

## PORT COMMISSION MEETING – October 22, 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 amended to reflect the addition of Item D – Point Hudson Marina Charter Moorage Review/Update to Old Business and Item D - Sail Loft Roof Contract was added to New Business.

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

### III. CONSENT AGENDA

A. Approval of Minutes – October 8, 2008

**Commissioner Thompson moved to approve the Consent Agenda, as presented. Motion carried by unanimous vote.**

### IV. PUBLIC COMMENTS (Not related to agenda):

Port Townsend Chamber of Commerce Director, Rod Davis, introduced himself and provided information regarding his background and experience. He informed that he envisioned the Chamber collaborating with the Port in the future and hoped that the Chamber would bring progress to the Port, the City of Port Townsend and Jefferson County.

### V. OLD BUSINESS:

A. Presentation of Draft 2009 Operating Budget:

Mr. Taylor informed on the budget process so far, talked about the document format, provided historical revenue and expense data and advised that the scheduled date for the Public Hearing for the 2009 Budget was November 12, 2008. He informed that the overall Budget was \$6,377,160 (a reduction of \$204K from 2008) with operating expenses, including Cost of Goods Sold estimated at \$5,320,000 (a \$295K reduction from 2008) and that the total estimated operating revenues were estimated at \$5,358,000 (a 4% reduction from 2008) for a Net Income of \$223,250.

The assumptions used in preparation of the proposed Budget, he informed, were those talked about during the many prior Commission meetings and workshops. The highlights were: the JCIA Fuel Operation would be leased out to a private operator, that all proposed rate changes reflect the 5% CPI, and that all of the new revenue generated from permanent moorage would be directed into the Boat Haven Renovation Reserve Fund which would, at the of year 2008, have a balance of \$303,180 and would, after the proposed transfers in 2009 have a balance of \$720,700. The full property tax levy with 1% increase was included into the proposed budget along with new construction. He advised that the millage rate per \$1K of assessed value would drop slightly in 2009 from 17 cents to 16 ½ cents. Staff costs were proposed to be reduced by \$42K and the Operations Manager position would not be re-filled. Operating supplies were budgeted at the same amount as 2008 with no proposed increase. There was proposed to be a 60% decrease in Legal and Auditing services in 2009, in part, because no State Audit was planned. Travel and Training were reduced by 12.5%, insurance reduced by 4% and advertising costs by 10%. Utilities expenses were proposed to increase by 6%.

A discussion followed which included the budget line item for the Boat Haven Renovation Reserve, the A/B Dock Citizens Advisory Committee progress on the A/B Dock Design, types of bond financing potentially available on for the proposed project and other proposed 2009 budget details.

B. Capital Budget Update:

Mr. Crockett provided background on the topic, advising that the Capital Budget had, historically, been adopted in after completion of the Operating Budget. He reminded that the Capital Budget included all Port Capital Projects both “in progress” or proposed for the future.

Mr. Taylor advised that due to the Strategic Planning process, a 2008 Capital Budget had not been adopted and so he had brought forward the 2007 Capital Budget amending it to reflect the years 2007 – 2008. The Capital Budget listed projects envisioned two years ago and he had updated it to reflect those projects completed and other changes resulting in a projected total of \$16 million in projects. Discussion followed regarding the listed projects, whether or not it would be of benefit to have the Strategic Planning Citizens Advisory Committee review it and that flexibility was needed to allow the Port to take advantage of spontaneous events. Commission agreement was that the Capital Budget would be reviewed in March 2009.

C. Strategic Plan Update:

Mr. Pivarnik provided an update on the recent Strategic Plan Citizens Advisory Committee meeting and advised that all members had participated in the development of twenty-two values. Gary Rossow had been tasked with re-writing his draft of the Port Mission Statement after Committee review. The next scheduled Committee meeting, Mr. Pivarnik informed, was November 19. Discussion followed about the process so far and the meeting in particular.

D. Review Charter Business Activities at Point Hudson Marina:

Commissioner Thompson asked for an update and review of the Port Hudson Marina Charter Business activity concerning the Charter Activity Policy adopted by the Commission in July 2008. Discussion followed regarding the best way to acquire information from the charter businesses with agreement that letters would be sent to each of the Charter Businesses asking for input and inquiring how their first year had been.

VI. NEW BUSINESS:

A. Second November Commission Meeting .

Mr. Crockett reminded that the second Commission meeting in November was currently scheduled for November 26, the night before the Thanksgiving holiday and asked if the Commission recommended another time/day to hold the meeting.

Commissioner Beck stated that he did not want to have a meeting the night before Thanksgiving because doing so made it too difficult for the public to attend.

After a short discussion, it was agreed to move the second November meeting to 6:30 PM on Tuesday, November 25.

Commissioner Collins advised that he would be comfortable with adding a second, evening, meeting to the one held on November 12 and which would include another or continuation of the 2009 Proposed Budget Public Hearing.

Commission agreement was to have the regularly scheduled Commission meeting at its regular time of 1:00 PM on Wednesday, November 12, 2008 (along with the Public Hearing on the 2009 Proposed Budget) and to continue the Hearing at 6:30 PM on the same day to ensure that all interested parties could attend and offer comments.

Mr. Taylor asked if the 2009 Budget would be adopted the evening of November 12. The Commission agreed that there would be no action or decisions on the 2009 Budget until the November 25, 2008 meeting.

B. Annual Marina Committee Meeting

Mr. Crockett reminded he was the Chair of the Marina Committee for W.P.P.A. (Washington Public Ports Association) and that once yearly it met with the private marinas around the state to review legislative issues and listen to an update on the industry. He informed regarding the meeting he had recently attended with an overview of discussions and presentations. One topic, that of E-10 (gasoline with the addition of 10% blended ethanol) was pressing and advised that it had been used on the East Coast for some time, Oregon had just recently mandated its use and Washington State would probably be the last state to issue a usage mandate but advised that it was in the future. He informed regarding the various engine and gas tank problems that needed to be overcome when E-10 was used.

C. Approval of Warrants:

Warrant #040557 through #040585 in the amount of \$39,817.43 for Payroll.  
Warrant #040586 through #040590 in the amount of \$18,240.66 for Payroll Benefits.  
Warrant #040591 through #040654 in the amount of \$133,169.97 for Accounts Payable.

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

D. Sail Loft Roof:

Mr. Pivarnik provided background, both historical and current, and advised that after searching for a year, a company had been located who was willing to attempt to replace the Sail Loft building roof. The bid from Cloise & Mike Construction, Inc., located in Port Orchard, was in the amount of \$75,689 plus tax; however, as there might be yet unforeseen issues, he recommended that the Commission approved an amount up to \$85,000.

**Commissioner Thompson moved to direct Staff to proceed with a contract with Cloise & Mike Construction, Inc., for replacement of the Sail Loft building roof in an amount not to exceed \$85,000 including W.S.S.T.  
Motion carried by unanimous vote.**

A brief discussion about the proposed project followed

VII. STAFF COMMENTS:

Mr. Pivarnik updated on the Quilcene Dredging process advising that it was more difficult than first anticipated. He gave particulars on the proposed project and stated that the result would be a twenty-five foot wide channel only (due to factors determined by the Department of Fish and Wildlife) and that the resulting “fix” would be for seven to ten years due to ongoing sand migration into the channel. The total proposed project, if the permits were obtained, was approximately \$200K.

A discussion followed regarding the proposed project, whether or not it should be pursued and the affect on the Quilcene community (and particularly the Quilcene marina) if it was not. Staff recommendation was to proceed with the proposed project to attempt to obtain the necessary permitting for the dredging.

Mr. Pivarnik advised that a meeting had been scheduled with the FAA to start the close out of the JCIA Airport project on Wednesday, October 29, 2008.

He stated that although he had tried to schedule a pre-dredge meeting (for the Point Hudson Marina) with the Army Corps of Engineers for the same day he had been unable to do so and therefore a meeting had been scheduled with them, and other participants, for Thursday, October 30. He stated that Tike Hillman had been hired to act as Project Manager for the Point Hudson Marina dredging project.

Lastly, he advised that the A/B Dock Committee was just about finished with their concept and that he planned to take the finished drawing along with Mr. Hillman and Steve Tucker to Seattle to meet with PND and give them the C.A.D. drawings so that they could then proceed with the engineering of the proposed A/B Dock project.

Discussion followed regarding the A/B Dock Committee’s concept.

Mr. Crockett briefed the Commission regarding the Round Table meeting he had attended concerning the May 2009 Hood Canal Bridge closure.

Mr. Crockett touched on the copper paint issue and stated that he had talked to some of the Marine Trades regarding the topic advising that he thought it was something the Port should address and research. He suggested various ways in which to go about the task and suggested that the topic should have ongoing discussion regarding ways in which to mitigate the copper paint issue in the Boat and Ship Yards.

Lastly, Mr. Crockett providing a short briefing on the Marina Committee meeting he had attended with both the Moorage Supervisors and informed that the Port was going to pursue obtaining the Enviro Star Clean Marina designation for both marinas.

Commissioner Collins inquired when the Port’s staff position survey would be completed. Mr. Taylor informed that it was hoped to have the study completed by Thanksgiving.

Mr. Crockett informed that the Port Security had discovered a robbery in progress at J & S Custom Manufacturing and advised that the Marine Trades businesses should make certain that their doors were locked at close of business. He advised that they might want to investigate additional security measures as well.

VIII. PUBLIC COMMENTS:

Karen Sullivan thanked the Commission for adding an evening Public Hearing on the proposed 2009 Operating Budget advising that it would allow more citizens to attend and offer comment.

Les Schnick asked if the Port Security had a listing of Marina Trades tenants and suggested that if they did not that one should be made available to them.

He was informed that Security did have a tenant list as well as contact phone numbers. Mr. Schnick informed that there were a number of people involved in the Marine Trades that had expressed interest in helping to staff the Port booth at the Pacific Marine Expo held in November.

Discussion about the booth staffing followed.

He thanked Mr. Crockett for bringing up the copper paint issue and informed that he was going to do something on his own boat and planned to keep detailed records and information regarding it. He advised that he also believed that getting out in front of the upcoming regulatory issues was certainly necessary.

A short discussion about that issue and ways in which to document a test project results and obtaining industry criteria for evaluating copper free paints.

Lastly, Mr. Schick explained that he did not think he had a good explanation to take back to the Marine Trades regarding why the Port used the Consumer Price Index (CPI) approach to across the board rate increases. He advised that, in his opinion, the CPI was not applicable because #1: we were not discussing the cost of food and so on in an urban area and #2 it did not relate to the running of a marina.

Karen Sullivan advised that the Moorage Tenants had a similar problem with the Port using the CPI index.

Commissioner Thompson informed that perhaps a different terminology could be used and thanked Ms. Sullivan and Mr. Schnick for their comments.

IX. COMMISSIONER COMMENTS:

Commissioner Collins inquired of Ms. Sullivan if the Moorage Tenants had discussed the Seaworthiness Policy that had been raised at an earlier Commission meeting.

Ms. Sullivan responded that there had been discussion.

Commissioner Collins inquired of the other two Commissioners if either of them had been, or were planning to, attend any of the ongoing Washington State Ferry meetings and if not, he would be willing to attend in order to keep informed regarding proposals and possible solutions.

X. NEXT MEETING: Next Meeting will be held Wednesday, November 12, 2008 at 1:00 PM, (Workshop at 9:30 AM) the Public Hearing on the 2009 Proposed Budget at 1:00 PM. There will be a continuation of the Public Hearing at 6:30 PM in the Port Commission Chambers, 375 Hudson Street, Port Townsend, and WA

XI. EXECUTIVE SESSION:

The regular meeting recessed into Executive Session at 9:11 PM, which began at 9:19 PM, for discussion of one Real Estate issue, duration of ten minutes and with no expected action.

XII. ADJOURNMENT:

The regular meeting reconvened at 9:29 PM and adjourned at 9:30 PM, there being no further business to come before the Commission.

ATTEST:

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David H. Thompson, President

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John N. Collins, Secretary

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Herbert F. Beck, Vice President