

PORT COMMISSION MEETING – March 24, 2010

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

Present: Commissioners – Collins, Thompson, Erickson
Executive Director – Crockett
Deputy Director – Pivarnik
Auditor – Taylor
Attorney – Lake - Goodstein Law Group
Senior Accountant/Recorder – Hawley

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Collins called the meeting to order at 6:30 PM.

II. APPROVAL OF AGENDA:

The Agenda was amended with the additions to Old Business of Item E – Quincy Street Dock Project and Item F – Yard Incentive Program Discounts and to New Business, Item H – Finance Director’s Position, Item I – Google Net Effort – City of Port Townsend

Commissioner Collins moved to approve the Agenda as amended.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Minutes – March 10, 2010

B. Resolution No. 534-10 – Sale of Abandoned Vessels

Commissioner Thompson moved to approve the Consent Agenda as presented.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. PUBLIC HEARING ON STRATEGIC PLAN 2010-2015:

Commissioner Collins opened the Public Hearing at 6:33 PM advising that it was a formal public hearing to discuss the final Draft Strategic Plan as approved by the Commission and the Community Advisory Committee (CAC).

Gary Rossow stated that as a member of the Community Advisory Committee he would like to support the Port’s adoption of the Plan as it had been edited and amended by the Commission. He advised that, in his opinion, the Plan was a major step forward and even though the process had been a lengthy one, he thought the final product was worthwhile. He thanked, in particular, Commissioner Collins for initiating the process.

After expressing how much he appreciated the work done by the Committee, Commissioner Collins closed the Public Hearing at 6:35 PM.

After a short discussion, the Commission decided to move item Old Business – Item D – Resolution No. 535-10 Possible Adoption of the Strategic Plan 2010 – 2015 for action at this point in the meeting.

Commissioner Thompson moved to adopt Resolution No. 535-10, a Resolution adopting the Strategic Plan 2010 – 2015 for the Port of Port Townsend.

Motion carried by unanimous vote.

VI. OLD BUSINESS:

A. Peninsula Regional Transportation Planning Organization (PRTPO) Rep:

Mr. Crockett updated on the topic, reminding that there were numerous Committees and Boards that required Commissioner representation and that Commissioner Beck had served as the Port representative on the PRTPO. He informed that the organization was primarily a policy board, dealing with all forms of transportation and filled with elected officials of Cities, Counties and other Port Districts from Kitsap, Mason, Clallam and Jefferson County.

After discussion, Commissioner Thompson volunteered for the position. Commissioner Erickson agreed to the alternate representative.

Commissioner Collins moved to appoint Commissioner Thompson to the Port’s primary representative serving on the Peninsula Regional Transportation Planning Organization (PRTPO) and Commissioner Erickson to serve as the alternate representative.

Motion carried by unanimous vote.

B. Point Hudson Charter Operations Report and Revised Point Hudson Business/Charter Boat Moorage Policy:

Mr. Crockett provided an update on the topic and advised that a synopsis of each of the Charter Businesses that staff had met with was included in the Agenda Packet, with the recommended policy changes as noted on page 10.

Commissioner Collins asked that, in order to clarify, the language should include the families of the owner or registered agent of the vessel.

In response to Commissioner Collins inquiry, Mr. Pivarnik informed that there was a waiting list maintained in the Moorage Office for those wishing to acquire a business charter space at Point Hudson. He informed, additionally, that in order to help advertise the Charter Businesses a special charter page, with a photo of each of the Charter boats and a brief description of the operation plus a link to the Charter's website or their phone number, would be included on the Port website in the future. Staff would research a possible linking with the Maritime Center website.

After a brief discussion, **Commissioner Collins moved to approve the changes to the Point Hudson Marina/Charter Boat Moorage Policy as presented and as modified.**

Motion carried by unanimous vote.

C. "Launch Ramp Issues and Solutions" Presentation:

Mr. Crockett reminded that the topic was ongoing. He advised that he had gone to Fort Worden on Monday to take a look at the boat ramp and saw no evidence that it had been cleaned all winter, as the ramp was covered in sand, silt and had logs washed up against it and blocking one side of the ramp. With that said, he introduced Steve Tucker who offered a presentation of launch ramp issues and solutions.

Mr. Tucker reiterated his concerns regarding the Boat Ramp at Boat Haven, addressing the issues surrounding the boat ramp, lack of space, limited parking and other concerns during a thirty-minute presentation. He had made a similar presentation during a previous 2009 Commission meeting. In his opinion, one solution was for the Port to partner with Fort Worden and to take over the maintenance of that ramp.

Mr. Crockett cautioned on the liability issues involved in the Port providing maintenance to a facility it did not own and addressed other concerns.

A very thorough discussion followed between staff, the Commission and Mr. Tucker regarding the launch ramp issue and all the Port owned ramps in Jefferson County. In conclusion, Mr. Crockett advised that he would, once again, try to make contact with Kate Burke of the Fort Worden State Park to discuss the issue.

D. Resolution No. 535-10 Possible Adoption of Strategic Plan 2010 – 2015

The Commission had dealt with the topic right after the Public Hearing on the Strategic Plan.

E. Quincy Street Dock Project:

Mr. Crockett reminded that Kevin Harris had come before the Commission last year to present his ideas for development of the Quincy Street Dock Project. However, after a year, Mr. Harris was still in dialogue with the City of Port Townsend. The City was asking for several things from Mr. Harris, and additionally, questioning some of the things the Port either had or had not done regarding the proposed project.

Mr. Pivarnik presented the newest email received from Judy Surber of the City in which she had issues with some verbiage used.

Per Mr. Crockett, essentially the first question asked by the City was: "Given the Port's ownership of Quincy Dock and subsequent lease to Kevin Harris, the Commission may need to be a co-applicant on this portion of the application; is it the Port's intent simply to consent to the application or did the Port intend to be a co-applicant for restoration of the existing dock?" Mr. Crockett confirmed that the Port had simply consented and that Mr. Harris was paying for all the permits and the project was his alone. Mr. Crockett advised that the answer to that question was "No".

Mr. Crockett advised that the second question was: "Area 2, new ramp and float in the Quincy St. right-of-way, and this is because in the 1850 plat of Port Townsend all these streets went out in the water because the intent was to build the city out, with

fill material from up on the bluff, and they never did it that far, so Quincy St is actually 30 feet under the water, “please verify ownership interest of the proposed improvements, will the Port hold any interest in the improvements to Area 2” and Area 2 is the area right out in front of the old ferry dock. Mr. Crockett informed that the answer should be No.

Mr. Crockett continued with the next question: “if not a co-applicant, please provide to the City a Resolution or other documentation from the Port Commission specifically disclosing any terms as a condition to release the Port’s reservation attached to Area 1 of its right to develop around the dock.” Mr. Crockett advised that the Port was not giving up any of its rights.

Mr. Pivarnik stated that in Mr. Harris’ original lease there was a clause that stated the Port reserved the right to put in a kayak float or something like that and that the City was, essentially, asking the Port to relinquish that right in lieu of Mr. Harris developing that area, he advised that he would say “No” the Port should not do that.

He continued by stating that the Port had always had the intent of possibly building a public access kayak float; it had been envisioned when the Comp Scheme was done. Also envisioned was a sea plane dock, and that concept had been taken on by Mr. Harris. Mr. Pivarnik stated that Mr. Harris would have a lease to the Quincy Street Dock and when the lease expired the structure would revert to the Port.

The next question was: “please clarify that the Port will obtain or acquire any ownership interests of the proposed improvements in Area 3”, Mr. Crockett confirmed that the Port had no intention of owning that so the answer was another “No”.

The next question: “If the Port does intend to obtain or acquire ownership, was it the Port’s intent to be a co-applicant?” Mr. Crockett advised since the answer had been “no” to the first question regarding being a co-applicant, the answer to this question should be “no” as well.

Mr. Crockett advised that, additionally, the City was questioning the authority of Mr. Pivarnik to sign lease agreements. He informed that although Mr. Pivarnik’s job description did not explicitly say he had signature power, the issue could be resolved by a motion from the Commission.

Commissioner Collins moved to advise that the Commission did clarify and reaffirm the authority of the Executive Director and his or her designee to sign leases and permit applications approved by the Port Commission.

Motion carried by unanimous vote.

Mr. Crockett quoted the last item from the City, which was: “the City simply requests at this time, consistent with its code, requiring applicant and ownership or consent of ownership a statement from the Commissioners that what they approved in May, 2009 is the same project you applied for to the City”.

Discussion reaffirmed that all questions asked by the City had been discussed by the Commission and that the responses had been recorded.

Commissioner Collins then moved that the Port Commission reaffirm our clear intent to consent to the application for Mr. Harris, with no intent of being a co-applicant. This is the same project as was approved in May 2009, as cited.

Motion carried by unanimous vote.

F. Yard Incentive Discount Program:

Commissioner Thompson moved to discontinue the 20% lay-day discount in the Yard effective May 1, 2010.

Please see below for decision.

He advised that the discount was not succeeding in the effort to encourage folks to stay longer in the Yard and had not increased the volume of boats in the Yard and was affecting Yard revenues negatively.

A thorough discussion followed which included the information that the Incentive Program had been advertised through direct mailings and magazine advertising. Also discussed was the negative impact the program was having on revenues with total Yard revenues down \$37K from 2009 for January and February and approximately down \$600K annually from 2007.

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

A. Community Advisory Committee (CAC):

Mr. Crockett informed that as had been discussed previously, now with the Strategic Plan officially adopted, it was time to develop the way in which to keep an Advisory Committee, in some form, together for the next few years to serve a couple of purposes. One was to come together on an annual basis to review the Strategic Plan knowing that as time went by things were going to be modified. The second reason to keep the Advisory Committee on board was to be able to call upon them should an unexpected situation present itself (perhaps the purchase of a building, for example) and solicit their advice as to how the event would impact the intent of the Strategic Plan and offer its recommendation to the Commission and staff.

However, he advised, a solution to all the questions regarding the proposed Community Advisory Committee would take a number of meetings to sort out the various details such as: was the CAC the correct name, how many members (possibly eight) should there be, who should make up those members, and should the Committee meet just annually or more frequently.

A thorough discussion developed between staff and the Commission regarding the topic with the idea that staff would develop a skeleton draft of ideas and bring it back to the next meeting.

Bertram Levy reminded that there had been many stakeholder groups identified at the beginning of the process but that many of them did not even participate so the process had actually come down to just a handful of interested people.

Commissioner Collins expressed his idea that as part of the implementation process that it was very important for the Commission to have at every meeting at least one item on the agenda which dealt with one piece of the Plan to review what the Commission was doing and what needed to be done so that it did not get lost in the clutter of everyday work as was often a common problem.

Commissioner Thompson advised that any discussion of financial matters was a discussion about one aspect of the Plan.

B. Yacht Club Lease Amendment:

Mr. Pivarnik informed that after researching the history of the Yacht Club building it became clear that the Port did not own the building. The Yacht Club would like resolution of the matter and staff prepared a lease amendment, which stated that the Yacht Club owns the building and the Port has a land lease. Also in the lease amendment there was language that changed the wording in the 1985 Lease that required in case of a catastrophic event, such as a fire and the Yacht Club burned, that it should be rebuilt in ninety days – which, he advised would be impossible now with all the permitting that would be required. Therefore, the language was changed to extend that period to a full year.

Noting that there was one “typo” that needed correction, **Commissioner Collins moved to approve the Lease Amendment #2 with the Port Townsend Yacht Club, as presented.**

Motion carried by unanimous vote.

C. Rescheduling of April and May Meeting Dates:

Mr. Crockett informed that due to annual Conference dates there was conflict for the first Commission meeting in both April and May. In April, he, Mr. Pivarnik and Commissioner Collins planned to attend the annual Northwest FAA Conference held in Seattle on April 13 and 14.

After a short discussion, it was decided to move the first meeting in April from Wednesday, April 14 to Thursday, April 15 at 3:30 PM.

In May, he reported the same type of conflict existed, with the annual Washington Public Ports Association Spring Conference in Lake Chelan scheduled for May 11 through 13 which came into conflict with the May 12 Commission meeting.

Discussion followed about possible alternative dates and the Commission meeting was rescheduled for 3:30 PM on May 14.

D. Revision of Commission Meeting Start Times:

Mr. Crockett advised that there had been discussion regarding possibly changing the Commission meeting start times and opened the topic to discussion.

Commissioner Thompson informed that he preferred the old schedule of having a workshop in the morning at 9:30 and then the first monthly meeting at 1:00 PM

saying that it seemed to work better for him in that he could devote a full day to Port business but still be home in the early evening.

Commissioner Collins noted that although there had been a tight squeeze between the ending of the Workshop and the start of the Commission meeting during the February 26 meeting there had been ample time today. He suggested starting the workshop at 3:00 PM to allow extra time in case the workshop ran long.

Commissioner Erickson advised that, in his opinion, the 3:30 PM start time for the first monthly meeting and for the second monthly meeting workshop worked very well. He advised that he would like, for the benefit of the public to keep the first monthly meeting at 3:30 PM and the second monthly Meeting at 6:30 PM with the Workshop at 3:30 PM so that those members of the public that are concerned about Port affairs could attend the meetings without sacrificing their workday. He further advised that he would like to see the Commission to conduct business in an orderly and timely fashion and felt that the period allowed for the workshop was definitely enough.

Bertram Levy advised that he concurred with Commissioner Erickson and advised that, in his opinion, the 3:30 PM time slot worked well for people who wanted to attend the meetings and that it allowed them more access to the Commission on this current schedule.

A short discussion followed about public input and participation during the Commission workshops.

Gary Rossow stated that, in his opinion, it was very important to allow voices and public input during the workshops and that he supported the time schedule presented by Commissioner Erickson.

David Griswold offered that he concurred with those statements and supported the current schedule.

It was agreed to retain the current meeting schedule and to work diligently to move the meetings along in a timely fashion.

E. Resolution No. 536-10 – Declaring Items Surplus and Authorizing Their Sale and/or Disposal:

Mr. Pivarnik informed that all parties had signed the Quit Claim Deed for the Landfall Restaurant property lease and staff had gone into the building to inventory what was in the building. Although the interior of the building was in miserable condition, a few articles, notably the commercial range and dishwasher (as well as some other equipment) had value. Staff advised, he said, to surplus the items, sell them if possible, and then move forward to demolition of the building.

Commissioner Collins moved to approve Resolution 536-10 – Declaring Items Surplus and Authorizing Their Sale and/or Disposal.

Motion carried by unanimous vote.

F. Puget Sound Express Lease Extension:

Mr. Pivarnik provided information regarding the proposed five-year lease extension requested by Mr. Pete Hanke of the Puget Sound Express. He reminded that Mr. Hanke had been in the building for five years and reminded of the rationale behind the policy of limiting lease terms in Point Hudson to five years.

Commissioner Thompson moved to authorize a five-year extension to the Puget Sound Express lease.

A short discussion followed regarding the condition of the building and future potential with development of the Landfall site.

Motion carried by unanimous vote.

G. Approval of Warrants and Voided Warrant:

Electronic Debit to Frontier Bank for Washington State, Department of Revenue
Combined Excise Tax Return for \$2,752.85

Warrant #043927 in the amount of \$918.22 Void

Warrant #043946 through #043970 in the amount of \$37,657.42 for Payroll

Warrant #043971 through #043974 in the amount of \$15,966.42 for Payroll Benefits

Warrant #043975 through #044030 in the amount of \$169,110.19 for Accounts
Payable

Warrant #044031 in the amount of \$648.11 for Accounts Payable

Commissioner Thompson moved to approve the warrants as presented.

Motion carried by unanimous vote.

E. Finance Director Position:

Mr. Crockett informed that with Mr. Taylor's announcement of his retirement from the Port effective June 30, 2010, that it was necessary to start advertising for the position as quickly as possible. He provided details regarding the packet he had put together which included a job description, supplemental questions and the formal application of employment. He sought and received concurrence from the Commission to proceed with advertising the position as outlined.

F. Letter of Support – City of Port Townsend – Google:

Mr. Crockett provided information regarding the City of Port Townsend's interest in becoming part of Google net explaining that Google was getting a lot of publicity because it was inviting communities around the country to go with high speed fiber optics and the City had decided to apply to be one of those communities. Mr. Crockett informed that after talking with City Manager, Dave Timmons, that a letter of support of the City's application from the Port might be beneficial to their quest. After a short discussion, **Commissioner Collins moved to direct Executive Director Crockett to draft a letter of support for the City of Port Townsend application to Google to become part of the Google net communities.**
Motion carried by unanimous vote.

VIII. STAFF COMMENTS:

Mr. Pivarnik informed that staff had received one of the three permits required for the A/B Dock renovation and that one was from the Department of Fish and Wildlife. He advised that the Port still needed the permits from the City of Port Townsend and from the Corp of Engineers.

Mr. Crockett informed that he had met with the City of Port Townsend Marketing Representative and had been advised that the new ferry, the "Chetezmoka" was due to start operations from Port Townsend to Keystone in August 2010. He advised that there was an advertising opportunity to be gained if the Port joined the partnership with the City. An expenditure of \$4K would purchase signage (banners/flags) which would be placed on the new street light standards on Sims Way and Water Street. Additional banners (72 in all) would be placed throughout Jefferson County. He advised that no official Commission action was required. There was agreement that it presented a good advertising/marketing opportunity.

IX. PUBLIC COMMENTS:

David Griswold of the Marine Trades Association, briefly informed regarding the forum held the prior evening, Tuesday, March 23, regarding environmental issues. He advised that a Department of Ecology representative had been present to answer questions.

Mr. Crockett advised, that on reflection, the forum had, in his opinion, touched the wrong audience, as most Marine Trades were fully aware of environmental pollution concerns. In his opinion, there needed to be a method developed to touch those individuals, primarily boat owners, who held the philosophy of doing something on their vessels that they knew were not in accord with environmental standards, and against the Port's Best Management Practices, but waiting until weekends or after hours to proceed anyway.

X. COMMISSIONER COMMENTS:

Commissioner Erickson stated that he was pleased that the other Commissioner had agreed with him that it was best, in order to make the Commission meetings accessible for the public, to continue with the current schedule of 3:30 PM for the first meeting of the month and 6:30 PM for the second monthly meeting.

Commissioner Thompson reiterated his concerns and reminded that if the Commission did not do something about the Port's finances our cash position would continue to decline.

XI. NEXT MEETING: Next regular meeting will be held **Thursday, April 15, 2010** at 3:30 PM, in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XII. ADJOURNMENT: The regular meeting adjourned at 8:37 PM there being no further business to come before the Commission.

ATTEST:

John N. Collins, President

Leif W. Erickson, Secretary

David H. Thompson, Vice President