

PORT COMMISSION MEETING – April 8, 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 - Goodstein
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 E – City of Port Townsend Minutes of Joint Meeting and to New Business the addition of Item C – 2010 Budget Schedule.

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

III. CONSENT AGENDA

A. Approval of Minutes – March 25, 2009

**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. Coast Guard Facility Update:

Mr. Crockett updated the Commissioners on the topic. He provided historical data relating to the U.S. Coast Guard building located on the Benedict Spit in Boat Haven and moorage there of the Cutter “Osprey”. Although the actual moorage facility, the dock and the gangway had been upgraded with new steel piles, the building the Coast Guard was presently leasing was in atrocious condition and presented ongoing maintenance issues for Port personnel and it was time, in his opinion, to do something about the building itself. The Coast Guard, he stated, had offered to assume all costs involved in building a new structure at the site if the Port would dispose of the current building. The basic facility footprint would remain the same, he advised, although the Coast Guard would like to shift the actual building closer to A/B Dock and they would like to enclose the area with a fence and gate due to security issues. The result of the fence would be restricted access to the gangway leading down to the Fuel Dock as the gangway would be within the fenced area. He advised that the gangway was not really needed and so he did not foresee a problem with the restriction. If the proposed project was approved and were to move forward, the Coast Guard would need temporary quarters for the construction period of approximately six months. He suggested leasing them the building recently vacated by Mahina Yachts.

Mr. Crockett reminded that discussions had occurred from time to time proposing removal of the Benedict Spit, but when last researched the project estimated cost was approximately \$1.5 million. The proposed moorage revenue that would be generated by removal of the Spit would not recoup the construction costs and therefore the project was not feasible, at least at the present time.

Mr. Pivarnik stated that, in addition, the Spit had become a fish habitat due to all the riprap in the area and that permitting and mitigation to remove a fish habitat would be so onerous that he did not think the Port would be able to gain the permits necessary to remove the Spit.

A short discussion followed about the proposed U.S. Coast Guard project. It was suggested that someone from the community might want the current Coast Guard building and remove it for the Port, saving demolition costs.

**Commissioner Collins moved to indicate the Commission was in favor of the U.S. Coast Guard new building concept as presented.
Motion carried by unanimous vote.**

Commissioner Collins inquired if staff had heard anything about whether the Coast Guard was thinking of changing their mission during the next five years.

Mr. Crockett responded in the negative, and remarked that the “Osprey” was a relatively new cutter. He stated the Port Townsend area due in part to its proximity to Indian Island meant that it was an important (and busy) location for the Coast Guard.

Mr. Crockett offered that he had learned the “Osprey” would be taken to Everett for approximately six weeks this spring to have some normal maintenance work done. He was disappointed to learn that there were no Marine Trade businesses in Port Townsend qualified to work on the cutter. He informed that Galmukoff Marine was the last business to go through the procedure necessary to become certified by the Federal Government to bid on those jobs. He stated that he found the lack of local ability to bid (and possibly work) on those types of projects disquieting.

B. Army Corps of Engineers Dredging of Boat Haven:

Mr. Crockett reminded that the topic had been discussed during previous meetings and explained that the Army Corps of Engineers would arrive in mid-August to begin the proposed dredging of the Boat Haven Harbor entrance. The dredging was anticipated to take from seven to ten days to complete and would involve approximately 1,000 cubic yards of dredge material. Originally, explained Mr. Crockett, it had been thought that the proposed project would include straightening the “dog-leg” entrance to the Harbor, however, due to eelgrass issues the curve at the Harbor entrance would not be completely eliminated. The mid-August date had been selected to avoid conflict with the Wooden Boat Festival.

C. Old Fort Townsend Update:

Mr. Crockett provided an update on the topic advising that he, Mr. Pivarnik and Commissioner Collins had met with representatives from Washington State Parks, Jefferson County Land Trust, Friends of Old Fort Townsend, the Port Townsend Paper Mill and both a Jefferson County Commissioner and Jefferson County Administrator on Tuesday April 7 to discuss issues and gain information. Stating that he felt the meeting had been a productive one, he briefed the Commissioners on information gained regarding Old Fort Townsend.

He reminded that, as had been previously discussed, Washington State Parks had requested from the Port a “Letter of Intent” in which the Port would briefly outline what it intended doing with Old Fort Townsend should it pass into Port ownership from Washington State Parks due to the State Parks budget issues. Mr. Crockett advised that he had been informed that the Letter of Intent would be non-binding and that the Port could change its mind should the task of assuming control of Old Fort Townsend prove to be too involved or difficult.

Commissioner Thompson suggested that the Letter of Intent should mention that it was contingent on the Port’s ability to afford to operate the Park.

Mr. Crockett outlined his perceived concept of what the Letter of Intent should include, namely that the Port was still interested in assuming control of the Park and should it take over the facility would continue to operate it as the State had been doing, with the same types of usage (bike and walking trails and the campsites). There would be a caveat in the letter stating there was still a great deal of data yet to be obtained and which would take several weeks to compile. The letter should also advise that knowing that the State Parks was still wrestling with the whole closure and budget issues and that Port staff would be doing a continuous assessment of the concept.

Commissioner Thompson stressed that it should be made abundantly clear that the less expense the Port incurred initially getting into the Park, the more apt it would be to have a successful enterprise. He expressed his thoughts that the Letter of Intent should allude to the fact that the Port could use the equipment (such as the picnic tables) already present in the Park.

Commissioner Beck cautioned that he did not want to proceed with the venture if there was any way in which Washington State Parks could continue to operate the Park. He suggested that the Letter of Intent be very cautious in nature.

Mr. Crockett stated that it had been expressed and made abundantly clear during the joint meeting that the preferred option was for the State Parks to continue operation

and ownership of Old Fort Townsend State Park and that the only reason the Port had stepped up and offered to assume control was to keep the Park from closure.

Discussion followed regarding the number of visitors to the Park annually.

Commissioner Collins offered that the other question was whether we wanted to take off the table at this point consideration of the Old Fort Townsend area outside the original Park footprint and not include the conservation area or the recently purchased area.

Mr. Crockett responded that his recommendation was to acquire the original 367 acres of Old Fort Townsend and not to move forward with acquisition of the two recently acquired Park parcels. He advised that there were too many restrictions linked with the additional parcels. He informed regarding the restrictions.

Mr. Robb of Old Fort Townsend Park, clarified that the Conservation Easement was located on Port Townsend Paper Mill property and was therefore owned by the Mill and would not convey to the Port. The uses for the land were intentionally negative and were intended that way because the Mill wanted an industrial buffer for their industrial activities as a safety factor to keep the public away from their machinery and operations.

Commissioner Collins suggested the Letter of Intent also site that the Port wanted to keep the Park in its current, or similar, public use, but that it would need, over time, to do whatever was necessary to enhance the revenue from the overnight camping usage so that it would become close to or self sufficient financially.

After further discussion,

Commissioner Beck moved to authorize the Executive Director to draft and sign a “Letter of Intent” outlining the Port’s intentions regarding the Old Fort Townsend State Park with caveats as discussed and to be submitted to the Washington State Parks by April 15, 2009.

Motion carried by unanimous vote.

Bob Goodstein recommended that the Commissioners make a motion that they were taking this action in terms of the Letter of Intent because the Commission viewed the action as appropriate economic value and, more importantly, as a tourism asset to the community so that it could be established that the Commission had considered whether it had the power to move forward with the project and that it was in fact exercising the power granted by the State Legislature two years ago to actually engage in the ownership and management of tourism related activities.

Commissioner Collins moved to offer that the Commission viewed this potential acquisition as within the legal authority given to Ports for purposes of developing recreational, tourism and economic activities.

Motion carried by unanimous vote.

D. FAA Visit:

Mr. Crockett informed regarding the April 2, 2009 tour of the Jefferson County International Airport completed Taxiway and Hangar Development Project. Present on the tour was Mary Vargas (of the FAA Regional Office in Renton), two Reid Middleton representatives (the firm did the project engineering) and a representative from Seton Construction, the project contractor. He informed that the visit was a close-out inspection tour (the FAA had provided a \$1.6 million dollar grant for the project) to verify that the grant funds were spent as required. He stated that, in his opinion, Ms. Vargas was very pleased with the completed project.

Additionally, he advised, Jerry Thuotte, of the Aero Museum, had offered a tour of the Museum building to Ms. Vargas who was initially concerned with the project when it was first presented. The tour, stated Mr. Crockett, was excellent and Ms. Vargas was impressed with the facility.

A short discussion followed about the magnitude of the Taxiway project and its successful completion.

Mr. Crockett reminded that the FAA had awarded to the Port two additional grants, one for moving the beacon light and the other for a GPS survey. He advised of another FAA grant in development, one to get several, various sized, airports throughout the country to be the Beta Test Sites for Electronic ALPs (Airport Layout Plans). He explained that the proposed system would input all geographical features, terrain contours, all the structures at the airport, horizontal surfaces, safety zones,

and all utilities into a computer program, which would then provide access to the information via layers of data, which could then be printed out depending on what project was being researched.

E. Minutes of the Joint Meeting with the City of Port Townsend Council Members and the Port of Port Townsend Commissioners:

Mr. Crockett informed that he had received a draft of the Minutes of the Joint Meeting between the two entities regarding several ongoing topics including Kah Tai, street vacations within the Port boundaries and storm water issues. He advised that he was okay with the content of the minutes. He noted that City Clerk, Pam Kolacy had signed the document for the City Council. He suggested, as a matter of protocol, that the Commissioner might want to authorize him to sign the document on behalf of the Commission.

Commissioner Collins moved for approval of the Draft Minutes of the Joint Meeting between the City of Port Townsend and the Port of Port Townsend and to authorize Executive Director Crockett to sign the document as the Port Commissioners representative.

Motion carried by unanimous vote.

VI. NEW BUSINESS:

A. Rhododendron Festival Parade:

Mr. Crockett stated that it was time for the Commissioners to decide if they wanted to participate in the annual Rhododendron Parade, which would take place May 16, 2009.

Mr. Crockett reminded the Hood Canal Bridge would be closed for repairs during the week of the annual Festival.

After a short discussion, the Commissioners agreed to participate in the annual event.

B. Approval of Warrants:

Warrant #041672 through #041702 in the amount of \$49,367.93 for Payroll
Warrant #041703 through #041711 in the amount of \$62,792.20 for Payroll Benefits
Warrant #041712 through #041769 in the amount of \$71,727.78 for Accounts Payable

Commissioner Thompson moved to approve the warrants as presented.

Motion carried by unanimous vote.

C. 2010 Budget Schedule:

Commissioner Beck informed that the 2010 Budget Schedule had been discussed during the morning workshop. He advised that the 2010 Budget Schedule would begin on May 11 with a Public Forum on the Budget *Process*.

Mr. Crockett advised that on July 8, 2009, the morning Workshop and the regular Commission Meeting at 1:00 PM would be held at the Timberhouse Restaurant in Quilcene.

The Budget Schedule listed dates for budget discussion and public input through November. Although public comment was welcomed at all meetings, there were special Budget Public Forums and Public Hearings beginning with the May 11 Forum on the process itself and then the first Public Hearing on the 2010 Proposed Budget held October 28, the second Public Hearing on November 11 and a third Public Hearing, if necessary, on November 25. He reminded the 2010 Budget had to be adopted by November 30, 2009.

Commissioner Collins noted his enthusiasm for the lead out session on May 11 as a Public Forum on the actual Budget Process.

Commissioner Beck moved to adopt the 2010 Budget Schedule, as presented.

Motion carried by unanimous vote.

Commissioner Beck commented that under his notes for the 2009 Budget process he had listed the public comments from citizens stating they were not aware of the Budget process until two weeks before the Budget adoption. Commissioner Beck noted that he wanted to be sure that citizens from the entire County were made aware of the dates in advance so that all County residents could participate in the process.

Mr. Crockett reminded that the Budget Schedule was advertised extensively each year.

VII. STAFF COMMENTS:

Bob Goodstein stated that he was very pleased to be at the meeting.

Mr. Pivarnik stated that Work Yard hoist operator, Robert Spafford, had turned in his resignation and was moving away from the area. At present, he stated, the Port was moving ahead without refilling the position.

Mr. Crockett informed regarding the annual briefing to the Pilots Association given on Saturday, April 4.

Mr. Crockett stated that he and Mr. Pivarnik had met with Jefferson County regarding its proposed cutbacks to the hours the Moderate Risk Waste Facility in Boat Haven. The reduction in hours was due to County Budget issues and personnel reductions. The County was proposing to have the facility open only every other week. Mr. Crockett stated that he had asked the County to send a letter to the Port outlining the proposed schedule. He advised that the Port might have to modify the original agreement with the County.

Mr. Pivarnik stated that he had suggested the County consider moving the facility to the Landfill site. Currently the MRW facility was using a half acre of prime Ship Yard space, which might be better used for another purpose. The County, advised, Mr. Pivarnik although in agreement that the Landfill site might actually be a better location, did not, currently, have the funds to move it. Mr. Pivarnik suggested there might be a way to seek grant money, or find some other funding source to move the facility, especially if the hours of operation at the Boat Haven site were going to be continually reduced.

Commissioner Collins suggested that if the facility was moved to the Landfill site, the hours might be increased due to personnel being on site all the time.

Mr. Pivarnik remarked that the downside was the perception by the Marine Trades and people in the Boat Yard that they would have to drive three miles to the facility.

Commissioner Thompson stated that currently the Marine Trades had to pay to deposit the materials at the MRW site at Boat Haven whereas county residents were allowed to bring items in without charge. He thought perhaps if the facility was moved to the Landfill, the Marine Trades might gain the same access without charge as other Jefferson County residents.

Mr. Crockett advised that he would be attending a Washington Boating Alliance meeting in Olympia on April 9 as he represented the Washington Public Ports Association as the Chair of the Marina Committee. He also serves on the RCO, the Recreation Conservation Office Committee. There will be updates given regarding the impacts of the State budget cuts on various aspects of boating and discussion on the State Parks.

Mr. Crockett stated that he had received a notice from the Port Hadlock Chamber asking if the Port wanted to participate and have a booth at their proposed Business Expo to be held at the Aero Museum on May 7, 2009. The cost of the booth was \$50. He noted that all the Chambers had been invited to participate.

Commissioner Collins remarked that at the very least it would bring all the different Chambers together for discussion and information sharing.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS:

Commissioner Collins inquired as to what was envisioned as the next steps to be taken in regards to the topics discussed during the joint meeting with the City of Port Townsend.

Mr. Crockett stated that it appeared to him that the City had more of a sense of urgency than did the Port since there were still three years before the Kah Tai Lagoon lease expired. There were, he advised, several issues (the Kah Tai Lagoon, the street vacations within Port boundaries) to be resolved, one of the most important being mitigation of the wetland located by the Port Maintenance shop. He informed of the history of the wetland and of the various components making up the issues with the City. He stated that, after nine years, at least the City and the Port were discussing the issues.

Commissioner Thompson commented that it seemed to be that the City was willing to offer to the Port a possible mitigation on the wetland in exchange for \$7 million worth of property that once gone we would no longer have the use of or benefit from and the City had put that up in exchange for possible help in drying up the previously dry amount of wetland. He stated that, additionally, the Port would be giving up economic and employment potential.

Commissioner Collins stated since the process had begun he would like to see it proceed and that there was community interest in the outcome.

A lengthy discussion followed about the issues.

Commissioner Beck informed that he had received a telephone call from the Quilcene School asking if it had ever been resolved that the Boy Scouts would be allowed to do their annual community service clean up of the trash at the Quilcene Marina. The event was scheduled for April 18. Commissioner Beck reminded that he had brought the topic up at a previous meeting. He advised the School had insurance. In the past, he stated, the Port had contributed \$500 to \$600 to the Boy Scout Troop.

Mr. Pivarnik responded that the issue yet to be resolved was whether L&I insurance needed to be paid for volunteer help. He sought direction from Mr. Goodstein and asked that he research the matter.

A short discussion followed about the effort on the part of the Boy Scout Troop and the Quilcene beach and marina.

X. NEXT MEETING: Next regular meeting will be held Wednesday, April 22, 2009 6:30 PM; in the Port Commission Chambers, 375 Hudson Street, Port Townsend, WA

XI: ADJOURNMENT:

The regular meeting adjourned at 2:18 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