

## PORT COMMISSION MEETING – June 9, 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  
Auditor – Taylor  
Attorney Klose - Goodstein Law Group  
Senior Accountant/Recorder – Hawley

Excused: Deputy Director - Pivarnik

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Collins called the meeting to order at 3:30 PM.

### II. APPROVAL OF AGENDA:

The Agenda was amended to reflect the addition to New Business of Item E- Performance Evaluation Process

**Commissioner Collins moved to approve the Agenda as amended.**

**Motion carried by unanimous vote.**

### III. CONSENT AGENDA:

- A. Approval of Minutes – May 26, 2010  
Approval of Minutes – June 3, 2010 – Special Meeting
- B. Operations Reports – May 2010

**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. A/B Dock Contractor Update:

Mr. Crockett provided an update regarding the A/B Dock project by informing the Commission that he had received confirmation that all of the Bond Documents had been properly signed and that the Bond proceeds had been deposited into the Port's account with the Jefferson County Treasurer. Currently the funds were earning .27% in the State Treasurers Investment Pool but he advised that Mr. Taylor was researching other financial institutions in the hopes of finding a CD that would pay a higher yield for the \$1 million that would be used for the Travelift Project in 2011.

Continuing with the update, Mr. Crockett informed that the lowest bidder, Redside Construction, had withdrawn their bid on Friday, June 11 after realizing that they had made a computational error in their bid calculations. The next lowest, responsible and responsive bidder was Culbertson Marine Construction, Inc. of Anacortes. PND Engineers and Port staff, he reported, had been in the process all week of doing the necessary "due diligence" on the firm, which included calling the various companies who had used Culbertson's services. So far, he informed, feedback on the firm had been very positive.

Mr. Crockett recommended the Commission approve moving forward by directing him to meet with Culbertson during the week beginning June 14 to sign the contract (which had been prepared by PND Engineers and was not the usual Port Contract) and get the project off and running. He informed that Culbertson's had ten days in which to obtain a performance bond and other required documents.

He reminded that there were two items outside of the contract that would require future resolution; the type of wood to be used, fir or IPE for the decking and the parking lot paving.

A discussion followed about the contract. Mr. Klose informed that he had not yet reviewed the prepared contract, and Mr. Crockett advised and recommended that the Commission direct Mr. Klose to review the proposed contract before the actual signing.

**Commissioner Collins moved to authorize the Executive Director to enter into a contract with the now apparent lowest, responsible bidder, Culbertson Marine Construction, Inc. for construction of the A/B Dock Renovation Project in the amount of \$3,464,464 including W.S.S.T.**

**Motion carried by unanimous vote.**

Additional discussion followed which included establishment of a timeline for completion of the project, (possibly by the end of 2010) and the inclusion of a per day penalty for exceeding the contract completion date.

B. Administrative Authority Policy:

Mr. Crockett reminded that this topic was ongoing with staff now having received a copy of the Administrative Authority Policy for the Port of Sunnyside. The concept was to provide a clearly defined Authority Policy of what the Executive Director, and other senior staff, was authorized to do and not do.

Commissioner Thompson reiterated his desire to compare, side by side, what the Executive Director's current scope of authority was with what was proposed. Mr. Crockett stated that other than a Resolution limiting his spending authority to \$10K, there were no other documents on file to compare.

Commissioner Collins offered that it might be possible to review the document during the meeting and therefore move one-step closer towards adoption.

The Commission and staff proceeded to go through and discuss each section of the proposed policy with the result being that Mr. Crockett would incorporate the discussed revisions/modifications, review with Mr. Klose, and bring back a draft Policy for Commission review.

C. Strategic Plan – Strategic Direction #1:

Commissioner Collins stated that he envisioned the Commission and staff spending some time at successive meetings reviewing the Strategic Plan with the intent being to keep the Plan alive and present in the Commissioners minds. He suggested reviewing the Plan starting with *Strategic Direction #1* which states: *To ensure that Port facilities, services and the shoreline environment are accessible to the community and visitors alike.*

A general discussion of Direction #1 followed which included dialogue between the Commissioners, Staff and the citizens present.

Gary Rossow commented that he remembered that some of the discussion amongst the Strategic Plan Advisory Committee was centered on the openness of Boat Haven and the strong desire present to keep that openness, without the addition of fences, locks and keys to make the area into a locked security industrial zone.

Commissioner Collins remarked that he had driven by the Fort Worden Boat ramp and it appeared that the State was cleaning the ramp on a regular basis, which opened up another ramp to small boat owners, allowing them additional access to the Bay.

Commissioner Erickson inquired how many liveaboards were currently in Boat Haven (25), and related how congested the parking areas were when he drove into work this morning with about 50 cars, some of them trucks and not counting those vehicles with boat trailers, wondering how many of the vehicles belonged to liveaboards. He advised that there was no place to park a boat and trailer near the launch ramp. In keeping with the Strategic Direction #1, he stated that, in his opinion, we should be thinking about issuing parking passes for the Marina.

Discussion followed regarding how the congestion was going to increase with the proposed A/B dock construction and Mr. Crockett advised that this might be a good time in which to develop a policy for Commission adoption, which would include a visible parking pass. Feedback from the liveaboards was thought to be a good idea. A general discussion of the matter followed.

Tamara Conway offered that she had spent a lot of time at Moss Landing in California and related that everyone in that gated Marina has a parking permit, and even tourists going out on day cruises were required to obtain a parking permit.

Don Havilland remarked that the parking situation has intensified over the past few years and was, in his opinion, becoming more intense. He related that on Mother's day weekend there was no parking in front of Henery's Garden Center because of all the parked trucks with boat trailers.

Gary Rossow offered that the Moorage Tenants Union was generally supportive of having some kind of parking pass in the future.

A general discussion followed about parking passes, options, fees associated with, and enforcement issues if a car or truck parked without having a pass, or who stayed beyond the time line of the pass.

Mr. Crockett reminded that vehicles could not lawfully be towed away unless various rules and procedures were first followed.

Bertram Levy suggested that, in his opinion, off site parking was needed.

Mr. Crockett reminded that the Port did have a few parking spaces at the Park and Ride but advised that one of the major problems was that people/visitors/employees did not want to park and then walk to their destination.

Bertram Levy asked if there was some way in which to make the old, small boat ramp located in Point Hudson accessible to kayakers.

Discussion veered in that direction for a time.

Commissioner Thompson advised that he would be most interested in what ideas staff could develop to help resolve the parking issues.

Mr. Crockett reminded that the Port had made a very large investment in keeping every linear foot of shoreline that the Port of Port Townsend controlled accessible. People could physically walk, all around Point Hudson and the Marina, and from New Day Fisheries all the way down to the old railroad trestle. He reminded that the Port was the only governmental entity who had done that.

The Commissioners were in agreement and commented on the amount of usage the trails get.

Commissioner Erickson remarked that it was also very unique for an ungated marina to exist in society today.

## VI. NEW BUSINESS:

### C. Environmental Compliance Officer:

Mr. Crockett introduced Terry Khile who had moved into the position of Environmental Compliance Officer in May.

Mr. Khile informed regarding his job duties giving as an example a typical day's routine. He advised that he also toured the Port facilities located at Mats Mats boat ramp, Quilcene and the Jefferson County International Airport. He advised that he made a point of talking to people, explaining how something should be done and then rechecking to be certain that they had followed his instructions and advice. He advised that he had found, in his experience, that most people wanted to "do the right thing" but sometimes just were not sure of how to go about it. He felt it was his responsibility to steer them in the correct direction and to make sure they were using the proper types of vacuum sanders and tarps and that they had cleaned up their projects before leaving at night.

A short discussion followed between the Commissioners and Mr. Khile regarding his position.

### A. 2011 Operating Budget – Proposed Schedule:

Mr. Taylor presented the proposed 2011 Operating Budget Schedule advising that the process was actually starting earlier this year than in the past. He advised that there would be discussion during this meeting and the June 23 Workshop and then August 11 would be the next scheduled discussion at which there would be mid-year financial reports to review. The August 25th Workshop was the time scheduled for a session with the Department Managers. A draft budget was scheduled for the September 22nd meeting ready for public discussion, with discussions continuing through October and the first Public Hearing scheduled for October 27 and the second Public Hearing November 10.

A brief discussion about the proposed 2011 Budget Schedule followed with Commission consensus to proceed with that schedule.

### B. 2011 Operating Budget Discussion:

Mr. Taylor provided background and informed that this was part of the on-going 2011 Operating Budget discussion begun several meetings ago. He advised that he had developed a first draft budget document for the Commission to review reminding that the document did not propose any rate increases.

A very thorough discussion between the Commission and staff followed regarding the proposed draft budget and the Port's current financial condition.

Regarding Commissioner Collins recommendation that staff compile a balanced budget, he advised that he what he envisioned was a balanced budget between the operating revenue and operating expenses leaving aside the non-operating revenues and expenses, and he recommended including depreciation.

Bertram Levy, Gary Rossow and Don Haviland offered a thirty-five minute presentation in which they discussed the issue of affordability in terms of moorage rates and to define some type of process that staff could use for determining moorage rates based on affordability. They presented charts and graphs containing various statistical information including that the median income of Jefferson County was \$43K and that the national statistics allocated 5% of a household budget for recreational use. They advocated the development of a multi year (3 to 5 years) moorage rate plan based on median income changes and not CPI, and advised that they were aware that larger vessels should pay more than small boats and were very clear that when comparing rates with other areas, the East side areas, Edmonds, Everett, should not be included. They also emphasized that although they believed the Port's rates to be on the "high" side, they did not suggest or recommend lowering them.

Commissioner Collins suggested taking the data, studying it and bringing it back for discussion at future meetings.

D. Approval of Warrants:

Commissioner Thompson read the warrants, as presented:

Warrant #044426 through #044455 in the amount of \$41,662.17 for Payroll

Warrant #044456 through #044464 in the amount of \$54,537.74 for Payroll Benefits

Warrant #044465 through #044525 in the amount of \$56,972.27 for Accounts

Payable

**Commissioner Collins moved to approve the warrants as presented.**

**Motion carried by unanimous vote.**

E. Performance Evaluation Process:

Mr. Crockett provided background regarding the process so far explaining that many Ports did a formal performance evaluation of their senior management. He informed that the topic was going to be discussed at the Commission only conference sponsored by WPPA and held in Leavenworth in July.

Commissioner Collins reminded that Mr. Crockett's Employment Contract did specify that there should be an annual performance and salary review during the budget process. In keeping with that idea, Mr. Collins had prepared a form, which listed various areas of Mr. Crockett's job performance with the idea that each of the Commissioners would complete the form, as well as Mr. Crockett, and then they would all sit down and review the answers during an Executive Session. Commissioner Collins provided additional details and ideas for the proposed process. After discussion, the consensus was to wait until after the Commissioner Conference before moving forward with the Performance Evaluation Procedure.

VII. STAFF COMMENTS:

Mr. Crockett reminded he was a member of the State's Invasive Species Committee, representing the Washington Public Ports Association. He had attended a meeting on Tuesday, June 8 during which the Washington Dept. of Fish and Wildlife announced that it had now recommended three species of Tunicates be declared prohibitive. What that meant, he informed, was that if one of the species was found on a vessel, or in the marina, it was immediately incumbent upon that marina operator to start an eradication program. If Tunicates were found on an inland boat it became the responsibility of the boat owner to immediately take steps to eradicate them. He advised that if Tunicates were discovered in one of the Port's marinas, it could easily cost, in his opinion, \$100K or more, to remove them.

A short discussion followed about the topic.

VIII. PUBLIC COMMENTS:

Jeff Chew of the Peninsula Daily News stated that he had arrived late and inquired regarding the bid award for the A/B Dock project.

IX. COMMISSIONER COMMENTS:

Commissioner Erickson commented that he thought the briefing provided by the Moorage Tenants had been exactly what staff and the Commission had asked for and that, in his opinion, it provided a framework on which to begin work.

A discussion followed regarding the possibilities for errors in the information provided because some of the data provided included Washington State Leasehold Tax, other data did not, and that the chance of errors increased when one searched various websites to find information. There was discussion regarding what was the basis for the "tie-in" that median income should affect moorage and other rates. It was also mentioned that Port Townsend

was a very attractive area for boaters as it was the primary “jumping off” place for access to the San Juan Islands during the summer and since it was such an attractive area, there were strong indications that there would always be boaters interested in mooring here.

Commissioner Collins suggested that an alternative to the scheme presented by the Moorage Tenants would be to look at some of the issues in the surrounding market, the area we wanted to stay within, and look at those issues.

Commissioner Thompson suggested that perhaps it would be helpful to ask Paul Sorenson to come in and do a market rate study and advised that, in his opinion, both citizens and staff would be amazed to see the outcome of such a study.

Mr. Taylor reminded that we were committed by Bond Resolutions on the Revenue Bonds, which state that we will set rates and fees to guarantee a certain threshold, or cushion, above our annual bond debt service. He provided additional details.

Commissioner Thompson advised that he would recommend not giving any more benefits to the non-profits until a policy was developed and adopted.

Mr. Crockett stated that Attorney Lake was in the process of drafting a Non-profit Policy and that it should be ready for discussion at the next Commission meeting, therefore he suggested waiting on making any changes until after review of the draft policy.

A short discussion about the topic followed.

Commissioner Collins asked who owned the overflowing garbage dumpster sitting behind the Landfall Restaurant building.

He was informed that staff had called DM Disposal and had been informed that the dumpster actually belonged to the Swan Hotel as the dumpster for the Landfall Restaurant had been removed when the tenants vacated the building. Mr. Pivarnik was scheduled to talk with Mr. Finney, owner of the Swan Hotel, to discuss the situation. The Swan Hotel dumpster was evidently now being used as a kind of “communal” dumping site.

X. NEXT MEETING: Next regular meeting will be held Wednesday, June 23, 2010 at 6:30 PM, with a Public Workshop at 3:30 PM, in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XI: ADJOURNMENT: The regular meeting adjourned at 6:08 PM there being no further business to come before the Commission.

ATTEST:

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John N. Collins, President

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Leif W. Erickson, Secretary

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David H. Thompson, Vice President