

PORT COMMISSION MEETING – May 28, 2008

The Port of Port Townsend Commission met in regular session in the Commission Chambers, 375 Hudson Street, Port Townsend, WA

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

I. CALL TO ORDER

The meeting was called to order at 6:30 PM.

II. APPROVAL OF AGENDA:

The Agenda was revised with the addition to Old Business of Item D – JCIA Hangar Colors and Item E – Scope of Work – Quilcene Dredging and Permitting.

Commissioner Thompson moved to approve the Agenda, as amended. Motion carried by unanimous vote.

III. CONSENT AGENDA

A. Approval of Minutes – May 13, 2008

Mr. Crockett noted that on page one of the May 13, 2008 minutes under Old Business, Item A – Mural Concept the word *problematic* should be replaced with *programmatic*.

Commissioner Beck moved to approve the Consent Agenda with the noted correction to the May 13, 2008 minutes. Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

A. Union Contract:

Mr. Crockett reminded that negotiations between the Teamsters Local #589, Port Employee Representatives and Senior Management had been ongoing since expiration of the previous contract which ended on December 31, 2007. Negotiations, he informed, were now complete and a new Labor Contract was ready for Commission approval and then Union Members ratification. The new, three year, contract was for January 1, 2008 through December 31, 2010. He stated that, in his opinion, the contact was beneficial to both the employees and the Port and therefore recommended approval.

As an aside, Mr. Crockett informed that an updated Employee Uniform Allowance Policy was in process and would be presented to the Commission for approval in the near future.

Discussion regarding the proposed Teamsters Union Contract followed.

Commissioner Beck moved to approve the Contract Agreement between the Port of Port Townsend and Teamsters Local #589 for the period of January 1, 2008 through December 31, 2010. Motion carried by unanimous vote.

B. Point Hudson Business Moorage Policy:

Mr. Crockett stated that the proposed Point Hudson Business Moorage Policy was ready for Commission approval. The topic, he reminded, had been discussed at previous workshops and regular meetings.

Mr. Pivarnik advised that most of the issues surrounding the policy had been resolved with the exception of the no liveaboard status in the business slips, which Staff believed, should remain in the proposed Policy. He reminded that the Port was very lenient in the general liveaboard status, which allowed a boater to stay on the vessel for seven out of ten days without being classified as a formal liveaboard.

Discussion followed regarding the policy, in particular the non-liveaboard clause.

Commissioner Collins inquired about section 92.8 which listed a twelve month period in which to demonstrate business activity for a charter business. He suggested that the language be clarified to reflect that the twelve month period was a rolling one and not based on a calendar year.

Mr. Pivarnik agreed to make the recommended change to the Policy.

Commissioner Beck remarked on the ongoing discussions regarding the proposed policy. He stated that it appeared that the proposed policy was well crafted and advised that it could always be amended in the future if necessary. He suggested approval.

Commissioner Beck moved to accept the Point Hudson Marina Business Moorage Policy as it was presented on page 7 of the May 28, 2008 Commission packet. ** Please see vote on the motion below.

Paul Stohlman stated that even though the Port policy of allowing people to stay on their boats seven out of ten days, leave and return for another stay, was “doable”, he was still opposed to the no liveaboard policy in the business slips. He stated that he did not understand why the rule was necessary and disagreed that monitoring liveaboards in business slips was any different from monitoring general liveaboards. In his opinion, if a business wanted to pay the additional \$50 monthly fee to be a liveaboard that they should be allowed to have that option.

Les Schnick, Marine Trades Representative, stated that, in his opinion the part of the policy that dealt with no liveaboards in business slips was the kind of strict policy which encompassed everyone and not just the few individuals who might take advantage or cause problems. In his opinion, such a policy indicated that the Port was unwilling, or unable, to monitor or deal with those few, errant individuals. He advised that he did not like those types of policy decisions.

Commissioner Thompson advised that, in his opinion, he thought it would be unusual for a charter boat to be a liveaboard and as a general rule charter boats are used only for business purposes. He stated that the other aspect was that there were no permanent moorage guests in Point Hudson during the summer. He stated that although there was no waiting list for moorage at Point Hudson as there was at Boat Haven, the Business Moorage category at Point Hudson did allow tenants to come in and have a slip on a permanent basis and thereby side step the waiting list. The no liveaboard stipulation for the business moorage, he advised, prohibited use of the slip for other than its stated purpose.

Discussion about the topic followed.

Commissioner Collins suggested adding language to the proposed policy giving the Executive Director discretion to amend and modify on a case by case basis.

Commissioner Thompson stated that, in his opinion, adding such a clause might lead to someone being given something that others were not being given.

Commissioner Beck reflected that the policy could be changed if problems developed.

Rob Iverson questioned what the difference was if someone stayed on their boat the allowed seven out of ten days as opposed to paying the additional \$50 to become a registered “liveaboard”. He stated that he did not understand the problem since both situations would need monitoring.

Mr. Pivarnik informed that problems developed not so much from the owner staying on the boat, but when someone else was allowed to stay aboard and then someone else again and suddenly Staff did not know the people involved and put them into a “policing mode”.

A lengthy discussion followed.

Paul Stohlman stated that he had objections to Policy Section 92.8 regarding the number of charter operations a business had to perform in a twelve month period. He stated that, in his opinion, the Policy required something extra from a charter business than it did from other businesses. He advised that he did not wish to be a moorage tenant and had never applied for the waiting list. He wanted to have his charter operation at Point Hudson because it was, in his opinion, a prime location. He wanted to register his objection to being monitored for performance in business when other businesses were not monitored.

Discussion followed about Section 92.8.

Commissioner Thompson called for a vote on the Motion made by Commissioner Beck.

Commissioner Collins reflected that he was still pondering the issued raised by Mr. Stohlman and stated that the Port had a legitimate concern that the moorage slip

should not become just moorage space for a non-going concern. He stated, that in his opinion, the point was that if the business is a charter operation it needed to demonstrate that the business was an active business.

Discussion followed.

Mr. Stohlman stated that he found that concern offensive. He informed of the steps he had taken to get his business where it was at present. However, he advised that he thought the performance requirements were reachable and offered that perhaps there would be some liency if at the end of the twelve months he had performed thirty-nine charters instead of the forty listed in the proposed policy.

Commissioner Thompson again called for a vote on the motion.

**** Motion on the floor carried by unanimous vote.**

C. Moorage Tenant Policy Changes:

Mr. Crockett informed that the Moorage Tenant Policy changes were still a “work in progress” and not yet ready for Commission approval. He reminded that the Moorage Tenants Union had first brought these topics before the Commission some months ago.

Discussion and dialogue between Staff and the Commission followed on each of the Moorage Tenant Policy Change items: Moorage Credit System, Long Term Absence Policy and Moorage Incentive Program Policy. Of the three proposed changes, the Moorage Incentive Policy was the most difficult to develop and would have the most financial impact, stated Mr. Pivarnik.

Bertram Levy offered different scenarios regarding the Moorage Long Term Absence Policy. He suggested, among other things, that it should be the responsibility of the owner to notify the Port when he was ready to become an active boater again.

Discussion followed.

Glen Paris-Stamm stated that she had not been aware until recently of the current policy allowing moorage tenants to haul out their boats during June through September and suggested that information regarding policies should be made more available to tenants.

Bertram Levy speaking to the proposed Moorage Incentive Program agreed that the policy should be written in such a way as to discourage the storing of boats, he provided some historical information regarding the current moorage incentive program and expressed concerns regarding the proposed 90 day limit and wondered about the philosophy behind the time limit. He stated additionally that he would like to see June remain as one of the incentive months and suggested that perhaps there was a way in which to tie it in with how busy the Yards were at the time.

A lengthy discussion followed.

D. Hangar Colors:

Mr. Pivarnik informed that the exterior paint colors selected for the JCIA Hangars were a dark forest green with off white trim. However, Mr. Pivarnik stated, he had been approached by one of the hangar developer contractors who wished to reverse the paint colors - off white with dark green trim and sited that the lighter body color would reduce the structural flux of the building and thereby reduces stress on the fittings and joints, etc. Mr. Pivarnik informed that Staff had no problem with changing the exterior paint colors as long as all of the hangars were uniform in color. A brief discussion followed.

Commissioner Collins moved to delegate airport hangar color selection to Staff. Motion carried by unanimous vote.

E. Scope of Work for the Dredging at Quilcene:

Mr. Pivarnik informed that Amy Leitman with Marine Surveys & Assessment was leading the permitting challenge for the proposed Quilcene Dredging project. He advised following consultations with the Corp., Department of Fish and Wildlife and the EPA it was now determined that testing for Dioxin (one part per trillion) would be required in the proposed dredging project. Ms. Leitman’s proposal included the research, sampling and working with the assorted agencies to get the Port to a point of permit application. Mr. Pivarnik advised that the proposal for \$88K (and would

take from six months to a year to complete) would not guarantee that we would, ultimately, be issued a permit or allowed to dredge.

Mr. Pivarnik informed the cost of the actual dredging, should we get a permit, would be in the range of \$100K to \$150K. However, if the permit was granted it would be in effect for three years.

Mr. Pivarnik informed that \$10K had already been expended and that he wanted to make the Commission aware of the next project phase, which included the testing, and samples work.

Mr. Pivarnik stated that due to the location of the seafood processing plant (although oysters were not grown there, only oyster spat) located next to the Marina, the permitting process became more complicated and expensive because the area had been classified as an Environmentally Sensitive Area.

Commissioner Collins inquired about the ramifications of not dredging and if that would be an option.

Mr. Crockett informed that at a zero tide the harbor entrance could be down to three feet which prevented boats from leaving or returning to the marina.

Commissioner Beck stressed that the Penn Cove plant was located there and of the other commercial enterprises in the area.

A very thorough discussion of the topic followed.

Mr. Crockett clarified that the \$88K was only an estimate and could change if additional sampling or testing was required. He also wanted to make sure that everyone present understood that there would be no guarantee after expending the funds that a permit would be granted.

Commissioner Thompson suggested that an advertisement of the proposed project with a listing of itemized costs be run in the South County newspaper to solicit donations.

Mr. Pivarnik suggested that one way in which to reduce the \$88K was to eliminate the inclusion in the proposal for an engineer to develop a better wing wall. Removal of that item would reduce the proposal by approximately \$15K. The inclusion of the wing wall design was to develop ways in which to keep the sand, sediment and silt from migrating into the Harbor.

Discussion followed which included that the Marina was last dredged in 1973, the distance to the Pleasant Harbor Marina and reasons to explain why the sand and silt accumulated in the harbor entrance.

Commissioner Collins spoke to the option of whether the facility was worth keeping as an operating boat basin given its small size.

Mr. Taylor informed that it currently had forty permanent moorage slips.

Discussion then took place regarding the boat ramp and whether or not monetary help could be sought from the Tribes.

Commissioner Beck stated his belief that something needed to be done and voiced his concern for the commercial interests in the area as well as the entire community.

Commissioner Beck moved to approve the contract with Amy Leitman of Marine Survey & Assessment for \$88K for the Scope of Work as presented for the Quilcene Harbor Dredging Process.

Glen Paris-Stamm stated that as a Boat Haven Moorage tenant, in her opinion, \$88K for 40/45 boats was a lot of money to spend and that the Port should first fix A/B Dock.

Further discussion took place regarding Quilcene moorage rates and the quantity of fuel sold at the facility.

Rob Iverson stated that in his opinion, if we were going to move forward with the project it should include the wing wall, so that the project could be done correctly and last for a longer time.

**** Motion passed by unanimous vote**

VI. NEW BUSINESS:

A. Revising the 2008 Operating Budget:

Mr. Taylor stated that although the Port was not required to amend the Budget during the year, he thought that since some of the documents were now being used in the Strategic Planning (and were available on the website) and had been amended to

reflect the two Commission approved resolutions he suggested that the 2008 Budget be amended to reflect the changes and bring it into agreement with the documents used in the Strategic Planning. The Commission approved two Resolutions on March 26, 2008 which had a negative impact on the Budget of approximately \$217K. The amended budget would also include the Point Hudson cost center name change, where applicable.

A brief discussion followed.

Commissioner Collins moved to approve revising the 2008 Operating Budget. Motion carried by unanimous vote.

B. Lease for Hanson of Port Townsend, Inc.:

Mr. Pivarnik advised that Chris Hansen was now ready to open the retail dive shop and had asked for a five year lease with one five year option to renew.

A brief discussion followed which included that the building was one that would need significant renovation at some point and so a special clause needed to be added to the lease regarding that when that point was reached, it would be necessary for the tenants to vacate and that the Port would not cover lost income. Also discussed was the lease rate escalation and CPI adjustments schedules.

Commissioner Collins moved to approve the five year lease with one five year option to Hanson of Port Townsend at Point Hudson for \$268.58 a month plus Leasehold Tax Motion carried by unanimous vote

C. Approval of Warrants

Warrant #39469 through #39498 in the amount of \$37,854.51 for Payroll

Warrant #39499 through #39505 in the amount of \$54,700.27 for Payroll Benefits and Accounts Payable

Warrant #39506 through #39571 in the amount of \$103,268.56 for Accounts Payable

Commissioner Thompson moved to approve the warrants. Motion carried by unanimous vote.

VII. STAFF COMMENTS:

Mr. Harris advised that as the Cascadia Planning Services contract did not specifically state how compensation was going to be determined and paid, he suggested that it should include the hourly rate and what fees would be paid if the contact was terminated early.

After a short discussion, Mr. Pivarnik stated that he would ask Cascadia to develop another summary sheet in which an hourly rate would be listed.

Mr. Taylor stated that Staff proposed to have NW Managing Consulting (the company being looked at to do the organization and salary compensation survey this summer and fall) attend the June 11, 2008 workshop to speak to the Commission.

Mr. Pivarnik informed that the Quilcene restrooms were now working and that a final inspection by Jefferson County was due on June 2, 2008.

Additionally, Mr. Pivarnik informed that the County had required the Port to hydro seed the entire hillside, which was now scheduled (after a few postponements) to take place May 31, 2008.

A short discussion followed regarding the Quilcene project.

Mr. Pivarnik stated that negotiations with the PUD to develop a contract to monitor the Quilcene Water System (take the water samples, reporting and reports) was almost complete and he hoped to have the contract ready to present to the Commission at the June 11, 2008 meeting.

Mr. Crockett informed regarding a recent situation involving a Canadian boater who had been sited (he had been given a letter of warning advising that there would be a \$5K fine if there was a second situation) by the Homeland Security Department. Mr. Crockett provided additional information on the topic.

A brief discussion followed.

Mr. Crockett informed that he would attend the first meeting of the RCO Committee (which distributes grant monies and establishes voting policy for the State) in Olympia on May 29, 2008.

He informed that he had attended the first meeting of the Climate Action Committee which would be studying greenhouse gases and the carbon footprint of Jefferson County.

Lastly, Mr. Crockett informed that June 3, 2008 was the first of the individual Strategic Planning Stakeholder sessions.
A brief discussion followed.
Mr. Crockett asked for an Executive Session regarding a Personnel issue.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS:

Commissioner Collins informed regarding the meeting he had attended last week in which planning for a Ferry Summit Meeting planned for sometime this Fall. He advised that the plan was to try to get input and support for initiatives to provide passenger ferry service both when the Hood Canal Bridge is out of service during 2009 and also for beyond that time.

Commissioner Beck reminded that the State had held many public meetings about three years ago to seek options for what to do when the bridge was being repaired.
Commissioner Beck requested an Executive Session regarding a real estate topic, no action.

Commissioner Thompson informed regarding a Chamber of Commerce meeting he had attended in Chimacum at which the presenter spoke to the security issues regarding computers.

XI. NEXT MEETING: will be held Wednesday, June 11, 2008 at 1:00 PM, Workshop at 9:30 AM, in the Port Commission Chambers, 375 Hudson Street, Port Townsend.

XII. EXECUTIVE SESSION:

The regular meeting recessed at 8:26 PM into Executive Session, which began at 8:37 PM for a discussion regarding a real estate matter with no expected action and a personnel issue with possible action, for twenty minutes.

XIII. ADJOURNMENT:

The regular meeting reconvened at 8:57 PM.

Commissioner Thompson moved to terminate the Director of Marine Facilities position now held by Kenneth Radon and to terminate Mr. Radon's employment effective April 30, 2008, for the best interest of the Port. This constitutes termination of Mr. Radon's employment under his employment contract entitling him to receive an additional six months of compensation and medical coverage and to be paid all of his unused vacation and 50% of eligible sick leave up through the date of his termination. The motion carried by unanimous vote.

The meeting adjourned at 8:59 PM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, President

John N. Collins, Secretary

Herbert F. Beck, Vice President