

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

June 10, 2002

CALL TO ORDER

President Van Schoorl called the meeting of June 10, 2002, to order at 5:40 p.m. at the TCTV Studio in Olympia. Commissioners Pottle and Telford were in attendance.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Deputy Director Wendy Holden, Engineering Director Andrea Fontenot, Marine Terminal Manager John Wolfe, and Swantown Marina and Boatworks Manager Bruce Marshall.

Public in attendance were as follows. Representing *The Olympian* was reporter Scott Wyland. Representing Legal Counsel was Mick Phillips. Others in attendance who signed the attendance sheet include: Dee and Richard Long, Keith Bausch, Dave Shattuck, Marie Heins, Sherman Will, Robert Rose, Mike Sharp, Jeff Davis, Harold Chambers, Rydel Peterson, Bob Leep, Mike Kennedy, John Brecheen, Kirsten and Ron Manwell, Patrick Beehler, Lonnie Perkins, Elizabeth Conner, Ally Van Schoorl, and Meg Van Schoorl.

APPROVAL OF AGENDA

The agenda was approved as submitted.

PUBLIC COMMENT

Harold Chambers, Thurston County Resident, distributed a definition of his definition of Totem contending that the Welcome Pole is a religious item and did not think the Port should be displaying a religious item at a public park.

Keith Bausch, Olympia Resident, Representative of the ILWU Local 47, indicated that he nor any of the longshore could attend the last meeting of the Port Commission where the parking issue was raised because the longshore were working day and night loading and unloading cargoes that night. However, Mr. Bausch said he wanted to be on record on behalf of the longshore that during the comprehensive planning process the longshore gave up Marine Terminal acreage for the Market District and at that time an agreement was made between the Port and the longshore that the line would not be crossed again. Mr. Bausch indicated that the line has already been crossed by giving the Market District auxiliary parking on the Marine Terminal and Mr. Bausch wanted to encourage the Commission to not allow that line to be crossed again. President Van Schoorl responded that meetings are being scheduled with a parking group to develop solutions.

COMMISSIONERS REPORTS

Commissioner Pottle reported he and Commissioner Telford attended the joint meeting with the Olympia Downtown Association and felt that meeting was a very exciting meeting. The ODA might be looking at using the Port Plaza for Music in the Park in the future. Commissioner Pottle also attended the EDC Annual Meeting and the WPPA meeting.

Commissioner Telford indicated the meeting with the ODA was his first introduction to that group and felt there was a good vibrant economic interest between the ODA and the Port and felt it was important we stay connected to them. Commissioner Telford also attended the SWAC meeting where they discussed

garbage rates.

Commissioner Telford commented that he sent a letter to WPPA on his own with a disclaimer on the letter indicating the letter was not sent by the Port Commission. Commissioner Telford read excerpts from the letter. He said the letter was to oppose the Port paying \$33,000 in dues to an organization that does not follow the public disclosure laws. President Van Schoorl indicated that he disagreed with the letter and felt that WPPA was very forthcoming and knows of no instance where the WPPA has not provided information requested. Commissioner Pottle also commented that he was not aware of the WPPA funding a campaign or referendum or using funds for a political campaign. Commissioner Pottle also said he was not aware of a citizen not getting what they asked for from the WPPA. Commissioner Pottle said he was open to discussing this at the work session on Friday, but he has not seen substantiation to the allegations made.

Commissioner Telford said he has not made any allegations, but this he would like for the WPPA to have a formal policy stating they would not deny public access to records. President Van Schoorl responded that the WPPA is audited annually and they have public accountability already.

EXECUTIVE DIRECTOR REPORT

Mr. Nick Handy reported that the Marine Terminal had a very busy quarter at Marine Terminal; with ships with logs and garnet and barges of lumber. He indicated the Terminal is full of cargo right now and the longshore are very busy. We have been shipping lumber out by rail and truck and shipping garnet out by truck and glass out by rail. We are expecting two log vessels in June, one for Plum Creek and one for Formark.

At the Airport, Mr. Handy reported the radio transmission of the ASOS (Automated Surface Observing System) weather information became fully operational at the end of May. This is great news for pilots who can now pick up the ASOS transmission of weather conditions by radio rather than having to call into the system using a telephone. The Airport Traffic count for May was 8,290. That's about 1,800 more operations than we had in April, but down slightly from last year's count in May 2001 at 8,633. Mr. Handy indicated the Airport saw its first International Corporate flight this morning. The Global Express airplane flew in non-stop from Tokyo for a brief layover in Olympia for fuel and customs clearance, before continuing to its final destination.

Turning to the Properties program, Mr. Handy reported the State of Washington Records Center is moving forward with the expansion of the records center at NewMarket. Nikolas St. vacation in Tumwater is moving slowly forward, and will return approximately .2 acres to Port ownership when the vacation is complete. Airport Golf Center negotiations are moving forward with negotiations including both a lease proposal as well as a management contract. Mr. Handy noted that the Port has completed the purchase of the Murphy property consisting of over 9 acres between Tilly and Case Rd. south of the airport. Only one property identified in the 1994 property acquisition project has not been acquired and the Port is in discussions with that owner.

And we took steps forward on the parking situation at the Farmers Market, that issue has been resolved with the relocation of 70 vehicles to the auxiliary lot. This provides parking to all tenants as originally contemplated in the lease agreements.

Mr. Handy reported the Boatyard year to date has an 11 percent increase in number of vessels hauled from 2001 and the Marina we have now achieved occupancy of 101 percent. The Golf center is very busy and revenues for May were up 72 percent over May 2001 figures.

Mr. Handy noted that the Port Plaza is under construction, and going well. Lots of people are watching from Anthony's Restaurant and Market Place Office Building. The Contractors are pouring concrete today. He noted that staff is working on the Earthquake repairs. All repairs must be complete by Sept. 1 since we have federal money to make these repairs. Paul Mickelson is the lead on these repairs.

Mr. Handy commented that we haven't forgotten the Welcome Pole. Mr. Handy noted that he has shown it to several interested parties and hope to be getting a marketing program out soon. Staff will bring a resolution to the commission at the next meeting to declare it surplus to the Port's needs.

Mr. Handy announced that Port staff and Commissioners will be having an all day work session this Friday, June 15, 2002 at the Port largely on capital projects and budget issues. He commented that staff is preparing to issue a RFP for attorney services noting that it has been a number of years since we have put this contract out. We will be discussing this at the Commission work session. Mr. Handy also indicated that staff is finalizing a draft of an ethics policy for the Port that we will be circulating to Commissioners at the work session on Friday.

Commissioner Pottle asked Mr. Handy if a parking committee was formed. Mr. Handy responded that staff is working with the Common Area Maintenance group and have invited others to join the discussions for long term planning.

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Minutes. The minutes from the May 13, 2002 meeting was unanimously approved as presented.

Capital Project Expenditures. The Commission unanimously approved the payment to W.E. & B. Limited for the Port Plaza Construction in the amount of \$177,187.

ADVISORY CALENDAR

Art Fund and Committee Resolution 2002-02

Ms. Andrea Fontenot reported to the Commission that the Port adopted a resolution establishing an arts committee and procedures for implementing an art procurement process in November 1994. She noted that the purpose of this agenda item is to bring this topic to the Commission for discussion and direction.

Ms. Fontenot indicated that Port staff proposes amendments to the original resolution and procedures as shown on the Resolution 2002-02. She noted that we have updated the original cover resolution and the attached policy entitled Port of Olympia Arts Committee. She discussed the proposed amendments that are shown using track changes on the attached original documents.

Section II Composition. Ms. Fontenot indicated that staff recommends more flexibility regarding the 2nd staff representative on the committee. This could be either a representative from the area under consideration, e.g. like a business unit, or the project manager for the construction of the project. Staff also recommends expanding the size of the committee by one, to allow for an additional citizen representative with a strong interest in art.

Section III Functions. Ms. Fontenot indicated that staff recommend clarifying that the function of the Committee should be to develop an art program and not to implement the program. Implementation would be a staff function.

Section V Funding. Ms. Fontenot noted the proposed changes to this section further defines the project pool from which the 1% is calculated. The original resolution defined the base fund to include new construction and major renovations. She indicated that staff recommends defining the base to include new buildings, renovations of buildings, or acquiring new structures. Civil projects, equipment purchases, repair for damage caused by natural disasters, grant funds and budgeted but not spent funds would not be included in the base. Ms. Fontenot noted that this definition is based on the assumption that art should be associated with a structure such as a building, as opposed to a roadway or paving project at the airport.

Ms. Fontenot also recommend clarifying what the funds can be used for, and the process for determining the art fund balance. She noted that staff recommends shifting administration of payments from the Art Fund from the Commission to the Executive Director. Current policy requires payment of warrants \$25,000 or greater require Commission approval. So any payment of a warrant for a Commission approved project at or above this amount would require individual approval. Otherwise, payments less than this amount are usually a routine administrative matter. The recommended change under item i) is consistent with this existing policy.

Ms. Fontenot said the original policy specifically excludes staff salaries from funding from the Art Fund, however, staff recommends all direct costs associated with an art project be funded from the Art Fund.

And Finally, Ms. Fontenot reported that under the last section, Fund Exclusions, we recommend allowing the Arts committee to determine whether artist produced building components be eligible for purchase from this Fund, rather than specifically excluded.

The Commission had several questions about the proposed changes and the way the staff is determining the funds be calculated, what projects are included, why staff would allocate time to the fund for art projects, and whether or not this should be a port policy or a commission resolution.

President Van Schoorl indicated he did not agree with many aspects of the proposed policy and also wanted the issue defined of whether the art is a stand alone or integrated part of the structure defined since he did not want to limit the use of the art.

Commissioner Telford commented that he liked where the new procedures are going, however he did not think this should be a resolution and it should included in the Policy and Procedure manual. He commented that he has problems with the resolution, he felt the resolution puts the Port in the business of providing public art and he is not in agreeance with that fundamental function.

Commissioner Pottle agreed with Commissioner Telford that we are not in the art business. The Commission asked Ms. Fontenot to desolve the resolution and move toward making this a policy of the Port, but define it more clearly. Ms. Fontenot responded that she would work with the Commission to understand their concerns more.

Engineering and Planning Comprehensive Plan Update and Advisory

Mr. Nick Handy introduced Ms. Fontenot. He commented that the development of the Comprehensive Plan was to encourage economic development and opportunities, to promote environmental stewardship, and pursue making investments with the use of taxes. President Van Schoorl agreed that the Comprehensive Plan laid the vision for the Port through a large community based effort to develop long-term plans. Those plans provided the vision for the Market Center and the Boatworks.

Ms. Andrea Fontenot began her presentation by noting that the initial draft of the current Comprehensive Plan was adopted in 1995. There were previous comprehensive plans, and the 1995 version significantly changed the direction of the Port. The 1995 Comprehensive Plan has been updated annually to reflect capital expenditures in the implementation of the Plan, and it has been amended to reflect the major runway shift at the Airport. Ms. Fontenot reported that we have stopped referring the Comprehensive Plan as the "1995 Comprehensive Plan" since it is updated annually, and there were perception issues with granting agencies about whether the Plan was up-to-date since we kept referring to it as the "1995 Comprehensive Plan". Now, any amendment is noted on the cover of the Comprehensive Plan, by date and type of action.

Ms. Fontenot provided the Commission with a formal status report on the implementation of the Comprehensive Plan referring to the Goals & Objectives of the Comprehensive Plan and responding to each with examples of progress and implementation.

Commissioner Pottle commented that the comprehensive plan provides value of economic development and diversity in the community. He noted that years ago a student from Evergreen did a report on the value the Port brought to the community and how important a Port district in Thurston County was. Commissioner Pottle said this report was a compliment to the people that developed the comprehensive plan and would suggest the Port have that report updated.

Commissioner Telford commented that he would like to have a conversation about the comprehensive plan, he feels that the goals go beyond what a Port should be and that the Port should be self sufficient, then no one would care. He commented that his goal as Commissioner is to improve the financial position of the Port and he would like to revisit portions of the Comprehensive Plan. He also commented that the cost of the plan needs to be updated since the numbers in the plan have exceeded the original estimation. He asked staff to provide him with overall costs.

President Van Schoorl indicated that the Comprehensive Plan is updated annually and those numbers are changed annually.

Short-Line Rail Agreement Advisory

Ms. Kari Qvigstad and Mr. John Wolfe provided the Port Commission with a briefing on rail service. They gave an overview of the background, service needs, and steps taken toward initiating a service agreement with Tri-City Railroad as handling carrier for the Port of Olympia on behalf of class-1 rail carriers.

Ms. Qvigstad gave an overview of the issues we have with daily rail service at the Port's marine terminal and indicated it is critical to meet existing shipping needs to promote new business. Mr. Wolfe reviewed the requirements of the proposed lease with Tri-City Railroad. He indicated the staff is recommending the Port enter into a long-term agreement with the short-line rail carrier. Mr. Wolfe noted that this will be an opportunity for the Marine Terminal and the Port to reduce truck traffic between Eastern and Western Washington and for additional switching that will result in more efficient operations. Mr. Wolfe introduced the two representatives from Tri-City Railroad that was in attendance at the meeting.

ADJOURNMENT

President Van Schoorl adjourned the meeting of June 10, 2002 at 7:30 p.m. to the Commission work session on June 14, 2002.

WORKSESSION

The Commission held a work session with staff on June 14, 2002 from 8:30 to 4:15. The agenda included discussion items on the budget, capital budget, business briefings, and other issues such as the legal RFP, the welcome pole, and the draft ethics policy. All three commissioners attended the meeting with the Port director's team. Harold Chambers and Mick Phillips also attended the public meeting.

PORT OF OLYMPIA COMMISSION

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Vice President

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