

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

March 12, 2007

CALL TO ORDER

President Telford called the meeting of March 12, 2007, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners McGregor and Van Schoorl were also in attendance.

President Telford indicated that the Port Commission called the meeting to order at 4:30 p.m. at the Port Administrative Offices then recessed to executive session for the purpose of discussing performance and the salary of the Executive Director. The executive session was recessed at 4:55 p.m. No decisions were made.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Harbor Director Bruce Marshall, Marine Terminal Director Jim Amador, Finance Director Steve Davis, Communications Manager Patti Grant, Marketing Program Assistant Maureen Malahovsky, and Property Development Senior Manager 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: Bill Pilkey, Jeff Brigham, Tom Howdeshell, Jay Huff, Arthur West, Meryl Bernstein, Patricia DiFrancisca, Richard Wolf, Gary Demich, Rod Frike, and Mike Harbour, Tim Farrell.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

Patricia Di Francisca, resident of Olympia, indicated that she was not able to attend the last meeting, but wants more information on the comprehensive planning process. Mr. Galligan indicated the staff would be reviewing changes with the Planning and Advisory Committee meetings and then with the Port Commission at regular meetings. The changes will be presented as an advisory and then for approval to allow for public comment at future Commission meetings.

Jeff Brigham, resident of Tumwater, thanked the Commission for the opportunity to speak and indicated that the number of federal courts that have ruled our deployment of military force to Iraq was illegal. That number is zero. He indicated that he also wanted to bring to the Commission's attention to the outstanding performance of the Tacoma Police Department over the past week. The Tacoma Police department was there to enforce the law and was not about to permit any group to block streets and violate the rights of other citizens. He asked the Commission to communicate to the Olympia City Council and the City Manager that the example set by the Tacoma City Government and Police Department can show Olympia the way to actually enforce the law and keep public streets open for all citizens.

Bill Pilkey, resident of Lacey, indicated that we must continue to arm our soldiers while they are over in Iraq. He indicated that whether or not the war is illegal or not does not matter. The protestors are hurting those that are already giving up so much for this country. He commented that we need to support our soldiers.

Arthur West, resident of Olympia, commented that in the spirit of sunshine week, he would hope that

the government would be more open. He indicated that he attended a Tacoma City Council meeting where a citizen was hauled off for speaking over the time allotted at the council meeting. He hoped that people would continue to come and talk about all issues, that is what the first amendment is all about.

COMMISSIONERS REPORTS

Commissioner Van Schoorl indicated he attended a CLAMP meeting last week; once the report is available he will share it with the commission.

Commissioner McGregor reported that he attended a LOTT board meeting last week; he also attended the Solid Waste Advisory Committee for the first time.

President Telford indicated he attended the Grand Mound Chamber as their guest speaker and both he and Commissioner McGregor attended the grand opening of Anthony's Hearthfire Grill; he also attended the Mayors Forum. He announced that he is not available for the next Mayors Forum, which the Port is hosting. He asked if another commissioner could attend.

EXECUTIVE DIRECTOR REPORT

Mr. Ed Galligan reported that the Tumwater Planning Commission meeting tomorrow at Tumwater City Hall regarding tree ordinances and warehouse size. Mr. Galligan indicated that he is planning to attend with other Port staff. He reported that the impact on port property would be a ten million dollar reduction in leaseable property. The planning commission will be taking testimony at the meeting and depending upon the outcome, the Commission may wish to become engaged in this process.

CONSENT CALENDAR

Minutes Approval. The Commission unanimously approved the minutes from the February 27, 2007 meeting as published.

ACTION CALENDAR

Memorandum of Understanding with Port of Tacoma

Mr. Ed Galligan indicated the purpose of the proposed Memorandum of Understanding formalizes the intent of the Ports of Olympia and Tacoma to work together for the mutual benefit of both ports and the region.

He reported that the overriding agreement will encourage staff to work cooperatively on regional economic development opportunities can provide significant benefits to both Ports and our communities. Opportunities will be measured against the following criteria:

- Increase job opportunities for residents of Thurston and Pierce Counties,
- Increase market share and cargo movement through both ports,
- Leverage other human resources of both ports,
- Leverage the capacity and operational efficiency of both ports,
- Enhance investments the ports have made in rail infrastructure,
- Stimulate economic benefits to the regional community through indirect economic impacts such as new services and increased business taxes, and
- Provide a significant financial benefit to both ports.

Mr. Galligan noted that recent areas of cooperation include agreements to share maintenance personnel resources and to work toward establishing a South Sound Logistics Center in Thurston County. This Memorandum of Understanding provides a framework to broaden our efforts to jointly pursue and

collaborate on issues and opportunities of mutual interest. It also directs staff to pursue areas of mutual benefit and to bring initiatives and projects to the Port of Olympia and Port of Tacoma Commissions for consideration and action.

Commissioner Van Schoorl indicated this is a major step in showcasing that Port's can work together. He suggested at some point we should have a joint meeting with Port of Tacoma Commission to talk about mutual interests.

Commissioner McGregor indicated that this is a step in the right direction. He asked if the Port of Tacoma would also be approving this at their meeting. Mr. Galligan indicated that it is on the agenda for the Port of Tacoma Thursday, and he plans to attend their meeting.

President Telford indicated that he could never understand why the Ports were so competitive against each other and this is a step in the direction of changing that.

Tom Howdeshell, resident of Olympia, commented that this is a great idea that both Port's are entering into this Memorandum of Agreement, but he questioned if one Port pulls out of the agreement is there any penalty? President Telford indicated that the MOU is very vague and the final proposals will be subject to each Commissions approval.

Mr. Tim Farrell, Executive Director of the Port of Tacoma, commented that this is not a new relationship with the Port of Olympia/Tacoma. The foundation has been established; this Memorandum of Understanding broadens the base. Mr. Farrell indicated that this will allow us as Ports to look at the collective assets of the region and work together, he commented that we as individual Ports/Counties have great assets, but different assets and together we can work towards a future of economic opportunities to broaden it.

Arthur West, resident of Olympia, indicated that there is a need for regional infrastructure improvements, however, it needs to be deliberately planned and in cooperation of regional cooperation between the Ports.

The Commission unanimously authorized the execution of the Memorandum of Understanding with the Port of Tacoma regarding cooperation in areas of mutual interest.

Executive Director Salary

President Telford indicated that the purpose of this item is for the Commissioners to discuss adjusting the salary for the Executive Director. President Telford included a spreadsheet of other Class A Ports in the packet to assist in this discussion.

Commissioner McGregor indicated the Commission did do a performance review of the Executive Director a month ago. He noted that we had salary consultants look at all other staff at the Port, in which, the Executive Director was not included in that study. Commissioner McGregor proposed that the Executive Director salary be increased by \$3,270, approximately a 2.7% increase.

Commissioner Van Schoorl indicated this proposed amount was an average of what the other directors at the Port received. He indicated that the structure for future years has been set for evaluating performance. Commissioner Van Schoorl noted that Mr. Galligan's leadership of staff and of the Port has been very good. He noted that the Port is doing many good things. The Marine Terminal is struggling, however, the other businesses are doing very well and that should be recognized.

Bill Pilkey, resident of Olympia, indicated that it is not always appropriate to look at others in other similar positions, each Port has it's own problems and the salary decision should be based on how the performance with the goals.

Arthur West, resident of Olympia, indicated that in honor of the Sunshine Act, the costs associated with withholding public records should be taken from the salaries of the those officials in charge.

Tom Howdeshell, resident of Olympia, thanked the Commission for bringing the Executive Director from the Port of Portland; he works well with the community and staff and deserves kudos as well as a raise.

The commission unanimously approved the raise in the salary of the Executive Director in the amount of \$3,270.

ADVISORY CALENDAR

Dash Shuttle Advisory

Michael Harbour, Director of Intercity Transit, gave a brief progress report concerning the successful downtown Dash Shuttle program.

He commented that now it its second year of service, DASH provides quick and easy free bus service to and from the heart of downtown and around the Capitol Campus. From January 9 through March 31, 2007, limited hourly parking was made available at the Olympia Farmers Market for people using the Dash shuttle.

Mr. Harbour indicated that ridership is up from last year. The ridership averages 684 passengers per day. The week of busy legislative hearings the ridership was up to almost 1000 passengers per day.

The Port, Intercity Transit, the Washington State Department of General Administration, the City of Olympia, and the Market District Association developed the Market parking cooperatively. The lot will be discontinued for shuttle use March 31, 2007 in preparation for the opening of the market season.

Commissioner Van Schoorl complemented Intercity Transit on the performance report, he noted that it was very nicely done. He also expressed his appreciation for the cooperation of Intercity Transit on the shared parking agreement at the Farmers Market.

Commissioner McGregor commented that this is a great way to get 600 plus cars off the capital campus.

Commissioner Salary Discussion

President Telford indicated that he put this on the agenda and does not plan to be the beneficiary of any increase. He noted that the compensation for a Port Commissioner is set forth in RCW 53.12.260 and consists of two elements.

1) A per diem rate of \$70/day for “actual attendance at official meetings of the port district commission” or “in performance of other service in behalf of the district.”

The annual limit for a port the size of the Port of Olympia is \$6700. *[This provision was last adjusted by the Legislature in 1998. The 2007 Legislature is considering a bill that would raise the per diem rate to \$90/day.]*

2) Additional compensation of \$200/month for a Port the size of the Port of Olympia. This provision was enacted in 1992.

President Telford indicated because public officials with the power to set their own compensation may not increase that compensation in their current term, any change requires looking ahead several years.

President Telford indicated that he is recommending any increase would be effective January 1, 2010.

This would be the first time that all three commissioner positions could take an increase at the same time.

He noted at that time, it would be 18 years since the monthly compensation has been in effect. Arguably, even though the amount paid is a token amount and rendering public service is the prime motivator, commissioner compensation is a consideration in attracting candidates to run for these offices. He reported that over these 18 years, the Seattle-Tacoma CPI has increased 68%. When extrapolated to 2010, the inflation factor becomes about 80%.

In a survey last year, Class A Ports in Chelan, Pasco, Vancouver and Walla Walla had increased the monthly compensation to \$500. He commented that in order to attract candidates for running for Port Commission, it is time to make some kind of adjustment.

Commissioner Van Schoorl asked if this has to be done before the general election or before the end of the term. The Commission asked Legal Counsel to give some advice on this matter. Commissioner Telford did not think it was right for some to get an increase and not all at the same time. Commissioner Van Schoorl also asked legal counsel if the Commissioners can we set the increase for 2010 and 2014?

President Telford indicated that there is a bill in the legislature to adjust the per diem factor to \$90 per day, and then adjusted by CPI after that.

Jay Huff, resident of Thurston County, indicated that he is a consultant for economic development, and he is frustrated that Port Commissioners inadequately compensate themselves. He noted that he would like to see the Commissioners take the salary up to \$2000 per month in addition to the per diem rate, and do that as soon as possible and not wait until all three can equally get it. He commented that the current salary does not value the time and talents of the Commissioners. You are expected to have management talent and expertise to set policy by which the Port operates.

Arthur West, resident of Olympia, indicated that the amount that the Commissioners are currently getting is not adequate and is not comparable to other persons in public offices. MR. West spoke in support of a salary increase for the next commissioners who come into office.

Bill Pilkey, resident of Lacey, commented that he would oppose a salary committee, if you are doing a good job, then you should be able to step up and get paid what you are worth. Why wait until 2010 when the need is right now. He commented that the Commissioners should show leadership; this is what we need to do to attract and retain good people in these positions. He recommended a salary of \$2000 effective 2008 for part time, however he thinks these positions could be full time.

Jeff Brigham, resident of Tumwater, commented that he does not know in detail what each of the commissioners do to be able to recommend a fair compensation. However, he commented that he is sure that it is more than what you are getting right now. Do not be timid about this decision.

Commissioner McGregor indicated that the salary is not the reason why he is Port Commissioner, his priority is public service.

Commissioner Van Schoorl indicated that he too did not become a port commissioner 12 years ago for the money. With that being said, it is time to look at this issue, but would like to give it more thought, and come back to a future meeting for discussion. President Telford indicated that legal counsel should research the two questions and this matter should be put on a meeting agenda whenever a commissioner wants to discuss this again.

Announcements:

President Telford announced that the next Port Commission meeting would be held March 26th at Yelm City Hall in Yelm.

President Telford also announced that the Planning and Advisory Committee meeting announced for March 21, 2007 has been cancelled.

ADJOURNMENT

President Telford adjourned the meeting of March 12, 2007 at 6:43 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer