

PORT COMMISSION MEETING – May 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
Senior Accountant/Recorder – Hawley

Excused: Attorney - Goodstein

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 following additions: to Old Business - Item E – Landau Associates Contract, to New Business -Item D – Work Yard Incentive Program.

Commissioner Collins moved to approve the Agenda, as amended.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Minutes – April 22, 2009

B. Operations Reports – April, 2009

The Consent Agenda was amended to reflect the addition of the word “no” to page seven, paragraph three, revising the sentence to read “no donated intent”.

Commissioner Collins moved to approve the Consent Agenda, as amended.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

Bertram Levy stated that it was, in his opinion, unfair and inappropriate to have open discussion regarding an e-mail he had written when he was not present at the meeting to provide a rebuttal to the comments made. He offered, however, that he would like to see the Moorage Tenants Union and the Port work together more constructively in the future.

VII. NEW BUSINSS.

B. Parking Memorandum with City of Port Townsend:

Commissioner Beck advised that he had moved the topic to the beginning of the meeting to allow Mr. Sepler to offer his presentation of the proposed parking memorandum and then return to work at the City of Port Townsend.

Mr. Crockett reminded that T’s Restaurant was moving to the refurbished Nurses’ Quarters building in Point Hudson. The restaurant owners were unprepared for the City of Port Townsend parking requirements when they made application to the City for permits for the restaurant parking spaces. The City had advised T’s that the restaurant would need between 17 to 25 parking spaces designated for restaurant use only, with no joint use of the spaces with other Point Hudson businesses. As the requirements seemed very restrictive, discussion had ensued between the Port and the City culminating in Mr. Sepler’s presentation to the Commission. He planned to guide the Commission through the proposed Memorandum of Agreement – No Protest Real Property Covenant Agreement; by which to form a Parking District in Point Hudson and the Historical Section of Port Townsend.

Mr. Sepler provided historical background regarding the topic, advising that there had been discussion over the years regarding parking in the Commercial and Historical Districts within the City including Point Hudson. The City, he informed, had prepared a parking analysis and study that looked at the supply and potential parking demands over time. He advised that two conclusions had come out of the study. #1 was that the parking code as defined in the City Municipal Codes was a disincentive to redevelopment as many developments simply could not meet the number of parking spaces required by the Code. #2 followed the assumption that a broader solution was needed to address parking overall and that there was a connectivity issue between the Historical District of Port Townsend which was related to the parking in Point Hudson and visa versa. Mr. Sepler advised that the City’s goal was to work with the Port (and other businesses) to reduce parking demands throughout the City. In 2005, the City had amended the Municipal Code to allow those businesses applying for parking permits a choice to either provide parking required by the building/business use or they could agree to a No Protest Agreement and form a Parking District. Although at present, stated Mr. Sepler, the

City did not have a date in mind for formation of the Parking District, at some point in the future he envisioned the City and Port partnering in preparation of a scheme, which would have mutual benefit to both entities. He advised there were a number of ways in which to provide solutions to the parking shortages, from using enhanced transit service to reducing employee parking through incentives and other means. He advised that those businesses agreeing to the No Protest Agreement were not signing away the right to protest in future.

Mr. Crockett informed the Port Attorney Goodstein had reviewed the document and that the City had agreed to changes proposed by Mr. Goodstein.

Discussion followed to include ways in which to fund the proposed District, ideas in which to reduce employee parking and ways in which to increase use of the Park n Ride facility and public transit.

Mr. Crockett informed that staff, after the changes had been made to the proposed Agreement as noted, recommended that the Commission authorize him to sign the agreement.

In closing, Mr. Sepler advised that the Port was not agreeing to a set fee schedule by signing the Agreement to Form the Parking District. He offered that there would be no monetary obligation until the District was established (and after numerous joint discussions between the Port and the City) and even then, the Port would retain its right to protest any fees.

**Commissioner Collins moved to authorize Executive Director Crockett to sign the Memorandum of Agreement with the City of Port Townsend.
Motion carried by unanimous vote.**

V. 2010 BUDGET PROCESS FORUM:

Commissioner Beck informed that the Forum was for discussion of the 2010 Budget Process and was not about revenues or operating expense specifics at this time. Budget discussion, he stated, was scheduled to begin June 10 and would continue until Budget adoption in November 2009. All ensuing meetings, he stated, were open to the public and he offered that he hoped citizens would attend the meetings and ask questions, offer comments and give advice during the entire 2010 Budget process. His goal, he said, was to make the process as transparent as was possible.

Commissioner Collins noted that the 2010 Budget schedule had been moved up by two weeks from previous years. The idea of the Budget Process Forum, he informed, had emerged from the 2009 Budget discussions which caused the Commission to look at ideas on how to make the process more transparent, more participatory and more accessible which, he hoped would develop into an even better Budget document. He informed that the June 10 meeting was designed to start framing the 2010 Budget with discussion that would help define key issues, goals and how the economic domain had shifted in 2009.

A very thorough discussion followed between the Commission, staff and the five citizens present. Listed below are some of the key comments.

Tamara Conway stated that she had been a Port moorage tenant for twenty years. Each year, she stated there were meetings held and, in her opinion, it seemed like the meetings were just a way in which to justify raising the moorage rates again.

Bertram Levy stated that, in part, his, and other's, frustration with the 2009 Budget process was that it appeared that a 5.5% rate increase was built into the Budget at the very beginning. He would have thought that instead of assuming an increase of 5.5% that a comparison would have been made by looking at the revenues coming in from all of the Port Operations and comparing that figure to the operating expenses and balancing the two to see how much was left over. From there, he stated, it would have been easier to decide on what projects could move forward in 2009 and which projects would have to be delayed. He offered, in his opinion, the Port had the capacity to consider each stakeholder group in the Port and consider their individual stresses and needs. He touched on the funds so far accumulated in the PTBH Renovation Reserve Fund (which at the end of 2009 would have \$692,520K).

Glen Paris-Stamm asked for clarification that A/B Dock was an imperative and was going to be started.

Gary Rossow stated, in his opinion, the issue of transparency was not just information about when a public meeting was scheduled it was also about the accounting process.

Bertram Levy offered that the community supported the Library District and the Parks District and advised that although the Moorage Tenants were only 1% of the population it should be weighed, in his opinion, against the 99% of the population of the County that did not really care strongly about what the Port District did or did not do. He referred to the Mission Statement as developed through the Strategic Planning process in which it advised that service was crucial. He offered that the Port was the keeper of access to the Bay and without the Port's stewardship; the community would not have access to the Bay.

Don Haviland offered that it would be helpful if the line items in the budgets from year to year were the same so that they would be easier for a layperson to track. Additionally, he advised, in his opinion, sometimes after listening to the discussions during the meetings, he came away with the opinion it was "us against them" and encouraged more understanding from both sides. He stated that a relatively new thought to him was that the A/B dock replacement was planned to be paid for, primarily, by those using the facility and in his opinion, it was a double standard as apparently it was thought that the moorage tenants had the resources to pay for the improvements. He inquired why the boat ramp fees couldn't be raised to \$50 or even \$100 to help pay for the boat ramps. And wondered if other Port operations were expected to carry their own weight.

Bertram Levy suggested that a separate note be added to the 2010 Budget for the A/B Dock Renovation funding.

Mr. Taylor responded to Dr. Levy's comment advising that A/B Dock was a capital project and as such, was not part of the operating Budget but suggested the total anticipated funds could be added to page 12 of the Budget document, which recapped the cash flow and recommended that all capital projects be listed in the same way.

Don Haviland inquired about the 1% Property Tax Levy and if the Port had any banked capacity.

VI. OLD BUSINESS:

A. East End Restroom:

Mr. Crockett reminded that there had been an in depth discussion of the topic during the April 22 meeting when a citizen had complained about the condition of the restroom located at Sea Js Restaurant and which served the Boat Haven Commercial Basin. Mr. Crockett stated that the restroom actually was part of the lease with Sea J's Restaurant (and that the restroom was a requirement to meet restaurant health codes) and that as part of the written agreement with them, they were responsible for the cleanliness and restocking of the restroom. He advised that he was calling it the "East End" restroom to define its location in Boat Haven.

Although the restroom was clean when he visited it, advised Mr. Crockett, the entire structure was old, non-ADA accessible and badly needed new fixtures.

He advised there were three options available to the Port, in his opinion. Close the restroom completely and force Sea J's to provide another restroom to meet the required codes. Tear it down and completely rebuild it, which, he said, raised the question of was Sea Js the best location for a Port restroom. He suggested a better location might be by the Enviro Center on Benedict Spit. He provided information regarding a new restroom and advised the cost, just for a built off site restroom, not including foundation or utilities, would cost approximately \$65K.

The third option was to refurbish the existing restroom, approximate cost of \$15K to \$20K and would provide new fixtures, paint, repairs to the roof and sidewalk and a lock down on the door to provide security.

Larry Aase, Port Maintenance Manager, provided historical data regarding the restroom.

A thorough discussion of the topic followed with the outcome that Mr. Aase was directed to prepare a budget of what it would cost to bring the Sea J's restroom into better condition. For security reasons the first item would be to provide a lock down on the restroom doors to make the facility less accessible to vandalism.

Tamara Conway offered that she often used the woman's restroom at Sea Js and found it to be completely adequate. She stated that it was kept clean and well supplied and that she found no problem with it at all and appreciated Sea Js for maintaining the restroom.

B. Old Fort Townsend State Park:

Mr. Crockett reminded that there had been ongoing topic discussion for the past few months regarding possible closure of Old Fort Townsend State Park. He advised that

he had recently spoken with Rex Derr, Director of the Washington State Parks who did confirm that although the Governor had not yet signed the State Budget or the Legislation for the “Opt Out” license tab option (citizens purchasing annual license tabs would pay an additional \$5.00 for State Parks unless they specifically “opted out” of doing so) it was anticipated that she would do so and therefore the assumption was that there would be enough revenue generated to prevent any Washington State Parks from closing including Old Fort Townsend.

After discussion, **Commissioner Beck moved to direct Executive Director Crockett to write a letter to the Washington State Parks notifying them that the Port was withdrawing its letter of interest in assuming control of Old Fort Townsend State Park.**

Motion carried by unanimous vote.

C. Boat Haven Fuel Operations:

Mr. Crockett provided an update on the topic advising that there had been three applicants interested in assumption of the Boat Haven Fuel facility. All parties were interviewed and a candidate chosen, Eric Elliott. He provided information regarding Mr. Elliott. Mr. Crockett advised that it was anticipated that agreement negotiation details would be resolved in time for Mr. Elliott to take over control of the fuel facility by July 1.

Discussion followed regarding details of the proposed agreement.

D. Quilcene Dredging Update:

Mr. Pivarnik provided an update stating that a 200-page application for dredging at Quilcene had been sent today which included a 76 page biological evaluation (it also contained a Dioxin disclosure – there was none in Quilcene) of the Quilcene harbor. He advised that, if all went as predicted, issuance of a permit was likely and harbor dredging might begin this fall if there was revenue available to fund the proposed project.

Mr. Crockett informed that one of the biggest challenges in obtaining the permit was disposal options for the dredge material.

A thorough discussion followed regarding the proposed project, possible ways in which to dispose of the dredge material (including information from Gary Rossow regarding the annual dredging at Cape George Marina) and other permitting details.

Commissioner Collins commented that once the dredging was completed the permanent moorage rates charged (currently at 80%) at the Marina would go back to the full rate. He added that the 2010 Budget would include, if the project was completed, those additional revenues.

E Landau Associates Contract:

Mr. Pivarnik reminded that the proposed contract had been discussed at length during the April 22 Commission meeting and that there were corrections needed which had now been resolved. He advised of the details of the contract, which was for a twelve-month period and would include two meetings by Landau Associates with the Department of Ecology to investigate the Port’s informational file with them. The Contract also reflected that Landau would do all of the Port stormwater outfall sampling during the contract time period.

Discussion followed to include that the stormwater sampling results should be posted on the Port website.

Commissioner Collins moved to authorize approval of the Landau Associates Contract.

Motion carried by unanimous vote.

VII NEW BUSINESS:

A. Port Hadlock Marina Boat Ramp:

Mr. Crockett presented a copy of a letter received from Hard Money Focus Inc, Brian L. Nordwell, President who was investigating possible purchase of the Port Hadlock Marina (the Marina, the lower parking lot and some of the highland property). He reminded that the Port had considered making an offer to purchase the Marina in 2008 which had been declined. Since then the uplands and the Hotel had been sold to another party. Mr. Nordwell, advised Mr. Crockett had inquired if the Port would be interested in partnering with him to build a boat ramp adjacent to the Marina, with some of the other uplands available for additional parking for trucks and trailers. As a separate issue, Mr. Nordwell advised that there were

approximately 30 moorage slip vacancies and wondered if the Port would be interested in development of some type of leasing of those slips to offer to our wait list customers. Mr. Crockett stated that he had advised Mr. Nordwell of his concerns regarding State of Washington Boat Ramp budget cuts and the feasibility of actually building a boat ramp at the Marina due to the location and tidal conditions.

After a thorough discussion of the topic, the Commission was in agreement that Mr. Crockett should write a letter to Mr. Nordwell expressing appreciation for the offer but declining both the boat ramp idea as well as the leasing of the empty slips. Mr. Pivarnik suggested that a letter be written (and a notice placed on the Port web page) to Port wait list customers advising them of the vacant slips in Port Hadlock.

C. Approval of Warrants:

Warrant #041862 through #041863 in the amount of \$116,636.00 for Accounts Payable

Warrant #041864 through #041894 in the amount of \$41,211.65 for Payroll

Warrant #041895 through #041903 in the amount of \$58,907.52 for Payroll Benefits and Accounts Payable

Warrant #041546 in the amount of (\$463.25) as a Void

Warrant #041904 through #041990 in the amount of \$55,712.18 for Accounts Payable

Commissioner Thompson moved to approve the warrants as presented.

Motion carried by unanimous vote.

D. Work Yard Incentive Program:

Commissioner Beck informed that the topic had been discussed during the morning Workshop with possible ideas developed on ways in which to increase the lay days and the number of projects in the Work Yard.

A very thorough discussion followed regarding various ways in which to go about an incentive program, the most viable one seemingly to be a pay for one week and stay two weeks, some sort of “sale” concept. The thought was that if boaters stayed in the Yard longer they might also select Marine Trade business services.

As a result, staff agreed to put together a policy to present at the next meeting.

VIII. STAFF COMMENTS:

Mr. Taylor advised he had completed and sent a copy of the Annual Financial report to the State Auditor on May 1.

Mr. Pivarnik presented the first Port “Community Report” stating that with the Commission’s blessing it would go to print and be available for insertion in the extended area May 20 edition of the Port Townsend Leader. Copies would also be available at all Port offices as well as the local Chamber, Community Centers, Libraries and the Yacht Club. A brief discussion followed that included two small corrections to the report and how, if this report was successful, another edition would be prepared in 2010.

Mr. Crockett provided an update regarding the proposed City of Port Townsend Sign Ordinance and had, he reminded, been discussed at length during the April 22 meeting. Mr. Crockett advised that the Port was waiting for a permit from the City for a new monument sign at Point Hudson and provided information about the proposed sign. Additionally, he offered that new signage would be made for Boat Haven, one located at the traffic light across from Safeway and another located between the Safeway Fuel Station and the Skookum building. One issue, yet to be resolved, was a directional sign inside the Boat Haven to direct visitors to the various businesses. Discussion regarding the proposed signs followed.

Mr. Crockett informed that he had received a letter from Susan Bauer of the Peninsula Development District (he and Commissioner Beck sit on the Committee) which stated that the Port had until June 15, 2009 to submit projects. He reminded that the Port project was the feasibility study for the Eco Park at the airport.

He informed that every five years, the Port was required by FEMA to do a mandatory update on the Hazard Mitigation Plan. He advised that a Resolution would be brought back to the Commission for their review and adoption. He provided information regarding the FEMA requirement stating that the updated Resolution needed to be in place should there be a natural disaster for which the Port would seek FEMA grant funds to rebuild.

Lastly, Mr. Crockett informed regarding the Business Forum sponsored by the Port Hadlock Chamber of Commerce and held at the Aero Museum at the airport on May 7. He provided information regarding the Forum. One item that resulted from the Forum was the necessity

of investigation of ways in which to resolve the lack of defined parking areas at the airport, he advised. Adequate parking was problematic during the Forum with cars parked in off limit areas and limiting airplane maneuvering.

A brief discussion followed which included the need to develop a policy to define parking at Jefferson County International Airport.

Additionally, Mr. Crockett informed that perhaps as many as a dozen citizens approached him expressing their appreciation for the Port being at the ready when it was thought that Old Fort Townsend State Park was due for closure by the State.

IX. PUBLIC COMMENTS:

Les Schnick stated the proposed non-copper paint training session which had been scheduled for May 29 was canceled due to lack of manpower and funding. He offered that the focus would move to an event during the Wooden Boat Festival explaining that with the Hood Canal Bridge closure it was proving too difficult to attract vendors to the area. He advised that the Marine Trades Association was working with the Northwest Maritime Association to have a definite presence regarding non-copper based paints during the Festival with manufacturers here with demonstrations, information and paint samples.

Commissioner Thompson inquired if the Marine Trades Association could develop ideas to stimulate activities in the Work and Ship Yards.

Mr. Schnick responded that he was in agreement with the direction the Commission had taken during the meeting today because, in his opinion, it was better to keep the spaces in the yards full even if it meant taking in less revenue. He advised that he very much liked the “sale” idea and thought that it might generate more revenue and possibly also increase revenue for the Marine Trades if people who were staying longer in the yards thought about using some of the Marine Trades crafts people.

X. COMMISSIONER COMMENTS:

Commissioner Collins stated that he had been talking with a gentleman who was one of the certified rescue workers with the Fire Department and who had expressed frustration stating that, in his opinion, the marine environment was underserved with rescue capacity.

Mr. Crockett recommended that the citizen send a letter containing a proposal so that staff could address the issue.

Commissioner Collins informed that a letter had been received (and addressed to the Commissioners) from Diana Talley in which she requested that the Commission consider and investigate the possibility of allowing her business to receive a free Work Yard space (she had evidently received such consideration with the prior property owner).

A short discussion followed which included that, in an effort to promote fairness, if a free space was given to her company one would have to be given to the other businesses as well. The consensus of opinion of the Commission was to direct Executive Director Crockett to respond to Ms. Talley’s request on behalf of the Commission.

Commissioner Thompson advised that he would like to keep pressing forward on the nonprofit topic.

Mr. Crockett advised that Mr. Goodstein had a presentation on nonprofits ready to go and as soon as the Hood Canal Bridge was in service again, he suggested a workshop should be reserved for an in-depth discussion of the topic.

Commissioner Beck informed that he had gone down to the Herb Beck Quilcene Marina on Saturday morning for the opening day of shrimping season. He stated that the Marina was very busy with folks seemingly enjoying themselves and taking advantage of the beautiful weather.

XI. NEXT MEETING: Next regular meeting will be held Wednesday May 27, 2009 at 6:30 PM in the Port Commission Chambers, 375 Hudson Street, Port Townsend, WA

XII. ADJOURNMENT:

The regular meeting adjourned at 3:41 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

