

PORT COMMISSION MEETING – September 10, 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 1:00 PM.

II. APPROVAL OF AGENDA:

The Agenda was amended to reflect the addition to Old Business of Item D – Sims Way Drainage and the addition of Item C – Wooden Boat Festival Update to New Business

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

III. CONSENT AGENDA

- A. Approval of Minutes – August 27, 2008
- B. Resolution No. 508-09 – Authorizing Surplus of “Airport Rental House”
- C. Operations Reports – August, 2008

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

IV. PUBLIC COMMENTS (Not related to agenda):

Dr. Bertram Levy stated that the Moorage Tenants Union had been asked to provide input and ideas regarding the proposed “use” policy as discussed during the August 27, 2008 Commission Meeting.

V. OLD BUSINESS:

A. Strategic Plan Update:

Mr. Crockett informed that September 17, 2008, 6:30 PM, was the scheduled date of the first, introductory Strategic Plan Advisory Committee meeting. He explained the process, expectations for the meetings and advised that one senior Management Staff (to answer questions or provide a data point clarification) and one Commissioner would be present. (Commissioner Thompson volunteered to attend).

Commissioner Collins informed that he had attended a recent Jefferson County Commission meeting at which Katherine Baril had made a presentation regarding Team Jefferson and economic development within Jefferson County. He advised, in his opinion, it had been an excellent presentation and he thought it might be a welcome presentation at a Port Commission meeting. The information presented, he stated, was pertinent to the Port’s Strategic Planning

Discussion followed regarding Ms. Baril’s presentation to the BOCC and the strategic planning process.

Mr. Crockett informed that it had been proposed to take the Strategic Planning Advisory Committee members on a field trip tour of the Port’s locations including Quilcene, Jefferson County International Airport, Mats Mats and Port Hadlock ramps to enable the members to gain knowledge of the diversity of Port activities and issues.

B. Airport Fuel Operation:

Mr. Crockett reminded that at the August 13, 2008 meeting, the Commission had directed staff to seek RFPs, Requests for Proposals, for the leasing out of the fuel operation at the Jefferson County International Airport. He informed that three proposals had been received: Tailspin Tommy’s, Wright Brothers Aviation and PT Aircraft Services. He informed of the process involved in proceeding with a candidate selection.

A short discussion about the topic followed.

Commissioner Collins expressed his opinion that ample opportunity should be given for public comment.

Commissioner Beck summarized his intent that the selected applicant be financially secure so that a situation did not develop as had happened with the previous fuel operator at the airport.

Additional discussion followed which included the background of the fuel operations at the airport.

Mr. Pivarnik advised that he anticipated the selection process should be completed by November 1, 2008. The successful candidate, he advised, would need time to plan for operational assumption of the Airport fuel facility by January 1, 2009.

Tommy Wacker, owner of Tailspin Tommy's, expressed his appreciation for all the help given to him by senior staff during his research of the fuel operation. He informed that his proposal did contain his willingness to replace the underground fuel tank should it become necessary. He advised regarding other details of the proposal. He stated that, in his opinion, the airport fuel facility was in good condition and would continue to serve for many years.

C. 2009 Budget:

Mr. Crockett informed that the topic would be on each meeting agenda until Budget adoption ensuring ample time for public questions and comments.

Mr. Taylor summarized the 2009 Operating Budget proposals discussed during the morning Budget Workshop as follows:

A CPI increase, possibly 5% (or the latest percentage) on permanent moorage implemented January 1, 2009 and applicable on all of the moorage facilities.

A decision had not yet been determined regarding the Commercial Fishing moorage rates. Discussion had taken place regarding the commercial rate in comparison to that of the Port of Seattle for Fisherman's Terminal in Seattle and whether to adopt the same rate or keep our current rate, which is approximately .82 cents higher.

Discussion followed regarding the topic.

Commissioner Beck expressed his opinion that Commercial Fishing rate determination be delayed until the Port of Seattle informed on what they were going to do.

Commissioner Thompson expressed his opinion that he was leaning toward keeping the rate at the current \$5.92/foot.

Commissioner Collins agreed with that idea.

A 5% or CPI increase on the 70/75 ton haul-out rate.

An increase of 10 cents per foot for the Work Yard wash down rate bringing it to \$1.35.

A CPI increase on Work Yard long-term rate from 42 cents to 44 cents and increasing Work Yard short term stays from 50 cents to 55 cents (it appears that we are under market rate charged by other Yards in the area). It had not yet been determined whether to increase the Work Yard environmental fee although the proposal was to increase it from the current \$10.00 monthly to \$15.00 monthly.

Discussion followed regarding the environmental fee and environmental safeguards and regulations.

An increase by 5% or CPI for the Long-Term Storage yard rate.

A proposal for implementation of a new fee in the Ship Yard on the wash down.

A short discussion about the wash down followed.

An increase to the Ship Yard environmental fee by 15 cents per foot per month.

There was no proposed change to the nightly guest moorage rate at Boat Haven. It was proposed that the Point Hudson nightly guest rate would be \$1.00 per foot all year round. It was proposed to leave the slip length policy as it was currently.

The monthly guest rate would change proportionate to whatever rate permanent moorage was increased.

The end date for winter over's in water and for some RV sites would be extended to May 31. It was proposed that RV rates for 2009 would remain the same as 2008.

The Airport fuel operation would not be budgeted as it was assumed it will be leased out by 2009. The fuel operation at Boat Haven would continue with dialogue on how to staff and manage it taking place during 2009 for a decision during the 2010 budget process.

It was proposed to increase by CPI the Airport hangars.

2009 rates for boat ramp fees, both annual and daily, had not yet been discussed.

There had been discussion regarding property taxes and the different options but no decision had been reached.

The Point Hudson Reservation Fee would remain unchanged.

Regarding staffing, the proposal was to budget for the Hoist/Yard Laborer position as it had been budgeted for in 2008 and left unfilled. Yard revenues would be looked at during 2009 to determine if revenues would support the additional person. The currently un-filled accounting position would be included in the 2009 Budget. Some of the environmental monitoring and “in house” duties would be absorbed by existing Yard staff, if possible, and additional funds budgeted for possible contracting of the larger duties. There was proposed a new full-time maintenance person to replace the Airport summer temp position. There had been no decision made regarding moorage summer help. Mr. Taylor suggested budgeting for a maximum number of hours, instead of the number of staff, which, then would allow the Moorage Supervisors to determine how best to expend those hours. Currently the 2008 Budget provided 2925 hours as compared to 1530 hours in 2007 and Mr. Taylor thought that the number of total hours for moorage summer temps could be reduced somewhat.

Although lack of time at the morning workshop had prevented discussion, he thought that the Commission would direct to continue to budget the \$250K to be set aside into the Boat Haven Renovation Reserve Fund. In addition, if the decision was made to take the 1% tax increase, that amount would also go into the Reserve fund.

Mr. Taylor reviewed that the equipment list was a preliminary “wish list” with no decisions yet made.

Discussion followed regarding the possible purchase of a fuel efficient, environmentally sensitive vehicle to be used for running Port errands.

Mr. Taylor finalized his outline of the 2009 Budget proposals by stating that more discussion would take place at the October 8, 2008 Budget Workshop and then a first draft would be ready by the middle of October.

Discussion followed regarding the proposed \$300K maintenance budget (the same amount as budgeted for in 2007 and 2008) and the numerous projects in line to be completed. There was also discussion regarding the future of the Port owned Airport hangars and the maintenance needed on them. Should the Port remain in the hangar business was also discussed.

Dr. Bertram Levy stated that, in his opinion, a lot of the determination about the budget should tie into the Strategic Planning process in determining which direction the Port was going to go, whether it was moving towards economic development or to become more service based. He noted the decline in the US economy as a whole and the impact of that being felt by local citizens.

Commissioner Thompson informed that he looked at the budget as revenue necessary to cover expenses that were going to be incurred.

Dr. Levy advised that the Port needed, in his opinion, to tighten its belt and that some projects might have to be delayed. He advised that, in his opinion, the Port should balance the proposed CPI increase against the personal income index of the Community. He informed that his research of the Port finances indicated that it was difficult to ascertain revenues and expenses related to each cost sector.

A short discussion followed regarding the economy and the cost increases of all services and supplies.

D. Sims Way Drainage:

Commissioner Beck provided background regarding the Sims Way Drainage and the storm water that runs down Sims Way draining into the Port property alongside the Maintenance Shop. He envisioned a nice, new facility there that could be leased out and inquired if there was some way in which to divert or possibly vault (which would filter the runoff before it went into the Bay), the storm water runoff.

Discussion followed about the idea and other possible scenarios for diverting the storm water and about all the other Port priorities.

Mr. Crockett advised that the topic seemed ideal for an Intergovernmental Meeting discussion.

Commissioner Beck reiterated his idea that it was a nice piece of ground to build a facility on if the storm water and wetland issues could be resolved.

VI. NEW BUSINESS:

A. Yacht Club Visiting Boater Policy:

Mr. Pivarnik provided background on the topic by explaining that the Port Townsend Yacht Club currently rented a permanent moorage slip from the Port in Boat Haven. They also rented a guest monthly slip in summer for three months in order to provide two slips for visiting reciprocal Yacht Club patrons. The Yacht Club, advised Mr. Pivarnik, had proposed that they give up their permanent slip and summer monthly guest slip and adopt a program in which visiting Yacht Club boaters could use either a slip at Boat Haven or Point Hudson on a slip-available basis at a special rate. Mr. Pivarnik informed of the details of the proposed plan.

Discussion of various scenarios followed. After the discussion, Mr. Pivarnik recommended that the present agreement with the Yacht Club remain unchanged.

Mr. Taylor stated that the summer monthly guest slip could be offered at the business rate vs. the monthly guest rate, which would provide some savings to the Yacht Club.

Commissioner Collins informed that he used reciprocal slips often and that it was on a first come, first served basis. He also thought that it was very generous to offer two slips for reciprocal moorage.

The consensus from the Commission was to leave the reciprocal moorage slips as they were with the Port Townsend Yacht Club with the possibility of reducing the charge next summer for the second slip from a regular monthly guest charge to a business moorage rate.

Les Schnick inquired as to what would be the precedent in giving the Yacht Club a financial break and thought that they should pay the same rates as other boaters. He stated that he did not see any benefit to the Port of Port Townsend in charging the Yacht Club a lower rate.

Commissioner Beck informed that he was not in a hurry to make a decision on the topic and wanted, first, to figure out what was best for everybody.

B. Approval of Warrants:

Warrant #040237 through #040272 in the amount of \$43,727.80 for Payroll.

Warrant #040273 through #040282 in the amount of \$73,814.87 for Payroll Benefits and Accounts Payable.

Warrant #037864 in the amount of \$1,528.90 as a void

Warrant #040283 through #040335 in the amount of \$220,690.52 for Accounts Payable.

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

C. Wooden Boat Festival Update:

Mr. Crockett informed that the 2008 Wooden Boat Festival was the most successful to date and that Commissioner Collins had suggested that the Port codify the Festival success with a Resolution. Mr. Crockett recommended that he draft a letter, to be signed by each Commissioner, and sent to the Wooden Boat Foundation (and a copy sent to the Maritime Center) congratulating them on the Festival success.

A short discussion followed.

VII. STAFF COMMENTS:

Mr. Taylor informed that the State Auditors had wrapped up their on-site work Thursday, August 28, 2008 and that an exit conference would be held once the audit was reviewed by the Auditor's Office in Olympia. He advised that it had been a good audit and that there would be a couple of small suggestions made by the Auditors on ways to improve internal controls.

Mr. Taylor informed that the vacant accounting position had been filled with a temporary staff person, Mardella Rowland, who had been one of the Moorage Summer Temps, to work with the Accounting Staff until the end of the year.

Mr. Pivarnik announced that it was time for the annual Dinghy Fest this weekend in Port Hadlock and that he assumed the Commission wanted to proceed with the annual event.

Commissioner Collins asked that the dinghies being stored on the Port Hadlock Float be removed before the festival.

Mr. Pivarnik informed that it was time to prepare the October Port Newsletter and that a meeting had been scheduled with Shelly Randall to discuss ideas for the next edition. Discussion followed regarding possible topics to be included in the newsletter.

Mr. Pivarnik advised that due, in part, to all the recent injuries to Work Yard staff, that Yard Supervisor, Doug Lockhart, had discussed with him the possibility of going to a five day, Monday through Friday, work schedule with Yard closure on Saturdays. A brief discussion followed and the consensus was to allow Mr. Lockhart to use his best judgment in management of the operating hours of the Work Yard.

Lastly, Mr. Pivarnik informed that he had received the State Permits for the Point Hudson Marina dredging, advising that the Port now had the Corps permit and the State Fish and Wildlife permit. The final piece of the puzzle, he stated, was to gather all the participants together with the Department of Natural Resources to ascertain a location to put the dredge materials and review the Dredge Plan.

A short discussion followed.

Mr. Crockett informed that he had been asked by Eric Johnson of the Washington Public Ports Association (WPPA) to sit on a Selection Committee meeting scheduled for September 19, 2008. The Committee was assigned to select Mr. Johnson's replacement so that he could move into the one being vacated by Pat Jones in December of this year.

Mr. Crockett advised that he had conflicts with the next three scheduled Commission meetings. He briefly informed as to the nature of the conflicts.

After discussion it was decided to move the meetings as follows: September 24, 2008 move the meeting time from 6:30 PM to 1:00 PM to allow Mr. Crockett to attend a meeting in Bellingham. Leave the October 8, 2008 Workshop and Meeting as scheduled and excuse Mr. Crockett. Change the time of the October 22, 2008 meeting from 6:30 PM to 1:00 PM to allow time for Mr. Crockett and Commissioner Thompson to travel to Leavenworth for participation in the Small Ports Conference sponsored by the WPPA.

It was not decided at this time, however, whether or not to move the November 26, 2008 (which is the day before the Thanksgiving holiday) evening meeting date or time.

VIII. PUBLIC COMMENTS:

Les Schnick inquired about what was normally done with dredge material.

Mr. Pivarnik responded that there was a disposal site designated by the Department of Natural Resources located by Protection Island.

IX. COMMISSIONER COMMENTS:

Commissioner Collins informed regarding the presentation made by Katherine Baril to the Jefferson County Board of County Commissioners of Team Jefferson Economic Development activities. He suggested that the Port Commission would benefit from the presentation.

Commissioner Collins inquired how the process was going for the A/B Dock Advisory Committee.

Mr. Pivarnik informed on the progress made so far.

A brief discussion followed regarding the boat ramp and the division in the Committee over adding an additional ramp to the one located in Boat Haven. Doing so would increase the permitting requirements and time because it would be "in water" construction. It was mentioned that the Maritime Center was going to have a new ramp at the end of Monroe Street, which might resolve the conflict.

Commissioner Beck provided an update on WRIA 17 (Water Resource Inventory Area) by stating that the Department of Ecology was about to release a report which listed the stream flow in the Dosewallips, the Duckabush and Queets on which the Department had been working for a number of years. Per Commissioner Beck the outcome was important because the amount of water stream flow in the WRIA 17 area regulated the amount of growth that was allowed in the area.

Commissioner Collins informed that there was a conference sponsored by the Washington Coalition for Open Government in Seattle in May 2009, which he would like to attend. He needed Agency support in order to attend. As the other two Commissioners were not interested in attending the meeting, they gave their support to Commissioner Collins. He advised that he wanted to put forward at the meeting the handicaps faced by small, three member Boards of Commission.

X. NEXT MEETING: Next Meeting will be held Wednesday, September 24, 2008 at **1:00 PM**, in the Port Commission Chambers, 375 Hudson Street, Port Townsend, WA

XI. EXECUTIVE SESSION:

None

XII. ADJOURNMENT:

The regular meeting adjourned at 2:52 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