

PORT COMMISSION MEETING – March 11, 2009

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

Present: Commissioners – Beck, Collins, Thompson
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 include the addition of the following items to New Business: Item C - Port Revised Organizational Chart, Item D – Fuel Dock, Item E – Special Meeting/Workshop for Bond Discussion, Item F – T’s Restaurant Liquor License Approval.

Commissioner Thompson moved to approve the Agenda, as amended.

Motion carried by unanimous vote.

III. CONSENT AGENDA

A. Approval of Minutes – February 25, 2009

B. Operations Reports – February, 2009

Commissioner Collins 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. Spruce Goose:

Mr. Crockett reminded that the owners of the Spruce Goose Restaurant (located at Jefferson County International Airport) had been exploring the idea of building a new restaurant on the former Wills House site. The owners, he stated had since decided to explore the opportunities of remaining in the currently existing building, retrofit the current building and possibly expand, if the concept met with Commission approval. Mr. Crockett provided background regarding the building. He advised the idea of selling the building to the Spruce Goose owners had also been discussed with them.

Discussion followed which included the new lease length, ideas of possible building improvements and the aspect of selling the building vs. a new lease.

Chris Cray, co-owner of the Spruce Goose Restaurant, stated that they were not interested in making the restaurant “fancy” and informed the building was deteriorating and that a new deck was needed. She broached the proposed plan of making the restaurant building improvements in stages. Stage #1 replacement of the deck, new outside tables, perhaps installing a new foundation and redoing some of the plumbing. Stage #2 would include installation of new windows, new flooring and upgrading the restrooms. Stage #3 would be an addition to the building.

Commissioner Beck asked if their preference would be ownership or a new lease. Chris Cray and Andrea Raymor both responded, without hesitation, ownership.

Mr. Pivarnik responded that staff thought selling the building to Ms. Cray and Ms. Raymor was a great idea. However, he advised, first there needed to be research done to determine how to go about selling the building and whether or not it first needed to be declared surplus.

Mr. Harris informed that it was his opinion the current lease should be terminated and then the building could be sold to the Spruce Goose owners without the building having to be declared surplus.

Discussion followed regarding the concept, if the building was structurally sound enough to allow the proposed changes and whether the Port should have the building appraised to establish a dollar value.

Commissioner Beck moved to establish, for the record, that the Commission was in concurrence with the concept of establishing a value of the Spruce Goose Restaurant and then exploring the sale of the Spruce Goose Restaurant building

**to the current tenants and allowing them to move forward with phased improvements, yet to be defined.
Motion carried by unanimous vote.**

B. Boat Haven Storm Water Update:

Mr. Crockett informed the Commission regarding a meeting with Landau Associates, the Port's Environmental Consultant, regarding the stormwater upgrades at Boat Haven. He reminded that the Department of Ecology had awarded a \$371K grant to the Port for the proposed system upgrades. Stormwater RX Technology had provided a briefing on one of the systems the Department of Ecology had requested the Port try out for the next eighteen months as part of the grant. He explained the procedures needed and the timeline established for the project starting with establishment of a baseline through testing of the stormwater catch basins in Boat Haven. He informed that he proposed additional testing of the stormwater that the Port is taking from the City of Port Townsend from the nearest catch basin to Safeway. He also suggested testing the stormwater outfall that comes from the Kah Tai Lagoon, which drains everything from the golf course to all the high ground around Safeway.

Mr. Pivarnik added that the Port would own the Stormwater RX system and an electric coagulation machine from Collective Coagulation. He advised that details had yet to be refined and resolved regarding if the Port could sell, or decommission, the equipment if it should, for some reason, not work out as anticipated.

Discussion followed regarding details of the project. No Commission action was necessary as the topic was informational in nature.

Commissioner Collins informed of the meeting he had recently attended between the Marine Trades Association and Port staff. During the meeting, he advised, discussion had taken place regarding the possibility of the Port co-sponsoring with the Marine Trades Association (as well as other interested parties) a "demonstration day" for manufacturers of non-copper based paint to exhibit their products. The event, he advised, might stimulate and educate the boating community about the non-copper products now available.

Commissioner Collins moved to direct Staff to support co-sponsoring a non-copper paint demonstration day with the Marine Trades Association and other organizations to educate the boating community regarding products available, use of such products, with the details regarding the event to be resolved.

Discussion followed regarding how best to advertise, promote and facilitate the proposed event.

Motion carried by unanimous vote.

Commissioner Collins remarked that the event would demonstrate that the Port and Marine Trades were moving to meet standards not just by treatment but also by restricting what went into the stormwater system.

C. Old Fort Townsend Update:

Mr. Crockett provided information regarding the topic reminding that it had been discussed at the last meeting that due to the budget crises in Olympia, many State Parks were due for closure and that Old Fort Townsend was one of them. Mr. Crockett remarked that since the meeting he had been in contact with the Friends of Old Fort Townsend and the Jefferson Land Conservation Organization to ascertain additional information regarding the Park. He had also been in contact with Kate Burke from Fort Worden to set up a walking tour of the facility, talk about the facility and that he had requested information regarding five years of park usage, revenues and expenses data.

Commissioner Collins remarked that, in his opinion, it would be valuable to have some public process both to hear ideas and to communicate to the public that the Port did not have a hidden agenda in taking on the Park, should it decide it was feasible to do so.

Mr. Crockett suggested that the April 8, 2009 meeting might be ideal. He advised that he did not expect the project to move speedily, but rather thought it would take several months to gain information and work out details.

Commissioner Thompson stated that, in his opinion, he thought the community would be in favor of the Park remaining open under anybody's tutelage, but that, on the Port's part it had to be financially feasible.

Commissioner Beck stated that the comments he had received from citizens all were positive provided the proposed project was financially neutral to the Port. He did not want any one particular group to have to contribute financially to maintaining the Park. He remarked that before he made any decisions he first wanted to discover exactly what condition the Park was in at present.

A short discussion followed about the proposed walking tour of the facilities and the equipment the Port might inherit, or if additional equipment (like a mower for all the acreage of grass) would have to be purchased which would add to the initial turnover expenses.

Commissioner Beck reiterated his concerns that the language be specific (if it were to come to the point where the Port took over control of the State Park) with what, exactly, the Port was getting.

D. Airport Engineering:

Mr. Crockett reminded that the FAA had contacted the Port several months ago advising that they would like all of the airports to have a five year on-call contract with an acceptable engineering firm. Mr. Crockett stated doing so would eliminate the need to go out for bids for every new project requiring engineering at the airport. In response to the advertisement for Requests for Qualifications, the Port received three responses: Reid Middleton, W.H. Pacific and URS. The Port had contracted with Reid Middleton in the past, reminded Mr. Crockett, most recently for the Taxiway and Hangar project. He informed that the Port would not be required to pay a retainer fee to the chosen engineering firm as services would be provided on an "as needed" basis; all costs were 90% reimbursable by the FAA.

Mr. Crockett recommended that all three firms be interviewed by staff and asked that Commissioner Thompson be present (as Commissioner representing District #2). Interviews have been set up for March 23, 2009. At the conclusion of the interviews, a recommendation would be brought back to the Commission for discussion and approval.

Commissioner Collins moved to accept the recommendation as outlined by the Executive Director.

Motion carried by unanimous vote.

VI. NEW BUSINESS:

A. Port Townsend Shipwrights Co-op Lease:

Commissioner Thompson recused himself from topic discussion and vote.

Mr. Pivarnik reminded that the Commission had approved last year the proposed addition to the Port Townsend Shipwrights Co-op building and therefore what was currently sought was a housekeeping item. In researching the lease, stated Mr. Pivarnik, it was discovered that there were five separate leases with the Co-op. All of the leases terminate at different times. Mr. Pivarnik recommended incorporation into one lease for a span of twenty-five years of the five separate leases. The Shipwrights Co-op Board was in favor of the idea and would like to pursue it pending Commission approval.

Commissioner Beck and Collins were in agreement that consolidation of the multiple leases into one lease was an excellent idea.

Commissioner Beck moved to direct Staff to combine all the Shipwrights Co-op leases into one lease.

Motion carried by two affirmative votes.

B. Approval of Warrants:

Warrant #041473 in the amount of \$3,011.00 for Accounts Payable

Warrant #041474 through #041503 in the amount of \$38,380.41 for Payroll

Warrant #041504 through #041513 in the amount of \$59,607.73 for Payroll Benefits and Accounts Payable

Warrant #041514 through #041588 in the amount of \$78,318.52 for Accounts Payable

Commissioner Thompson moved to approve the warrants as presented.

Motion carried by unanimous vote.

C. Revised Port Organizational Chart:

Mr. Crockett reminded that the Commission had recently approved the Port organizational chart based on the latest effort to redo job descriptions, etc. Since then, Chris Wenger of the Point Hudson Moorage office had given notice of his retirement. In an effort to consolidate all marina operations under one person, the organizational chart was revised to establish the position of Harbormaster of Marina Activities and appoint Moorage Manager, Tami Ruby to that position. Commissioner Collins inquired if Ms. Ruby would receive additional compensation for the additional duties.

Mr. Crockett responded in the affirmative.

Discussion followed about staffing levels at Point Hudson, Boat Haven and the Work Yard and cross training of all moorage staff.

Commissioner Collins moved to adopt the revised organizational chart establishing the position of Harbormaster of Marina Activities.

Motion carried by unanimous vote.

D. Fuel Dock:

Mr. Crockett informed about the topic stating that during the morning workshop regarding the financial report, discussion had developed about whether or not to retain and operate the Fuel Dock under Port management or to lease it out to a private operator. Mr. Crockett provided historical background into how the Port had acquired the Fuel Dock. He advised of the costs associated with running the Fuel dock, especially those of staffing costs.

After discussion, Commissioner Beck stated that, in his opinion, leasing out the fuel operation was an excellent idea especially in light of the economy and the changing times.

Discussion followed about the type of lease, the language necessary and that a monthly lease amount as well as a flowage fee would be incorporated into the lease language. The expenses incurred at the fuel dock so far this year were discussed as well as the lower than anticipated fuel gallons sold during 2008.

Commissioner Beck moved to direct Staff to craft a lease for the Fuel Dock operations and to then bring it back to the Commission for their review at the March 25, 2009 Commission meeting.

Mr. Pivarnik suggested that perhaps first an advertisement should be placed to see if there was interest from the private sector in leasing the fuel dock.

Discussion followed about whether to advertise first or to draft a lease first and the fact that since a lease for the Airport Fuel Operation had just been executed there was a starting point for a lease for the Fuel Dock.

Commissioner Beck amended his motion to direct staff to develop the concept of leasing out the Fuel Dock and to move forward with advertisements to see if there was interest from the private sector in doing so.

Motion carried by unanimous vote.

E. Bond Meeting:

Mr. Crockett informed that during the morning workshop discussion had developed about seeking information about going out for a bond issue for the A/B dock renovation (approximate cost \$5 million) and that staff recommended that Alan Dashen of Dashen, Musselman, Inc. be invited to attend a Commission meeting to inform on the subject and the process.

Discussion followed regarding possible days and times and the consensus was that 2:00 PM on March 25, 2009 for an afternoon workshop would work well for both Mr. Dashen and the Commission.

Mr. Crockett informed that we were still planning for construction to begin during the fall of 2010 but there had been some indication given that due to the economy and the fewer projects, permitting the proposed A/B Dock project might go faster than first anticipated and in fact, permits might be ready this year. In order to have funding ready to go and to incorporate figures into the 2010 budget preparation, it was thought that information regarding bonds should be sought as soon as possible.

Mr. Taylor informed that it took from four to five months to put together a bond issue.

Further discussion followed about the topic, which included that costs would continue to increase and that working on the proposed project during the summer after the July 15 fish window opening would speed up the project because the weather would be better.

Commissioner Collins moved to direct Staff to set up a Special Workshop for 2:00 PM on March 25, 2009 and invite Alan Dashen to attend to provide information regarding Bond Issues.

Motion carried by unanimous vote.

F. T's Restaurant Liquor License Approval:

Mr. Pivarnik informed that T's Restaurant had applied for a liquor license to sell liquor at the Point Hudson location and that the new liquor license application form required it to be signed by a Commissioner or designee. Therefore, he requested Commission approval and then asked that direction be given so that Mr. Crockett could sign the Liquor Application Form.

Commissioner Collins moved to approve T's Restaurant Liquor License and to authorize Executive Director Crockett to sign the application form.

Motion carried by unanimous vote.

VII. STAFF COMMENTS:

Mr. Crockett informed that Kenmore Air had on March 10 put out a news release about seaplane service to Port Townsend waterfront starting May 1. Mr. Crockett stated that he was in the process of researching the matter and had not yet resolved all the issues involved.

Mr. Pivarnik informed that he had been working with the Maritime Center along with Kevin Harris (who has the lease for the Quincy Street Dock) for the last four months in an effort to site the operation at the Maritime Center dock; the City of Port Townsend had been going to donate its float to be an extension of the Maritime Center's dock. At the last minute, he stated, the Maritime Center had voiced the opinion that it could not safely mix children's boating programs and seaplanes and had withdrawn its interest in the proposed project. In the aftermath of that decision, Mr. Harris had offered the Quincy Street Dock as a possible alternative site. Mr. Pivarnik advised that the reality of getting the proposed project permitted in fifty days was almost impossible. He stated that Mr. Harris was going to attend the March 25 meeting to provide information to the Commission regarding his plans for what he would like to do at the Quincy Street Dock.

Further discussion followed.

Mr. Crockett advised that Kenmore Air has access to facilities located in both Port Hadlock and Port Ludlow but that they really were interested in landing on the waterfront in Port Townsend. The idea, he stated, presented several safety issues. He advised that there was a consensus of approval for the concept but the reality of moving forward with the project was arduous at best.

He advised, additionally, that the Quincy Street Dock had been legally condemned in 1999 by both the City of Port Townsend and the Port and that a fence had been put around the property to keep citizens off the dock since the pilings underneath were almost all eroded away.

VIII. PUBLIC COMMENTS:

Larry McNaughty, a member of Friends of Old Fort Townsend, spoke to the concept of the Port taking over the running of Old Fort Townsend and asked that the Port use caution as there was still a chance that the Washington State Parks Commission would continue running the Park, which, in his opinion, was the better choice if at all possible. He provided details and information.

A thorough and lengthy discussion developed between Mr. McNaughty, the Commission and Staff regarding future of Old Fort Townsend.

A citizen expressed his thanks to staff and the Commission for the quick support for the demonstration project about the copper free bottom paint and best management practices regarding same. He advised that, in his opinion, it was necessary to begin educational training immediately because the painting season was approaching and also because it was going to take some time to get the boating community on board with the effort. He advised that there would be continuing educational programs and that one would be offered again during the Wooden Boat Festival.

Mr. Crockett offered that a flyer in the monthly Port billing statements would be an effective way to put forth information regarding the topic and when the demonstration classes would be offered.

IX. COMMISSIONER COMMENTS:

Commissioner Thompson requested a plan be developed and discussed in detail on how the Port was going to finance the A/B Dock Renovation project. He stressed his sense of urgency that such a plan be developed as soon as possible.

X. NEXT MEETING: Next regular meeting will be held Wednesday, March 25, 2009 6:30 PM; there will be a Public Workshop at 2:00 PM, in the Port Commission Chambers, 375 Hudson Street, Port Townsend, and WA

XIII. EXECUTIVE SESSION:

None

XIV. ADJOURNMENT:

The regular meeting adjourned at 2:24 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