

PORT COMMISSION MEETING – December 1, 2006

The Port of Port Townsend Commission met in regular session in the Commission Chambers, Hudson Point Administration Building, 375 Hudson St, Port Townsend, WA.

Present: Commissioners – Beck, Sokol, Thompson
Executive Director – Crockett
Deputy Director – Pivarnik
Marine Facilities Director – Radon
Auditor – Taylor
Attorney – Harris - Absent
Senior Accountant/Recorder - Hawley

I. CALL TO ORDER

The meeting, originally scheduled for November 29, 2006 and cancelled due to weather conditions, was called to order at 1:00 PM.

II. APPROVAL OF REVISED AGENDA

Commissioner Sokol advised that the Public Hearing on the Independent Contractor Rules and Regulations and the Public Hearing on Surplussing the Wills House were postponed until December 13, 2006. Due to Staff research, he stated, it was determined that the Airport Master Plan should be amended before the Wills House was surplus, therefore a Public Hearing to Amend the Airport Master Plan would be held on December 13, 2006 also. Notice of the changes had been sent to the Peninsula Daily News and the Port Townsend Leader. **Upon motion of Commissioner Beck, the revised agenda was unanimously approved.**

III. CONSENT AGENDA

- A. Approval of Minutes – 11/08/06
- B. Approval of Warrants
 - #35695 through #35724 in the amount of \$29,286.87
 - #35725 through #35733 in the amount of \$52,105.82
 - #35734 through #35793 in the amount of \$398,188.33
- C. Write-off Register

Upon motion of Commissioner Beck, the Consent Agenda as written was unanimously approved.

IV. PUBLIC COMMENTS (Not related to agenda)

Robert Stamm stated that he had been a moorage tenant at Boat Haven for 10- ½ years and lives aboard on an over-wide vessel. With the approval of the 2007 Budget, he will be facing an increase in his berth-rate of 150%, which he considers excessive. He asked that the over-wide rate be reconsidered and reviewed. He submitted to the Commission a spreadsheet he had compiled using rate data gathered from 13 other Marinas. His vessel is a multi-hull trimaran, measuring 57ft by 27ft and he understands that it takes up more room. He is not opposed to the regular cost of living yearly adjustments, but hopes that the Port will reconsider the new rate that will be charged for his vessel. His calculations indicate that with the addition of leasehold tax, he will be paying \$300.00 more a month and does not believe the Port is aware of this. The rate, he stated, only affects his and one other vessel in the Marina.

Glen Paris Stamm stated that she believes only two boats will be affected by the rate for the over-wide vessels. Her understanding is that it does not apply to commercial boats, visiting boats or monthly moorage boats and stated her belief that this is an extremely unfair situation.

Karen Nelson stated that she had met Mrs. Stamm while doing volunteer work with PTTV, and that the Stammers have contributed much to Port Townsend through their volunteer activities. She stated that the Port should follow the voter mandate when Commissioner Thompson was elected that the Port should be kept affordable. She believes that the rate for over-wide vessels, one of which is owned by the Stammers and is their place of residence, is arbitrary, capricious and, basically, unfair. She requested that the Port reconsider the fee increase, and at the least, not make the fee retroactive. She understands that both the City of Port Townsend and Jefferson County offer programs to assist seniors on fixed incomes. She suggested that the Port consider such a program.

Kitty DeLong, per Ms. Nelson, had sent an e-mail to the Commission stating her concerns.

Gail Graig stated that she wanted to support Mr. and Mrs. Stamm in their appeal to the Port to reconsider the fee increase. She feels the Stammers have contributed a great deal to Port Townsend through their volunteer efforts and as ten-year residents to help keep the community a nice place to live. She expressed concern that the fee should not be retroactive.

Commissioner Sokol clarified by stating that the rates adopted in the 2007 Budget are effective January 1, 2007 and are not retroactive. He acknowledged that the City of Port Townsend has a way to “means test” and if a resident falls below a certain income level then the utility rates are reduced, this method, he stated, raises everyone else’s rates because the total amount that goes into the City remains the same. The County does the same thing with property taxes. However, utility rates and property taxes are quite different from Port moorage rates. He stated that active commercial fishing vessels do get a preferred, lower, rate, which is something that has been done for thirty years or so, but the rate only applies to active fishing vessels, if the boat is sitting in the Marina, the charge is the same as everyone else.

Commissioner Thompson stated that the over-wide situation would also apply to any commercial vessel; if it is over-wide, it pays the premium.

Mr. Crockett noted due to an oversight, over-wide charges had not been added to nightly moorage rates. He recommended that the topic be added to the December 13, 2006 workshop for review. The Commission agreed with that decision.

Karen Nelson stated that what she had meant by retroactive was that the fees would apply to boats now coming into the marina and not to those boats already here. She reiterated her concern for the Stammers in that they are on a fixed income and that their boat is their place of residence.

Discussion followed regarding the difficulty of applying rate increases to new arrivals only and that everything in the Port is given an annual rate assessment. There are approximately 200 boats on the waiting lists of various sizes who wish tenancy at the Port. An option for phasing in rates for over-wide vessels was discussed also and the fact that trimarans are not allowed in some Marinas.

V. Old Business

A. Aero Museum Lease

Mr. Pivarnik briefed the Commission on a meeting attended by himself, Mr. Crockett and Mr. and Mrs. Thuotte during which discussion took place regarding the elements of the Port granting an 18-month lease-option to the Thuottes to construct a 12,600 square foot building on the land adjacent to the Aero Museum at market rate of .04cents/foot resulting in a \$504.00 per month lease rate. Infrastructure costs would include a percentage of the storm-water pond, and another hook-up for the septic system, as additional restrooms are part of the proposed building. In discussion with the FAA on another matter (that of surplusizing the Wills House) this project was brought up and the FAA representative, Mary Vargas, who had been to the site and had seen the museum building during construction, would like additional information before giving approval for the project. Mr. Pivarnik believes that a meeting between Ms. Vargas, Mr. Thuotte, Mr. Crockett and himself would be beneficial in that it would help to explain to the FAA why the Aero Museum is different from other aero museums and how it would be of benefit to the community. Therefore, Staff recommends moving forward with the lease option, contingent on FAA approval, as Ms. Vargas does not want to affect the federal projects already in progress at the airport.

Jerry Thuotte stated that the FAA issue was new to him. He was convinced that he could resolve issues once he had had a chance to speak with the FAA. The Aero Museum is unique, he stated, and is not just a place to display airplanes. The new building would be used for the repair and rebuilding of airplanes to put them back into service, also to train young adults, and to offer flight training. He stated that he could understand the FAA position because

its mission is to promote active aviation in this country, which includes fuel and license purchases and most museums take airplanes out of service and display them.

Discussion followed regarding proceeding with the lease option as long as there is FAA approval; the opportunity for another type of local industry, lease negotiation with infrastructure costs and development charges, whether or not to have a new time frame or a tie-in with the existing lease, market rate versus 50% of market rate, and that the final per foot rate would be contingent on the FAA and that Mr. Thuotte would like some kind of commitment to proceed with fundraising.

Commissioner Sokol made a motion to grant Gerry Thuotte, of the Aero Museum, an eighteen-month option on the land, located next to the Aero Museum, for the construction of a museum maintenance facility and classrooms and that, when the project was up and running, contribution of infrastructure costs to cover a share of the storm water facility and payment for the additional septic hookup would be made, and lease rate at 50% of the lease market rate subject to the approval of the FAA.

The motion carried by unanimous vote.

B. Septic Design Contract

Mr. Pivarnik stated that this contract represents the design services and monitoring fee for the Quilcene Septic System. The scope of the project incorporates all of Linger Longer Road and will include the Marina pump-out, the shower facility, the residence, Coast Seafoods and up to 15 RV sites and is expandable. Canterbury, for a fee, can tie into the system if required to do so by Jefferson County. The system will be very large in scope, probably costing \$110,000, but should last for twenty years. Mr. Pivarnik stated that the last week had been spent digging perk holes and meeting with Jefferson County.

Discussion followed regarding the opportunity for economic development in the region.

Commissioner Beck made a motion that the Port accept and approve the septic design contract with Creative Design Solutions in the amount of \$13,000 plus sales tax.

Discussion followed regarding whether or not this cost included the work already performed (yes) and that part of the cost would be billed to Coast Seafood once the total costs and percentages were determined.

Motion carried by unanimous vote.

C. DNR- Interagency Agreement

Mr. Pivarnik reminded that this topic had been discussed at a prior meeting, and that the agreement would allow Caicos Corporation to pull approximately 257 pilings from the Port Townsend waterfront including half the train trestle, all the dolphins on Quincy Street, and miscellaneous pilings off the Aladdin Beach. It is essentially a “pass through” contract with DNR as DNR has monies available for the pile removal. Since Caicos is already here working on the Hudson Point Marina, it was thought to be a way to save on mobilization costs, to have the Port act as a “pass through agency”. Attorney Harris, per Mr. Pivarnik, had reviewed the contract.

Discussion followed with Mr. Taylor commenting that the dollar total was \$197,377 before sales tax resulting in a total dollar amount of \$214,000 with Washington State Sales Tax and that the dollar amount with tax should be included in a revised contract. In Attachment A, Statement of Work, stated Mr. Taylor, DNR is passing all of the responsibility on to the Port and it states that we are responsible for hiring and contracting with a qualified marine contractor. He takes that to mean that we still (even though Caicos will

probably be the low bid because they are already here) need to get another bid on this job since DNR is taking no responsibility for following Public Works bidding laws. Additionally, DNR is going to pay only after the job is complete and so language in the contract should state that we are making one lump sum payment after completion of the work.

Discussion followed regarding the dollar amount, contract revision, following the Public Works Bidding requirement, obtaining another bid perhaps from the small works roster and the project timeline.

Commissioner Beck made a motion to authorize Executive Director Crockett to sign the Interagency Agreement with DNR for pile removal in the amount of \$214,000 which includes Washington State Sales tax, revision of the Caicos Corporation Contract and obtaining a second bid if necessary and that payment to the Contractor will be made after project monies are received from DNR. Motion carried by unanimous vote.

VI. NEW BUSINESS

A. Economic Development Council Membership

Mr. Crockett stated that this matter was one he would normally decide, but that due to the politics involved and the history of the EDC, he wanted Commission direction. Evidently, the plan for the County to take over the EDC has fallen through and Lawrence Graves, President of Frontier Bank and past president of the old EDC has been going through the EDC membership list and is requesting those members rejoin the new EDC.

Discussion followed regarding the fact that there was a need for the Economic Development Council and the cost of membership.

Commissioner Sokol made a motion to submit \$250.00 for a large business membership to the EDC. Motion carried by unanimous vote.

B. Water Tank Truck

Mr. Crockett presented background by stating that during summer the Work Yard and Ship Yard turn into a dustbowl. Although “No Dust” and “Slow Down” signs are displayed, with all the traffic traveling through the Yards, it remains a difficult situation to solve. The purchase of a tank of some sort, which would be placed on the back of the dump truck and used to spray water to keep down the dust, had been discussed. However, since the dump truck was used each day that option had been discouraged. Staff had researched and located an actual water tank truck, which sprays in back and front and has a fire hose attachment, which could be used for pressure washing some of the docks and could be used where water is not available.

Commissioner Beck made a motion to authorize Staff to purchase the water tank truck in the amount of \$26,095.68 including Washington State Sales Tax. Motion carried by unanimous vote.

C. Waterline Development Invoice for JCIA.

Mr. Pivarnik presented and stated that the invoice is from Mr. Thuotte of the Aero Museum and that there was a Gentlemen’s Agreement between him, Mr. Crockett and Mr. Thuotte for a waterline and water tap designed by the Aero Museum engineers as infrastructure for the Museum. The waterline services the museum and would also service all of the Port’s proposed new hangars, with another 100 feet of waterline for our use in the future. Mr. Crockett stated that if the waterline had not been installed at the time the Museum was built it would have been necessary to bring water in from the opposite side by the Jeffco Hangar and to trench all the way across the grass tiedowns.

Commissioner Sokol made a motion to reimburse the Port Townsend Aero Museum in the amount of \$11,964.65. Motion carried by unanimous vote.

Mr. Thuotte advised that power and telephone lines were in the line.

D. Moderate Risk Waste Facility

Mr. Radon briefed the Commission on a letter received from Jefferson County, which asked the Port's thoughts concerning the possibility of a reduction of the operational hours at the Moderate Risk Waste Facility. Mr. Radon researched the operations agreement of ten years ago. It was part of an interlocal agreement with the County to establish a moderate risk waste facility locally. In the original agreement, Section 4.2 stated that there would be 12 operational hours per week and that if those hours were reduced the Port could implement a fee structure allowing a monthly rent charge based on a formula stated in the agreement and in relation to the hours reduced. Currently, there is no rent charged. The question raised was whether or not the Port would hold the County to that clause.

Discussion followed to include the amount of activity at the facility, moving the facility to another part of the county or to the landfill site, shutting down the facility altogether and returning the space to the Port and the consensus that the facility was needed but that the operational hours were not the most advantageous and options for negotiation with the County.

Commissioner Sokol made a motion that Staff recommend to Jefferson County that they revise the schedule to four days a week with one of those days being Saturday, three hours a day, possibly from 1PM to 4PM, for the Moderate Risk Waste Facility. Motion carried by unanimous vote.

VII STAFF COMMENTS

Mr. Pivarnik updated on the Hudson Point Marina project noting that most of the docks, with the exception of the ones built in 2002, have been removed. The barge, which will leave today for Port Gamble, will return outfitted as a dredging barge. Due to weather conditions, the project is two weeks behind schedule. Over the next two weeks, Caicos will be off-loading piles and the metal sections for the landings. All the metal structures are being made locally at Glen Cove. Greg Mika is doing the galvanized steel landings work.

Mr. Crockett remarked that he would be attending the annual WPPA conference in Seattle next week from December 5 through December 8, 2006 and would present the WPPA Marina Committee Report.

Mr. Crockett reminded that the interviews with the four consultants for the Boat Haven A/B Dock and Commercial Dock replacement project take place on December 12, 2006. He recommended that some time be saved during the workshop on December 13th for discussion regarding the interviews with a possible consultant selection made during the regular meeting.

VIII. PUBLIC COMMENTS - none

IX. COMMISSIONER COMMENTS

Commissioner Beck stated that he had received very positive comments about the new docks being installed in the Quilcene marina.

Commissioner Thompson suggested a news release updating the South County residents on the Marina and septic system progress.

Mr. Radon announced that he had posted an update a couple of months ago.

X. NEXT MEETING: Regular Meeting on Wednesday, December 13, 2006 at 1:00 PM with a Public Workshop preceding at 9:30 AM to 11:30 AM. in the Commission Chambers, Port Administration Building, 375 Hudson Street, Hudson Point. There will be Public Hearings on the Independent Contractor Rules and Regulations, the Airport Master Plan (to set up the surplus of the Wills House) and on the Surplus of the Wills House

XI. EXECUTIVE SESSION None.

XII. ADJOURNMENT

The regular meeting adjourned at 2:29 PM there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President