

PORT COMMISSION MEETING – March 12, 2008

The Port of Port Townsend Commission met in regular session in the Marina Room, 110 Hudson St, Port Townsend, WA

Present: Commissioners – Thompson, Beck, Collins
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 AGENDA:

Item F – Quilcene Rental Agreement with Penn Cove Shellfish was added to Old Business.
Commissioner Thompson moved to approve the Agenda, as amended. Motion carried by unanimous vote.

III. CONSENT AGENDA

- A. Approval of Minutes – February 28, 2008
- B. Operations Reports – February, 2008
The February 28, 2008 minutes amended to reflect a terminology change on page 7, under item IV. A. The motion that was acted upon should reflect that Commissioner Collins *recused* himself from the vote, not *abstained* as written.
Commissioner Thompson moved to approve the Consent Agenda, as corrected. Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

A. Proposed Changes for 2008 Permanent Moorage & Other Operating Rates:

Commissioner Thompson informed that over the course of the last few meetings, he had listened to input concerning the rates and had decided to move to increase the permanent moorage and other operating rates by the rate of inflation of 4% which is displayed as Option #2.

Kathy Graves stated that it seemed, in her opinion, that the Commission had listened to all the public testimony and had decided to go ahead and do what it wanted to do anyway at this time.

Commissioner Thompson reflected that he had several months ago moved to implement Option #4 which would have continued with the rate structure put into effect for 2005 – 2007, and that he had since that time modified his opinion to Option #2 which only adjusted the rates by the 4%.

Commissioner Beck stated that he supported Commissioner Thompson.

A Citizen stated that testimony had been heard and in looking at, in his opinion, the excess operating revenues and financial services and asked why the Commission felt it was necessary to raise the rates.

Commissioner Thompson advised that Port expenses were not going to go down, all expenses were expected to increase by even more than the rate of inflation. He advised that there were cost centers that were not going to be able to recoup all of their costs. He expected that repair and maintenance of the various Port facilities would continue to rise.

The same Citizen inquired as to why there had been no efforts on the Port's part to cut costs instead of raising the rates. He suggested that cutting costs should first be addressed.

Commissioner Thompson responded that he believed there was a need to address those issues also, but that it was not just one subject, but, rather, an entire subject that covered the entire Port.

Commissioner Beck offered that the cost of Port Security had increased because of the addition of two full time security staff, and that those staff additions had been as a result of direct requests for added security by moorage and other patrons.

Mr. Crockett informed that the Commission had approved, for the 2008 Budget, an Environmental staff position and that it had been decided to not fill that position. He also informed that hiring the additional staff member approved for the Finance Department had been delayed.

Commissioner Thompson reminded of the Port's debt issues.

A Citizen remarked that there was the debt issue, but that there appeared, at this point, that there was a lot of operating cash, which, in his opinion, appeared to be a kind of "float fund". He stated that he understood that costs continued to rise, but advised, that in his opinion, the Port should be able to operate from that "float fund" until it reached a dangerous position and at that time it either could look at raising rates or decreased spending. He advised that in his opinion, cutting costs was most important. He thought that by raising the rates by 4% other businesses within Port Townsend would raise their rates.

Commissioner Thompson reminded that there remained the issue of A/B Dock and even though the large-scale replacement had been put on "hold" that the Port was going to still pursue a procedure by which to upgrade the A/B Dock, either by incremental replacement or repairs.

Commissioner Beck advised that A/B dock had to be taken care of and that any surplus cash the Port may have could be used immediately if something happened to that dock; A/B dock, he informed was his top agenda items, therefore, he stated, he was in agreement with Commissioner Thompson.

Commissioner Thompson advised that it was unclear at present what to do with the A/B dock. He stated that he was in favor of continuing the Citizens Advisory Committee to advise the Port on how best to proceed.

Karen Sullivan stated that after looking at the Capital Improvement Project list she noticed that there were 29 items listed and that 18 of those items were direct development projects. She inquired as to the allocation of revenues for those kinds of things. She referenced US Code, Title 23, Section 129. She asked for reconsideration of those projects and that the Port first fulfill obligations to the Boat Haven Moorage tenants before using the funds collected from them to acquire and develop other potentially unrelated areas. She stressed the perception of fairness and suggested that the Commission freeze the rates until there was a consensus on everyone's part that the public process had actually been fair and open. She additionally offered her perception that the Commission had not been listening to the public input.

Commissioner Thompson responded that he had been listening and he believed that the other Commissioners had also been listening. His decision, he advised, was based on keeping the Port moving in the correct direction and focusing on repairing A/B Dock.

Karen Sullivan stated that was understood but inquired as to the Capital Projects lists and about the cost of Hudson Point.

Mr. Crockett informed on the process for obtaining the bond issue for Hudson Point. Regarding the Capital Projects list, he informed that the majority of the projects have had no action on them at all. He informed that, basically, it was a list of Capital Projects that, at some point, the Port would like to address and do, but that it did not mean that money was being spent on them. He advised that the cost of A/B Dock would be between \$8 to \$12 million. Additionally, he informed on other projects that were part of the Port's mandate, one of which was providing public access to the water and that the Larry Scott Public trail had cost a large amount of money to build but that it did not bring in one cent of revenue.

Mr. Crockett informed that for the past three years revenues generated by moorage rates increases over the inflation factor had gone into a separate Boat Haven Renovation Reserve Fund for future improvements.

Karen Sullivan stated that what she was hearing from the tenants was that they did not fully understand the process and, in her opinion, had not been consulted or listened to enough and therefore the perception of fairness was missing. She stated her fear that the people who made up the Port Townsend maritime community and the things that made up the community were at risk.

Mr. Crockett reminded that Title 21 also stated that the Port had to be open to all on a fair and equal basis and therefore it could not just concentrate on the local population.

Dr. Bertram Levy stated that the case had been made that a 4% increase was not going to change the Port's ability to replace the A/B docks. He advised that he had tried to clarify to the Port that it was financially sound and that there was, in his opinion, excess cash to handle an emergency. He asked for a gesture on the Port's part of holding the rates firm for this year and not to increase them even by the 4% and advised that the moorage tenants had tried to move the process to a different level wherein the Port was not their adversary but rather part of the whole community. He stated that he did appreciate that an effort had been made to keep the rate increase just to 4%, however, the rumors in the community were that there were other reasons, for instance, a real estate venture that the Port was about to undertake that necessitated the rate increase. He stated that those rumors based on the real estate discussion during the executive session were causing mistrust. He asked that the rate increase be put on hold, work on the strategic plan and then, next year, tenants and the Port would work together. He advised that this was the first plan "try to work with the Commission". Plan B was to look for a different process for scrutiny and for outside consultation because, he stated, the moorage tenants were very serious as it was important to them to keep access to the waterfront.

Chris Grace stated that he agreed with Dr. Levy about the intention of working with the Port but that perceptions were very important. He said that he was encouraged about the setting up of the reserve account but reminded of years past when funds were collected and were not put into A/B dock or the Boat Haven but were used to support other things. He questioned Port priorities and asked why the Administration Office was put ahead of such a fundamental thing as maintaining A/B dock, and also because it took that building off a list of possibly generating rental income. He stated that the public perception was that during meetings there was a lot of good intentions and then after the meeting it was "business as usual".

Commissioner Collins stated that he had heard and appreciated all of the thoughts expressed during this and previous meetings and at the forum, he believed that the Commission had tried to listen and that by abandoning the continued rate increase which was proposed and then rejected by the previous Commission when it was put on hold, was a response to hearing everyone's viewpoint. He stated, in his opinion, it was clear that there was still not a good understanding about the finances of the Port and that it did need to be more transparent to regain the sense of public trust, which was so important. After looking at the rates that have increased over the last couple of years he was not comfortable with the level that the Port was at. He stated that one of the drivers for the rate increases in the past had been in relation to what was perceived to be market and not to what was perceived to be the cost of providing that service here. He advised that he was in favor of pegging our rates more to what it cost to produce the service rather than by a market comparison study. He stated that, therefore, he was opposed to the motion as stated and advised that keeping the rates where they are this year was an appropriate move given the rate increases over the past several years, and while we examine more closely what is a fair, base rate and as we look to a strategic planning process to see what our priorities are.

Commissioner Thompson responded that, previously, we have used the comparison to the market rate. He referred to his motion made last fall to continue the progressive rate structure that we had used in previous years, and which was based partly on the idea that we were going to contract with Paul Sorensen to provide us with a survey that would help us set rates, and that his motion to that effect had been overruled. He stated he had now reduced his idea to that of a straight 4% and one of the reasons for doing that was that in the past we had gone for periods without any increase in rates and at the end of those periods the rates had to be raised substantially. He wanted to avoid that problem in the future.

Mr. Crockett stated that at the time Commissioner Thompson's motion had been overruled last fall, we were still moving ahead with the A/B Dock project, part of which was to develop what the costs of replacement were going to be. As an industry, he advised, that most Ports were trying to get to a cost recovery model, but also money should be put away on a regular basis and that is also part of the true costs and all of that should go into formulating what the appropriate moorage rate was.

Mr. Harris reminded that another factor to remember was that 12.4% of the revenues that the Port receives now come from taxes against all of the people of Jefferson County, and that all property owners within Jefferson County are taxed by the Port District. He advised of the meetings he had attended, for instance, in Port Ludlow where he was asked by citizens present why am I paying taxes to support the Port when I don't own a boat, or don't have my boat moored there or own an airplane, why aren't you charging the people who use the facility to make them pay for what they are getting. He advised that that was a dynamic that had to be dealt with during every budget process.

Further discussion followed.

Don Havilland stated that he had listened to all of the discussions, read the budgets and the minutes on the website and his perception that the Boat Haven generates something in the order of ½ million dollars a year in net revenues for the Port budget. He stated that he would like to plant a seed today for when the discussions move forward that we get to a more equitable position in terms of how you fund the port budget and do not keep going back to the well that is Boat Haven moorage rates because it was very frustrating.

Commissioner Thompson reminded that he had only been on the Commission for two years but that during that time a heavy storm had torn out much of the Marina in Quilcene and a couple of months after that the septic drainfield in Quilcene had failed. He stated that the Jefferson County Health Department had advised that the absence of restroom and shower facilities in South County had severely affected the citizens living there.

Further discussion followed regarding maintaining cash reserves for emergency purposes.

Commissioner Beck spoke to the advantages of maintaining the Ports bond rating if future bond issues were necessary to replace/repair A /B docks, which in his opinion, was a top priority.

David Tarr stated that the moorage tenants were not happy with the direction things were going and wanted a change and that these items should be addressed during the strategic planning and advised that the rates should not be raised until that process was completed

Dr. Levy inquired if there was a real estate expenditure that was going to be embarked on which would take some of the capital funds away?

Commissioner Thompson responded that he was not in a position to determine whether there was or not and was not at liberty to answer that question.

A Citizen asked if there had been appraisers on the Port's behalf in Port Hadlock. Karen Sullivan responded that this was the sort of thing that disappointed the moorage tenants.

Commissioner Thompson responded that he was trying to do the best that he could, personally and that she could be disappointed if she wished but that he was going to continue to do the best that I can in his position.

Dr. Levy stated that they did not wish to put Commissioner Thompson on the spot.

Commissioner Thompson explained that they were putting him on the spot!

Commissioner Collins informed that he did not see any connection, that he was aware of, between any real estate actions and the rate structure currently being discussed.

Further discussion followed.

Commissioner Collins made a motion to postpone voting on the motion on the table to increase moorage and other operating rates until the March 26, 2008 meeting.

That motion failed by a vote of one yes vote cast by Commissioner Collins and two no votes.

Commissioner Thompson refreshed the original motion to increase the permanent moorage and other operating rates by 4%.

The motion carried by a vote of two yes votes and one no vote cast by Commissioner Collins.

Commissioner Beck moved to direct Staff to set up a resolution to direct that \$250,000 be put into the existing Boat Haven Renovation Reserve Fund.

Discussion followed if a resolution was necessary and that the proposed \$250,000 would include the already established \$80,000 so that it would be an increase of \$170,000.

Staff stated that the actual Resolutions for both of these actions will be brought to the next Commission meeting for adoption and signatures.

Motion carried by unanimous vote.

The meeting recessed at 2:05 PM and reconvened at 2:15 PM.

B Aero Museum Lease:

Mr. Crockett stated that at the last meeting, we had a lengthy discussion about this and essentially the Commission moved to defer further discussion until this meeting. Commissioner Thompson informed that he had been in contact with the FAA, and had spoken with Mary Vargas and that she had been clear that the Port had to charge full market rate for the footprint of the buildings. She stated also that if the parking lot was dedicated to Mr. Thuotte's lease then that charge would also be full market rate. Other than that, he said, Mr. Thuotte, per the FAA, had to comply with whatever the other FBOs pay. If the adjacent land adjoining the two buildings and the Aero Museum was designated public access, then the rate charged would not be as much for that land.

Mr. Crockett advised that as the Commission had an idea of how they wanted to handle the Aero Museum lease, that, perhaps, that topic should be resolved before moving forward with the stormwater and septic issues.

Mr. Thuotte hastened to state that he would not sign a lease until there was agreement on all the other contingencies.

Mr. Pivarnik informed that he needed to see the calculations, as given to Jefferson County, before he could determine the amount that Mr. Thuotte would have to pay for the impervious surface fee. He advised that Jefferson County counted gravel roads as impervious surface along with paved roads. Mr. Pivarnik advised that he had not yet seen the stormwater calculations for the permit, and when he has those calculations he would allocate the cost the same as he had for the other developers at the airport.

Mr. Thuotte, at Commissioner Collins' urging, stayed at the meeting but stated that the more everyone talked, the worse the situation became for him. He stated that he was willing to take the mandate set by the FAA and was willing pay full rate on the parking but that he had hoped to receive some help on the \$25,000 stormwater retention pond fee and also on the septic fees.

Discussion followed regarding the drawings submitted and the square footage listed and that an Engineer stamp on the drawings was required.

Mr. Thuotte stated that the Commission had first approved a half rate on the buildings and no charge on the parking lots.

Mr. Crockett responded that such an arrangement would have been illegal.

Mr. Thuotte expressed continued frustration at the direction the discussion was headed.

Mr. Pivarnik informed that if Mr. Thuotte built out the parking lot, he would have 15,000 square feet of impervious surface.

A lengthy discussion developed regarding the other developers at the airport, the costs they were charged, the FAA project, history of some of the issues, and how best to resolve Mr. Thuotte's situation.

C. Resolution Regarding Naming of Facilities:

Mr. Crockett reminded that at the February 28, 2008 meeting, Commissioner Collins presented a draft resolution which he had prepared that would provide procedures to be followed should the name of a Port facility be changed. Mr. Crockett stated that it was essentially the procedure used for the renaming of the facility at Hudson Point. Although an official public hearing was not held, public comments had been heard. He advised that the proposed resolution was a way in which to codify the entire procedure.

Commissioner Collins stated that his original idea was to codify it so that if the same situation were faced in the future we would have standard procedures in place. He affirmed that he would like to use it, should the resolution pass, to examine the Hudson Point/Point Hudson name in the future.

He inquired if a public hearing had been held when the Herb Beck Marina name was changed.

Mr. Crockett informed that it had been done in public session but not through a formal public hearing.

Commissioner Collins stated that what he was attempting was to formalize the fact that names of major community facilities were endowed with a community ownership, the name, not the property, became part of the community fabric. Perhaps the community liked the name and perhaps it did not, but he wanted to assure that it was all being done in a wholly transparent, community-based fashion.

Commissioner Thompson asked for a vote on the motion put forward by Commissioner Collins at the February 28, 2008 meeting and which had been postponed until this meeting, regarding:

A Resolution Establishing Procedures for Renaming Properties and Facilities Owned by the Port of Port Townsend. Motion carried by a unanimous vote.

Staff stated that the actual Resolution will be brought to the next Commission meeting for adoption and signatures.

D. Single Attendants' Quarters (Nurses' Quarters) Bids:

Mr. Crockett provided background and reminded that the Commission had directed staff to go out for bids to determine what the cost would be to rehab the Nurse's Quarters building. He advised that the formal bid opening had been held on March 6, 2008 and that there were three bidders: Cherry Street, Aldergrove and Hoch Construction. Hoch was the low bidder at \$260,985. Staff had pursued due diligence on Hoch (located in Port Angeles) to verify their qualifications and references. Mr. Crockett advised that Hoch had restored the old library building in Port Angeles and had received awards and praise for the project and that they had also worked on the Old Bell Tower renovation in Port Townsend.

Commissioner Beck stated that he had done a great deal of thinking about the proposed project and said that he did not feel that we should go forward with it, and suggested closing up the building with windows, paint the exterior and be done with it for now.

Mr. Crockett informed that to stabilize the building to keep it from degrading further, with weather-stripping, exterior paint, windows and those sorts of things the cost would be approximately \$100K.

Commissioner Collins inquired as to the major pieces of work included in the proposal.

Mr. Pivarnik explained that first, in a project such as this one, everything had to be brought up to City code. Bringing it to code meant going in and doing structural upgrades, earthquake clips and stabilization of the interior walls. He advised that the quote included those types of things plus exterior paint, new windows and new doors. He informed that no electrical work would be done, as that would be left to the tenants. At first, he explained, no interior work was planned, but in order to achieve shear wall strength the interior walls would be dry walled over the plaster.

He advised there would be creosote abatement in the floors. The asbestos issues had already been resolved.

A general conversation about the building and the proposed project took place.

The goal, stated Mr. Pivarnik, was that the space would pay for itself and that no moorage revenues would be used to pay for the rehab. It was anticipated that the monthly rent would pay for the debt service on the building.

Mr. Pivarnik reminded that the electricity, and bringing the building to code for electricity would fall to the tenant. They would also have to complete the plumbing, and the interior work.

Commissioner Beck cautioned that he could foresee the \$325,000 escalating to \$450,000. He was also concerned that the Port did not yet have a signed commitment (lease) from the prospective tenants.

Mr. Pivarnik responded that until the bid opening, actual numbers were unavailable on which to establish a rental price. He informed that a meeting with the prospective tenants was planned for Thursday, March 13th along with the architect. To recover the costs, he stated, he calculated the monthly lease would be between \$2,200 and \$2,400 plus L.E.T.

Further discussion followed regarding what would happen if at some point in the future the tenant defaulted.

Mr. Harris suggested that the prospective tenant would be required to provide a performance bond up front to make sure that they complete their portion of the building renovation in the event they went bankrupt or stopped work on the project.

Mr. Pivarnik informed that if the Commission was not comfortable with the restaurant concept, that the building could be converted to offices and that offices usually generated more revenue than did a restaurant as a whole, but reminded that 75% of those offices had to be marine related as required by the City Shoreline program. He reminded also that industrial use was not permitted under the Shoreline Code.

Commissioner Beck reiterated, strongly, that he wanted to see a signed lease first.

Mr. Pivarnik informed that no action from the Commission was required at present.

E. Engineering Supplement:

Mr. Pivarnik informed that he had spent time with the FAA to begin the close out of the construction grant at the airport. The actual close-out, he advised was still at least ninety days away. The supplements as provided in the Commission packet were required by Reid Middleton based on certain criteria, which had been approved by the FAA, and were awaiting Commission approval. Mr. Pivarnik explained the process and what made up the supplements.

A short discussion followed.

Commissioner Collins moved to approve the Engineering Supplements to the Reid Middleton Engineering Contract totaling \$126,672.22 for the Jefferson County International Airport project. Motion carried by unanimous vote.

F. Quilcene Rental Agreement – Penn Cove Shellfish

Mr. Pivarnik reminded that the topic had been presented previously and that the Commission had requested more information. He informed that a meeting between him, Commissioner Beck, Mr. Radon, and the general manager of Penn Cove had taken place on Tuesday, March 11. They had met on the proposed site in Quilcene. Penn Cove had originally wanted to rent 9,000 sq. ft, but after discussion, they all settled on 6,000 sq. feet, which would allow ample room for trailer turn around when the area was used for the various fishing activities held during the year. Mr. Pivarnik remarked that Penn Cove was very accommodating and basically said they would do whatever was necessary, fencing the area, etc, because they needed the storage. Mr. Pivarnik advised that the rate for bare ground was 5 cents a foot resulting in a monthly (month-to-month) rate of \$300 plus the L.E.T.

A short discussion followed regarding the merits of renting the space to Penn Cove.

Commissioner Collins moved to approve the month-to-month lease with Penn Cove Shellfish for \$300 a month plus L.E.T. Motion carried by unanimous vote.

VI. NEW BUSINESS:

A. Public Relations Contract for the Port:

Mr. Pivarnik advised that in an effort to communicate better with the public, Staff had contacted several Public Relations Firms for proposals, including Shelly Randall of Story Services. Ms. Randall expressed interest in talking with Staff and the subsequent meeting went very well. Ms. Randall had provided many examples of her work and he thought that she would make a good fit. A seasonal newsletter was envisioned with the suggestion that the issue published in late fall/winter would include information about the Port Budget.

Commissioner Thompson suggested that staff might want to contact Bill Dunaway. Commissioner Thompson believed that Mr. Dunaway would have the expertise needed to carry forward the project.

Mr. Pivarnik responded that he would contact Mr. Dunaway and arrange a meeting so that staff could see examples of his work.

A lengthy discussion followed regarding what kind of product was envisioned, how the Port Staff had tried to prepare a newsletter “in house” which had not worked well and that the firm hired needed to be able to put the Port’s message out to the public in a way that was easily understood.

Mr. Pivarnik informed that Staff had realized that Ms. Randall would need input to help her develop the newsletters and so the concept of an Advisory Committee (made up of four or five citizens from the County and City) was thought to be beneficial. Staff recommended Commissioner Collins to chair that Committee.

Discussion followed that the newsletter would include the airport, Quilcene, and boat ramps, as well as Port Townsend and that it would be for this calendar year.

Commissioner Beck moved to authorize the Executive Director to sign the contract with Story Services in an amount up to \$5,000. Motion carried by unanimous vote.

B. Spruce Goose Letter:

Mr. Pivarnik provided background on the letter from the owners of the Spruce Goose Café at the airport. He advised that the letter brought up many issues that had haunted staff for a number of years. Evidently, on a busy Sunday morning, the drains at the Restaurant clogged forcing it to close. Brothers Plumbing came out, cleaned the restaurant pipes, and advised the owners that the septic tank was full. On Monday, Port Maintenance Supervisor, Larry Aase, arranged for Goodman Sanitation to pump the tank. Goodman found eight inches of grease on the top of the septic. In Mr. Pivarnik's, opinion, the Spruce Goose was not doing what should be done to keep the restaurant grease from entering into the septic system. Their lease, stated, Mr. Pivarnik, said that the tenants should keep the pipes and drains clean and in good working order. He advised that most of the problem stemmed, in his opinion, from the operation of a restaurant in a building that was not up to code. He reminded that when the septic tank was installed, the restaurant was not required to put in a grease trap which would have cost \$10K and the reason for that was that the restaurant owners had expressed the plan to build a new restaurant – however, that had been almost two years ago.

Commissioner Thompson commented that it seemed to be the oversight of the Port then.

A generalized discussion followed.

Mr. Pivarnik advised that the restaurant was taking no measures what so ever to solve the grease problem and it appeared that they were literally pouring grease down the drain. Additionally there was a 55-gallon drum alongside the building as required by Jefferson County Health Department for the restaurant grease to be deposited.

Commissioner Thompson suggested that a letter be written to the restaurant owners and inform them that they cannot pour the grease down the drain, that they have to contain it, that they have to deal with it and pay for it in the future.

Further discussion followed regarding the building, the need to upgrade, the terms of the lease, and the \$1200 to pump the septic tank.

Mr. Pivarnik recommended that the plumbing bill be split between the Spruce Goose and the Port using the rationale that perhaps the septic had not been pumped as often as it should have been (Mr. Pivarnik was now going to recommend having it pumped every eight months) and to then require them, if they are going to stay in the current location, to install a \$10K grease trap system for industrial usage.

Additional discussion followed regarding who else used the system, were the other users dumping grease into the system and the how the new septic required monthly monitoring by the Jefferson County Health Department, essentially because the restaurant had decided to open for dinners.

Commissioner Collins asked for Staff recommendation.

Mr. Pivarnik offered that he thought that we should split the plumbing bill with them, that the restaurant should continue to pay for the monitoring as it was a County requirement and to either collect the grease and put in into the outside barrel or install a grease trap.

Commissioner Thompson suggested that a letter be written to the Spruce Goose Café informing them that we would split the cost of the plumbing bill with them, that we would pay for the septic pump out this time but with the stipulation that if there was any more grease found in the septic that they would pay for the entire pump out; and that they either remove the grease by placing it in the containers as provided or go forward with installation of the \$10,000 grease trap system. In addition, he stated, that if there was any more grease in the system the Spruce Goose would pay for all future septic pump outs.

Commissioner Collins inquired if Staff needed a motion and the consensus was that direction had been given.

C. Approval of Warrants:

Warrant # 38945 through #38974 for \$38,134.70 for payroll

Warrant #38975 through #38985 for \$73,251.23 for payroll benefits and accounts payable

Warrant #38986 through #39050 for \$141,025.83 for accounts payable

Warrant #38704 in the amount of \$(463.22) as a void

Commissioner Thompson moved to approve the warrants as listed.

Motion carried by unanimous vote.

VII. STAFF COMMENTS:

Mr. Crockett, stated that a sub-committee of the Port Townsend City Council had been formed to investigate and formulate a plan in regards to the camping and homeless issue in Port Townsend and then to report back to the City Council as a whole. Mr. Crockett advised that the process might take several months.

Mr. Radon informed that although the February Operations report had not been reviewed, that he wanted to mention that the yard activity was picking up as was usual for this time of year. He advised that it was not to the degree that we would like, but the Yard was seeing increases. He advised that there had been a good, strong February in the Ship Yard, the numbers were high.

Additionally, he informed that the first draft of the BMP video had been presented to staff for review and although there were a few things that needed to be added or changed, on the whole it looked to be a good product. There were a few “missing” shots that Mr. Wiant hoped to complete on Friday, March 14, 2008.

Mr. Pivarnik informed that he had prepared the necessary forms for the Stormwater Grant without the aid of consultants. He stated that the Port now had a completed SEPA and that it had been published in both the Port Townsend Leader and the Peninsula Daily News. He had also completed the paperwork necessary for the Department of Archeological and Historical Preservation and had received back from those Agencies Letters of Non-Significance. All of the pre-requirements for the grant had been met.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS:

Commissioner Beck informed on the meeting he had recently attended with representatives from the Marine Trades in which a sandblasting facility (among other items) was discussed. In Commissioner Beck’s opinion, construction of a sandblast facility should be investigated

as it would make the Port more competitive and provide environmental safeguards. The meeting also brought out that finding trained skilled (especially welders) workpeople was very difficult. Commissioner Beck reminded that in years past the High School (and Olympic College) offered an Industrial Arts program but did not do so any longer. He advised that there was a real need for organizations to provide the necessary training.

Commissioner Beck introduced Les Schnick, who explained that he and Commissioner Beck had discussed with Wooden Boat School Executive Director, Bill Mahler, and that they would like support for their capital campaign fund. He explained that the School was in the process of curriculum expansion and wanted to build a metals building for instruction on fabrication and welding. He informed that the Marine Trades were in favor of such programs because there is a constant need for experienced, skilled, workpeople. Commissioner Beck suggested a letter writing campaign to the Washington State Legislature from the Commissioners and possibly inclusion of both Jefferson County and the City of Port Townsend. Mr. Schnick stated that he had a letter, which stated what the School was looking for.

Mr. Crockett suggested that as this legislative session was almost over that the campaign be directed toward the next session. He informed that the Port had participated in such programs in the past.

Commissioner Collins inquired if there was some way in which to participate in the activity in a more tangible way than letter writing, if the Port could contribute toward the facility. A discussion followed about gifting of public funds and other elements to consider.

Commissioner Collins informed that he had attended a meeting with two of Washington State Representative, Norm Dick's office staffers. The meeting was organized by a local peace group for discussion regarding protesting the amount of money spent nationally on defense and suggestions of a range of domestic needs that were not being fully funded because of the defense spending.

Commissioner Thompson requested a Commissioner only Executive Session for discussion of a personnel matter.

X. NEXT MEETING: will be held Wednesday, March 26, 2008 at 6:30 PM, in the Port Commission Chambers, 375 Hudson Street, Port Townsend.

XI. EXECUTIVE SESSION:

The regular meeting recessed at 4:07 PM into a Commissioner only Executive Session, which began at 4:15 PM for a discussion regarding a personnel matter, duration of 20 minutes, with no action expected.

XII. ADJOURNMENT:

The regular meeting reconvened at 4:33 PM and adjourned at 4:33 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