

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

February 25, 2002

CALL TO ORDER

President Van Schoorl called the meeting of February 25, 2002, to order at 5:30 p.m. at the Tumwater City Hall Council Chambers. Commissioners Pottle and Telford were in attendance.

President Van Schoorl indicated the Commission held an executive session on Friday, February 22, 2002 where the Commission conducted the evaluation of the executive director. No action is forthcoming from that session.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Finance Director George Fox, Engineering and Planning Director Andrea Fontenot, Deputy Director Wendy Holden, Marketing Director Kari Qvigstad, Property Development Manager Heber Kennedy, Marine Terminal Manager John Wolfe, Facilities Project Engineer Rod Hudson, Communications Manager Patti Grant, Program Assistant Teresa Olson, and Swantown Harbormaster Bruce Marshall.

Public in attendance were as follows. Representing the Olympian was reporter Scott Wyland. Representing legal counsel was Mick Phillips. Representing KGY was reporter Ian Fox. Others in attendance include: Ron Lemmen, Ron Roberts, Jim Smego, J.E. Kooke, Dee McDermott, Richard Korn, Nancy Burri, Wil Carlsen, Carolyn Caruso, Milt Doumit, Dave Clark, Keith Bausch, Tom Iovanne, Kirk Dea, Bill McGregor, Les Eldridge, Neil Woody, Connie Lorenz, Paul Seabert, Dennis Matson, Bob Wubbena, David Schaffert, Deborah Johnson, Stan Biles, Russ Carstensen, Chuck Fowler, Patrick Beehler, Jerry Dierker, Chris Lane and Jim Larson.

APPROVAL OF AGENDA

The agenda was approved as submitted.

PUBLIC COMMENT

Ron Roberts indicated he was on the advisory committee for New Market Skills Center. He presented the Commission a pamphlet on the apprenticeship program and asked them to consider placing apprenticeship requirements in future capital improvement projects. President Van Schoorl thanked him for his comment and applauded what they do in that program.

Richard Korn, also indicated he was with the apprenticeship program and a member of the carpenter union. He commented that using the apprenticeship program provides for savings to contractors and taxpayers and is an excellent way to train tomorrow's workforce. Mr. Korn noted that Thurston County is expected to approve an apprenticeship program soon, and will be a model for the Port to consider.

COMMISSIONERS REPORTS

Commissioner Telford reported he attended his first Thurston Regional Transportation Council meeting.

EXECUTIVE DIRECTOR REPORT

Mr. Handy gave a brief overview of each of the departments. At the Marine Terminal he reported that we continue to have Glass and lumber shipped out, two log vessels loaded over the last week, each approximately 1MMBF, and the shipment of Garnet is expected at the end of March.

At the Boatworks/Marina reported the Port would be sponsoring the 2002 Pacific Coast Congress of Harbormasters and Port Managers Conference April 1-5.

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At the Airport he reported Big Sky Airlines would be visiting on February 27 and 28th. He also reported new legislation was recently passed which provides funding for air service development efforts in small communities. Staff at the Olympia Regional Airport will be submitting a grant application for use of the Air-21 legislation funding in support of the Port's efforts to bring air service to Olympia. He also noted the Airport just received delivery of a new all-purpose tractor that will help meet the heavy mowing and ancillary needs of the facility. The addition of this tractor plus their new small mower will reduce the staff's mowing time by approximately one-third.

In the Properties section, Mr. Handy noted the State of Washington issued an RFP for lease of a 140,000 sq. ft. building for Department of Health. A number of developers desire to use Port property at the NE corner of NewMarket and Airdustrial for submission to the state in response to the RFP. Mr. Handy reported the Airport Golf Center has received a large interest in the RFP, 45 packets have been sent to parties interested in the RFP for the Airport Golf Center. Mr. Handy indicated that David Brubaker from Spokane would submit a proposal to the Olympia City Council on Tuesday evening, February 26 at 7 pm. Commissioner Van Schoorl and Mr. Handy will represent the Port. The Mayors and City Managers from Tumwater and Lacey have also been invited. He noted we have a Property Administrator Position open and 2 applications have been received for that position so far, however we are expecting many more.

In the marketing department, Mr. Handy indicated the sales training for staff will occur next week and the Marine Terminal, Marina and Boatworks staff will attend.

Mr. Handy reported to the Commission that we currently have commission meetings scheduled throughout the first quarter. For the second quarter, staff is proposing we hold all of our meetings at the TCTV studio. The studio offers a bit more informal setting and would be more conducive to TCTV televising. We can assess this setting throughout the second quarter to decide if what venue works best for the Commission.

In addition, Mr. Handy said there were recently two notable letters to the editor this month. First, Frank Flores an employee of the Marina. Frank returned a ring to a citizen, in which the citizen truly appreciated the kind act and wrote a letter to that effect. And second, a citizen wrote a letter regarding the airport. In his letter he notes the following: "Washington's general aviation airports benefit us all with a variety of services including: medicine (transport of blood products, pharmaceuticals, donated tissue and organs), air ambulance flights, search and rescue operations, agriculture and forest spraying, fire fighting, police applications, flight training, and air courier transport of business documents and cancelled checks statewide."

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Minutes. The minutes from the February 11, 2002 meeting was unanimously approved as presented.

Bills and Vouchers. The bills and vouchers for the period ending February 25, 2002 in the amount of \$930,694.25 were approved unanimously by the Commission. Warrants Issued: 024103-024227,024229-024277,024298-024301,024311, 024315-024403. Voided Warrants: 021232,024128,024228,024278-024297,024302-024310,024312-024314.

Lease: Mark Helland. The lease between the Port of Olympia and Mark Helland provides a one-year contract for agriculture purposes (harvesting of Christmas trees) through december 31, 2002. This agreement will sunset as the site will be required for the Airport's runway relocation project. The Commission unanimously ratified the lease amendment.

ACTION CALENDAR

Morningside Presentation

Jim Larson, President/CEO, Morningside presented a plaque to the Commissioners for the award the Port received recently as "Employer of the Year" for the Work First program. Mr. Larson indicated this was an outstanding worksite award because the Port has been very willing to bring in employees and train them. In addition, the Port has not only trained employees, but has also hired three employees from the program. He indicated the Port provided work experience for over 12 employees over the past years. He congratulated Bruce Marshall and staff for allowing the participants to be successful.

President Van Schoorl thanked the staff for making this project work and indicated he would like the Port to continue to support community programs like this.

Planning and Advisory Committee Appointments

Commissioner Pottle presented the Commission with recommendations for the PAC appointments. He indicated that the interview committee reviewing candidates for appointment to the Port's Planning and Advisory Committee (PAC) make the following recommendations to the Port Commission. Commissioner Pottle indicated the interview committee consisted of himself, Engineering and Planning Director Andrea Fontenot, and Administrative Manager Jeri Sevier. He commented that staff spent more than 30 work hours reviewing, screening, and interviewing applicants.

Commissioner Pottle noted that in June 2001, four committee members' terms expired on the Port's Planning and Advisory Committee (PAC). The Commission determined to not re-appoint those committee members since each had served at least two terms and several had served more than two terms. The Commission expressed interest in introducing new people and ideas to the Committee. The Commission held a recognition ceremony for the four outgoing members in December 2001.

The Port started the PAC recruitment process in early December 2001 advertising in the Olympian, Nisqually Valley News, Tenino Independent, and Centralia Chronicle. We received 15 applicants for the four available positions on the PAC.

Commissioner Pottle indicated the top 8 candidates were selected for interviews. All of the 8 candidates were impressive and truly interested in being involved with the Port's future and the community. Each would bring a new and different viewpoint to the process.

He noted that in June 2002, the Port will again have four members with expired terms. Two of those members have served over two terms and would not be eligible for re-appointment under the criteria recently adopted by the Commission. Thus, the Port will have two more openings for the PAC in June 2002.

Commissioner Pottle noted the interview committee discussed the cost and time involved in opening a new recruitment process in three months and noted the outstanding candidates that have come forward in this recruitment process. Based on these factors, the interview committee is recommending the Port fill all six positions with the current pool of applicants. The recruitment process cost over \$600 in advertising and many hours of staff and commission time in reviewing, screening, and interviewing applicants.

The four applicants recommended by the interview team to fill the current vacancies are Jan Van Der Veen, Carla Rutz, Jim Smego, and Milt Doumit.

Commissioner Pottle gave a brief background of each of the applicants.

Jan Van Der Veen lives in rural west county; he is an economist with strong experience in economic development. Mr. Van Der Veen has been involved in setting up other ports in different places in the world.

Ms. Carla Rutz lives in Olympia and has been very active in other boards and committees and is interested in being more involved with the Port. She is a former employee of the Supreme Court's Office of the Administrator.

Mr. Jim Smego lives in SE Olympia. He is also interested in becoming more involved with the Port and this community. Mr. Smego has financial and risk management experience.

Mr. Milt Doumit lives in Tumwater. He has a strong interest in the Marine Terminal and would like to become more involved with the future of the Marine Terminal. Mr. Doumit has a legal background. He is also a skipper of a local Sea Scout troop.

Commissioner Pottle indicated that in addition, the interview team is recommending the Commission appoint Thomas Smith and Julie Noice to fill the two upcoming vacancies in June 2002.

Mr. Thomas Smith lives in SE Olympia. He has also been very involved in other community issues and would like to become involved with the Port. Mr. Thomas has a transportation background with the army and has knowledge and experience in the port industry.

Ms. Julie Noice who lives in Tumwater. Ms. Noice wants to become more involved with her community. She has children in the school system and likes what the Port is doing in the community. She would like to see more opportunities for the community at the Port. Ms. Noice has a background in sales and marketing.

Commissioner Pottle indicated that the applicants have a wide variety of experience and would offer the PAC new and different points of view. He noted that the interview team recommends that the Commission accept these recommendations.

Commissioner Telford commented that he believes he was the only other one to review and score the applicants. They were all very capable and indicated that he does appreciate the efforts by staff put in this process. However, if we followed the recommendation every member would be white collar, 7 out of 12 from Olympia, no one from Lacey, and no diversity.

Commissioner Telford said he thought about all of this and has concluded that the process is the problem. These were all processed as if we were going to hire someone for a professional position. He commented that we can not fairly compare candidates for what they submitted since we had some with very professional resumes to handwritten letters of interest on the back of an envelope. Those who prepared professional resumes were the ones selected for interviews since those were the ones that were complete. He indicated that although the result was unintended, he was concerned about the message sent: self employed, small business, need not apply. He asked what are we looking for, we obviously don't need experience or background that we already have on staff.

Commissioner Telford said he does not see any good reason to disqualify any of the applicants. Therefore, the solution would be to select replacements for the four openings out of the six recommended and postpone action on the other four openings until the next meeting. Either appoint all that applied, and make a 20 member committee or draw four out of a hat and also include the two that have already served one term.

Commissioner Pottle indicated that the process that we began in December was a county wide recruitment through advertising at a cost of \$600 and we tried to appeal to citizens across the county. There is no question that those that put together a complete cover letter and resume, including information on their community and public/private involvement were selected. Commissioner Pottle commented that as far as clones or those that work for DNR or any one that applied, they applied on own because they were interested and should not be disqualified because they work for DNR or have marketing experience. The interview team felt that having different perspectives and experiences could help the Port

President Van Schoorl commented that when we created the PAC we specifically selected 12 as the number on the committee. It is not an automatic in terms of renewal of members. He commented that Commissioner Telford is disregarding the effort by those that spent the time doing a good job of applying with a complete resume. Just because they work for the same department as me should not be a reason to disqualify someone.

Pottle disclaimed that he has not had any experience with any of those interviewed, nor does he know them personally.

Commissioner Telford said he could not think of a good reason to eliminate any of the candidates. These were all people interested in serving on the PAC and can not come up with rationalization to eliminate any of them.

Ron Roberts commented that he thinks that Mr. Telford is exactly right. Things have been pretty easy for white collar business interests. He thought it would be interesting to see what methods were used for advertising. However he had no comment or on thoughts on this decision.

Dave Clark, a member of the PAC, commented that he is not a clone or white collar worker. He indicated that he is a retired guy that lives in the boonies in Yelm. He said he serves on the committee and we don't wear white collars to the meetings, we all sit down as citizens. Mr. Clark indicated the members sit down and look at an issue together. He invited Mr. Telford to attend a meeting and talk things over and maybe he would understand a little better.

Deborah Johnson, a member of the PAC, commented that she was angry at Mr. Telford's comments. This group meshes well together although we are not always in agreement. She said she personally responded to the outreach in the newspaper just as everyone else. She asked Mr. Telford if he would bother hiring a person who wrote something on the back of an envelope.

David Shaffert, President of the Olympia/Thurston Chamber, commented that Commissioner Telford's frustration is nothing new. The challenge of getting a candidate and finding diverse individuals is becoming more and more difficult. However, he encouraged the Commission to continue with a positive process and commended the port for continuing to ask the public for involvement.

Commissioner Pottle said that it bothers him when we try to bring people together that some try to separate out those

that are white versus blue collar workers. Commissioner Pottle said he does not agree that this is a place to bring divisiveness to the community. When we interviewed the candidates we looked at everything.

The motion to approve the recommendation of the interview committee passed two to one. Commissioner Telford voted against the recommendation.

Contract No. 227, Port Plaza Approval to Bid

Mr. Handy indicated that the approval to go before the Commission tonight is to approve a contract to go to bid on the landscaping improvements to the Plaza.

Mr. Handy said there has been questions as to whether there is a legal commitment to complete the plaza. He responded that there is no legal commitment. He then posed the question as to whether the Port has a commitment to the community and those customers that agreed to come to the district with the understanding the Port would be making improvements, the Plaza, parking lots, restrooms, docks, and utilities. He indicated that staff believes we do. We view this as an economic development project for the Port. The Port staff does recommend that the Commission authorize the staff to go to bid.

Ms. Andrea Fontenot presented the Commission with a power point presentation outlining the history and progress of the Port plaza to date. Ms. Fontenot then requested approval to go out to bid on the final phase of the Port Plaza. She indicated that in 1995 the Port adopted a comprehensive plan that converted marine terminal cargo yard into a mixed use area known as the Market District. This plan was prepared with significant public input over the course of 3 years, and approximately 90 public meetings. The Comprehensive Plan identified the following infrastructure for the creation of the Market District.

Mr. Bob Droll, provided a presentation on the landscaping aspects of the project and the potential uses of the plaza. He commented that \$724,000 is the estimate of probable costs.

The base bid is \$502,922.12. He noted the base bid plus what has been invested to date is \$1,087,980, which is \$178,431 greater than the initial estimate prepared in 1997. The base bid includes all work shown on the plans except for the following additive alternates.

1. Pavers at the 2nd stage area and on the steps of the main stage seating area. Also included in this additive alternate is a color admixture to the concrete areas G&D as shown on the plans. These items are an additional \$26,292.
2. The electrical improvements such as pedestrian lighting; site uplighting at the welcome pole, entrance sign and landscape areas; shielding for existing pedestrian lighting in front of Anthony's, electrical receptacles for vendor, or other use; and the trenching, wiring and j-boxes. Staff included this as an additive instead of the base bid as these items could be added later. The conduit for the electrical system is included in the base bid. These items are an additional \$43,560.
3. Relocation and installation of the anchors, and purchase and installation of benches. \$25,100.
4. The final category of additive alternates are unique items that would be incorporated into surface areas or into landscape areas. These items can be considered a type of art, or craft: Sawn boulder, value added stones, water basin, seat column, and theatre steps. \$84,600.

The additive alternates bring the estimated cost to \$724,130.

Public comment:

The following people provided public testimony in support of the project. The comments included support for the project because of the public access to the water for marine related activities, providing an extension of Percival Landing, the economic benefits, providing for a community amenity and event venue, the project continues with the plan, it will provide a benefit to the public and be a destination spot for tourism.

Stan Biles, Mayor of Olympia; Bob Wubbena, Fiddlehead Marina; Les Eldridge, Olympia Area Rowing; Deborah Johnson, PAC Member; Dee McDermot, Capitol Lakefair; Richard Korn, Apprenticeship Program; Wil Carlsen, Farmers Market; Neil Woody, business owner in Olympia; Connie Lorenz, Olympia Downtown Association; Paul Seibert, business owner in downtown; Dennis Matson, Economic Development Council of Thurston County; David Shaffert, Olympia/Thurston Chamber of Commerce; Russ Carstensen, PAC Member; Chuck Fowler, citizen and member of the

South Sound Maritime Heritage Association; Patrick Beehler, resident of Olympia; Tom Iovanne, Washington Center for Performing Arts; Chris Lane, South Sound Maritime Heritage Association, and Bill McGregor, resident of Olympia.

The following people provided public testimony in opposition of the project. The comments included complaints against the noise and claims that all the proper permits were not in order.

Jerry Dierker, Olympia resident; and Ronald Lemmen, resident at nearby apartments.

The following people provided written testimony to be read at the meeting. Mr. Nick Handy read the letters of support from Steven Daniels-Brown, Jeff Kingsbury, and former Commissioner Jeff Dickison. He also read a letter of opposition from Eric Bailey.

President Van Schoorl indicated the Commission had before them a proposal to approve staff to go to bid for the Port Plaza. He listed the items to be included in the bid and alternatives. Commissioner Pottle moved that the Port Commission authorize staff to advertise for bid contract #227, President Van Schoorl seconded the motion.

Commissioner Telford thanked everyone for coming out and saying what they had to say. However, he indicated that he stopped at eight for reasons against the project. He commented that this was an irresponsible use of funds, the state is in a crisis and talking about layoffs and the Port is about to spend ¾ million dollars on a gold plated landscaping project. He commented that the Port debt continues to increase and spending money on this kind of project is a misuse of property tax funds. This project will not increase any revenues to the Port. Commissioner Telford said this project does not produce any long term jobs and costs money to maintain. The area has been used for events in the past in is perfectly adequate for events as it stands. Who benefits from bringing people to the area, just a few of the adjacent businesses. He noted that we already have complaints about potential noise problems.

Commissioner Telford commented that the public already has full access to the water. The arguments that this will increase is not true. He noted that this is basically a park, and is not legal for the Port to construct and operate a Park unless is it necessary for other Port facilities. He commented that he is sure that items identified in the project for art exceeds any money set aside for art. He noted that this is state owned property, however, he was not going to dwell on ethical issues because we did that last time. He commented that he thinks it is his responsibility to focus on what really matters. This week a potential air service company is coming, that will not come for free, we will need to find money to support that. We should be reducing spending and not increasing. He indicated that he thinks this issue should be put to a vote by the people of the county.

Commissioner Pottle commented that he has a different point of view on taxes and the benefit to the community. When you look at the plaza and the benefit to the community, the farmers at the market, the more people we bring into the market district, the more those farmers make and the more they make, the more they spend in this community. Same with the jobs the FTZ brings in to the community, if they were not here, they would not be paying taxes, buying homes, and buying cars. Everytime people come to these community events, they spend money in this community. Commissioner Pottle noted that he believes he has an optimistic view of what the Plaza will bring to this community. How long will this park be around? 100 years. It is not about black and white, rich or poor, blue collar versus white collar, it is about our community. He commented that the Port is driving more influence and interest in businesses staying in this community. Sand in the City did not just bring people from Olympia to this community, the attendees were from Yelm, Lacey, Tumwater, Tenino, and other outlying areas. Events at this venue brings tourism to the community and brings dollars to our businesses. Commissioner Pottle commented that this park will be here for beyond children that are not born yet, we have a responsibility to provide a better place for our community.

President Van Schoorl indicated that when you adopt a comprehensive plan, there can be adjustments along the way. When we adopted the plan, we sold the district with the current plan. We may not have a legal obligation, but a moral one. I continue to hear from the community they want more access to the waterfront.

Motion to approve the staff recommendation to go to bid on the Port Plaza was adopted by 2-1 vote. Commissioner Telford voted against the motion.

Contract No. 276, Warehouse A Re-Roof Bid Award

Mr. Rod Hudson presented the Commission with the bid response to the Warehouse A Re-Roof contract. He indicated the Port received four bids. Mr. Hudson indicated that there was a question at last commission meeting on the materials that would be used. He responded that staff did research on materials and presented this to the commission individually. Mr. Hudson noted that in addition, there was discussion about re-roofing the warehouse over the existing roofing. He

commented that staff put in additive alternate to look at tearing off the existing roof. We also looked at the problem of shingles blowing off.

Mr. Hudson reported that the low bid was from Commercial Industrial Roofing for \$69,950. He indicated that we have done work with them before, and have had success with them.

Mr. Hudson said the recommendation from staff is to award the base bid only. The benefits of overlaying the existing roof system, provides for additional protection and the cost involved with tearing off the existing roof is almost half of what it will cost to replace. The plan is that 10-15 years down the road when a new roof system is needed, the entire roof will be torn off and replaced.

Commissioner Telford indicated he has discussed this with staff and thinks the recommendation by staff is the correct recommendation. He commented that he thinks that if we were going to go to the expense of tearing off the roof we should go with the most expensive type grade of shingle. However, after talking with staff, this approach is to get us by for a few more years to make the entire roofing of the warehouse life comparable.

Commissioner Telford moved to approve the contract, Commissioner Pottle seconded the motion. The Commission unanimously approved the motion. Commissioner Pottle thanked Commissioner Telford for the research involved in making sure we were doing the right thing.

ADJOURNMENT

President Van Schoorl adjourned the meeting of February 25, 2002 at 8:15 p.m. He announced the next meeting would be held at the Thurston County Council Chambers on March 11, 2002.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer