

PORT COMMISSION MEETING – March 26, 2008

The Port of Port Townsend Commission met in regular session in the Port Commission Chambers, 375 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 6:30 PM.

II. APPROVAL OF AGENDA:

Two changes were made to the agenda, the addition of: Item I – Alternative Electric Update was added to Old Business and the addition to New Business of Item B. - Hudson Point Item.

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

III. CONSENT AGENDA

- A. Approval of Minutes – March 12, 2008
- B. Resolution No. 503-08 – Establishing Procedures for Renaming Properties and Facilities Owned by the Port of Port Townsend
Resolution No. 504-08 – Revising the Year 2008 Operating Rates of the Port of Port Townsend
Resolution No. 505-08 – Revising the Budgeted Transfer of Funds to the PTBH Renovation Reserve Fund for the Year 2008
- C. Write-off Register

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

IV. PUBLIC COMMENTS (Not related to agenda):

James Mayo, a local mural artist, expressed interest in meeting with Staff and the Commission to present ideas for an exterior mural on the Port owned building (The Brewery) across from Safeway. In his opinion, a mural would enhance the building and would also be an excellent place to advertise the local community.

Mr. Pivarnik related that Mr. Mayo was an excellent mural artist (he had painted the Shoreline Marine Diesel mural, among others) and suggested that the topic be added to the next Commission Meeting Agenda for discussion.

A brief discussion followed regarding the type of mural and theme.

Gary Rossow stated that he was present on behalf of the Moorage Tenants Union and he advised that the Moorage Tenants Steering Committee had three issues for the Port to consider and to discuss with the Moorage Tenants Union, during a workshop, public forum or Commission meeting. The issues were the Port Credit System, the Moorage Incentive Program and the Waiting List policies.

Discussion followed regarding the type of discussion process Mr. Rossow had in mind.

Mr. Crockett recommended placing the topic on a workshop agenda, but also advised that it would aid in the process efficiency if Staff could first meet with the Moorage Tenants Union representatives in order to understand exactly what issues were involved before bringing it to the Workshop.

Commissioner Thompson advised that he had questions and concerns about those policies and that he would like to discuss them in a workshop setting.

Further discussion followed regarding the Moorage Tenants Union concerns and how other marinas were handling similar issues.

David Tarr inquired if the recent rate increase applied also to commercial fishing vessels, and if so, what was the rate.

Mr. Taylor informed that the active commercial fishing rate had not been changed and remained \$5.25/foot due to previous and ongoing discussion that the Commission might want the rate lowered to the rate charged at the Fisherman's Terminal in Seattle. He advised that the rate change affected permanent moorage, monthly guest moorage and airport hangars.

David Tarr stated that it appeared to him that the trailer boaters used a significant amount of Port real estate for parking as well as use of the boat ramp and wondered when the ramp fee had last been reviewed. He voiced the concern that the permanent moorage tenants were being charged a disproportionate share in the ramp upkeep and for the parking areas.

Mr. Crockett provided history regarding the ramps and the ramp fee.

Commissioner Beck advised that payment of the ramp fee was on the honor system.

Discussion regarding the ramps at Quilcene, Mat Mats, Gardiner and Port Hadlock followed.

David Tarr suggested that the Port install an island facility at the ramp which would allow ramp customers to swipe their credit cards and would lessen folks use of the ramp without paying the fee.

Karen Sullivan inquired if the ramp fee charged was similar to other ramp fees charged throughout the State.

Mr. Crockett responded in the affirmative.

Karen Sullivan suggested that the ramp fees rates should be increased on an increment basis the same as the permanent moorage rates stating that it appeared, in her opinion, to be a fairness issue.

V. OLD BUSINESS:

A. Hudson Point – Moorage Designations:

Mr. Radon provided background and stated that four proposals had been received regarding requests for additional business/commercial space at Hudson Point. He informed that by placing the topic on the agenda, he hoped to open a dialogue and obtain input from the Commission on whether it wanted to open more space in the Hudson Point Marina for business use and to develop a clear policy for Staff. He advised that in his opinion, business space was more descriptive than the term commercial, which usually brought forward the concept of commercial fishing ventures. Currently, he informed, Hudson Point had four business slips/tenants: Wooden Boat Foundation, Sea Marine, Puget Sound Express and the Schooner “Martha”. Before any decisions were made, he advised, regarding removal of slips from guest use, impacts of doing so needed to be discussed and analyzed especially in regards to booking clubs. He advised that throughout the summer season most of the slips were fully occupied by guest boaters (clubs made up a large percentage) especially Friday through Mondays.

Discussion followed regarding clubs, Marina occupancy levels, bookings and reservations and how moorage on the center dock was allocated.

Commissioner Beck clarified that currently slips 37, 38, 45, 55, 56, 57, 58 and 59 were assigned and that slip 96 and 95 were not usable until the dredging was completed sometime late 2008.

Commissioner Thompson stated that the question was did the Commission want to include and designate business moorage, slips #39, #40, #41, #44, #43 and #42.

Mr. Radon advised that if the Commission was so inclined to designate more business space in Hudson Point, that those slips would be the best locations as it would group the business spaces together in the Marina.

Mr. Crockett advised that once it was determined what the Commission wanted, then Staff would meet with the individuals interested in the commercial moorage, compile a list of criteria, and bring that back for further discussion. He advised that the Port’s Rules and Regulations would need modification if the changes were made.

Commissioner Beck stated that he thought there should be a financial evaluation to determine what impact the change would have on revenues.

Commissioner Collins added that one of the criteria could be what financial return was expected.

Commissioner Beck reviewed that both guest moorage and business moorage supported the local economy but still thought that a financial analysis of both types of moorage would be helpful.

Further discussion followed.

Mr. Crockett recommended that if the Commission was comfortable with the designation, Staff would make all of the center dock commercial. Staff would prepare a financial analysis (to better understand the revenue impact of the change)

make the necessary changes to Port's Policies and Procedures on commercial moorage. There remained questions, he advised, for instance how would a charter business be monitored to be sure that it was still an active business.

After further discussion, Commissioner Beck moved to make all of the Center Dock at the Hudson Point Marina a commercial facility with an analysis to understand the financial impact and with the changes made necessary to the Port Regulations and Policies on commercial moorage.

Mr. Crockett advised that a start time of May 1 seemed feasible.

Motion carried by unanimous vote

A brief discussion followed which included that in the future a waiting list would need development to provide for additional requests for business/commercial space.

Mr. Pivarnik suggested that the Port should, perhaps, treat the charter business slips on the lines of a lease so that slip "ownership" would transfer if the business should sell; doing so would add to the security of the business and aid in obtaining financing.

Discussion followed on the concept.

Chris Hanson stated that he owned a Dive Shop and that at some point in the future he would be coming to talk with the Port regarding a slip for the Dive Shop. He was in favor of the concept of having a lease for the future space so that if something should happen to he and his wife and they wanted to sell the business, the slip would be included as part of the package to sell and would provide more security.

B. Business Moorage Policies:

Due to the preceding discussion, it was decided to move this topic to a workshop.

C. PND – A/B Dock Condition Assessment Contract:

Mr. Pivarnik reminded that the Commission had directed Staff to contact PND and ascertain what a condition assessment of A/B dock would cost. Staff's recommendation, if indeed the Port was going to move forward with a phased approach to A/B dock, is that an Engineers Condition Assessment is necessary. He advised that Jon Keiser, of PND, had provided a quote of \$12,500 to provide a preliminary study. Mr. Pivarnik stated that Staff recommended that the condition assessment include the commercial basin also. PND quoted \$18K for an assessment of both A/B dock and the Commercial dock.

Discussion followed.

Commissioner Collins suggested that perhaps the Advisory Committee would be able to look over the scope of work and perhaps offer suggestions of additional items to look at.

Mr. Pivarnik informed that Mr. Keiser, along with Staff and the Advisory Committee would be here on April 1st when it was planned to meet on A/B dock. At that time, he stated there would be opportunity for dialogue regarding the docks.

Commissioner Collins expressed concern that if the contract was approved at this meeting the door would be closed on receiving additional input.

Mr. Pivarnik assured that the contract could be expanded at any time; it just had to be done formally and with a cost adjustment.

Commissioner Beck moved to approve the contract with PND Engineers for the A/B Dock Condition Assessment, including the Commercial Basin, in the amount of \$18,000.

****Please see below for vote on the motion.**

Karen Sullivan asked what the difference was between this condition assessment and the one already in the report; what made up the \$18K?

Mr. Pivarnik responded that in the original report, the engineers had spent very little time on A/B Dock because the intention was to remove those docks.

Gary Rossow state that he could understand the need for technical assessment, but thought that \$18K seemed like a lot of money to go through, drill a few holes in the pilings and assess the state of repair. He suggested that, in his opinion, it seemed like Port Staff should be able to do 80% of the assessment.

Commissioner Beck expressed the advantages of having an outside consultant.

Commissioner Thompson informed that the condition of the pier underneath the New Day dock had to be ascertained.

Mr. Radon advised that, in his opinion, it was money well spent to hire an engineer who had the expertise and the necessary credentials to provide an assessment of the dock which was part of a publicly owned facility and that the resulting document would be certified by the engineering firm.

****Motion carried by unanimous vote.**

D. A/B Dock Renovation Planning:

Mr. Crockett advised based on previous discussions, the Advisory Committee had been amended to reflect the phased-in renovation of A/B dock and the list of participants was included. He informed that Dr. Levy had suggested that Bob Steel (representing the Moorage Tenants Union) be added to the Committee. Mr. Crockett advised that a meeting was scheduled for April 1, 2008 at 1:00 PM for a walk-about on A/B dock with Staff, including maintenance supervisor, Larry Aase, and PND Engineer, Jon Keiser.

Commissioner Thompson moved to add Bob Steele to the Boat Haven Advisory Committee and to approve the list of names, as amended. Motion carried by unanimous vote.

E. Seton Construction Change Order #8 for Utilities:

Mr. Pivarnik provided background and informed that the Change Order was to allow Seton Construction to push 3 inch sleeves under the taxiways and to run 2 inch conduit to each hangar for utilities. The cost, which was not FAA eligible, would be passed on to the hangar developers through the infrastructure fee. Mr. Pivarnik explained that when the airport project was initially designed water and sewer was not going to be allowed to the individual hangars which had now changed and therefore made it necessary to push the sleeves under the taxiways.

A brief discussion followed.

Commissioner Thompson moved to approve the Seton Construction Change Order #8 for utilities at the airport in the amount of \$27,694.03. Motion carried by unanimous vote.

F. Strategic/Capital Projects Planning:

Mr. Crockett provided an update on the process and that the Commission had been given the latest draft of the strategic planning/capital projects process. April 17 and 25, 2008, from 9:00 AM to 3:00 PM, were set as dates for the first two meetings between the Commission, Staff and the Consultants.

A lengthy discussion took place regarding the expected outcome of the process, resource documents to be used, current demographics and trends throughout the district.

Karen Sullivan inquired if all the stakeholders, including the Moorage Tenants Union, would be invited to attend the April meetings and that it would be an open meeting and a public process.

Mr. Crockett responded in the affirmative.

Further discussion developed regarding the process.

Commissioner Beck stressed that it was a County-Wide Strategic Plan for the entire Port District and was not limited to one community, but encompassed the West End, Clearwater, Brinnon, Port Ludlow, etc.

Discussion followed regarding possible locations of future strategic planning meetings.

David Tarr asked if there was a list of the Capital Projects that the Port contemplated doing posted anywhere

Additional discussion about Capital Projects and the need to prioritize what was essential and phasing projects with a time of 1 to 5 years and 6 to 10 years.

Commissioner Collins suggested that a rolling 5 year plan might be workable.

Commissioner Beck wanted assurance that there would still be the latitude to proceed with something if something pops out that hadn't been thought about.

David Tarr suggested that Grant monies might be available and asked if any research had been done regarding grants.

Commissioner Beck cautioned that when Grant money was accepted, usually control was lost.

G. PSE Contract for Quilcene:

Mr. Pivarnik stated that the first thing he wanted to do was to dispel rumors that the Port was cited by the Department of Ecology for the Quilcene project. He advised that the DOE had requested a NPDES (National Pollution Discharge Elimination System) permit and a SEPA. He informed that DOE had inspected the site and had informed him that more than an acre of land had been disturbed, although Mr. Pivarnik disputed that, he elected to proceed with the requested NPDES permit and SEPA document. He informed that he had met with Jefferson County to make sure the two entities were working together on this new regulation of the DOE. Mr. Pivarnik informed that, initially, he had believed a consultant would be necessary to complete the requirements, but on further investigation, had decided that he could complete the permitting paperwork and comply within the 30-day time limit.

A brief discussion took place regarding the permits and the Department of Ecology.

Mr. Pivarnik informed that it had taken Puget Sound Energy (PSE) over six months, but that the electrical transformers had arrived in Quilcene today. He stated that the agenda item was to allow PSE to run (and install two electrical transformers since the distance was over 350 feet) primary electrical power 1600 feet up the road to the well house to serve both the Class A water system and the septic drainfield at a cost of \$31,558.27. He informed as this was primary power only, an electrician would need to be hired at a later time to hook-up the individual items. He asked for a second motion which would authorize Staff to sign an easement with PSE for the land on which the power line and transformers sit.

A brief discussion regarding project history followed.

Commissioner Beck moved to proceed with the Puget Sound Energy contract in the amount of \$31,558.27.

Motion carried by unanimous vote.

Commissioner Beck moved to authorize Staff to sign a Maintenance Easement with PSE as designated on pages 36 and 37 of the March 26, 2008 Commission packet. Motion carried by unanimous vote.

H. PT Furniture Clinic Lease Extension:

Mr. Pivarnik reminded that when the Port had purchased the Sperry Building, most of the existing tenants had remained. PT Furniture Clinic, while not a true Marine Trades business, had operated at that location for fifteen years. The Marine Trades businesses had all received five-year leases, but the Furniture Clinic had been given a one-year lease with the stipulation that if a true Maine Trades business needed the space, the Furniture Clinic would have to comply and vacate. It was time for lease renewal and the PT Furniture Clinic wanted to continue to lease the space. Mr. Pivarnik stated he had received verbal requests from Marine Trades about the space but, to date, received nothing in writing. Many Marine Trades businesses use the PT Furniture Clinic services for refinishing, woodworking, cabinets, etc. Staff's recommendation was to grant another one-year lease to the PT Furniture Clinic.

Joni Blanchard, varnisher, stated that the PT Furniture Clinic was an invaluable source of knowledge and expertise for finish work and that she had used his services, over the years, on some of her finer Yacht projects. Ms. Blanchard advised, in her opinion, it would be a shame to lose the PT Furniture Clinic and recommended that the Port renew the lease.

David Tarr stated that, in his opinion, the Port was going against its policy by allowing a business that was not directly a Marine Trades. He suggested that the Glen Cove Industrial Park would be a good location for the PT Furniture Clinic and that freeing up that space would allow a Marine Trades business to be closer to projects on which it is working.

Commissioner Thompson inquired if there were any active inquires on the space, specifically one that was willing to sign on the dotted line as it were or getting on a waiting list for the facility.

Mr. Pivarnik responded that although he had received a few verbal inquires no one had suggested that they were ready to sign.

Discussion followed.

Commissioner Beck moved to authorize Staff to extend the PT Furniture Clinic lease for one year at a monthly rate of \$446.77 (plus all applicable taxes).

Les Schnick stated he had used the services of the PT Furniture Clinic over the years and had always been pleased with the quality of work performed. In his opinion, the Clinic was a contributor to the Marine Trades bigger picture and unless there was a Marine Trade that really needed that space, he said, he was in favor of the Port renewing the lease.

****Motion carried by unanimous vote.**

I. Alternative Electrical Up-date:

Mr. Crockett provided background on the topic, which involves looking into alternative electrical sources since the Puget Sound Energy (PSE) franchise with the City of Port Townsend, expires in 2010. Updating the Commission, he informed that the City Council had unanimously voted to move forward with a feasibility study. The next phase was to draft a Scope of Work and Request for Qualifications to proceed with hiring a consultant who would perform the feasibility study. (Approximate cost: \$30K upward). The feasibility study would determine the pros and cons of the concept and determine whether it should be a City only utility or County wide under the PUD umbrella. Mr. Crockett informed that the Committee had determined that the PUD would be the primary contact. At this time, Mr. Crockett informed, political support of the overall process was sought, not a monetary contribution. He reminded that a group of citizens had started an initiative to get the item on the November ballot.

Discussion about the topic took place.

VI. NEW BUSINESS:

A. Approval of Warrants:

Warrant #039051 through #039077 in the amount of \$36,375.24 for Payroll
Warrant #039078 through #039082 in the amount of \$20,492.27 for Payroll Benefits and Accounts Payable
Warrant #039083 through #039151 in the amount of \$95,233.77 for Accounts Payable

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

B. Hudson Point Name Change:

Commissioner Collins advised that at the March 12, 2008 Commission meeting a regular procedure had been established in which to examine change of names of Port facilities.

Commissioner Collins moved to institute the process for looking at a change in the name of Hudson Point and to examine changing it to correspond with the established name of the geographical point on which the Marina currently exists which is Point Hudson; the process would include calling a Public Hearing, getting Community input on the idea and to formulate a rationale as to what are the advantages and disadvantages of so naming it.

**** Please see vote below.**

Commissioner Collins advised that although he had not been on the Commission when the name was changed to Hudson Point, he thought there had been a limited opportunity for Community input and limited analysis of the larger consequences of changing the name that so many individuals and institutions had a stake in and were affected by. He advised that he wanted to examine and verify it was, in fact a good name change.

Lester Schnick stated that he was very much in favor of the idea to reexamine the name change as, in his opinion, the Community had been outraged that Point Hudson had been changed to Hudson Point without being given a chance to comment on the proposed change. He advised that the name Point Hudson was listed on maps and charts.

Karen Sullivan concurred with Mr. Schnick's opinion and stated that it was also probably very expensive for local business owners to make changes to their business stationary and other items.

Mr. Crockett informed that there had been subject discussion at several meetings and that historical evidence was present to support the name change.

****Motion carried by unanimous vote.**

VII. STAFF COMMENTS:

Mr. Harris stated that after seventeen years in one location, his Law Firm had moved their office space to the Mount Baker Block building. He advised that a formal reception would be held once everyone was settled.

Mr. Radon informed of the move to the six day a week work schedule for the Yards on March 1, 2008 and although activity had been slow the first few weekends, on Saturday, March 22nd nine boats were hauled out. He also informed that summer moorage temps had been hired for both Boat Haven and Hudson Point.

Commissioner Thompson inquired if the linear footage in the Yards was increasing. Mr. Radon responded that linear footage had been increasing in the Work Yard with some longer term, and large projects.

Lastly, Mr. Radon announced that the Best Management Practices Video was at 95% completion with just a few points to be fine tuned. He advised that he wanted to circulate the video with the Department of Ecology to see if there were additional items or suggestions and he also wanted to have the Puget Sound Keepers Alliance review the video for any major errors, flaws or omissions.

A lengthy discussion followed regarding the video (which was approximately twenty minutes long, cut into nine chapters, offered excellent visual aids for projects and instructions about what *not* to do) to include that it was the first of its kind in Puget Sound, the possibility of giving a copy to moorage tenants as well as people using the Work and Ship Yards and possible copywriting of the video.

Mr. Radon informed that although grants had not been sought when the video was begun due to time constraints, the Puget Sound Action Team might have grant money available to aid in distributing the DVD.

Mr. Crockett informed that the RCO (Recreation Conservation Office), the Agency responsible for providing grants for boat ramps, public access and restrooms, was forming a new Committee. The Agency, he said, was in the beginning process of review of policies regarding the way in which grant money was distributed through out the State. He advised that the Washington Association of Public Ports (WPPA) had questioned the RCO previously because half of all the grant money distributed went to the Department of Fish and Wildlife for State boat ramps and the remaining 50% was split between the Ports, Cities and Counties. The RCO had contacted Mr. Crockett because they wanted a WPPA representative and he had been Chair of the WPPA Marina Committee for Public Ports previously. If selected, he would be required to attend four to six meetings a year in Olympia and a few other places; the Agency would pay for mileage.

Mr. Crockett advised that he would be giving a briefing and a tour of the Port facilities to the new Frontier Bank Manager.

He stated that on April 5th, he would be giving the annual talk to the Pilot's Association.

VIII. PUBLIC COMMENTS:

Bob Steele, newly added Advisory Committee member, inquired if Staff would be able to brief the Advisory Committee on the needs and desires of the Coast Guard.

Mr. Crockett informed that the Coast Guard was no longer a participant in the Advisory Committee since the project scope of work had been reduced to discussion regarding A/B dock only. The Coast Guard would re-join if the Commercial Basin was added in the future.

IX. COMMISSIONER COMMENTS:

Commissioner Beck announced that through his service on the RTPO Evaluation Board, he had been informed that stimulus money (approximately \$5M) was available for a road project.

A brief discussion followed regarding the types of allowable projects.

Commissioner Beck had telephoned Puget Sound Energy and as a result of the phone call, projects that had been "stalled" such as the pole removal at Hudson Point, electrical work at the airport and Quilcene were all underway.

Commissioner Thompson stated that he would like Staff to schedule a Special Meeting to discuss the Aero Museum Lease.

A brief discussion followed regarding whether the discussion should be made part of a Public Workshop session or if a Special Meeting would be more suitable.

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

XI. EXECUTIVE SESSION:

The regular meeting recessed at 8:30 PM into Executive Session, which began at 8:40 PM for a discussion regarding a real estate and legal matter, duration of 20 minutes with possible action.

XII: ADJOURNMENT:

The regular meeting reconvened at 9:00 PM and adjourned at 9:00 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