

PORT COMMISSION MEETING – April 23, 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
Auditor – Taylor
Facilities Manager – Pivarnik
Attorney – Harris

Absent: Operations Manager – Radon

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:

- V. Old Business
 - B. Port Hadlock Ramp
 - C. Meeting with County Commissioners on Master Plan
 - D. Jeffco Hangar
- VI. New Business
 - D. Repair of Galmukoff Roof
 - E. Point Hudson Mailboxes

III. CONSENT AGENDA:

- A. Approval of Minutes – April 9, 2003
- B. Approval of Warrants:
 - #27857 through #27880 in the amount of \$27,422.55
 - #27881 through #27886 in the amount of \$41,973.16
 - #27887 through #27930 in the amount of \$107,547.51
- C. Resolution #393-03 – Authorizing the Sale of Abandoned Vessel
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- D. Write-off Register

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

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

V. OLD BUSINESS:

- A. Port Townsend Sails Lease

Mr. Crockett noted that the Commissioners received a copy of a letter from PT Sails prior to the meeting expressing concerns about the term of the lease, responsibility for maintenance and repair, liability for personal injury and property damage, and compensation for early lease termination. Although Staff has not yet been able to meet with Carol Hasse to discuss these concerns, he distributed notes from their recent telephone conversation in which it appears the remaining concern is the term of the lease. He communicated that with the Comprehensive Scheme still in process and an environmental assessment yet to be done, the Port is uncomfortable recommending leases longer than one year at this time. He explained that even next year, when the Port may be able to enter into longer-term leases, it is unlikely to pay compensation for early termination. He recognized the tenant's concerns about needing to relocate during a rehabilitation of their building, but reiterated that the Port does not intend to put anyone out of business and would agree to give the business the first right of refusal to return. The Port also acknowledged that once the building is renovated the rent would likely increase to assist with the cost of the repairs.

The Commission concurred with Staff about only signing a one-year lease at this time. There was further discussion about how to satisfy a business's concerns and

accommodate the business in another location while a building is refurbished. There was support for soliciting tenants input in the design of the space.

B. Port Hadlock Ramp

Mr. Crockett noted that last Friday the Port cleaned the ramp because it was low tide and they knew it would be a big fishing weekend. On the following Wednesday, a citizen complained that they got stuck on the ramp due to silt and sand. He suggested an immediate solution be sought for this problem, which is costing the taxpayers \$3-5,000 a year.

Commissioner Pirner offered suggestions for altering the dock, which Staff agreed to investigate. There were also questions about when the Boat School would be doing their beach renovation work. There was Commission support for covering up the pay box until the problem is resolved.

C. Meeting with County Commissioners on Master Plan

Mr. Crockett noted the County Commissioners are interested in scheduling a joint workshop to work on Master Plan issues. He agreed to invite them to attend the Port's workshop on May 14 at 9:30 AM. The 15th would be an alternate date.

D. Jeffco Hanger

Mr. Pivarnik noted having met several times with Jeffco Hangar representative Mr. Garrett since the Port's last meeting. In order to avoid arbitration, Jeffco would agree to pay the .38 per square foot offered at the last meeting but, in exchange, would like a ten-year extension to 50 years.

Mr. Harris expressed some concern about the 10-year lease extension and that this lease rate would set precedence, even though that market rate was based on a two-year old valuation.

The Commission expressed its desire to avoid arbitration and responded with the \$.38 lease rate and a ten-year extension, plus an annual CPI increase (changing the formula to be consistent with other leases). It was noted that this lease rate would bring the Jeffco hangar into the range of the Shorett Kidder market valuation. Staff agreed to present this to Jeffco.

VI. NEW BUSINESS:

A. Well Drilling at Jefferson County International Airport

Mr. Crockett reported on the PUD's request for permission to drill an additional well in the southeast corner on the airport property, in the same vicinity as the other wells. The PUD claims they have a water right of 98 gal/min. and are currently only getting half of that (48 gal/min) because of the limitations of the well casing. Staff is concerned about the wellhead protection area limiting the Port's further development of the airport. The Port would also like to clarify the ownership of this water right.

The Commissioners also questioned whether drilling another well is in the Port's best interest. Staff agreed to check with the PUD on who owns the water right and what area it serves. They would also ask about options for pulling the existing well and re-drilling in the same location, and ask how this well would fit into the Port's future development plans.

Commissioner Beck moved to direct Staff to gather information from the PUD on the drilling of this well, asking if it would jeopardize future development at the airport or the potential industrial park on Port-owned property. Staff should also investigate the history of the water right, learn the precise location to be drilled and determine what area this well will serve and whether the water right allows service to that area. The motion carried by unanimous vote.

B. Rhododendron Festival Parade Invitation

Mr. Crockett noted that it is time to confirm the Port's participation in the Rhododendron Festival Parade, the theme of which is "Paradise in Port Townsend." Staff would consider whether to use the Port's truck and new boat in the parade.

The Commissioners expressed their desire to participate in the parade.

C. March 2003 Financial Update

Mr. Taylor reported that comparing 2003 revenues to the previous years is a challenge without complete figures. While gross revenues for the first three months of 2003 include \$115K from Point Hudson, you need to back out these revenues for a fair comparison with last year. This year's revenues were down by \$49K. Of this, guest moorage was down \$11-12K, yard revenue was down \$20K, and there was a \$28K decrease in marine trades. Operating expenses were under budget \$29K, resulting in income from operations being only down by \$20K. Aided by timber taxes, non-operating net income was ahead by about \$7K, ending in a bottom line through March of (\$32K), compared to a seasonally-adjusted budget of (\$19K). The workyard revenue is down 25%, the lowest year in four years. Haulout and wash-down revenues are basically the same as last year. It was noted that the poor economy, high fuel prices, and the uncertainty of the war might be impacting revenues. A comparison of lay days in the yard was thought to be worth investigating.

Mr. Crockett said that he would be asking Staff to "tighten the screws" through the next quarter. It was noted that a decrease in guest moorage impacts other revenue areas.

Keith Swisher noted that the weather and economy are affecting airport fuel sales. Comparing the price of fuel at other airports, he wonders if the Port should consider offering a rebate with the use of the Port credit card, matching the 5% AOPA credit card rebate.

D. Repair of Galmukoff Roof

Mr. Pivarnik reported on the need to replace the roof of this building. A previous patch failed in the last storm and stained several of the boats under construction. Roofers would not guarantee a repair and have recommended replacement of this 30-year-old roof. He circulated estimates from two roofers off the small works roster, which differed by about \$10K. The Contractor has to pay the prevailing wage. There was discussion about how to finance the roof.

Commissioner Sokol moved to authorize Staff to execute an agreement with Parker Enterprises based on their bid, submitted April 21, 2003, to repair the Skookum and Chinook buildings using reserve funds if needed, and then making it a budget item to pay back the reserves. The motion carried by unanimous vote.

E. Point Hudson Mailboxes

Commissioner Sokol noted that there are many unsightly, unused mail boxes between the Shanghai and the shower building. He recognized that every tenant in the shower building should have their own mail box, but he suggested relocating these boxes near the other mail boxes at the Wooden Boat Foundation. While the mail carrier indicated that the Post Office would not object to such a change, it would ask that the boxes remain in the same order. Staff agreed to investigate this change as well as the need for a Point Hudson mailbox, since all Port mail should go to the Port office. They noted that there is now a clear view looking out over the Point.

VII. STAFF COMMENTS:

Mr. Taylor:

He is working on the 2002 Annual Report, which should be mailed next week. Beginning in May, the credit terms on tenant accounts will change from the 30th to 20th. Tenants will be provided with return envelopes, at a total cost of about \$35/month.

At the last meeting, the Commission approved runway seal coating. One estimate of \$9,820 plus sales tax has been received so far for striping bids, which would be covered by the grant.

Mr. Pivarnik:

He received an announcement from *Trailer Life* magazine and Good Sam's Club, which said they would be evaluating the Point Hudson RV Park next year. They provided a list of their criteria, which he is using as a baseline for considering improvements to the RV park.

Mr. Crockett:

The Commissioners received copies of the three surveys on marine trades to be conducted by the EDC beginning next week, one of which will look at visiting boaters and visiting RVs.

April 30 is the Clallam and Jefferson EDC Marine Trade conference in the Pavilion.

On May 7, from 1-4:00 at WSU, Dr. Summers would be reporting on the Jefferson Co. economic survey done over the last several months.

On May 8, there would be an all-day seminar with Mr. Mackey, an expert on economic development in rural America. He would help interpret economic survey data.

A disabled veteran recently inquired why he was required to pay for an annual parking pass. Recognizing that state and federal parks provide free access to parks, he believes the Port should do the same. Staff agrees, but to verify this designation would request the person provide a copy of correspondence from the Department of Veterans Affairs.

On May 1, the Port Commission will provide a briefing to the Port Ludlow Village Council. In addition to offering an explanation of Port Districts and showing a chart of how property taxes are spent, Commissioners suggested that Carol Saber of the Council be asked for possible topics of interest.

Puget Sound Anglers have invited him to attend the next Puget Sound Angler meeting on May 6 at 7:00 PM. They want to discuss boat ramp parking, new launch fees and the Port Hadlock ramp. They also dropped off a letter for the Commissioners, which has to do with fishing limits.

Regarding the meeting with Fleet Marine, Mr. Pivarnik believes Fleet would sign the 25-year lease.

VIII. PUBLIC COMMENT:

William Miller:

Asked Staff to clarify certain figures in the budget related to the \$55K operating loss and non-operating revenues.

IX. COMMISSIONER COMMENTS:

Commissioner Pirner:

After reading a letter to the editor in *The Leader* today, he believes the Port needs to better communicate to citizens regarding its activities. Even if the newsletter is only distributed to moorage tenants, having the information available would be valuable.

Commissioner Beck:

He noted that the person who previously mowed Port property at the airport noted that he backed into well casing in the field right across from the Kala Point Road area. Staff agreed to check on it.

X. NEXT MEETING:

Wednesday, May 14, 2003, at 1:00 PM – Point Hudson Marina Room, Port Townsend, WA. Workshop begins at 9:30 AM.

XI. EXECUTIVE SESSION: None

XII. ADJOURNMENT:

The meeting was adjourned at 8:59 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President