

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

April 12, 2004

CALL TO ORDER

President Telford called the meeting of April 12, 2004, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioner Van Schoorl was also in attendance. Commissioner Pottle was out of town on vacation.

Staff in attendance were: Executive Director John Wolfe, Property Director Heber Kennedy, Communications Manager Patti Grant, Marketing Program Assistant Maureen Malahovsky, Marine Terminal Director Jim Amador, and Harbormaster Bruce Marshall.

Public in attendance were as follows. Representing *The Olympian* was Jim Szymansky. Others in attendance included Ralph Petereit, Jim Smego, and Harold Chambers.

President Telford announced the Commission held a retreat with the executive director on April 9, 2004 at 7:30 a.m. at Ruby's Restaurant. The retreat adjourned at 9:30 a.m. The Commission and executive director discussed administrative issues.

APPROVAL OF AGENDA

The agenda was approved as presented. President Telford added a retreat debrief to other business.

PUBLIC COMMENT

Harold Chambers commented on previous discussions regarding code of ethics for Port Commissioners and noted that he has not heard any new information about the code of ethics and asked if there was one in place yet?

President Telford stated that they instituted one for port employees but that he was getting discouraged trying to make progress on one for Commissioners. One issue is the question of administration and enforcement even of the statutory ethics requirements for municipal officers. He has made inquiries to the Sheriff's Office, County Prosecutor, and State Auditor in an attempt to gain guidance. There has been no response from the Prosecutor or Auditor.

Commissioner Van Schoorl stated that current Port policy relative to the use of resources provides sufficient guidance and he said reiterating the policy would be redundant.

COMMISSIONERS REPORTS

Commissioner Van Schoorl noted that the Transportation Policy Board meets at the end of the month and have incorporated many of the public comments into the 20/20 Transportation Plan. He indicated that it should come back to the TPB on Wednesday and it should be final.

President Telford noted that he attended the Thurston Regional Council meeting and the Solid Waste Advisory Committee and said they are discussing the solid waste enforcement code. He also attended the Mayor's Forum in Tenino and he said the next Mayor's Forum would be held at the Port of Olympia on May 7, at 12:00 p.m.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe reported that the Marina had approximately 65 boats already moved into the new DEF docks. Occupancy continues to grow as people prepare for the boating season. The Port is planning a program to “officially” open the new docks at the 8th Annual Chowder Challenge scheduled for May 15th. Twelve chowder restaurants confirmed to date, and the Port is working with a number of local businesses interested in partnering on sponsorships. The Boatworks hauled out 54 boats in March, which surpassed previous March record of 46.

The Airport had a total of 8,771 operations during the month of March, an increase of 2,200 over March of last year. Big Sky's passenger counts for March: 562 Enplanements; 519 Deplanements; 1081 Total revenue passengers; 1006 in March of 2003

He stated that Optimus Transport Inc. has leased 10,000 sq. ft in Warehouse 2 for receiving and shipping of products. Most of the product will come in on rail and will be shipped back out by truck or rail. Optimus has contracts with companies such as Plum Creek and provides logistical support to those companies.

Mr. Wolfe announced that Tri-City and Olympia Railroad currently holds a lease in Warehouse 2 and has indicated they are exercising their option to increase their lease to 28,800 square feet in Warehouse 2 for logistical support in association with Optimus Transport and other products moving into and out of the Port area. TC&O RR handles all railcar switching both at the MT and at Warehouse 2.

KZ Packaging has leased approximately 2,500 square feet in Warehouse 2 and holds an option for an additional 7,500 square feet. A former packaging supplier to the brewery, KZ will initially store their equipment in the warehouse and begin a marketing campaign in an effort to expand its customer base.

Mr. Wolfe also reported that the Construction and Diving Company has leased approximately 1,000 square feet in Warehouse 2. This company recycles construction materials. And, the City of Olympia has leased approximately 1,200 square feet in Warehouse 2 to begin its 2004 rail barrel program. The City acquires used barrels and refurbishes these barrels for storage of rainwater for residential consumption.

Mr. Wolfe announced that the Airport Road Project is underway, clearing and grating has started. _And, the Marine Drive South Project is currently out to bid.

- At the Marine Terminal, Mr. Wolfe noted that the Port continues to stage for the log vessel *Mount Travers*. The vessel is expected to arrive around 4/16 to load approx. 3.5mmbf for Superwood. PLS is the supplier. Right beside it will be another log vessel, the *Koto Queen*. The Port has not begun staging for this Mitsubishi vessel yet. ETA is around 4/17 - 4/20. The vessel Vasilij Burkhanov will be back for its fourth visit around the first of May, discharging approx 12,000 ton of aluminum. Three log barges will be arriving for discharge from Aloha Lumber Company. The first arrived today, the second on 4/22 and the last barge around 5/3.

Mr. Wolfe noted that the Port has contracted with WA Center to promote and manage the Port Plaza this year and the Port is assisting in marketing efforts. Will be scheduling a briefing by WA Center staff at a future commission meeting to update on activities.

He announced that WPPA is putting together a portable exhibit entitled “Ports: Your Vital Link.” Exhibit will travel around the state to inform communities about what ports do with regard to transportation, economic development, recreation, and environmental stewardship. Project to be unveiled at the WPPA spring meeting, May 19-21, 2004 in Vancouver. Budget for project is about \$12,000 being split among the Association and other port contributions. The Port of Olympia has committed \$400 from community advertising & promotion budget.

Last Friday, the Port participated in the China Business Conference at St. Martins College. It was a well

attended event and Kari Qvigstad was a presenter at the Conference, and shared how Ports support foreign trade and specifically, how the Port of Olympia participates in the China market.

CONSENT CALENDAR

The Consent Calendar was approved as follows.

Minutes. The minutes from the March 22, 2004 meeting were unanimously approved.

Capital Expenditure Approval. The capital project expenditure in the amount of \$273,646.11 to Reid Middleton for the Airport Runway Shift and Road Realignment project and to Skillings Connolly for the North & South Marine Drive Reconstruction project was unanimously approved.

Optimum Transport Lease Approval. The lease with Optimum Transport for 10,000 s.f. of space in Warehouse 2 starting April 1, 2004 and ending March 31, 2005, to store wood product that would be transporting via rail/truck from the Port's warehouse, rate is \$2,500/mo., including LET plus utilities was unanimously ratified by the Commission.

Mark Helland Lease Approval. The lease amendment for Mark Helland provides the him with an additional one-year lease for harvesting Christmas Trees in the winter. This has been an on-going yearly decrease of the premises mostly related to the Airport Relocation project. This should be the last of the trees Mark Helland has on the premises for harvesting. The premises are approximately 1.5 acres, the rate remains the same at \$450/year for agricultural use. The lease amendment with Mark Helland was unanimously ratified by the Commission.

ACTION CALENDAR

PAC Appointment – Patty Moore

Mr. John Wolfe reported to the Commission that the Planning and Advisory Committee had one member resign from the PAC early. Patty Moore was selected as an alternate during the interview process last year. As requested at the last meeting, staff approached Patty as to her interest in serving on the PAC. Ms. Moore has agreed to serve on the PAC as a replacement for Tom Smith.

Mr. Wolfe indicated that staff recommends the Commission appoint Patty Moore to complete the term expiring June 2005 with an opportunity to be reappointed to another three-year term if desired. The Commission unanimously appointed Ms. Patty Moore to serve on the PAC with her term expiring in June 2005 and an opportunity to be reappointed if so desired.

Legal RFP Process Approval

Mr. John Wolfe presented the Commission with a draft of the proposed Attorney Selection process. He outlined some of the changes that had been made. Primary change was combining the process from a two-step phase to a one-step phase, so rather than requesting an RFQ and then an RFP, we have combined them into one step to streamline the process. He then noted on Page 1, that the schedule outlines concurrence from the Commission as a whole to review selectees prior to Port moving forward in the selection process. The goal is to have the selected party or firm in place by the June 14, Commission meeting so there will be ample transition time.

President Telford stressed the importance of Commission concurrence on selectee. Commissioner Van Schoorl wanted to remain engaged in process and thinks the schedule outline is appropriate. The Commission unanimously approved the legal RFP process.

Harold Chambers stated that he did not think anyone on the Committee was qualified to review the contract and determine its intent, and that they should hire an independent attorney. He also suggested

that the Owens Davies Law Firm should be excluded from the process.

President Telford said that the Owens Davies Law Firm formally notified the Port that they would not be submitting a proposal.

Commission/Executive Director Retreat

President Telford noted that the retreat was directed towards relationships and communication between Commission, the Executive Director, and Port staff. He noted the Executive Director's concerns about staff receiving mixed messages, and was seeking input for better communication. Priorities for the Port were also discussed. President Telford noted that Commissioner Van Schoorl had stated that acquisition of the Fish & Wildlife property south of the Farmers Market was a priority for him. Commissioner Telford stated that he couldn't disagree more and observed that the Port staff already has a full plate with several other projects. He stated that he is not interested in an empire building, that the private sector should be redeveloping that area and that the only thing that would stimulate his interest is if Fish & Wildlife were to approach the Port for a trade for the West Bay property.

ADJOURNMENT

President Telford adjourned the meeting of April 12, 2004 at 6:00 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer