

PORT COMMISSION MEETING – August 27, 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
Operations Manager – Radon
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 as follows:

Items deleted:

- V. Old Business
- B. Marine Trades Survey Update

Items added:

- V. Old Business
- B. Marine Advisory Committee Update
- C. No Anchor Zone Concept
- D. Airport Well
- E. Reid Middleton Comprehensive Scheme Contract Amendment
- F. Shoreline Master Program Grant

III. CONSENT AGENDA:

- A. Approval of Minutes – August 13, 2003
Approval of Minutes – Special Meeting August 22, 2003
- B. Approval of Warrants:
 - #28588 through #28613 in the amount of \$28,899.28
 - #28614 through #28618 in the amount of \$32,803.56
 - #28619 through #28667 in the amount of \$34,127.67
 - #25513 and #25691 as Voided Warrants
- C. Write-off Register

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

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

V. OLD BUSINESS:

- A. Comprehensive Scheme Update

Mr. Crockett announced that a review of the Draft Environmental Impact Statement from Reid Middleton has begun. Once complete, another 30-day comment period would begin, during which the document can be accessed in libraries and on the website. It will also be sent to agencies such as Ecology and the Department of Fish and Wildlife. Following this last review, a formal public hearing date would be set and the SEPA process, with another 30-day comment period, would begin.

- B. Marine Advisory Committee Update

Following up on the proposal made at the last meeting to create a marine advisory committee, Mr. Crockett met with Mark Jochem of Shoreline Marine Diesel. Staff's recommendation is to meet next week with Mark, David King and Tike Hillman to discuss the mechanics of such a committee (vision, desired outcome, selection of members, staffing, meeting frequency, etc.). Although it has been suggested that the Port select the committee, Staff believes that for it to be

successful it needs to be a grass-roots committee submitting their ideas and recommendations.

Commissioners agreed and said they would be more supportive of businesses establishing a marine trades or tenant's association that could present ideas and recommendations to the Port as needs arise. If the Port were to create the committee, sets meetings, etc., it would run the risk of not addressing issues of importance to members. Another concern was the time involved in staffing such a committee. Staff agreed to report back to the Commission with more information about how it might work.

C. No Anchor Zone Concept

Mr. Crockett said that articles in both *The Leader* and *Peninsula Daily News* made the claim that the Port Commission supported the entire concept of the Anchor Zone, including the method of enforcing it. In a breakfast meeting with the Chamber and EDC, several members expressed concern and said they are not in favor of it, especially the idea of contacting boaters. MRC Project Coordinator Michelle McConnell became aware of this opposition and contacted Staff to confirm the Port's position. Suggesting that the project be more educational (signage and brochures) and that boaters not be contacted, Staff recommended the Port's position be put in writing.

Commissioners spoke about their concern that the program appears to be different than they envisioned. While it was thought to involve two boats on duty per day, the newspaper article represented it as volunteers – with or without boats – assisting with a boater education program. Commissioner Pirner said he does not support this approach. Commissioner Beck said he does not want to see the harassment of boats that the community has made a huge effort to attract. There was also concern about the lack of training for these volunteers who might not only give the town a black eye, but risk being hurt themselves. Commissioners were however, still supportive of on-shore signage.

Commissioner Pirner moved to direct the Executive Director to communicate with the Eelgrass No Anchor Zone Committee to express displeasure with the inclusion of the Port's name in the press releases and to further explain the Port's position. The motion carried by unanimous vote.

D. Airport Well

Mr. Crockett reviewed the request by Public Utility District No. 1 (PUD) to drill a replacement well to expand the system at the airport and maximize their existing water right. The PUD is ready to begin drilling and has said that the expansion would not change the wellhead protection or critical aquifer recharge areas, nor would it have impact on safety of flight. Staff recommends that we go ahead with it, but consider entering negotiations about nominal rent, which might come in the form of a water bill credit for the privilege of having wells on Port property.

Commissioner Sokol moved to authorize Staff to proceed with an agreement with the PUD #1 for the airport well and approve negotiations at a cost of \$100 a month for the use of the well on Port property. The motion carried by unanimous vote.

E. Reid Middleton Comprehensive Scheme Budget

Mr. Taylor reviewed that the existing consultant contract provides \$187,400 for the completion of the Comp. Scheme. The Port received a request from Reid Middleton to increase the contract amount by \$2,845, which Staff believes would be appropriate, to compensate for consultant attendance at extra advisory committee meetings as suggested by the Port's Comprehensive Scheme Advisory Committee.

Commissioner Sokol moved to amend the contract with consultant Reid Middleton, increasing the amount by \$2,845. The motion carried by unanimous vote.

F. Shoreline Master Program Grant

Mr. Crockett provided an update on discussions with the City about the

possibility of receiving State grant money for their Shoreline Master Program Update. While it had been thought that some of the funds could be used for additional Point Hudson planning, the State has communicated that the grant will be smaller than expected and could not be used for master planning efforts. Staff is concerned that Task 5 of the City's scope of work does not reflect a master plan but rather a sub-area plan, much of the work on which has already been done as part of the Comprehensive Scheme of Harbor Improvements.

Mr. Harris said the Port could condition the letter of support upon the City recognizing the primacy of the Port's own plan for that area and some commitment that they would not deviate from the work already done in the Comprehensive Scheme.

While the Commissioners were not opposed to supporting the City's getting grant money to do their Shoreline Master Program, there was concern about redoing aspects of the Port's Comprehensive Scheme. The stakeholder group might come up with recommendations different than those in the Comprehensive Scheme and that might not be reflective of all County constituents, who also have a stake in this Port property.

VI. NEW BUSINESS:

A. July 2003 Financial Update

Mr. Taylor reported that July revenues exceeded last year's by about \$26K. It was the first peak-season month since the addition of Point Hudson operations for which there is a comparison to last year. July was also the first month that Boat Haven nightly guest moorage exceeded last year's – an increase in gross revenues of \$1.5K. Marina fuel sales commissions were \$100 ahead of last year. Point Hudson nightly moorage was up \$5.3K from last year (21%) and nightly RVs were up by a little over \$4K (18%). The work yard continues to run about \$3K per month behind last year, as did PTBH hoist revenues in July. With overall revenues at \$26K better than last year and expenses down by \$1,000, net operating income was up by \$27K compared to last year and resulted in a net income of \$56K, which was \$33K better than last July.

Year-to-date revenues are down by about \$60K and expenses are under budget by \$42K resulting in a net operating income through July that is \$18K behind budget. He noted that he did not compare year-to-date to 2002, because the Port did not have a full year of Point Hudson operations that year. After making up another \$5K in non-operating income, the Port is only down by about \$13K in net income. Mr. Taylor noted the biggest impacts to revenues are net guest moorage revenue at the Boat Haven and the work yard revenue. He noted that the gallons of fuel sold at the airport are up a full 10% over last year.

B. Resolution No. 402-03 – Surplus Property

Mr. Crockett noted that this resolution would declare as surplus property launch ramp floats removed from Port Hadlock. Mr. Radon noted having opened two sealed bids for these floats on Friday and the Port would receive \$1,460.

Commissioner Beck moved to Adopt Resolution No. 402-03 to surplus certain Port property. The motion carried by unanimous vote.

VII. STAFF COMMENTS:

Mr. Harris:

He reported that he would be dismissing the balance of the Port's claim against Arlon Rosenoff of PT Airways thereby settling for \$5K instead of \$16K. Although Mr. Rosenoff agreed that if he recovered amounts in excess of \$25K in his claim against the Davis's, he would share the excess with the Port, the Davis' did not pay in excess of that amount.

Regarding the Quilcene lease, he sent comments to Mr. Crockett on the agreement with State, who is only willing to give the Port a Quit Claim deed, which means they would not be warranting title. He believes the Port should get a title insurance policy to ensure there are no controlled easements or reservations.

He would also like to review their timber reservation language. The Port should not deliver leases to Coast until the Port closes on the property.

Mr. Taylor:

Of the two 300-ton boat customers that were removed from the write-off register two months ago, one has since paid \$2,228 in full while the Port has received \$500 of the \$1,315 due on the other and has an agreement for the remainder.

Mr. Radon:

Staff met with Larry Stevenson from the U.S. Coast Guard Port Angeles Group regarding Port security and wrapped up the plans. The Port has applied for \$200K in Federal grants for three projects under access controls, security barrier, and surveillance.

Staff did a site visit of the Quilcene marina and met with contracted staff of that facility to review responsibilities and to generate an updated list of priority maintenance activities. Many of the concerns communicated last month have already been addressed by Ken Dressler.

The Port is signed up for a Wooden Boat Festival booth, which will be at the end of the Armory Building.

Mr. Pivarnik:

He distributed a *Seattle Times* newspaper article showing the Port of Seattle is spending \$78M on renovations to the Shilshole marina and noted that they have some of the same slip problems the Port has. He pointed out moorage rates for some boats are priced over \$12/foot.

Mr. Crocket:

He received a message from Gloria Bram, whose handicapped friend recently expressed difficulty enjoying the beach because of how the parking stops were situated. After parking in the RV lot, she was asked by Port Staff to move her car. Ms. Bram suggested the Port give consideration to creating more accessible walking access to the beach. Staff agreed to consider how to make ADA parking improvements.

VIII. PUBLIC COMMENT:

William Miller:

He asked Staff to review the three items discussed at the Port security meeting, which Staff listed. Mr. Crockett noted Larry Stevenson did individual assessments and would write a report on the Port properties.

IX. COMMISSIONER COMMENTS:

Commissioner Beck:

Local establishments in Quilcene are beginning to get calls asking when the silver salmon would start running. This is a great economic opportunity for the area.

X. NEXT MEETING:

Wednesday, September 10, 2003, at 1:00 PM – Point Hudson Marina Room, Port Townsend, WA. Workshop begins at 9:30 AM.

XI. EXECUTIVE SESSION:

At 8:02 PM, the Commission recessed into Executive Session for 15 minutes to discuss a legal issue with no expected decision.

XII. ADJOURNMENT:

The meeting was adjourned at 8:20 PM, there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President