

PORT COMMISSION MEETING – December 28, 2009

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

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

Excused: Attorney – Goodstein

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

The meeting was called to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Two items were added to Old Business: Item C – Lay Day Rates and Item D – Quilcene Dredging.

Commissioner Collins moved to approve the Agenda as amended.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Minutes – December 9, 2009

B. Resolution No. 529-09 – Authorizing Sale of Abandoned Vessel

Commissioner Thompson 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. RV Incentive Plan:

Mr. Pivarnik outlined four proposed incentive plans to encourage RV visitors to stay longer in Point Hudson, reminding that the topic had been broached during the December 09, 2009 meeting with the Commission in which staff had been asked to develop ideas. #1 was to support the concept of “stay for three nights and get the fourth night free”. #2 was a weekly RV rate resulting in a \$75 savings if the customer stayed an entire week. #4 was stay five months with the sixth month for free (although Leasehold Tax was due) to encourage RV winter-over’s. The specials, he assured, were offered from January 1 through May 31 and would not affect the heavy summer tourist season. #3, he informed, was open to discussion, and offered a 20% discount to non-resident seasonal workers from out of the immediate area.

Mr. Taylor voiced that, in his opinion, Item #3 would create more ill will than the business it might generate. Administrating such a discount might also prove difficult and cumbersome for staff, as they would have to adequately document, and keep a record, whether or not the person was a non-resident, and what that really meant.

A discussion followed about how one would define resident/non-resident, how it would be administered with the general agreement amongst the Commission that the other three policies were excellent incentive plans but that number three was not. Also discussed was that the “stay five months, get the sixth month free” incentive had been tried previously and had worked. Also discussed was the beneficial financial ripple effect to the community of people staying at the RV Park and spending dollars in town shopping and eating at the local restaurants.

Commissioner Collins moved to approve Incentive Policy Items #1, #2 and #4.

Motion carried by unanimous vote.

Commissioner Collins inquired if there had been research done on the idea of giving more flexibility to staff to set rates on a case-by-case basis.

Mr. Pivarnik informed that since the Port was required to have published rates, he did not think there was a way in which to achieve such an idea. He advised that he would discuss the idea further with Mr. Goodstein.

B. Make Waves – Letter of Intent:

Commissioner Beck informed that the topic had been discussed during the December 09, 2009 meeting and that a motion had been approved to move forward with a Letter of Intent to Make Waves. (A copy of the letter provided as part of the permanent record).

Mr. Crockett informed of the contents of the Letter of Intent. In addition, he stated, essentially, the Port Commission directed staff to move forward and negotiate with Make Waves for the piece of land (as delineated by Clark Survey) and described in the attached legal description. He advised of the location of the proposed project footprint, the portion of land directly behind McDonald's Restaurant. The proposed project would not, he emphasized, impact or affect any other portion of the Kah Tai. He provided additional details regarding the Letter of Intent.

Believing it to be a "great project" and needed in the community **Commissioner Beck moved to approve the Letter of Intent with Make Waves, the Port Townsend Community Recreational Center.**

****Please see vote below**

Commissioner Collins advised that, although he strongly supported the project, he was concerned about whether the Port was complying fully with the spirit, if not the law, of the Port's Comp Scheme of Harbor Improvements which stated that the Kah Tai, without a time date or limit, was to be used for its present purposes and he believed that since, in his opinion, this would be a change of purpose that it necessitated a formal change in the Comp Scheme.

Mr. Crockett informed that, in his opinion, it did not and advised that the Comp Scheme stated that the Kah Tai should be maintained as Parks/Open Space and offered that this was a totally authorized use under that code designation.

Mr. Pivarnik informed that under the City of Port Townsend Code, Park/Open Space, recreational facilities were allowed.

A thorough discussion followed regarding that the original intent for the Kah Tai was that it should be a recreational park, and that although it was often referred to as a nature park that was a persona that had been overlaid on that parcel but was not, necessarily, the legal description either in the Port's Comp Scheme or the City Code.

Mr. Pivarnik reminded of the second part of the motion approved during the December 9 meeting was that staff was directed to meet with the Jefferson Land Trust to determine ways in which to protect the remainder of Kah Tai into perpetuity.

Further discussion followed with Mr. Crockett cautioning that involved process would take a period of months to establish a conservation easement for the remaining Kah Tai Land and that a great deal of public process would be involved.

George Yount inquired if other 501(c)3 organizations had been approached regarding the Kah Tai, especially the Admiralty Audubon Society since it was very instrumental in the acquisition of Protection Island.

Jim Todd inquired if the Port's intent in the Kah Tai, was not necessarily that of a Nature Park so in saying that they wanted to protect it did that mean protection as a Nature Park or as a Recreational Park which would mean swings and merry-go-rounds, etc. He advised that the distinction was very important to those who were really interested in preservation of the Kah Tai.

Mr. Crockett advised Mr. Todd that over the course of the next several months there would be opportunities to meet with the public and discuss the various aspects of the Kah Tai. In response to Mr. Todd's reference to the signage in the Kah Tai listing it as a "Nature Park" he informed that the Port had never officially approved the signage

Further discussion followed regarding the footprint for the Make Waves building

****Motion on the floor carried by unanimous vote**

C. 70-Ton Yard Lay Day Rates:

Mr. Crockett reminded that the 20% Yard Lay Day discount was scheduled to run through March 31, 2010 based on whether or not the vessel had hauled out by 12/31/09. Since this is the last meeting of the year, he offered that if it was desired to change the lay day rate permanently and having it effective 1/1/2010 that this was the meeting in which to discuss the idea. He informed there were two options: one was to extend the 20% discount or to drop the lay date rate reminding that it would affect the 2010 budget bottom line either way.

A very thorough discussion followed which included the present incentive plan, the history behind it, how it had affected business both for the Port and the Marine Trades, the effect on the Port budget and the idea of extension of the discount for another period of time.

Dave Griswold representing the Marine Trades Association, pointed out that almost all of the boat yards around the Puget Sound were giving a discount to people, either a haul out or a lay day discount. He advised, in his opinion, that from a marketing point of view, it was better to see the words “20% discount” than a straight across the board rate reduction. He advised that the Marine Trades had received questions from clients asking what discounts were available.

Mr. Crockett clarified that the haul out rate would return to its pre-incentive rate effective January 1, 2010.

Commissioner Collins moved to extend the 20% 70-ton lay day rate discount for stays of over 30 days through June 30, 2010.

Motion carried by unanimous vote.

D. Quilcene Dredging:

Mr. Crockett informed that after an unbelievably long process, the final permit for the Quilcene Dredging project could be issued any day. He advised that since the process had taken so long that staff would like the Commission to make its wishes known, one last time, about whether to proceed with the dredging project.

Mr. Pivarnik informed that there was a contractor “at the ready” and that the contract needed to be signed, all paperwork in place, by the second week in January in order for the project to be completed before the February 15, 2010 fish window closure. He reminded that the bid for the proposed project was \$147K and would take ten days to complete.

After a very short discussion by the Commission in which Commissioner Collins deferred to Commissioner Beck’s choice,

Commissioner Beck moved to direct staff to move forward with the dredging project at the Quilcene Marina as discussed and presented.

Motion carried unanimously.

VI. NEW BUSINESS:

A. Approval of Warrants and Voided Warrant:

Warrant #043380 through #043405 in the amount of \$36,204.17 for Payroll

Warrant #043406 a Void

Warrants #043407 through #043412 in the amount of \$17,352.95 for Payroll Benefits

Warrant #043413 through #043477 in the amount of \$138,888.54 for Accounts Payable

Warrant #043364 in the amount of \$(79.62) for a Voided Accounts Payable Electronic Debit – Frontier Bank for \$2,021.75 for November, 2009 Combined Washington Excise Tax Report

Commissioner Thompson moved to approve the warrants as presented.

Motion carried by unanimous vote.

VII. STAFF COMMENTS:

Mr. Taylor informed, seeking Commission concurrence that he was planning to send out a small survey to Port customers with the next billing statements. He reminded that last summer there had been discussions about credit card processing and out of those discussions had come three options to facilitate customer payments. As it was planned to do another upgrade to the Marina Management Software, he thought it would be a good idea to get feedback regarding three possible payment options and provided details about each plan. Commission was in concurrence with the ideas and advised Mr. Taylor to move forward as he had planned.

Mr. Pivarnik advised that he wanted to say what an honor it had been working with Commissioner Beck over the past nine years and thanked him for the opportunity to do so.

Mr. Crockett reminded of the needed Executive Session of ten minutes, no decision, on a personnel issue. He invited all in attendance to an Open House reception for Commissioner Beck in the Conference Room right after the meeting adjourned.

He advised that he would be out of the office on January 6, 2010 to attend the Northwest Marine Trades Association meeting at Lake Union where, hopefully, more would be learned about the latest developments from the Dept. of Ecology regarding the new benchmarks for storm water in boat yards. There would also be an update, he advised, regarding Puget Sounds Keepers Alliance lawsuit.

Additionally, he informed that there would be another Broadband meeting held on January 6, 2010 and since he would be out of town, Mr. Pivarnik had volunteered to chair the meeting.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS:

Commissioner Collins informed that another meeting had been scheduled to follow the monthly Airport Pilots Association meeting held the first Saturday of each month. The second meeting was to open a dialogue regarding ways in which to promote the value of the Airport to the general public. Commissioner Collins suggested that as both staff and the other Commissioners were interested in the concept and that of airport development that they might want to plan to attend the meeting – scheduled for January 2, 2010.

Commissioner Collins offered his complements to Commissioner Beck, advising that he had been a great teacher to the “new kid on the block” and learning from Commissioner Beck the true application, integrity and unselfish public service from him.

Commissioner Beck thanked Commissioner Collins for his comments and offered that he had learned from Commissioner Collins also, and in fact, had learned from all new Commissioners over the years. He related a few stories of the beginning of his term as Port Commissioner in 1973, when the Commission met in a small room on the second floor of the Jefferson County Courthouse. He offered that the Port Budget at that time was, at most, \$300K and was now close to \$7 Million. The Port, he stated, had created several hundred jobs for the local economy. He stated that it had been a very enjoyable 35 years.

X. NEXT MEETING: Next regular meeting will be held Wednesday, January 13, 2010 at 1:00 PM (workshop at 9:30 AM) in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular meeting recessed at 2:03 PM into a ten minute Executive Session for discussion of a personnel issue with no expected decision.

XII. ADJOURNMENT:

The regular meeting reconvened at 2:13 PM and adjourned at 2:14 PM there being no further business to come before the Commission.

ATTEST:

Herbert F. Beck, President

David H. Thompson, Secretary

John N. Collins, Vice President