

**PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING**

January 8, 2007

CALL TO ORDER

President Telford called the meeting of January 8, 2007, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners McGregor and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Communications Manager Patti Grant, Airport Director Rudy Rudolph, Harbor Director Bruce Marshall, Public Works Director Andrea Fontenot, Marine Terminal Director Jim Amador, and Property Director Heber Kennedy. Bob Goodstein, the Port's Legal Counsel was also in attendance.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance included: Harold Clark, Tom Howdeshell, Keith Bausch, Jerry Dierker, Michael Bryan, and Meta Heller.

APPROVAL OF AGENDA

The agenda was approved as presented.

MEETING CONDUCT

President Telford indicated that the President runs the meetings and has some ceremonial opportunities, otherwise has no other power. He indicated that anything requested by a commissioner to be put on the agenda, should be. As president, he asked for help from the other commissioners to work through an agenda.

He indicated that when the public expresses their frustration and anger with insults, retaliation only heightens the situation. He commented that when a comment made by the public is non-rhetorical, the Port commission or staff should answer the comment either at the meeting or at the next meeting. In the case where the public is providing incorrect factual statements, Port commission or staff should correct the statement at that time or at the next meeting.

President Telford indicated that a Communication plan is under preparation by staff and will help to improve communication with the public and provide more community outreach and involvement. He commented that when possible he would like for staff to provide the Commissioners with information in individual meetings.

Commissioner Van Schoorl agreed that he did not want to engage in debate with the public. However, he did not want the meeting hijacked by the public where we have endless questions or debate, there needs to be a balance. Commissioner McGregor agreed that we need to find a balance.

PUBLIC COMMENT

Jerry Dierker, resident of Olympia, commented on the decision by the City of Olympia regarding the Weyerhaeuser Company project at the Port of Olympia. He indicated that right before the decision by the City came out the Port put out SEPA 06-05 on the lighting in the cargo yard. He indicated that since the hearings examiner said that the City should be the one to review these, he asked if the decision would be withdrawn or should they file for a reconsideration hearing. Ed Galligan, indicated that we are assessing

the approach and will let him know the decision if the Port is going to open a reconsideration.

Mr. Dierker commented that he thinks we need to re-look at the SEPA process and the problems that they have found with the process and inconsistent with citizen involvement with SEPA.

Harold Clark, resident of Olympia, commented that he had some questions regarding what is published in print as opposed to what goes on at the meetings bothers him. He commented that he finds out about things in the paper and didn't hear about it at a commission meeting. He noted that the article on passenger rail concerned him because we just tore out track to put in trails and now they are looking again at passenger rail.

COMMISSIONERS REPORTS

Commissioner Van Schoorl noted that he attended the CLAMP last week where there was an excellent presentation by Ms. Andrea Fontenot and DOE regarding Dioxins and the dredging project. He noted that Ecology is going to do more testing beyond the dredging project scope of the Port. There may be an opportunity to work with the state, county, and city with an approach to clean up Budd Inlet. Mr. Galligan indicated that we have an advisory at the January 22nd meeting with a briefing from representatives of the CLAMP.

EXECUTIVE DIRECTOR REPORT

Mr. Ed Galligan reported that the boatyard finished the year hauling out 802 boats in 2006. He reported that the original projection of a maximum market in the Olympia area of 600 boats annually. He noted that the marina finished the year with an adjusted annual occupancy of 89%, a 4% increase over 2005 occupancy of 85%. For the larger slips (28' and above), the year saw a 5% increase resulting in an annual occupancy of 98%.

Mr. Galligan announced that in coordination with St. Martins University & Thurston County EDC, Port staff is planning for and participating in the upcoming trade delegation from Shanghai, China, as well as for Business-to-Business trade delegation to China in March. He reported that the incoming delegation of 22 business people is scheduled to arrive January 27 and there will be several opportunities for Port Commission and the community to meet and greet the delegation the week of January 29. The delegation to China is scheduled for March 9 through the 18th.

Mr. Galligan reported on the Compensation Plan, noting that staff plans to bring recommendations to the Commission on January 22nd for the purpose of adopting a total compensation philosophy and adopting a new salary grades and ranges pay structure.

In addition, Mr. Galligan reported that staff plans to have further recommendations by May 2007 that will review and address Health Care Benefits, review and address all policies relating to benefits, develop Performance Pay Structure, develop Evaluation Format, and to develop Administration Process for Salary Structure.

Mr. Galligan announced that a subsidiary of Simpson Timber has exercised its option for another five years beginning April 1, 2007. The site contains approximately 23.28 acres and the rent is approximately \$101,000 per year. He noted that they have subleased the premises to Welco Lumber Company, a sister company of the Merrill Ring Group. Welco, a producer and distributor of western red cedar products, plans to relocate their corporate headquarters to the site. This includes their top management, sales force and distribution facilities, which totals 12 employees. Welco expects to invest approximately \$150,000 - \$200,000 into improvements on the site. Mr. Galligan introduced Mike Brian, the Vice President of Welco who was in attendance at the meeting.

Mr. Galligan reported that the vessel Magdelina Green is due in Sunday night to work three shifts discharging 3,740 tons of garnet. The vessel, Northern Lights are due in the 15th to load approximately

one million board feet of logs for Okuyama and Mitsubishi.

He reported that staff is finishing up outreach meetings with Port Commission and staff next week and will be developing recommendations for discussion at the Commission Retreat. In addition, Mr. Galligan noted that staff is finalizing proposed 2007 Priority Initiatives, anticipated to be ready for the January 22nd, Port Commission meeting. A binder that indexes priority initiatives and provides summary level reference, will be available to the Port Commission at the January 22nd meeting for review prior to the Jan 31st Commission retreat.

Mr. Galligan reported that the Port is seeking proposals from qualified applicants to operate a Gas Station and Convenience Store located at 724 State Avenue NE, Olympia. It is the intent of the Port to utilize this Request For Proposals to locate an operator who has the experience and financial capacity to sign a lease for the Property and to operate a gas station and convenience store.

CONSENT CALENDAR

Minutes Approval. The Commission unanimously approved the minutes from the December 19, 2006 meeting as corrected. President Telford noted an editorial correction on page 3 changing February 28, 2006 to February 28, 2007.

ACTION CALENDAR

External Assignments

At the first of each year, the Commission has traditionally discussed assignments for representing the Commission at various councils and boards. With a new commissioner, the Commission discussed agreed on the following appointments.

Commissioner Telford: Chamber	Tumwater Grand Mound Chamber Mayor's Forum
Tumwater Downtown Association Olympia Thurston County Chamber	
Commissioner Van Schoorl:	CLAMP Olympia Downtown Assoc. WPPA Tenino Chamber
Commissioner McGregor: Solid Waste Advisory Committee EDC	Yelm Chamber Lacey Chamber Trans. Policy Board** (Alternate: Telford)

The Commission decided not to assign a representative to LOTT, but to keep an eye on agendas to see the occasion arises for a reason to attend. The Commission also discussed that annually they hold a joint meeting with LOTT and we should get that scheduled.

Resolution 2007-01 – Surplus Property

The Commission unanimously approved Resolution 2007-01 which authorizes the Director of Finance to

dispose of surplus Port District property of less than \$10,000 in value, in accordance with RCW 53.08.090.

Resolution 2007-02 – Signature Authority

The Commission unanimously approved Resolution 2007-02 which authorizes the signatures for disbursement of Port funds from various brokerage and banking accounts in Thurston County for the Port of Olympia.

Resolution 2007-03 – Appointment of Agent to Receive Claims

Legal Counsel Bob Goodstein indicated that in the 2006 session, the Legislature passed additional punitive measures for failure to comply with the recording requirements of RCW 4.96.020. Failure to appoint and record a designated agent to receive tort claims now has a significant negative impact on local governmental entities.

Staff is recommending the Commission approve Resolution 2007-03 appointing Kim Kawada as the Port's agent to receive tort claims by filing this information with the Thurston County Auditor's office.

The Commission unanimously approved Resolution 2007-03, appointing Kim Kawada as the Port's agent to receive tort claims by filing this information with the Thurston County Auditor's office.

OTHER BUSINESS

Commission Meeting Location

President Telford indicated that he thought there was consensus to try the Tumwater council chambers as the Port's meeting location and then later found out that the decision was derailed. He commented that he watched the tapes from the meeting and after watching the tapes it appeared that the other commissioners were not completely on board like he had thought. Therefore, President Telford indicated that he would like to extend the discussion. Commissioner Van Schoorl indicated that his preference is to stay at LOTT and go on the road occasionally. Commissioner McGregor agreed and commented that he too would like to stay at LOTT and go around the county occasionally. President Telford indicated he would like to see us move, but will go with the majority. The Commission discussed that if we have consistent overflows at LOTT, and then we might look at moving at a later date.

Executive Director Annual Performance Appraisal / Performance Goals

- To assist with discussions, President Telford suggested that the Commission hold an executive session following the January 22, 2007 meeting to perform the annual performance appraisal of the Executive Director. President Telford asked Jeri Sevier to get the Commissioners the format for the evaluation. In addition, President Telford asked the Commissioners to identify five performance goals for the executive director and asked the executive director, Ed Galligan to also identify five performance goals for discussion and consensus. These performance goals would be used for measurements for next year's evaluation.

SEPA Process Update

- To assist with discussions, President Telford drafted an outline to provide steps for moving forward the SEPA Process Update and suggested the formation of an Ad Hoc SEPA Process Committee with the tasks of reviewing the experience with the Port SEPA Policy, identifying the fundamental and recurring issues, improving communications and working relationships with the public, reducing the process and legal

costs for the Port and the public, and to recommend changes for a more effective, efficient, and citizen friendly process. He asked that the Ad Hoc Committee include the Commission President, two staff and admin support, two citizens, and two PAC members. He also suggested that we might need outside consultants for help.

Commissioner McGregor indicated that the Port's Planning and Advisory Committee (PAC) was established to be a sounding board where the Commission would rely on them to provide input. He commented that it seems like this is a project that should be assigned to the PAC. The PAC includes citizens that have volunteered to be on the PAC and provide the Port with input. He indicated that both this project and the budget project should be assigned to the PAC for input.

Commissioner Van Schoorl indicated that at this time he does not feel he knows where we should go with these projects and what changes are needed. He indicated that after the January 24th workshop on SEPA would help him better understand the process and understand the communications issues that are needed. He also agreed that he would like to ask PAC to identify citizens to be involved in the review of the SEPA process.

President Telford indicated that PAC members are fine, but they do not have a clue about the SEPA process. Commissioner McGregor indicated that the PAC could call in experts on the subject and bring in the community into the process review. Commissioner McGregor noted that the PAC is the sounding board and he too is looking forward to the January 24th meeting to learn more about the SEPA process and then maybe would be better equipped after the workshop to discuss this.

Commissioner Van Schoorl indicated that our SEPA process has been modeled after other successful entities. He noted that we could discuss why it is not working at the workshop on the 24th.

Budget Process Update

President Telford also drafted an outline to provide steps for moving forward an Ad Hoc Committee to review the Budget Process.

President Telford asked the Commissioners why they are concerned about bringing citizens in that are critics of the Port. Commissioner Van Schoorl commented they we should bring in people who are experts in developing budgets from other entities. He was not apposed to hearing comments from the citizens in a constructive manner.

Commissioner Van Schoorl indicated that he has spent many hours looking at the issues and trying to improve the process every year and for the past 12 years. He noted that the assumption that he has not looked at the issues is not correct. He noted that he has been in the budget business for his entire career. He commented that the presentations by the finance directors have been excellent and given more financial information in PowerPoint presentations at many meetings than most jurisdictions do. Commissioner Van Schoorl noted that he continues to look at improving the process every year. He noted that he would like to look at other jurisdictions for specific suggestions instead of just criticism.

President Telford noted that it is his desire to spend this year and try to reduce the noise level from port critics. He indicated that we have to start listening to the critics. Commissioner Van Schoorl indicated that the assumption is that critic's suggestion is always the right thing to do.

Commissioner Retreat Draft Agenda

Mr. Galligan noted that to assist with discussions, staff is recommending the following agenda for the Commission Retreat scheduled for January 31, 2007:

8:30 – 3:00 - January 31, 2007 (location to be determined)

- Staff Reports
- Priority Project Review and Discussion
- Lunch (11:30 – 12:30)
- Staff Depart – Commissioners and Executive Director Resume Discussions

The Commission concurred with the draft agenda.

Tom Howdeshell, resident of Olympia, asked about resolution 2007-03, he wondered if this is an appointment that needs to be appointed every year and subject to performance reviews. Legal Counsel, Bob Goodstein responded that once appointed, the employee serves until they are removed. The employee is subject to the regular annual review.

ADJOURNMENT

President Telford adjourned the meeting of January 8, 2007 at 6:57 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer