

PORT COMMISSION MEETING – May 13, 2008

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

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

Absent: Attorney - Harris

I. CALL TO ORDER

The meeting was called to order at 10:00 AM.

II. APPROVAL OF AGENDA:

The agenda was amended to include the addition to Old Business of: Item C – Quilcene Marina and Item D – Quilcene Harbor Yacht Club Water.

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

III. CONSENT AGENDA

- A. Approval of Minutes – April 23, 2008
- B. Resolution No. 508-08 – Re-adopting the Common Name of Point Hudson Property
- C. Operations Reports – April 2008

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

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

A. Mural Concept:

Mr. Crockett reminded the community of the discussion of having a mural painted on the Brewery building had taken place during the March 26, 2008 Commission meeting with a subsequent presentation made by local mural artist James Mayo at the April 9, 2008 workshop. Since then, Larry Eiffert had sent in an informational memo regarding public art, specifically murals, and how other communities have dealt with the concept.

Mr. Crockett informed that he was not comfortable committing \$12K of public funds for the proposed project even though it would be on one of the Port buildings. He informed that State Arts funds may be available but further research was needed to determine if it was a viable idea. If there was community interest in having murals/art on Port buildings, he advised, he would like to see it approached from a more problematic standpoint in which a program would be developed and perhaps several Port buildings would be incorporated into a five year plan.

Commissioner Thompson stated that he believed there was concept interest, but also questioned whether Port buildings really needed pictures on them, especially at that present cost estimate as it would be far less expensive to merely paint the buildings.

Commissioner Collins liked the idea of a Community Ad-Hoc Committee to get a sense of community interest in such a project.

Commissioner Beck reminded that the Port had been approached by Mr. Mayo, but suggested that other input was needed before committing to spending \$12K.

Discussion followed and no action was taken because more research was needed before proceeding.

Commissioner Thompson asked that Jim Mayo be kept apprised of developments.

B. Point Hudson Business Moorage

Mr. Pivarnik provided topic background and presented the draft policy regarding business moorage at Point Hudson on which Staff had been working. He stated that there was a need to support real businesses in the marina on one hand and to also acknowledge that Point Hudson was a transient marina. He advised that a total of 605 feet of linear moorage had been designated business space including on both sides of the center dock and 205 feet starting at from the pump-out station on the west dock.

Commissioner Collins inquired what percentage the business space of total dock space in the marina would represent.

Mr. Pivarnik stated that it represented approximately 20%.

A lengthy discussion followed between Staff and the Commission regarding each point of the proposed Business Moorage Draft Policy.

C. Quilcene Marina:

Commissioner Beck asked for an informational update regarding the proposed Quilcene Harbor dredging project explaining that it was impossible to get either in or out of the harbor at low tide. He further advised that there was public misconception regarding the time necessary for completion of the proposed project.

Mr. Pivarnik provided an update by reminding that the Port was in the initial permitting phase with the Army Corp of Engineers. He advised that it might take another eight to nine months to obtain the necessary permits, which were needed before any dredging of the harbor could start.

As an aside, he reminded that the proposed project was going to be an expensive one and ways in which to finance the proposed dredging project would need development.

He provided information regarding the maintenance permit that Cape George Marina has with the Corp of Engineers which allows them to remove harbor entrance sand build-up.

Gary Rossow clarified that Cape George had a five-year permit with the Corp. allowing them to dredge the entrance to the Cape George marina (after having given prior notification) at any time except during the fish window. He said the dredging was normally done in July (at a minus 2 ft tide or lower) using an excavator and dump truck to carry the loads of sand approximately a quarter mile down the beach.

Mr. Pivarnik explained that the difference between the two harbors was that the Army Corp of Engineers had classified the Quilcene Marina harbor to be ESA (Environmentally Sensitive Area) due to its location next to the largest oyster producer in the world – Coast Seafood.

Commissioner Beck expressed several concerns about the state of the entrance to the Quilcene Harbor, one of which was his fear that a boater would be in harms way if a storm developed and the boater could not return to the harbor safely. He asked if there was any way of declaring an emergency situation.

Mr. Crockett responded that the Marina was classified “recreational” and was not a navigational channel recognized by the Corp and therefore did not qualify as an emergency situation.

Gary Rossow stated that in dealing with the Army Corp he had become aware that the Agency, in his opinion, was not very responsive to the public. He suggested the Port might have more success in soliciting support from State and Federal Legislators.

A brief discussion followed about the length of time it had taken to get a dredge permit for the Point Hudson Marina project and the expense of the proposed dredging at Quilcene.

D. The Quilcene Harbor Yacht Club:

Commissioner Beck provided topic background by reminding that the Yacht Club watered the lawn (which was used by the public for picnics, etc) in front the building during the summer months and that the Yacht Club was asking for monetary relief from the excess lawn watering charges during the summer months.

Commissioner Beck inquired if there was a way in which to average out the water consumption charges for the year and not charge the Club for the extra water used to water the lawn during July, August and September. He advised that the Yacht Club did not receive revenue from allowing the public to use the picnic area. He stated that he would like to see the appearance of the area, which belonged to the Port, kept up.

Commissioner Collins inquired how valuable it was to keep the lawn as opposed to putting in some other non-lawn substance, such as gravel. He reminded that lawns consume large amounts of water and the push was to move toward landscaping that was more drought resistant.

Discussion followed regarding the topic including the cost of the newly installed water system and what the cost would be for the Port to waive the water overage during July, August and September (approximately \$150).

After further discussion, Staff was instructed to gather more cost information and bring it back for further discussion and possible implementation.

VI. NEW BUSINSS:

A. First Quarter Financial Updates:

Mr. Taylor presented the financial updates for the first three months of 2008 advising that it was really too soon to have a good indicator of how the remainder of the year might go. However, with that said, he advised that the billable footage in the Work Yard which had dropped down to a little over 3300 billable feet at the end of 2007 had increased by a few feet to 3600 billable feet at the end of March and in April to 3794 billable feet.

Overall revenues for the first 3 months of the year were just \$7K under budget and operating expenses were \$66K below budget due, in part, because of the two unfilled positions that were budgeted for in 2008 and also, because maintenance expenses were down 25% from those budgeted. He informed that two things that were most dramatic were that the revenues combined for the Work Yard were 33% behind last year at this time, or approximately \$102K. However, he stated, the Ship Yard was 72% above where it was at this time last year which represented about \$74K.

Mr. Taylor further advised (allowing that things might change as the season progressed) that revenue generated from the flowage at the Fuel Dock at Boat Haven would probably not come close to the \$275K gallons budgeted.

Discussion followed.

Commissioner Collins inquired what made up the non-operating income.

Mr. Taylor informed that it was the tax revenues, interest income minus all of the debt service interest and that it was running close to what had been budgeted.

The other item of note, remarked Mr. Taylor, was that airport fuel consumption was down considerably from 2007 and was actually just a little over 50% of where it was three years ago. He reminded that the cost of aviation fuel was skyrocketing in price.

Further discussion followed regarding the way in which the revenues and expenses were calculated in the budget, prospects for the remainder of the year, and staffing costs.

B Approval of Warrants:

Warrant #39336 through #39339 in the amount of \$101,956.18 for Accounts Payable

Warrant #39340 through #39373 in the amount of \$40,553.03 for Payroll

Warrant #39374 through #39383 in the amount of \$55,988.43 for Payroll Benefits

Warrant #39384 through #39468 in the amount of \$188,845.76 for Accounts Payable

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

VII. STAFF COMMENTS:

Mr. Pivarnik requested an Executive Session for discussion of a real estate topic.

Mr. Crockett also asked for an Executive Session regarding a personnel issue.

He reminded that the Commissioners were scheduled to be in the annual Rhody Parade to be held on Saturday, May 17, 2008.

Mr. Crockett provided an update on another issue of note; the possibility that a vote would be needed at the WPPA (Washington Public Ports Association) conference that he and Commissioners Thompson and Collins were going to attend May 14 through May 15, 2008. Evidently the WPPA had been informed that long time President, Pat Jones was planning to retire on December 31, 2008 and that a vote might be necessary to officially establish Eric Johnson as his successor. As Commissioner Collins was the Alternate and would attend the conference,

Commissioner Beck, as Trustee, had no problem with Commissioner Collins voting in his place.

VIII. PUBLIC COMMENTS:

Karen Sullivan asked that Port Meeting Agendas and meeting schedules be posted to the Port website in a timely fashion in order for the public to stay informed.

Mr. Crockett informed that website work was in process to include the Strategic Plan and would check into the matter as normally the agenda was posted well before the meeting.

Mr. Pivarnik resolved to research the matter.

Paul Stohlman stated that he thought the Commissioners/Staff were doing a “great job”.

IX. COMMISSIONER COMMENTS:

Commissioner Collins informed that he had been asked to attend a Planning Workshop for the Ferry Summit Meeting and would inform after attending the meeting.

A discussion followed.

Commissioner Collins inquired about the Port Meeting Room Policy and if work on it was progressing.

Mr. Crockett responded in the affirmative.

Commissioner Thompson inquired if there was an update on the ongoing storm water issue with the City of Port Townsend.

Mr. Crockett informed that he had met with City Manager Timmons regarding several issues two of which related to storm water. One related to the possibility of diverting storm water which comes down Sims Way and goes into the land adjacent to the Ship Yard to the Kah Tai. On the second storm water issue, regarding the stormwater fees paid by the Port (and Port tenants) to the City, he reminded a letter had been sent to City Attorney Watts from Mr. Harris and so far there had been no response.

Commissioner Thompson suggested that it was time to send additional correspondence. Discussion followed.

XI. NEXT MEETING: will be held Wednesday, May 28, 2008 at 6:30 PM in the Port Commission Chambers, 375 Hudson Street, Port Townsend.

XII. EXECUTIVE SESSION:

The regular meeting recessed at 11:38 into Executive Session, which began at 11:40 AM for a discussion regarding a real estate matter and a personnel issue, for fifteen minutes with no expected action.

XIII: ADJOURNMENT:

The regular meeting reconvened at 11:55 AM and adjourned at 11:56 AM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, President

John N. Collins, Secretary

Herbert F. Beck, Vice President