversity, services and recreational uses.

Kay Robinson expressed her agreement with what had already been said.

Jim Maupin, a Marine Insurance Agent and surveyor, commented on the insurance aspect by stating that a commercial general liability policy was a premises liability insurance policy, which was basically a “slip and fall” policy and needed by any tenant of the Port who leased an office or building space. He does not believe that a commercial general liability insurance policy (the most basic building block policy of the insurance program) is going to insure a tailgater or independent contractor since they do not have a “premise” but instead provide work or a product. He does not think that the Port would be protected by the requirement of the \$1 million dollar general liability policy for independent contractors that come onto Port property. Mr. Maupin continued and stated that he understood the Port’s concern and made the suggestion that the Port issue a license and have people agree to the Best Management practices and warn about leaving tools, extension cords and other items laying around. He reiterated that he did not think the requirement of a million dollar general liability insurance policy was proper.

Attorney Harris responded that a wrongful death situation wherein one person was killed would result in a million-dollar judgment. He was uncertain of the cost of obtaining a \$1 million dollar policy but that in not having a policy everything a person owned was put at risk.

Dr. Dee Meeb stated that based on the history of good service performed at the Port, he had returned with his 117-year-old tugboat. He stated that the publicity regarding the proposed changes to the rules and regulations had him concerned. He hoped that a “cookie-cutter” approach in rules and regulations was not taken by the Port, since, in his opinion, this was a very diverse area and filled with talented, skilled people. Publicity, he stated, could change people’s attitudes about bringing in their vessels for work. He stated that since Victoria and Nanaimo both offered good shipyards he would consider taking his vessel to one of those locations if the issues go forward

Sean Rankins stated that he had worked for 30 years in the Marine Trades doing sailmaking, canvas work, rigging, boat maintenance and restoration in many parts of the world and had never been required to have a license of this type. He expressed concern about the Port using a “cookie cutter” approach to rules and regulations and the possibility of great harm being done to Port Townsend and all that had been accomplished here and the reputation it had earned for quality Marine Trades work. He stated that both large and small business would be affected. He stated that he believed the proposed regulation would go against the Port mandate to promote commerce and that more regulation would deter people from bringing their boats here. He stated that the regulations needed more work.

Attorney Harris questioned why the regulations would deter people from bringing their vessels to the Port since it would seem that the opposite would be true in that knowing requirements were in place which assured a safe workplace and would make the Port more comfortable and secure for boat owners.

Audience member stated that the document language would set the stage to start rumors, etc within the community. Regulations, he stated were, unfortunately, needed in the world since there were people who would always take advantage if there were no rules in place. He hoped that the proposed rules and regulations would be written in a positive way and that they would work for both big and small business and would allow the culture of work and commerce in the Marine Trades in the community to remain. He hoped that the Commissioners would consider the impact of what they were asking and get input from all sides.

Attorney Harris stated that comments regarding document language changes were welcome but reiterated that all that was being asked was that people who intended on doing work on Port property identify themselves, provide proof of a valid business license, proof of insurance and sign off on having read the BMPs and be given a license, which might sound intimidating but enabled identification of those doing work on Port property.

Phil Andrus, Port Townsend Marine Electric, stated that over the past 20+ years, with 300 to 400 customers, he had never received an inquiry about his having insurance, licenses or his other qualifications. He stated that there was considerable opposition to what was proposed and that he felt the Port did not know the Marine Trades very well. He stated that the Commissioners should table the proposed rules and regulations, convene a committee made up of people from the Marine Trades, boat owners and other people from the community and draft regulations that would accomplish the goals with a minimum impact to the people you are regulating. In his opinion, collaboratively, a good job could be accomplished.

Sheffield Edgerton expressed concern regarding the insurance requirement. He shared his belief that there was a basic injustice in the requirement of the same amount of insurance for large and small businesses. He also felt there was an injustice in not requiring insurance of those driving their automobile in the Port, or from those walking through the Port. He stated that it was basically unfair regulation to the people working at the Port. The Port, he stated, was public property. He inquired whether or not a fence would be built to surround the Port property and that everyone coming onto Port property would be required to show ID and then, he stated, it would

no longer be public property but would become a business and a corporation which he does not think is what the Port was all about. He stated that he had worked in the Marine Trades for a couple of years and enjoyed walking through the Port and liked to look at the boats, however, he thought that it was unfair to require insurance of someone who might carry a bag of tools or a sail bag and not require insurance of someone walking along the dock just looking at the boats.

John Hynson, Attorney, stated his opinion that the entire proposed regulation was unfair and was a way to curtail and limit, by the license requirement, those people allowed to work in the Port. He also felt the insurance requirement would present a hardship to the small contractors and businesses.

Scott Flickinger stated that the bottom line was affordability and that the insurance requirement would raise the hourly rate to \$60.00/70.00 that he pays to the people who work on this boat, the varnisher, painter, and it was going to make it so that he does not want to do it.

Peter Robinson stated the room was filled with his friends and people he respected professionally. He asked that the Commission consider the priorities of those people and not just the liability standpoint. He stated that the Commissioners were using the worst-case scenario and making decisions based on that. He asked that they not compare Port Townsend, which is unique, to Tacoma, Olympia or Seattle. He stated that the level of skill available in Port Townsend was not available in San Diego.

Jim Blaiklock stated that as a tailgater between $\frac{3}{4}$ and $\frac{2}{3}$ of his work was working for leaseholders. He stated that those leaseholders already have a million dollar policy and he was working under their umbrella and doesn't feel that he should be required to buy insurance on top of their insurance. He stated that a million dollar policy was too expensive at \$2,500.00 or \$2,000.00 a year and that the expense would put him out of business and he was against the requirement

J.W. Spain expressed concern regarding the permit and asked who was going to decide who gets the permit. The requirement of the million dollar insurance policy for someone who works 5 months a year would probably put him out of business. He questioned, also, the possibility of having his license pulled if he was not working full time.

Mr. Harris stated that so long as the basic requirement were met, that there was no reason to deny a permit to anyone.

J.W. Spain continued and asked how long the permit would be good for, for example what happened if he worked for 6 months and then didn't work for 8 or 9 months and returned to work and since he hadn't worked in that time frame his permit had been pulled.

Mr. Harris remarked that the proposed license requirement was an annual fee of \$20.00.

J.W. Spain stated that the regulations state that the license can be terminated if the person doesn't work full time. He also stated that he does not believe it should be the board members who made the decision regarding the permits but that the decision should be made by a council of trades people who made the decision.

Commissioner Sokol remarked that Section 6.5.2, the full-time clause, should and would be looked at. He stated that there was no approval or disapproval, that if the criteria were met the license/permit was issued.

Keith Holms, Sea Scouts, stated that the amount of insurance he had should be between his insurance agent and himself and based on the volume, type and quality of business that was done in the Port. He believed a sliding scale of insurance was more equitable. He disagreed with the concept of the Port handing him license to work in the Port and stated that all the Port had the right to ask him was whether or not he had a business license and insurance. He stated that he hoped we were not violating any

Washington State Fair Labor laws or Washington State right to work laws as there were specific RCWs that allowed people the right to work within Washington State.

Peter Chaffee, Peters Marine, stated the proposed regulations were poorly written and needed fine-tuning, but that the Port was on the right track. However, the way in which it was currently written, no one would come down and sign up for it.

Mr. Harris stated that the Port had no authority to regulate trade off Port property and had no reason to get involved in the relationships between trades-people and their customers, but there needed to be some requirements in place for when work was done on Port property.

Steve Brown, Admiral Ship Supply, stated his belief that the Commissioners and Staff did not understand the big picture or the Marine Trades very well and that the Port had a soul, which was not seen unless the Commissioners and staff walked around the Port and talked with the trades ‘people. He suggested that the Commissioners come down to the store and talk to the different people. His belief was that the community police themselves. He stated that the worst liability comes from the people who drive around the Port and look at the boats or who stand outside the restaurants and block traffic. The freight trucks come and go and he thought that it was just like a beehive, a beehive of activity with a purpose.

At 3:00 PM Commissioner Sokol called a recess of the Public Hearing for approximately 20 minutes, as Commissioner Thompson needed to excuse himself for a short period due to previous commitments.

At 3:21 PM Commissioner Sokol reconvened the Public Hearing, upon Commissioner Thompson’s return.

Bertram Levy MD, stated that whenever the Port made regulatory changes, the people it really affected were the boat owners by making it increasingly unaffordable to them. He expressed his problem with the insurance aspect of the document and compared it with his thirty years of making malpractice insurance payments. He stated that there was no question that the insurance requirement would drive many independent contractors out of business, which would be a loss to the boat owners since they rely and depend on those businesses to provide necessary services. He stated that when he hired somebody to help on his boat, he assumed the responsibility for his or her care. He stated that he was the one responsible if someone worked on his boat and caused a fire. He stated that he knew it was fashionable to spread the risk but that the reality was that the “tailgater” would not be the ones responsible. He stated that he would encourage the Commission to make sure that everybody who works in this Port does read the regulations and respects the Port, the waters and those elements that made up safe working practices but he would recommend that the insurance issues be looked at carefully as the costs would be passed on to the boat owners.

Forrest Rambo questioned whether or not the Port monitored and policed Workman’s Compensation. He questioned whether or not a business which operated from another area would be required to have a City of Port Townsend business license. He stated that there were items in the document that needed clarification. He questioned the section that talked about cooperation and promotion and publicity which seemed to him should belong in another document. He agreed that a task force should be formed including a member of the Port staff, at least one member of the Port Commission and that the document should be gone through and a better version obtained. He suggested to the Commission that they take the initiative to table this particular resolution, put together a task force or work group and come back and make a recommendation and then have a public hearing on that draft.

Jana Allen, Pilots House, questioned the issue raised about possibility of the Port being named liable in a lawsuit that involved an uninsured craftsperson and how the Port could be named liable in such a suit that involved an uninsured craftsperson. What had propelled the Port to the point we were now, talking about this in this room. She asked if there had been a flood of lawsuits involving the smaller scale craftspersons.

Mr. Harris stated that the Port had not been sued in the last few years at least not while he had been Port Attorney, but that other Ports had been sued over incidents caused by people working on Port premises. He added that the proposed regulation had developed from what had occurred this past summer with all the complaints and problems caused from the Mike Hogan incidents. He stated that the Port had a huge investment in the Boat Haven property which does belong to the taxpayers. The taxpayers supported the Port and a countywide levy was assessed. He stated that the Port had duty to protect that investment and a duty to comply with environmental regulations.

Commissioner Sokol announced that the Public Hearing on the Independent Contractor Rules and Regulations would be continued to a later date and that the announcement of that future date would be advertised in the Port Townsend Leader and the Peninsula Daily News and on the Port website. He stated that no action would be taken until further investigation into the matter took place.

Tim Hoffman, Steelhead Marine, stated that he was against the million dollar liability insurance requirement. He stated that he would be able to absorb the cost in his business but thought that it was not equitable to the small labor pool. He stated that he thought we were off base requiring a license. He doesn't believe that the Mike Hogan incident should have been allowed to go on so long with nothing being done and that someone with authority should have gone down and talked with him. He thought that the Port should exercise its authority in a proactive way rather than trying to blanket the whole Port in all these rules and regulations.

At 3:37 PM Commissioner Sokol closed the Hearing to Public Testimony and announced that the hearing would be continued at a later date, time to be announced.

Mr. Crockett stated his belief that it had been a good, productive session. He expressed understanding and appreciation for the time taken off work by the meeting attendees. He stated that the document would be reviewed and modified based on the information gained through the meeting.

Commissioner Beck commented that the insurance requirement appeared to have caused the biggest problem and concern. He could compromise on that issue, but would not compromise when it came to the various State regulatory licenses. He stated that he would support those laws because he had taken an oath of office as a Commissioner. He stated that he believed that all the regulations currently on the books should be updated and reviewed. He stated he did not want to jeopardize the NPDES permit in any way. He remarked that the reason to hold public hearings was to get input from those affected. He wanted time to review the document and work with business people to resolve the problems with it but to also protect the Port. He stated that the Port had been fortunate in that there had never been a burn down, a death or a lawsuit.

Commissioner Sokol moved to direct Staff to form an advisory committee, or group, to go through this document on Rules and Regulations for Independent Contractors, understand it and have a meeting, or several meetings, and at that time bring it back to the Commission. Motion carried by unanimous vote.

Mr. Crockett asked for volunteers for the Advisory Group, and stated that he would like someone from the Marine Trades Association, a couple of people from the independent contractors, or people who interact with them frequently.

VI. Public Hearing

A. Surplus of Wills House, Located at Jefferson County International Airport Resolution No.482-06 – Declaring the “Wills House”, located at JCIA, as Surplus

At 3:50 PM Commissioner Sokol opened the hearing and reminded attendees of the Port's public hearing procedures.

Mr. Crockett provided background on the Wills House stating that it had been moved to its present location in the early 1990s. It had originally cost the Port around

\$40,000 to \$45,000 to move it to the new foundation, hook it up with utilities, etc. Since that time, a number of businesses have rotated through the structure and currently it was partially leased to an attorney. With the construction of the FBO, the Aero Museum, and the fact that the Spruce Goose Restaurant wanted to build a new restaurant, and since the Wills House site was the only remaining space suitable for any other commercial activity; it is the staff's belief that the Wills House no longer had value at the airport and should be declared surplus.

At 3:54 PM Commissioner Sokol opened the Public Hearing to public testimony.
There were no comments.

At 3:55 PM Commissioner Sokol closed the Hearing to public comments.

Commissioner Beck stated that he had talked with the restaurant owners and others regarding the Wills House structure and as a solid cedar structure it was almost impossible to remodel it for another type of use and therefore it was time for it to disappear.

Commissioner Beck made a motion to adopt Resolution No. 482-06 – Declaring the “Wills House”, located at JCIA, as Surplus. Motion carried by unanimous vote.

A brief discussion followed regarding what would happen now to the Wills House.
At 4:00 PM Attorney Harris excused himself and left the meeting.

VII. OLD BUSINESS

C. Boat Haven Renovation Project Consultant Selection

Mr. Crockett stated that the interviews with the four project consultants had taken place on Tuesday, December 12, 2006 and that a selection had been made based on the score sheets, PN&D was #1, Reid Middleton #2, KPFF #3 and Moffitt Nichol #4.

Commissioner Sokol made a motion to direct Staff to begin negotiations with PND Engineering, recognizing as in the past, that if we cannot come to terms with them we would go down through the list to the next choice and so on. Motion carried by unanimous vote.

VII. NEW BUSINESS:

A. Operations Reports – Month of November, 2006

Mr. Radon presented and stated that the PTBH moorage numbers were still strong, however they did slow down a little in November due to the weather but there were 225 nightly guests through Boat Haven in November, which put the month ahead of 2005. He stated that 2006 was ending strongly in moorage operations. The Work Yard numbers held true to last year even with the stormy weather and in the Ship Yard, there had been a total of 120 hauls outs so far this year compared to 103 haul outs in 2005. The average number of boats in the Yard per day was stronger than last year, which had been a record year for the Port. He stated that there was more billable footage in the Boat Yard, the Ship Yard and the Long Term Yard than last year. Although the Hudson Point marina was closed for the reconstruction as of 10/1/06, Mr. Radon pointed out that we came within 100 boats of the full 12 months of 2005. The RV use was strong although nightly use was down some in November due to stormy weather. Our goal for winter over RVs was 20 and he stated currently we currently had 18, 2005 and 2004 we had a total of 13 winter over RVs.

A brief discussion took place regarding needed publicity on the Port website regarding Hudson Point and that it is open for business just not for moorage.

VIII. STAFF COMMENTS:

Mr. Radon stated that the Fish Expo was a great show. They are now gearing up already for the Seattle Boat Show held at the end of January early February, 2007. He thought the task force was a good idea and would take comments given to heart and

would like to be involved in the process and move forward with the rules and regs. for independent contractors.

Mr. Pivarnik updated on the Hudson Point Marina, which was now “on schedule”. The dredging had been delayed a little, things have been moved around and Caicos thinks we are right on tract.

Mr. Crockett remarked that maybe it was a necessary evil to go through what we had all gone through today, and that it was always disturbing when there have been meetings with the Marine Trades Association and several other folks for a number of weeks with no feed back. He thought that there had been significant improvement, and had heard that the majority of people realized that there needs to be “something”.

IX. PUBLIC COMMENTS:

None

X. COMMISSIONER COMMENTS:

Commissioner Beck commented that Quilcene is coming right along, the docks are in and the electrical is on its way or already completed and that Coast Oyster’s new home for their new greenhouse was starting to take shape.

Commissioner Thompson inquired of Mr. Taylor if he would research if there was any information on any claims that had been made as a result of the independent contractors over the years.

Mr. Taylor responded that unless a claim was filed against the Port we would not necessarily know of them, he is not aware of any claims.

Discussion followed regarding that there probably had been some between private owners and the Trades.

XI. NEXT MEETING: Regular Meeting on Wednesday, December 27, 2006 at 1:00 PM in the Commission Chambers, Port Administration Building, 375 Hudson Street, Hudson Point.

XII. EXECUTIVE SESSION None.

XIII. ADJOURNMENT

The regular meeting adjourned at 4:08 PM there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President