

PORT COMMISSION MEETING – April 13, 2011

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

Present: Commissioners –Thompson, Erickson, Collins
Executive Director – Crockett
Deputy Director – Pivarnik
Auditor – Taylor
Planning Analyst - Toews
Attorney Lake - Goodstein Law Group
Minutes - Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

The agenda was amended to reflect the addition of Old Business, **Item B**-Airport Industrial Park Update and Decision on Road Access; **Item C**-Sealevel Construction Contract; and **Item D**-Port Townsend Brewing Co. Fence Issue.

Commissioner Collins moved to approve the Agenda as amended.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA (1:18):

- A. Approval of Minutes – March 23, 2011
- B. Resolution No. 559-11 – Declaring 10 Dinghies/Skiffs Abandoned and Surplus, and Authorizing Their Sale and/or Disposal
- C. Resolution No. 560-11 – Authorizing Sale of Abandoned Vessels
- D. Operations Reports – March 2011

Commissioner Thompson moved to approve the Consent Agenda as presented.

Commissioner Collins seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (1:32):

Libby Palmer, reading from her notes, expressed her displeasure over the possibility that the Port may be entering into a lease with US Customs and Border Patrol for office space.

Kate Franco read a letter from Candice Cosler expressing her displeasure on this same issue. Ms. Franco read from her own written opinion as well, expressing displeasure.

Alex Hepler expressed his mutual displeasure.

Jim Buckley also read from a statement expressing his unhappiness with the same matter.

Local Attorney Paul Richmond expressed his displeasure as well and requests documents pertaining to the possible lease to US Customs and Border Patrol. He was told he would be sent a Public Records Request in the morning via email by staff.

V. OLD BUSINESS:

A. Boat Slip Leave of Absence Policy (23:10):

Mr. Crockett explained that Phil Andrus informed he is unable to attend today's meeting for discussion on this item. This policy discussion was delayed until this meeting so that Mr. Andrus could attend. Mr. Crockett asked the Commission if they would prefer to delay it again until the next meeting.

Commissioner Thompson asked Finance Director Taylor if, in his opinion, this policy would be a moneymaker or a loser. Mr. Taylor responded that he couldn't see how this could possibly be a moneymaker and is skeptical on whether the Port could even break even with this policy.

Further discussion was held on past history of temporary slip vacancies and the current credit system absence policy.

Commissioner Collins recommended keeping this item on the table and bringing it back to the April 27, 2011 Commission meeting.

B. Airport Industrial Park and Decision on Road Access (36:00)

Eric Toews provided an update on AECOM's progress on the airport industrial park planning process. There are issues regarding possible wetlands and market feasibility. AECOM is looking for Port staff involvement, prior to continuation of site design. Diane Brewster of Touchstone Eco Services, based on her reconnaissance study, concluded there are no wetlands on the site. Category 4 wetlands run in a linear fashion along the informal access road to Four Corners. Reid Middleton came up with three options for road access to the site, with cost estimations between \$0.5million and \$2.3 million. The least expensive

option is running the access road from the site to Four Corners. Mr. Toews recommends giving the green light to AECOM so they can proceed with conceptual design options, using the Four Corners access point.

Mr. Pivarnik informed we are on a tight timeframe. Mr. Toews added AECOM will provide three high-level concepts and these will be presented at the May 11 Commission meeting for Commission feedback, and then presented to the Advisory Committee for their preliminary recommendation.

Commissioner Collins moved in favor of proceeding with proposal as discussed, using Four Corners Road for access in conceptual designs.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

C. Sealevel Bulkhead Builders Contract (50:52):

Mr. Pivarnik explained that Sealevel has come in with the lowest responsive bid for the refloating of new whalers on C/D docks. Three bids were received ranging in price from \$108K - \$180K + tax. Work will begin approximately June 1, 2011 and work hours will be between 8 AM – 5PM. A State HPA permit is needed.

Commissioner Thompson moved to accept the low bid and for staff to execute the contract with Sealevel Bulkhead Builders for \$108,458.17 + WSST.

Commissioner Collins seconded the motion.

Motion carried by unanimous vote.

D. Port Townsend Brewing Co. Fence Issue (57:57):

Mr. Crockett explained he received an email from Guy Sands with two issues. One, he is waiting for a bid from a local electrician to install more power at their location, and secondly, they would like to be allowed to keep the fence up that they recently installed for keg washing. He proposes to pay an additional \$100/month on their lease for this fenced area. Mr. Crockett added that if approved, he recommends a lease stipulation that if this area creates a parking shortage problem, the Port would issue a 30-day notice to have the fence removed.

Commissioner Erickson stated his opinion that he does not like the idea of a tenant making the rules.

Commissioner Collins moved to allow negotiations and to allow the lease amendment as discussed above.

Commissioner Thompson seconded the motion.

Motion passed with two votes for and one against (Erickson).

VI. NEW BUSINESS:

A. Audit of Garbage Expenses (1:21:19):

Mr. Crockett presented a garbage audit conducted by Senior Accountant Kathy Hawley. This audit shows the Port spent \$125,000 last year on garbage removal. Tenants are required in their leases to provide their own dumpsters. However, garbage dumping rules have been hard to enforce. Mr. Crockett explained he wants to inform the Commission of this expense and for them to think about ideas to reduce costs. Mr. Pivarnik asked how can the Port differentiate between do-it-yourselfers and marine trade tenants. Ideas ranged from fencing the dumpster areas, to locking the dumpsters, to having cameras installed, to signage.

B. MRW Facility (1:21:19):

Mr. Crockett reported he and Mr. Pivarnik recently met with County staff who explained that due to cuts to the County budget, MRW hours of operation need to be cut back to one six-hour day, Fridays only. Currently it is open two six-hour days a week. Section 4.2 of the MRW lease states the County shall pay the Port a prorated fee for every hour less than 12 hours that the facility is not open.

Jack Reid, Jefferson Co. Solid Waste Manager spoke of the financial problems the County faces and how there is no grant funding for MRW operations in 2011. He explained that they would continue to hold occasional remote site hazardous waste pick-ups throughout the county, which would help ease the one day a week site operations.

Al Cairns, the County's Solid Waste Coordinator presented an analysis of customer participation. He reminded of the 1997 Inter Local Agreement with the Port to provide hazardous waste disposal to the community.

Further discussion took place on the MRW site's future and looking at their status in December of 2012.

Commissioner Collins moved to waive provisions in section 4.2 of the MRW lease and to reassess the status of the MRW operations in December of 2012, and for Port staff to execute a letter to the County stating this.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

C. Web Sites for Port Tenants (1:54:47):

Mr. Pivarnik discussed a new form of advertising in the marketing plan. The Port will provide a free one-page webpage to Port lease tenants and to tail-gaters registered with the yard office. Approximately 100 participants are expected. Each page will cost the Port \$50, total estimate at \$5,000, which is approximately the cost the Port spends on a couple of color ads in magazines.

D. Change Order for Culbertson Marine (2:00:28):

Mr. Pivarnik explained changes performed on the A/B dock construction project, resulting in an \$85,509 change order (only 2.5% of contracted price). Still, this is nearly \$1M under the engineer's estimate.

Commissioner Thompson moved to approve the final change order for Culbertson Marine.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

E. Aquaculture Project in Quilcene (2:04:10):

Mr. Crockett informed that Peter Downey, a local geoduck producer, is expanding to oyster production. He requested to lease dock space at the Boat Haven for an 8'x20' barge, where water is pumped over the oyster spat, a 22-day process prior to the immature oysters being planted on beaches. This request cannot be fulfilled at the Boat Haven as the City's SMP does not allow in-water aquaculture, only upland. Mr. Downey has been offered space at the Quilcene Marina, as it is allowed in the County, and he has accepted.

F. 2011 Airport Fly-In (2:10:21):

Mr. Crockett stated that the 2011 Airport Fly-In will only be a one day event this year, July 16. The Jefferson Co. Pilots Association has asked the Port, if we would again pay half of the insurance bill, a cost to the Port of \$390.50 and to also provide sani-cans. Also, as a co-sponsor of the Fly-In, the Port will man an airport booth.

Attorney Lake suggested that even though the event is not a non-profit, we should require them to fill out a non-profit form.

Commissioner Collins moved to support the event and pay 50% of the insurance cost and to also provide sani-cans.

Commissioner Erickson seconded the motion.

Motion carried by unanimous vote.

G. Approval of Warrants (2:14:37):

Commissioner Thompson read the warrants, as presented:

Warrant #046341 through #046369 in the amount of \$43,776.32 for Payroll

Warrant #046370 through #046378 in the amount of \$58,223.93 for Payroll Benefits

Warrant #046379 through #046444 in the amount of \$137,602.92 for Accounts Payable

Commissioner Thompson moved to approve the warrants as presented.

Commissioner Collins seconded the motion.

Motion carried by unanimous vote.

VII. STAFF COMMENTS (2:15:25):

Mr. Crockett reported that he has granted use to Daniel Collins, regional coordinator of the Pacific NW Trails Association, of the heavy haulout wash down area on June 21 for their second "Longest Day of Trails" bike ride event, which raises money for local trails. This area will be used as a staging area for registration.

Mr. Crockett added that an Executive Session will be held for a real estate/litigation issue, pursuant to RCW 42.30.110(b)(i), duration of approximately 20 minutes, with no decisions.

VIII. PUBLIC COMMENTS:

Steve Tucker reported on the successful PSA Salmon Derby held in early April. He added the same group is holding a May halibut derby.

Mr. Crockett added that these derby sponsors and participants could provide letters of support to the RCO, when the Port applies for boat ramp money.

Mr. Crockett also reported on the positive RX systems reports presented to the DOE.

IX. COMMISSIONER COMMENTS (2:28:03):

Commissioner Collins reported that he attended the recent Peninsula Development District (PDD) meeting in Blyn.

Commissioner Erickson reported the Quilcene Conversation group meetings continue. On April 23, 2011 they will hold a rededication ceremony of the park located next to the

community center. The group is also working on a 4'x5' map and asked permission to add the Herb Beck Marina and the swim beach in Quilcene to the map. They're also developing a new slogan and logo for an advertising campaign.

Commissioner Thompson spoke about the Homeland Security and Emergency Management he attended at Peninsula College in Port Angeles, which was mostly a question and answer session.

He also stated that he attended yesterday's Watershed (formerly WRIA 17) meeting where they discussed different strategies.

Commissioner Collins added that Eric Toews continues to work with the Joint Economic Strategy group.

X. NEXT MEETING: Next regular meeting will be held Wednesday, April 27, 2011 at 6:30 PM in the Port Commission Chambers, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular meeting recessed into Executive Session at 6:02 PM, to discuss a real estate and possible litigation issue, pursuant to RCW 42.30.110 (b)(i), duration approximately 20 minutes, information only. At 6:22 PM, Mr. Pivarnik checked outdoors to see if any members of the public were waiting for adjournment. Finding no one, Executive Session continued.

XII: ADJOURNMENT: The regular meeting reconvened and adjourned at 6:31 PM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, President

John N. Collins, Secretary

Leif W. Erickson, Vice President