

PORT COMMISSION MEETING – March 26, 2003

The Port of Port Townsend Commission met in regular session at the Tri-Area Community Center, Chimacum, WA.

Present: Commissioners – Beck, Pirner and Sokol
Executive Director – Crockett
Operations Manager – Radon
Auditor – Taylor
Facilities Manager – Pivarnik
Attorney – Harris

I. CALL TO ORDER: The meeting was called to order at 7:00 PM.

II. APPROVAL OF AGENDA:

Upon motion of Commissioner Pirner, the Agenda was unanimously approved as amended, with the addition of the following items:

- VI. New Business
 - D. Legislative Report
 - E. Organizational Chart
 - F. Shipyard Building
 - G. MRC Signage

III. CONSENT AGENDA:

- A. Approval of Minutes – March 12, 2003
- B. Approval of Warrants:
 - #27684 through #27706 in the amount of \$24,796.80
 - #27707 through #27709 in the amount of \$11,302.03
 - #27710 through #27768 in the amount of \$121,276.92

Upon motion of Commissioner Pirner, the Consent Agenda was unanimously approved.

IV. PUBLIC COMMENTS (not related to Agenda): -- None

V. OLD BUSINESS:

- A. J.C.I.A. – Airport Owners and Operators General Liability Policy

This policy, which is separate from the Washington Government Entity pool, comes up for renewal on April 9. Mr. Taylor reviewed that the cost of this coverage increased 25% (to \$12,500) after the September 11 disaster. Although the carrier, Ace Property and Casualty, had warned that there might be an equally large increase at renewal, it will actually be 10%, excluding international acts of terrorism (which would add another \$5,500). Staff agreed to proceed with this policy renewal.

- B. Environmental Review Proposals for Point Hudson

Referring to the three proposals received to-date, which were included in the agenda packet, Mr. Pivarnik reviewed the requirements of the RFP, noting that the fourth task – a fire and safety assessment – is the most expensive. While all three are good companies, prices range from \$17K to \$46K and the quality of work is also expected to vary. Staff requested additional time to consider these proposals before making its recommendation, citing the fact that low bidder did not take the time to visit the site. He also noted the City is hiring a fire inspector, whom the Port would want to tour the buildings before awarding any bid.

Commissioner Beck expressed concern about expending funds for this survey during these uncertain economic times.

Commissioner Sokol said he believes the Port does not have the same sense of urgency now that leases have been reworded and questioned whether the low bid met the criterion of being “responsible.” Staff noted that a workshop is scheduled for April 9. Also, since Staff received only three responses to nine applications mailed, the Port may want to solicit proposals from more companies. There was support for making this the next workshop topic.

C. Jeffco Hangar Negotiations

Jeffco Hangar’s response to the Port’s offer of a lease rate of \$.38 was included in the agenda packet. Mr. Pivarnik recognized that the Jeffco Hangar is using tie-down rates as their basis whereas the Port is considering tie-down rates along with other factors. This is based on a two year-old professional appraisal. The Port’s research of tie down rates (which were distributed to the Commission) revealed that several other ports are charging more. Mr. Crockett noted that he would not recommend going with the Jeffco counteroffer and would instead suggest withdrawing the offer, waiting for their formal appraisal and entering arbitration.

Bill Garrett, representing Jeffco Hangar Associates, said he would appreciate a formal response from the Port to which they could comment, after which there could be further debate or arbitration. Mr. Harris clarified that the language in the Jeffco lease says, “Lessee may submit a rate based upon valid appraisal.” He clarified that the information in the letter constitutes Jeffco’s valid appraisal. Mr. Garrett concurred.

Commissioner Pirner moved that the Port withdraw its lease rate offer of \$.38 per square foot and let the issue go to arbitration. He recognized that the prevailing rate at the airport is \$.48 per square foot. The motion carried by unanimous vote.

VI. NEW BUSINESS:

A. Puget Sound Anglers

Mr. Crockett reviewed the request for a letter of support by Gary Hulsey of Puget Sound Anglers to extend the salmon fishing season in Marine Catch Area 9.

Mr. Hulsey explained PSA’s desire to support the proposal to extend next year’s blackmouth fishing season by 30 days. Noting that this is a neutral proposal in terms of biological impact, it is strictly an issue of allocation. So far, negatives have not been identified. He reviewed other agencies that had agreed to provide a letter of support – County Commissioners, City Council, Chamber of Commerce, and EDC. This extension would provide not only better salmon fishing, but also increased tourism to the area.

Commissioner Beck moved to direct the Executive Director to write a letter, to be signed by the Commissioners, in support of the proposal to extend the salmon fishing season in Marine Catch Area 9. The motion carried by unanimous vote.

B. Name Change for Baird Boat Company

Mr. Pivarnik reported that because of a refinancing of a business loan through Mariner Bank, the names on the lease need to be changed. Staff recommended amending the lease to reflect the lessee is Ernie Baird but noting that Baird Boat Company would guarantee the lease. Mr. Harris said as long as both Ernie Baird individually and Baird Boat Company sign the lease, it should not matter who is the lessee and who is the guarantor. Staff agreed to structure the lease appropriately.

C. February 2003 Financial Update

Mr. Taylor noted two corrections in the last paragraph of the Commissioner’s February financial memorandum. After the first two months in 2003, revenues are

\$29K behind budget across all categories, but \$42K ahead of the same time last year. This year's revenues include \$78K from Point Hudson, without which we would have been \$36K behind in gross revenues. For the first two months, the only area ahead of last year was the airport. Fuel sales remain static. It was noted that as of the last delivery, fuel prices had increased by about \$.18/gallon. Although expenses are about \$19K under budget, income from operations is \$10K behind budget. Non-operating net income is ahead of budget by \$8K, as a result of \$7K in timber taxes. As a result, the Port is within \$1K of budget.

D. Legislative Report

Commissioner Sokol provided the following legislative highlights affecting Ports: 1) SSB5185, related to the Open Public Meetings Act, would require governments to specify how much time is devoted to each agenda item, 2) SB5022 would allow the Comprehensive Plan to be amended twice a year, 3) SB5786 would change an "and" to an "or" within the Land Bank Act, 4) SB5282 would eliminate the Hearings Board and, 5) SSB5375 has to do with the hydraulic code and would require a general permit for common activities. He believes the Port should contact Representatives Kessler and Buck in support of this bill.

Commissioner Sokol moved to direct the Executive Director to draft a letter to Representatives Kessler and Buck in support of SSB5375. The motion carried by unanimous vote.

Commissioner Sokol noted that SB5392, which would have increased pilot and aircraft registration fees, and SB5961, which would have increased fines for failure to register aircraft, both died.

E. Organizational Chart/Personnel Manual

Commissioner Beck believes a new chart should be created to include Point Hudson. The Commission and Staff concurred. He also believes the Personnel Manual needs to be updated.

F. Shipyard Building

Commissioner Beck, commenting that the cost of renovating buildings at Point Hudson has dominated discussions, said that he would like to refocus the Port's energy on the Boat Haven. While recognizing that the projects coming into the yard are primarily workboats and not mega-yachts, he believes the Port still needs to consider putting in a structure big enough to permit working on boats in any weather. Staff said the Port might also need to use an RFP process to recruit a company that would attract marine yachts. This topic could be discussed further at the workshop.

G. Jefferson County Marine Resources Committee (MRC) Signage

Mr. Pivarnik showed copies of interpretive signage, which contractor Barbara Nightingale of the MRC proposed placing near the Gardiner Ramp as well as one other Discovery Bay location. Mr. Crockett noted that the objective is to educate the public on their project to reintroduce the Olympia Oyster.

Commissioner Sokol moved to approve the placement of the Olympia Oyster signage at the Gardiner Boat Ramp. The motion carried by unanimous vote.

VII. STAFF COMMENTS:

Mr. Taylor:

The Consent Agenda included the final warrant on the Bank of America 1998 GO Refunding Bond issued to pay off the Port credit line from 1992.

Staff is working on the 2002 Annual Report.

As a result of changes to the meeting secretary's schedule, Staff will be able to introduce at the next meeting a resolution changing the meeting procedures to reflect a 1:00 start time instead of 2:30 PM, which could become effective in May.

Mr. Pivarnik:

Staff met yesterday with Allison Raek of Landau Associates about alternatives for the Comprehensive Scheme. She is finding that a marina expansion at Point Hudson may be non-significant.

Mr. Radon:

He will meet with Dave Robison next week to tap into his experience with permitting and will also discuss the walkway ramps, a possible water-walk trail project with the Rotary, and a boardwalk around the Point Hudson marina.

In April, the Port will begin its airport water sampling requirements as part of the storm water pollution prevention plan.

Mr. Crockett:

Art Greenburg of the Dept. of Agriculture and Clallam and Jefferson Economic Development Councils will be hosting a regional maritime industry cluster event on April 30 in the Pavilion at Point Hudson. The only concern is that this is the busiest time of the season for this industry.

A letter from John Sibold, Director of the Washington Department of Transportation Aviation Division, reminded that a registration compliance and enforcement campaign would be launched next week. They are seeking airport sponsors. Mandatory compliance would be effective on July 1st. He said he would relay this information on April 5, in the Port's update to the Jefferson County Pilots Association. Commissioner Pirner asked if this requirement for registration is in the Port's leases. Mr. Crockett noted this is not currently a requirement, but is recommended.

The Port Assistant sent a notice that the next agenda packets would not be ready until the Monday before the Port meeting.

He sent a letter to the Port Townsend Rotary suggesting a partnership with the Port to create a Point Hudson water-walk trail for the Centennial Celebration in 2005. Staff is collecting ballpark costs and permit information. Commissioner Sokol noted that the Rotary had received the letter, but is still open to other ideas.

VIII. PUBLIC COMMENT:

Clair Candler:

He suggested the Port construct a building using polyester sheeting. Port Staff recognized other boat buildings are made with this material.

William Miller:

He clarified that airport liability coverage was \$30 Million. He also expressed interest in receiving a copy of the RFP for the environmental survey.

IX. COMMISSIONER COMMENTS:

Commissioner Pirner:

He attended the recent Census presentation sponsored by Peninsula College. Jobs seem to be the solution to many local problems. Getting youth through high school should be the priority over creating local higher education.

Commissioner Sokol:

He has been attending the affordable housing meetings sponsored by the City. Providing jobs and working to develop affordable housing are key issues to keeping young people here. Changes to zoning regarding assisted dwelling units would be helpful.

He noted that maintenance workers at Point Hudson might meet or beat the April 15 deadline on the Point Hudson RV spaces.

He observed the openness of state and local governments and how we conduct business and said this shows what a great country we live in.

X. NEXT MEETING:

Wednesday, April 9, 2003, at 2:30 PM – Point Hudson Marina Room, Port Townsend, WA. Workshop begins at 9:30 PM.

XI. EXECUTIVE SESSION:

At 8:33 PM, the Regular Meeting recessed into Executive Session for approximately 30 minutes to discuss legal issues, with possible decisions.

XII. MEETING RECONVENED:

Meeting reconvened at 8:58 PM.

Commissioner Pirner moved to authorize Staff to discuss with County Staff a modification to the Airport Noise Overlay proposal to change the recording of property from 50 DNL to 55 DNL and property owner notification only for 50 DNL. The motion carried by unanimous vote.

XIII. ADJOURNMENT:

The meeting was adjourned at 9:03 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President