

PORT OF OLYMPIA COMMISSION MINUTES OF REGULAR MEETING

May 26, 1998

CALL TO ORDER

President Pottle called the meeting of May 26, 1998, to order at 6:30 PM in the Port of Olympia Conference Room. Commissioner Dickison and Commissioner Van Schoorl also attended.

Staff in attendance were: Executive Director Nick Handy, Director of Engineering and Planning Andrea Fontenot, Facilities Project Engineer Rod Hudson, Project Engineer Mark Leingang, Property Development Manager Heber Kennedy, Director of Marketing and Trade Development Kari Qvigstad, Deputy Director Wendy Holden, Director of Finance and Administration George Fox, and Executive Assistant Jeri Sevier.

Tom Fell, a member of the public attended.

EXECUTIVE SESSION

President Pottle reported the Commission had been in executive session and received a briefing from staff on lease negotiations regarding the Swantown Boatworks, received legal advice from the Port Counsel on Port statutory obligations, and discussed a personnel matter.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

No public comment was presented for items not on the agenda.

COMMISSIONERS REPORTS

Commissioner Dickison reported on the meeting of the Transportation Policy board. Consultants reported at the meeting their conclusions on the congestion on the Yelm Highway Study and concluded there was no new road route that could relieve congestion and recommended the Yelm Highway stretch between Henderson and Rich Road be widened. The board is steering away from any new road alignment. Commissioner Dickison will be following this topic and will report any new decisions.

Commissioner Dickison also reported on the interesting and informative conference he attended on May 12, 1998. The Department of Ecology and the U.S. EPA Region 10 sponsored "The Natural Step" conference. The presentation focused on the natural step system of moving commercial enterprise into sustainability. The concept began in Sweden and many large corporations have followed the concept. Commissioner Dickison noted that he would share the information with the other commissioners on the approach to establishing policies around sustainability. He felt it was a good policy framework.

Commissioner Van Schoorl reported on the economic analysis input/output model for Thurston County. Results show the diversity of job employment in the area is becoming more diverse in the County compared with similar communities. Commissioner Van Schoorl reported they are once step away from having a first draft of the final report. He felt the information would be useful data for the Port to use.

Commissioner Pottle reported the Economic Development Council would be holding its annual meeting and Business Recognition Awards Celebration on June 9, 1998 at 11:30 at the Indian Summer Golf and Country Club.

CONSENT CALENDAR

Minutes. The minutes of May 11, 1998 were unanimously approved as published.

Bills and Vouchers. The bills and vouchers for the period ending May 25, 1998 in the amount of \$610,930.61 were unanimously approved as published.

ACTION CALENDAR

Viewing Tower Bid Approval.

Ms. Andrea Fontenot presented the Commission with the process for the Viewing Tower Relocation and Pedestrian Gangway. The low bid on the Viewing Tower Relocation project was Christensen, Inc., for \$165,240. The scope of the work included in the bid was to prepare site utilities, landscaping, completion of the stage, and cleanup to the platform for the viewing tower. The low bid was under the engineer estimates. Ms. Fontenot noted there were two bids submitted and recommended the Commission award the lowest bid to Christensen, Inc. The Commission awarded the bid to Christensen, Inc. Commissioner Pottle announced that Mr. Christensen is his brother-in-law and so did not participate in the discussion or voting for this reason.

Port Surety Requirements.

Mr. Nick Handy commented to the Commission that this agenda item relating to port surety requirements had been brought to the Commission as an advisory briefing at a previous executive session. Mr. Heber Kennedy presented to the Commission the request to change the current surety requirements. Mr. Kennedy noted that requests have been made by our tenants to lower our surety requirements so staff conducted a survey of other Washington State Ports to determine their surety requirements. There is only one other port that has the same level of surety requirements as the Port of Olympia. Mr. Kennedy indicated staff is recommending the following levels as Port of Olympia surety requirements to be inserted in our leases.

All Ground Leases of one year or more	Equivalent to annual rent
Month to Month Ground Leases	Equivalent to three months of rent
Space Leases (Month to Month)	Equivalent to three months of rent
Space Leases (long-term)	Equivalent to six months of rent
Public Agency Leases	No requirement

Mr. Kennedy noted the current policy has placed an unfair burden and undue costs to tenants. The current policy was last revised in 1992.

Commissioner Van Schoorl asked if other ports require financial reports. Mr. Kennedy indicated that typically we do ask for financial statements and a copy of the previous year's income tax on file. Commissioner Van Schoorl indicated his concern of allowing flexibility to be able to increase or decrease based on the tenant and that the recommendations be a baseline.

The Commission unanimously approved the staff recommendations with the amendment that the recommendations are to be used as a minimum and staff should use discretion to increase surety requirements where necessary to protect the port's interests.

Cascade Pole Trailer Purchase Approval.

Mr. Handy reported to the Commission we have an opportunity to acquire an approved working environment for the mechanics and for Cascade Pole office space. Mr. George Fox indicated the purchase of a doublewide office-type trailer for the use of the maintenance crew of the Port and the Cascade Pole remediation team would provide several benefits to the Port. The long-term cost to the port is less, there will be adequate workspace for two employee groups, and there will be areas for storing files for the Cascade Pole project near the project site.

Mr. Fox reported the purchase of the doublewide trailer for the purpose of a joint office facility would be funded from the 1999 Capital Budget for \$17,000. The total cost of the trailer will be \$45,000. The remaining \$28,000 would come from the Cascade Pole fund.

The Commission unanimously approved the purchase of the doublewide office-type trailer as submitted.

Cascade Pole Paving Approval.

Mr. Handy indicated the paving of the Cascade Pole site was approved in the Capital Budget, but the approval of project did not formally go through for an approval at a public meeting because the work was done under a change order to an existing contract. Therefore, Mr. Handy requested the Commission to ratify the change orders and to specifically approve at this meeting an expenditure of \$207,052 for the Cascade Pole paving project. Commissioner Dickison and Van Schoorl both indicated they had been well aware of the paving project and had been briefed on this numerous times by staff, so this expenditure was not a surprise.

Mr. Fox recommended the Commission approve a process to assure Commission approval of expenditures over \$25,000. The process will be as follows:

1. Engineers in charge of projects will continue to prepare cost estimates as before, and the appropriate individuals will continue to sign appropriate change orders, regardless of their amount.
2. When the accounting department receives a pay request on a capital project that is more than \$25,000, the payable accountant will enter the request into the accounting system, but the request will not be paid.
3. Each Wednesday before the next regular Commission meeting, the payables accountant will generate a listing of all payment requests received and entered and unpaid for capital items in excess of \$25,000.
4. The list will be placed on the consent calendar of the regular Commission meeting.
5. The Commission will approve (or disapprove) such requests at its regular meeting.
6. The day after the Commission meets and approves the expenditures; the executive assistant will communicate the approval to the payable accountant.
7. The approved requests will be paid during the regular payables run the Friday after each Commission meeting.

Commissioner Van Schoorl indicated he would like for the requests over \$25,000 be submitted before the Commission prior to the work being done to allow for the Commission to actually approve or disapprove an expenditure whenever possible.

The Commission unanimously ratified the change orders with Wilder Construction to do the Cascade Pole paving work under Schedule C of the Wilder contract, approved an expenditure to Wilder Construction under this contract in the amount of 207,052, and approved the recommended procedures for the Commission to review and approve capital expenditures in excess of \$25,000 before payment, in accordance with Financial Policies and Procedures Section 7.

ADVISORY

Harbor Days Sponsorship.

Ms. Kari Qvigstad briefed the Commission on the Harbor Days Sponsorship and activities associated with Harbor Days. Ms. Qvigstad discussed preliminary plans for Port organized/hosted activities, including use of the Port Plaza, tours of the Marine Terminal, Swantown Marina events, modes of transportation, and Head of the Inlet Races – Swantown Regatta.

Capital Project Update.

Ms. Andrea Fontenot, Mr. Rod Hudson, and Mr. Mark Leingang briefed the Commission on current Capital Projects underway. The briefing included the plaza moorage, viewing tower relocation, boatworks, berth 3 reconstruction, berths 1 and 2 fender pile system, and DEF marina and uplands expansion.

Planning and Advisory Committee.

Mr. Handy indicated the Planning and Advisory Committee (PAC) had met on May 14, 1998. At that meeting, the PAC was given an update on the Swantown Boatworks and discussed the Comprehensive Planning process. The PAC will be taking a tour of Grand Mound on June 4, 1998 at 5:30 p.m. Mr. Handy requested the Commission provide direction to the PAC and staff on the Comprehensive Planning process.

Commissioner Dickison recommended staff prepare a written layout of the Port's expectations of the PAC so both the committee members and staff are clear on expectations. Commissioner Van Schoorl also recommended staff identify Commission intent for the committee. Commissioner Pottle further recommended staff identify the venue of interaction with the Commission. Mr. Handy indicated he would develop a written proposal and present it at the next meeting.

Mr. Handy also discussed the upcoming vacancies on the PAC and indicated to the Commission he planned to proceed with the advertisement and interview process followed last year unless the Commission had any changes to make to that

process. The Commission advised Mr. Handy to proceed with the same process.

Summer Meeting Schedule.

Mr. Handy discussed the agenda focus for the upcoming meetings during June through September. Mr. Handy noted the July 13 meeting did not have any particular items on the agenda and asked if the Commission were interested in canceling that meeting. The Commissioners all agreed if there were no particular agenda items planned, the meeting could be cancelled. Mr. Handy also noted the July 27 meeting would be held in Grand Mound.

ADJOURNMENT

President Pottle adjourned the regular Commission meeting of May 26, 1998 at 9:10 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer