

PORT COMMISSION MEETING – June 23, 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 Klose - Goodstein Law Group
Recorder - Nelson

Excused: 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 to reflect the deletion of New Business, **Item A**-the Non-profit Policy, which has been moved to the July 14, 2010 meeting. Agenda also reflects the addition to Old Business, **Item E**-Rates and **Item F**-Quilcene Dredging; additions to New Business, **Item D**-Commission Meeting Minutes, **Item E**-Port Townsend Sails Lease, and **Item F**-Bids for 70-ton Travelift Repair.

Mr. Crockett advised that an Executive Session was necessary for discussion of a real estate issue and a legal matter, with no expected decision. Commissioner Thompson added another item – Commission Business to the session, with a total duration time of approximately 20 minutes.

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

III. CONSENT AGENDA:

A. Approval of Minutes – June 9, 2010

**Commissioner Thompson moved to approve the Consent Agenda as presented.
Motion carried by unanimous vote.**

IV. PUBLIC COMMENTS (Not related to agenda):

Doug Lamy, citizen, presented his ideas for a new building at the old Landfall Restaurant site, which included drawings. He proposes a 2-story building with a copper roof to become a “display arena” for marine trade related businesses. He also spoke of his background with different committees and local development projects.

V. OLD BUSINESS:

A. Delegation of Authority:

Mr. Crockett explained that he had received a copy of the Port of Sunnyside’s Delegation of Authority policy, which he revised by changing dollar figures, verbiage, change orders, rentals and leases – where all new leases would come to the Commission for approval with the exception of month-to-month leases. A draft copy was handed out and Mr. Crockett asked for any additional recommendations to it. Commissioner Thompson added that the Executive Director would keep the Commission apprised on actions taken, allowed him by this policy. Further discussions took place on the lease section of the policy. Commissioner Collins would like to see Union negotiations added to the section that discusses employment. He also added that he would like to see the new revised policy and a resolution adopted, keeping consistent with current Commission policy, with the Executive Director reporting to the Commission.

B. A/B Dock Construction Contract:

Mr. Crockett reported that he signed the construction contract for the A/B Dock project and had received all required documents back from the contractor, Culbertson Marine Construction. Mr. Crockett added that Culbertson is putting together a time line. A question was asked regarding the mobilization site during the project, which was pointed out on a Port photo, and September 20 being the first day for mobilization.

Commissioner Thompson suggested that Item D-A/B Dock Decking Material be discussed next, in keeping with the same subject.

D. A/B Dock Decking Material:

Mr. Crockett reviewed the two types of possible decking to be used on the A/B Dock

project. IPE is a dense, long lasting wood from South America, but contractors are concerned about the availability of this material, and timing is an issue. Commissioner Thompson added that the big question posed is, why install a 40-year product on top of a 25-year deck? Mr. Crockett added that the recommendation is to go with fir, which would be milled, grooved and beveled to prevent cupping. Commissioner Thompson also added that the vertical grain of the wood helps to prevent cupping. Commissioner Collins confirmed that the contract is based on fir decking as well.

On another note, Mr. Pivarnik explained that the additional bid for the parking lot paving was pulled from the contract, which Culbertson had bid at \$88k, as Maintenance Manager, Larry Aase, believes we could get that done much cheaper by going out on a separate bid.

Commissioner Erickson moved to approve the use of fir decking for the A/B Dock project.

Motion carried by unanimous vote.

C. Strategic Plan Matrix:

Mr. Crockett passed out and explained the draft Matrix. He recommended the Commission review the Matrix and to bring any changes, ideas, comments to the July 14 Commission meeting. Commissioner Collins suggested he would like to see input from the Port Strategic Advisory Committee also. Mr. Pivarnik responded that this would be a good opportunity to run ideas through the committee, such as polices, etc.

E. Rates:

Commissioner Thompson proposed to increase moorage rates. He suggested a 5-year plan at 3% per year. He contemplated when rates could go into effect – now or upon completion of the A/B Docks.

Commissioner Collins asked if he would like to discuss further a possible rate increase now or at the next Commission meeting? Commissioner Thompson replied that the issue of moorage rate increases has been discussed previously at many meetings and would like to make a motion today.

Commissioner Thompson moved to increase moorage rates on a 5-year plan at 3% per year.

Commissioner Collins called this motion highly inappropriate as this was not an item on the agenda and the public should be made aware of an action item such as this.

Commissioner Thompson agreed to defer his motion to the July 14, 2010 Commission meeting.

Commissioner Collins added that he leans towards the idea of charging moorage based on a square foot basis. Commissioner Thompson asked Commissioner Collins to bring his rate increase counter proposal to the next Commission meeting.

Commissioner Erickson inquired of Mr. Crockett the information he had gathered for the Moorage Tenants Union. Mr. Crockett explained that information included median household income – which differed from figures the Union had obtained; demographics; lifestyle; medium age, etc. He also added that Western Washington University had conducted a study on recreational boat owners and found they were mostly well off. More discussion occurred on logistics of boat owners. Mr. Crockett also reminded of the importance of costs required to run the facilities and to have a “replacement fund” on hand for future needs. He believes the market would determine the need of a rate increase.

Commissioner Erickson added that rate increases should be spread over the Port’s various aspects of income and that the focus should also be on minimizing Port spending.

Discussion continued on median incomes of various Washington counties. It was agreed that the customer would need at least 30 days notice of any rate increase.

F. Quilcene Dredging:

Mr. Pivarnik reported that three bid proposals were received on the Quilcene dredging project, which is a Small Works project. Two of the proposals are current with the permit we have in hand, which allows 3500 cubic yards of material to be removed and disposed of by barge. The third contractor went directly to Dept. of Fish & Wildlife for an exemption, which would allow him to drive his excavator on the beach and do his dredging with that piece of equipment. The request was granted. He is awaiting approval from the Corps of Engineers. That contractor and lowest bidder, Doug Reeves of Quilcene, bid the project at \$127k using the excavator; second lowest bidder was Redside Construction out of Port Gamble who bid it at

\$178k, barging materials out; and the third bidder, Sealevel Construction out of Kingston, came in with a bid of \$187k, also barging materials. Mr. Pivarnik explained that if we hire Reeves the excavator would not be able to go out as far out in the channel so dredging would not be at optimal depth. Mr. Pivarnik asked, do we save \$50k and dredge 7/8 of the way or do we go ahead with Redside who will complete the job per specs? All three contractors are available to begin work July 16. Commissioner Thompson added that we should add a condition that if Redside is awarded the contract they will dredge to the depth required and no less. Mr. Crockett explained that Redside has a GPS located on the bucket that allows them to be more exact on depths, location, etc. Commissioner Collins asked for clarification – is the contract based on the actual cubic yards dredged (3500), rather than the depth? Mr. Pivarnik replied that it is based on the cubic yards but the engineers have a pretty accurate estimate on the number of cubic yards dredged. We will also require a post-dredge survey from the contractor. Commissioner Thompson recommends that Redside be the responsible party for the survey, if hired. Commissioner Erickson asked if this proposal includes the reinforcement of the wing wall. Mr. Pivarnik responded that the permit does not include that. He said the engineers thought it would be best to remove the wall, as the wall allows more sand to drift into the channel. However, the community does not want the wall removed.

Commissioner Thompson moved to award the Quilcene Dredge Contract to Redside Construction, with the condition that they provide the post-dredge survey and a finished product as specified.*

Commissioner Erickson expressed his concern over the non-reinforcing of the wing wall, as he had reported to the Quilcene community that it was going to be reinforced with riprap, according to his understanding. Mr. Pivarnik stated that the engineers would not work with the wing wall since it allows more sand to enter the channel. Mr. Crockett explained the importance of the wall to the community. Even though there are signs posted to keep off the wall, kids use it to dive into the water. Mr. Crockett explained that this wall poses a liability to the Port and if the Port explored further the reinforcing of the wall, we need to make sure we are spending money for the right reasons. Mr. Crockett suggested analyzing this further and running it through the Matrix. Commissioner Erickson agreed this would be a good subject to run through the Matrix.

***Motion carried by unanimous vote.**

VI. NEW BUSINESS:

A. Non-profit Policy:

(Postponed until July 14, 2010 meeting.)

B. Boat Haven Parking:

Mr. Crockett reminded that this subject had been discussed at the last meeting. The current, adopted Rules & Regulations give the Executive Director the authority to modify parking plans for the safe and efficient operations of the Port. Mr. Pivarnik created a draft Parking Policy, which he handed out, and explained the many parking issues we face. The issues of volunteer parking enforcers, such as those the City uses; parking time allotments; annual passes and pro-rating were also discussed. Mr. Crockett explained that if the Commission likes this policy, he would approve it with a few edits that were discussed. Commissioner Collins would like the proposal brought to the Moorage Tenants Union. Mr. Crockett added the Dr. Levy had informed him that he also had a parking proposal to present.

B. Approval of Warrants:

Commissioner Thompson read the warrants, as presented:

Electronic Debit to Union Bank in the amount of \$6,812.70 for Washington State
Combined Excise Tax Report – May, 2010

Warrant #044526 through #044552 in the amount of \$39,289.67 for Payroll

Warrant #044553 through #044556 in the amount of \$16,486.63 for Payroll Benefits

Warrant #044557 through #044615 in the amount of \$84,901.27 for Accounts
Payable

Commissioner Thompson moved to approve the warrants as presented.

Motion carried by unanimous vote.

D. Meeting Minutes:

Mr. Crockett reported on a letter he received from Kathy Hawley resigning from the position of Port Recorder. He also spoke of an article in the Peninsula Daily News regarding the Port Angeles City Council shortening their minutes. He complimented

the great work Kathy has done, and the amount of stress that comes with the job. He informed that there is no legal ruling that requires minutes to be lengthy. It is legal to take “action minutes” where the subject discussed and decisions and/or motions only are recorded. In his opinion, there are pros and cons to both lengthy and shortened minutes. He would like to research better recording equipment that would record discussions more clearly for back up, and to produce “action minutes”. Mr. Taylor explained that Commission meetings have been recorded digitally for a number of years; however, more equipment would be needed to have a mix of microphones. Mr. Crockett reported that Ms. Hawley would continue recording minutes until a replacement is found. Commissioner Erickson and Thompson like the idea of abbreviated minutes, with digital backup rather than verbatim minutes.

Commissioner Collins moved to change minutes to “action minutes” rather than verbatim and to explore better digital recording equipment for possible purchase.

Motion carried by unanimous vote.

E. Port Townsend Sails Lease:

Mr. Pivarnik reported that Carol Hasse was not quite sure she wanted to sign another five-year lease and decided to ask for a one-year lease with four one-year options.

Commissioner Collins moved to approve a one-year lease with four one-year options for Port Townsend Sails.

Motion carried by unanimous vote.

F. Bids for 70-ton Travelift Repair:

Mr. Pivarnik explained the engine problems on the 70-ton Travelift and Port mechanic, Shawn Wiles has determined the engine needs rebuilding. One option was to ship the engine to Pennsylvania or to go local. Mark Jochems of Shoreline Diesel has bid the project and will begin running tests on the engine tomorrow. It should take about two weeks to rebuild. While the engine is out, the Travelift will be repainted to prevent rusting. Three bids were received by local companies: Goldstar Marine came in at \$22k; Port Townsend Shipwrights Co-op bid \$19,500; and Townsend Bay Marine came in with the lowest bid of \$13,900.

Commissioner Thompson moved to award the project to Townsend Bay Marine.

Motion carried by unanimous vote, with Commissioner Erickson recusing himself from the motion.

VII. STAFF COMMENTS:

Mr. Pivarnik reported that we are in the process of working on the Strategic Plan brochure. He received a draft copy today of the color, glossy 12-page shorter version of the Plan. Printing cost per copy is \$1.20.

Mr. Crockett updated on the Landfall Restaurant site. Staff continues working with the City. The issue has come up on the portion of the building left standing, where we may be required to raise the elevation of the building. Mr. Crockett explained that the cost of raising the building along with restoration costs might become more costly than demolishing the building and rebuilding one of approximately the same size and style. He reported that we have heard from six or seven interested parties who would like to submit proposals. In the meantime, Wooden Boat Festival would like to use the cleaned site for the 2010 festival. Architect Richard Berg has drawn up some landscaping plans. Mr. Crockett would like to see a tenant chosen prior to redesigning the building, so that we can work with that tenant on the design needs. Mr. Pivarnik stated that City Planner, Rick Sepler believes the building is not historic and this leaves the door open to demolition. Mr. Pivarnik and Mr. Crockett explained their ideas for the site, and in their opinion, a small leasable building will bring in more money to the Port rather than a bare lot, and the concept of a large building would seriously block that view corridor. Mr. Crockett continued that he would like to see a low-key building, such as a small fish and chips business run on the site. Maintenance manager, Larry Aase thought it would cost approximately \$50k to restore the building and Mr. Pivarnik suggested a rent of approximately \$600-700 per month. Commissioner Erickson would like to pursue leveling the building and Commissioner Collins agreed. Mr. Pivarnik added that if this is Commission’s intent, he could apply for a Demolition Permit with the City.

Commissioner Collins moved to have staff apply for a Demolition Permit with the City.

Commissioner Thompson abstained from the vote, with Commissioner Erickson voting in favor, the motion passing with two in favor, one abstaining.

Mr. Crockett continued with his comments, reporting that he will be attending a Peninsula Development District and the RC&D meetings tomorrow. He informed that he will be absent at the July 14, 2010 Commission meeting as he will be attending the Washington Public Ports Association's Executive Director Conference in Richland.

VIII. PUBLIC COMMENTS:

None.

IX. COMMISSIONER COMMENTS:

Commissioner Thompson reported that he attended the WRIA 17 meeting yesterday and the PRTPO meeting today. He informed that WRIA is still trying to re-identify with new logos, funding, etc. He praised the PRPTO and their work, explaining their focus is on public transportation.

Commissioner Collins stated he had lunch recently with Mayor Sandoval, discussing the Joint Economic Agreement between the City, Port and County, which was signed a month or so ago, and where we are at in that process. Mayor Sandoval believed that the County is in the process of working on a contract with Hovee & Associates. Commissioner Collins spoke of the recent Washington Public Port's Finance Seminar that he attended along with Mr. Taylor. He found three areas of interest that our Port could benefit from, the first to formulate port-wide finance policies; the second to review and strengthen internal controls; and the third to move towards less paper work and go towards more electronic files.

Commissioner Erickson stated that he is pleased in this budget process that long-term solutions on rates have been established. He is also excited to start the Quilcene dredging project.

X. NEXT MEETING: Next regular meeting will be held Wednesday, July 14, 2010 at 3:30 PM in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION: The regular meeting recessed into Executive Session at 8:27 PM for discussion of a real estate matter and a legal matter, with no decisions expected, for a duration of twenty minutes.

XII. ADJOURNMENT: The regular meeting reconvened at 8:47 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