

FRIDAY HARBOR PORT DISTRICT

Port Commission Meeting at

Ernie's Cafe

November 12, 2014

Minutes

Port Commissioners Present: Mike Ahrenius
Barbara Marrett
Greg Hertel

Port Staff Present: Marilyn O'Connor, Port Director
Phyllis Johnson, Port Auditor
Tami Hayes, Harbormaster
Deanna Eltinge, Administrative Assistant
Stuart Hansen, Airport Operations Manager

Public Present: Frank Chmelik, Port attorney
Shirley McFearin, Port of Bellingham
Debbie Rishel, Downriggers Restaurant
Mike Taylor, Islander's Bank

Commissioner Ahrenius brought the meeting to order at 4pm.

1. Executive Session

Commissioner Ahrenius read aloud the prepared statement announcing the Commission will enter into Executive Session to discuss real estate and pending litigation. He explained the session is expected to take 45 minutes.

Commissioner Ahrenius closed the Executive Session at 4:55pm with the intention to re-open the session after the scheduled public hearing on the 2015 budget and regular meeting agenda tasks are complete.

2. Regular Business

A. Commissioner Hertel motioned to approve minutes from the October 29, 2014 Commission meeting. Commissioner Marrett seconded and the motion passed unanimously.

B. Commissioner Marrett motioned to approve payroll and vouchers #014362-014400 totaling \$1,177,936.17 dollars. Commissioner Hertel seconded and the motion passed unanimously.

3. Action Items:

A. A. Approve agreement with Chevron for costs to remove contaminated material from SSL


Frank Chmelik, Port Legal Council, explained Chevron Oil has entered into an agreement with the Port to cover the incremental increase in cost for contaminated soil and groundwater disposal. He recommends the final agreement be in place before issue notice to proceed for bulkhead construction project. Chevron will likely seek a site release agreement as well. Commissioner Ahrenius motioned to approve Port Director's signature on an agreement with Chevron for coverage of costs to remove contaminated material during the Spring Street Landing Bulkhead project. Commissioner Marrett seconded and the motion passed unanimously.

B. Award Bulkhead construction bid

The Port Director reviewed the Port had received three bids for the bulkhead construction project, and Mike Carlson Enterprise's submitted the lowest bid at \$1.547 million dollars. She explained the asphalt covering of the walkway and cable railing around the bulkhead was included as supplements to the bid documents, however since the entire area will be blocked off during subsequent building construction. She recommends not awarding this portion of the project. Commissioner Hertel motioned to award the Bulkhead construction contract to Mike Carlson Enterprises, Inc. Commissioner Ahrenius seconded and the motion passed unanimously.

C. Approve contract with PND for construction support/ project management services for SSL Bulkhead Project

The Port Director explained she has received a contract proposal from PND for construction project management services. She is still discussion the proposal with PND for the SSL Bulkhead Project, but she is asking for the Commission's approval of the PND contract. The contract is in the amount of \$119,788 dollars for construction support. Commissioner Hertel motioned to approve the contract with PND for construction support and construction project management services for the SSL Bulkhead project not-to-exceed \$119,788 dollars. Commissioner Marrett seconded and the motion passed unanimously.

 **D. Approve increase of Passenger fees**

Commissioner Hertel excused himself from the meeting for this Action Item. The Harbormaster provided data illustrating the financial impacts to non-local transportation businesses if the Port increased Passenger fees by either \$0.25 or \$0.10 per passenger. Commissioner Marrett suggested increasing the rates for 2015 to \$0.25 or 2015 to \$0.15 and

for 2016 and 2017 increase \$0.10 each year due to the Port's investment in the infrastructure of Spring Street Landing. Commissioner Ahrenius recommends increasing the rate by \$0.10 for the next three years each year. The Commission discussed the locally based company's annual 1,000 passenger fee exemption. They decided to leave the policy as it stands, but will continue this item for further discussion. By consensus, the Commission approved an increase of \$0.10 per passenger in each of the next three years.

E. Approve 2014 Series B Bond

The Port Director explained Mike Taylor is present to answer any questions the Commission may have. She further explained the Port is limited to borrowing \$300,000 in general obligation bonds. The Port Director will work with Mr. Taylor and Islander's Bank, which is an option of the bond already approved from 2013. Commissioner Hertel motioned to approve the issuance of 2014 Series B Bond in the amount of \$300,000 dollars. Commissioner Marrett seconded and the motion passed unanimously.

Public Hearing 5PM

Commissioner Ahrenius opened the Public Hearing at 5pm. No public comment on the proposed 2015 budget. Commissioner Ahrenius closed the Public Hearing at 5:03pm.

F. Approve RESOLUTION 14-010 Tax levy

The Port Auditor explained the Port is allowed 1% increase in property tax. The Port is requesting \$455,000 in property taxes. Commissioner Marrett motioned to approve RESOLUTION #14-010 Tax Levy. Commissioner Hertel seconded and the motion passed unanimously.

G. Approve RESOLUTION 14-011 2015 Capital & Operating budget and Scheme of Harbor Improvement Update

The Port Auditor had prepared the Capital & Operating budget and discussed at the November 5th meeting. The Capital budget for 2015 totaled \$5,952,360 dollars and the \$3,066,066 Operating budget includes the debt service from the Series B bond. Commissioner Ahrenius motioned to approve RESOLUTION #14-011 Capital & Operating budget and Scheme of Harbor Improvement Update. Commissioner Hertel seconded and the motion passed unanimously.

H. Approve Change Order #3 request from Manson Construction for power pedestal work

The Harbormaster explained there were 16 power pedestals with misaligned conduits and water spigots involved in the marina reconstruction project. She explained the proposed change order includes work to reconfigure the individual power pedestals and is a shared cost

to correct the misalignments. The Commission agreed by consensus to approve Change Order #3 Manson Construction for power pedestal work to correct the power pedestals not-to-exceed \$6,480.86 dollars.

4. Discussion Items:

A. Old piling removal

The Port Director explained there are 14 old creosote pilings near the fuel pier included in the Bulkhead Project, however the removal was not included in the bid documents since this project would require different machinery. Manson Construction has proposed a fee of approximately \$29,000 to remove and dispose the old pilings and would be completed toward the end of the Marina Reconstruction project. By consensus the Commission agreed to the proposed work order from Manson Construction to remove the creosote pilings.

Commissioner Ahrenius closed the regular session and continued the Executive Session at 5:30pm.

At 5:50pm Commissioner Ahrenius closed the Executive Session and re-opened the Regular meeting. No action taken.

5. Port Director Reports: The Port Director reminded the Commission there will be another meeting next Wednesday, November 19th at 4pm at Ernie's Café.

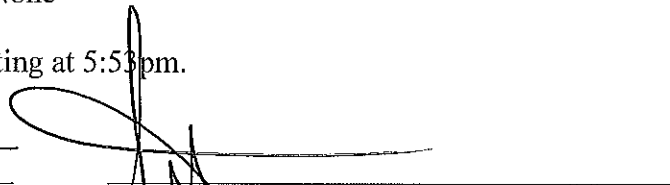
6. Port Commissioner Issues and Committee Reports:

- Commissioner Hertel requested from staff an analysis of the cost difference if the Commission decides to not build the mezzanine portion of the SSL Building

7. Additional citizen comments/requests: None

Commissioner Ahrenius adjourned the meeting at 5:53pm.


Barbara Marrett, Commissioner


Mike Ahrenius, Commissioner


Greg Hertel, Commissioner

PORT OF FRIDAY HARBOR

2016 Fees and Charges Schedule

The Port Commission believes that everyone who uses Port facilities should pay fairly for that use.

With the 2000 fee schedule, the Port formalized the long-standing policy of adjusting rates annually by the increase in the Consumer Price Index for the Seattle-Everett area. The increase that is effective each January 1 is based on the CPI for the year ending the previous June 30. If the CPI declines for one year, the rates will neither increase nor decrease; if the CPI declines for two or more years, the rates will decrease by the average of the two most recent years.

Key to Rate Adjustments

Rate Code

Adjust by CPI	C
Adjust by CPI, rounded to the nearest .05	C.05
Adjust by CPI, rounded to the nearest .10	C.10
Adjust by CPI, rounded to the nearest .25	C.25
Adjust by CPI, rounded to the nearest 1.00	C1
Adjust by CPI, rounded to the nearest 5.00	C5
Adjust by CPI, rounded to the nearest 10.00	C10
Adjust by CPI plus Marina Reconstruction Factor (see below)	C+M
Direct costs passed on to customer	D
Direct cost passed on to customer plus 10% (unless otherwise noted) , rounded to the nearest \$1	D%
Direct cost passed on to customer plus flat service fee; service fee \$5 initially, then adjusted by CPI, round to \$1	D+

CPI Based on August 2015		1.79%			
		RATE CODE	2016 RATE SET	RATE CALC'D	2015 RATE SET
GENERAL FEES AND CHARGES					
1	Slip or Hangar Transfer Fee	C1	23.00	22.54	22.00
2	Slip or Hangar Sublet Fee	C1	23.00	22.54	22.00
3	Annual waiting list fee	C1	36.00	36.07	35.00
4	Lease transfer fee or renewal fee (conveyance)	C5	340.00	337.91	330.00
5	Credit card billing fee/per month	C1	5.00	5.34	5.00
6					
7	PARKING FEES				
8					
9	Annual parking permit	C10	390.00	393.84	385.00
10		With tax			416.19
11	Monthly parking	C1	48.00	47.80	47.00
12	Monthly parking, non marina customer	C1	84.00	83.64	82.00
13					
14	Weekly parking	C1	24.00	23.90	23.00
15	Weekly parking, non marina customer	C1	42.00	41.81	41.00
16					
17	Daily parking	C1	6.00	5.97	6.00
18	Daily parking, non marina customer	C1	10.00	9.56	9.00
19					
20	Remote parking lot weekly	C1	18.00	17.93	18.00
21	RV parking at remote lot / per foot per month	C1	2.00	2.39	2.00
22	Boat Trailer with boat parking/per foot per month	C1	3.00	2.99	3.00
23					
24					
25	SHOP FEES AND LABOR CHARGES				
26	Port staff labor, per hour (1/2 hour minimum)	C1	61.00	60.79	60.00
27	After hours call out labor, (1 hour minimum)	C1	90.00	90.17	89.00
28					
29	Photo Copies on request (plus time)	C.05	0.15	0.16	0.15
30	Fax Copies incoming, per page	C.05	0.35	0.36	0.35
31	Fax Copies outgoing, inside the US, per page	C.05	1.50	1.50	1.50
32					
33	PAST DUE ACCOUNTS AND SEIZURES				
34	Interest on Past Due Accounts	No Chg	1 1/2% per month		1 1/2% per month
35	Bad Check Fee	C1	23.00	22.54	22.00
36	Collection Charges	D	as charged by collect. Agency		as charged by collect. Agency
37					
38					
39	Vehicle/vessel/aircraft impound fee. Per vehicle/occasion	C10	380.00	375.73	370.00
40	Vehicle towing for abandoned vehicles	D	as billed by tow company		as billed by tow company
41					
42	Auction/sale fee for impounded vessels/vehicles plus fees	C10	380.00	375.73	370.00
43					
44	TAXES				
45	Leasehold tax (on slip, hangar, tiedown, lease, rent etc.)	D	12.84%		12.84%
46	Sales tax on merchandise sales	D	8.3% or current		8.1% or current
47					
48	OTHER FEES				
49	Rental of any Port-owned meeting rooms or other areas for commercial				
50	purposes: the greater of (per hour)	set	25.00		25.00
51	or		10% of gross		10% of gross
52	Port Employee Liveaboard/on call moorage (35% slip discount)	C+M	varies		varies
53	With tax		varies		varies
54					
55	Liveaboard fee/ one person		44.97	44.97	44.18
56	With tax		50.74		49.86
57	Each Additional Person (children under age 10, no charge)		10.28	10.28	10.10
58	With tax		11.60		11.39

59		RATE	2016		2015
60		CODE	RATE SET		RATE SET
61	MARINA LANDING FEES				
62	Passenger Landing Fee/ per pass. TRANSPORTATION/ each way	set	1.20		1.10
63	no passenger fee for transportation vessels from 10/1 to 4/30				
64					
65	Passenger Landing Fee/ per pass./EXCURSION/from F.H.	set	1.20		1.10
66	see policy for detail and definition	set	local exempt 500		local exempt 1000
67					
68	Passenger Landing Fee/per pax/CRUISE SHIP (from elsewhere)	set	4.00		4.00
69					
70	Day fee for tour boat docking, per foot, or by contract	set	2.25		2.25
71	Security Fee for Excursion Vessel Landings, per landing	set	25.00		25.00
72					
73	Passenger Landing Reporting Late Fee	set	50.00		50.00
74					
75	Training ship for qualified educational use / pax fee waived				
76	educational organization/ per foot per month	C	4.27	4.27	4.20
77	with tax		4.82		4.74
78	Training ship for qualified educational use / pax fee waived				
79	must meet criteria in Marina Policy				
80					
81	Annual Commercial kayak launch at Jacksons Beach	Set	150.00		100.00
82					
83	COMMERCIAL FISHING VESSEL FEES AND CHGS				
84	Net disposal fee for abandoned nets	D	Labor plus disposal expenses		Labor plus disposal expenses
85					
86	Fishing net & equipment storage fee per month	C1	33.00	33.16	33.00
87					
88	LOADING FEES				
89	Loading Crane				
90	Commercial product load/unload per pound	C	0.04	0.04	0.04
91	Commercial product load with Port operator and forklift				
92	- per pound first 2000 lbs	C	0.09	0.09	0.09
93	-fee for over 2000 pounds per day per vendor	C	0.05	0.05	0.04
94	Marine and utility use only. per half hour	C1	19.00	18.79	18.00
95	Forklift and operator only - per hour	C1	75.00	75.16	74.00
96					
97	Loading fee for flowers loaded over the pier, per day	SET	1 bunch		1 bunch
98	Loading product or cargo over pier without crane per lb	C	0.01	0.01	0.01
99					
100	Reservation Fee for G & H Dock	SET	7.50		7.50
101					
102	Kayak launching, non-commercial, per kayak per launch in marina	C1	6.00	5.53	5.00
103					
104	MARINA SERVICES CHARGES				
105	Support Services charge for anchored vessels or other				
106	regular day use or marina facilities. per month (H2O, garbage, landing fees)	C1	51.00	50.84	50.00
107	must also have dinghy or skiff moorage account				
108					
109	De-water boat / per hour plus supplies and equipment.	D%	Labor plus expenses		Labor plus expenses
110	Overtime on labor may be charged if applicable				
111	De-water boat second time in six months/ per hour	D%	Double labor plus expenses		Double labor plus expenses
112	Bilge Pump/ per day plus labor to install pump	C1	12.00	12.16	12.00
113					

114		RATE	2016		2015
115	MARINA SERVICES CHARGES, CONTINUED	CODE	RATE SET		RATE SET
116					
117	Garbage Disposal				
118	per bag	SET	8.00		8.00
119	per dumpster	D%	Town fee plus 20%		Town fee plus 20%
120	Waste oil disposal, bilge water disposal/ per gallon	Set	1.00		1.00
121	Haz materials handling fee/ per gallon	Set	6.00		6.00
122	use of oil boom for spills/ per/foot/day, 1 day minimum	C05	0.90	0.88	0.85
123	Process used oil pads / per pad	C25	1.00	1.11	1.00
124	Use of Port Skiff wth operator/ 1 hour minimum	C1	73.00	72.95	72.00
125					
126	Non-mrg guest water fill, greater than 100 gallons / price per gallon	C05	0.05	0.05	0.05
127					
128	Dock storage, per dock section Oct - May only	C1	76.00	76.26	75.00
129	With Tax		85.76		84.63
130	Electric Service (subject to Opalco fee changes)				
131	Metered minimum per month (base fee) PER OPALCO FEE SCHEDULE	D	12.75		14.75
132	Metered per kilowatt hours	D	per OPALCO fee schedule		per OPALCO fee schedule
133	Metered electricity surcharge per month	D+	remove		5.00
134	Un-metered summer/ per month April through September	C1	30.00	29.84	29.00
135	Un-metered winter/ per month October through March	C1	67.00	67.42	66.00
136					
137	Overnight electrical per foot	C.05	0.10	0.11	0.10
138	Overnight electrical in Yacht Club Slip	C1	7.00	6.63	7.00
139	Overnight electrical 50 amp / 240 Volt per foot	C.05	0.25	0.28	0.25
140	Overnight electrical 100 amp per foot	C.05	0.40	0.44	0.40
141					
142	Electrical credit for use of permanent power by guest		50% of overnight elect fee		50% of overnight elect fee
143					
145					
146	Main Pier, day use for repairs per foot, per day		same as overnight guest		same as overnight guest
147					
148	Pumpout station on main dock	C.25	n/c		n/c
149	Staff pumpout service	Set	5.00		5.00
150					
151	Showers for five minutes.	C.25	1.50	1.66	1.50
152	Per minute additional	C.25	0.25	0.28	0.25
153					
154	Lighted holiday boat parade participation (one night moorage)	Set	One night free		One night free
155	4th / 5th Night Free	Set	One night free		One night free
156	Holiday shopping participation, customer spending minimum \$100	Set	One night free		
157					
158		RATE			2015
159		CODE			RATE SET
160					
161	SEAPLANE TERMINAL FEES				
162	Floatplane, commercial docking	C1	8.00	7.74	8.00
163	Floatplane use fee when sch. ops do not rpt Indgs/mo	C1	376.00	375.79	369.00
164	Floatplane use fee when non-sched. ops does not report landing	C1	22.00	22.11	22.00
165	Floatplane overnight moorage fee	C1	53.00	53.05	52.00
166					
167	CREDITS AND DISCOUNTS				
168	Credit for use of permanent slip per day		Pro-rated from monthly fee		Pro-rated from monthly fee
169	Credit for proof of purchase of \$100 purchases in FH Thanksgiving				
171	to Christmas (not alcohol or tobacco)		One night free moorage		One night free moorage
172	Boating and yacht club special event discount per foot/day				
173	for groups over 10 vessels	C05	0.30	0.28	0.25
174					