

PORT COMMISSION MEETING– November 13, 2012

The Port of Port Townsend Commission met in regular session in the Conference Room, Port Administration Building, 375 Hudson Street, Port Townsend, WA

Present: Commissioners – Erickson, Tucker, Thompson
Executive Director – Crockett
Deputy Director - Pivarnik
Auditor – Khile
Planning Analyst - Toews
Attorney - Lake
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Erickson called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Commissioner Erickson moved to approve the Agenda as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

- A. Approval of Meeting & Public Hearing Minutes – October 23, 2012
- B. Resolution No. 587-12 – Fixing the Amount of Tax to be Levied
Resolution No. 588-12 – Authorizing Year 2013 Capital/Operating Budget
Resolution No. 589-12 – Small Public Works and Consultants Roster
- C. Write-off Register
- D. Operations Reports – October 2012

Commissioner Erickson moved to approve the Consent Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

A. Public Infrastructure Fund (PIF) and Quilcene (1:48):

Mr. Crockett informed that today, the PIF committee approved a resolution awarding \$100K to the Quilcene septic project. He discussed the June 8, 2011 Port Commission meeting minutes where the Port agreed to submit a letter of intent to the PIF board for the Quilcene fire flow and septic, with no funding obligation on the part of the Port. The question at hand – which entity will be the sponsor for the septic grant? Commissioner Thompson added that this was discussed at the PIF meeting where County Administrator Morley believes this is a County issue, rather than an obligation of the Port. Commissioner Thompson advised that the Port send a letter of intent to the County and stating the septic project is in the purview of the County. Mr. Crockett will draft a letter for the Commission to sign.

B. Passenger Only Ferry Update (15:01):

Mr. Crockett reminded that the Commission agreed to provide no cash subsidies for passenger ferry operations except for in-kind, such as haulouts, storage, etc. Staff has spoken with potential operators who say this vessel just does not pencil out. Commissioner Thompson added there are some structural issues with the Spirit that would be difficult to address, as well as the operational costs. The possibility of using the Chilkat was discussed again, but Mr. Crockett reminded that a recent survey shows only about a ten-year life expectancy remaining. Mr. Crockett's recommendation is to turn down the Spirit and not to reconsider the Chilkat. He explained there are two choices; do away with the entire plan or continue to look for a vessel using the \$1.3M grant. Mr. Pivarnik explained he has had brokers helping him search for a vessel, but this vessel also needs to be one built in America. Commissioner Tucker discussed the amount of money that the Port has invested up to this point, and believes staff should continue to explore other vessel options. When asked by the Commission what staff would recommend, Mr. Crockett believes the Port should drop the project and "move on". Mr. Pivarnik added that the Port has spent \$20-25K already and to continue the search would cost the Port even more in staff time and dollars. Mr. Crockett factored in the cost of fuel to run the Spirit, the size of our county's population, insurance, personnel and operation costs-the project does not make financial sense.

Commissioner Thompson moved to return the \$1.3 back to the Federal government and discontinue the search for a ferry.

Commissioner Erickson added that the Port has exhausted avenues to support the effort of a passenger only ferry.

Commissioner Erickson seconded the motion.

Motion passed by unanimous vote.

C. November 28, 2012 Commission Meeting Date Change (32:15):

Because the Washington Public Ports Association Annual Meeting date conflicts with the scheduled November 28 Commission meeting, staff and Commission agreed to change the date and time to Monday, November 26, 2012 at 1:00 PM.

VI. NEW BUSINESS:

A. Charlie Noble Enterprises Lease (33:40):

Mr. Pivarnik informed the Commission that Commissioner Thompson's lease for Charlie Noble Enterprises has come up for renewal and he is asking for another five years. A new lease has been written conforming to current lease terms. Commissioner Thompson recused himself from the vote.

Commissioner Tucker moved to approve the Charlie Noble Enterprises lease for another five-year period.

Commissioner Erickson seconded the motion.

Motion carried with two votes. (Commissioner Thompson recused himself from the vote.)

B. Approval of Warrants (34:52):

Commissioner Tucker read the warrants, as presented:

Warrant #049886 through #049915 in the amount of \$46,740.63 for Payroll

Warrant #049916 through #049924 in the amount of \$68,344.42 for Payroll Benefits

Warrant #049925 through #050007 in the amount of \$114,183.93 for Accounts Payable

Warrant #048036 as a *VOID*

Commissioner Tucker moved to approve the warrants as presented.

Commissioner Thompson seconded the motion.

Motion carried by unanimous vote.

VII. STAFF COMMENTS (36:28):

Attorney Lake reminded she will make a presentation on Public Contracts at the WPPA Annual meeting. She also discussed a proposed legislative bill on a harbor maintenance tax.

Mr. Pivarnik informed that a person from Tacoma will be leasing the former Sunrise Coffee space on a month-to-month term. His shop performs fiberglass and finishing work on boats. He added that he has shown the Cupola House to two different parties.

Mr. Pivarnik discussed a meeting between staff and Matt Elder, of Sea Marine, on the subject of a possible jib arm. Mr. Elder is not 100% behind this idea. The project would be costlier than first thought, considering safety options. First plans looked at ladders for boat access, but in Port Townsend, there is an older population and ramps should be considered rather than ladders.

Mr. Crockett added that he believes a jib arm is not a good project when it comes to investment returns.

He then informed the Commission he was leaving later today for La Conner to attend the Northwest Marine Trades Assoc. Marina and Boatyard Conference. He will return Thursday evening.

Lastly, Mr. Crockett gave a reminder of the "Meet Your Legislator" session at the NW Maritime Center on November 19, 2012 at 4:00 PM.

Ms. Nelson thanked the Commission for passing the Small Works Roster Resolution.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS (43:47):

Commissioner Thompson stated he is pleased that a final decision was made today on the passenger ferry.

Commissioner Erickson asked staff about the recent Port Strategic Advisory Committee (PSAC) meeting. Mr. Toews responded that the meeting held last Thursday, failed to achieve a quorum. Only three voting members, plus Larry Aase, attended out of a nine-member committee. This was an organizational meeting only. Next PSAC meeting is scheduled for December 5, 2012. If staff is unable to gather a quorum from RSVPs, this meeting would be canceled.

X. NEXT MEETING: Next regular meeting will be held Monday, November 26, 2012 at 1:00 PM in the Port Administration Building Conference Room, 375 Hudson St, Port Townsend.

XI. EXECUTIVE SESSION:

None

XII. ADJOURNMENT:

The meeting adjourned at 1:47 PM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, Secretary

Leif W. Erickson, President

Stephen R. Tucker, Vice President