

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

September 9, 2002

CALL TO ORDER

President Van Schoorl called the meeting of September 9, 2002, to order at 6:10 p.m. at the TCTV Studio in Olympia. Commissioners Pottle and Telford were also in attendance. The Commission held a Port of Olympia Economic Development Corporation meeting at 5:30 p.m.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Deputy Director Wendy Holden, Finance Director George Fox, Engineering and Planning Director Andrea Fontenot, Olympia Regional Airport Manager Doug Sandau, Communications Manager Patti Grant, and Cascade Pole Site Manager Don Bache.

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: Mark Furman representing Heritage Bank, Earl Pearson, Bruce Korus representing Solomon Smith Barney, Jan Witt, Jan Vander Veen and Martha Vander Veen.

APPROVAL OF AGENDA

The agenda was approved as submitted.

PUBLIC COMMENT

Jan Witt, Olympia resident, indicated that Commissioner Telford had previously asked for hard scientific data for noise and air pollution, Ms. Witt provided Commissioner Telford with a letter and back up data for his review. Ms. Witt commented that she is providing the Commission with information on impacts on health and quality, safety, financial, and depreciating residential values. Ms. Witt also commented on the environmental responsibility and prudent use of resources, indicating that an airplane uses more fuel than an air porter would use to transport the same amount of people. Ms. Witt asked how the Port could promote environmental irresponsibility. Ms. Witt also asked that a complaint process be put in place for complaints to be noted and tallied.

COMMISSIONERS REPORTS

Commissioner Telford reported that he attended a SWAC meeting where they decided not to increase county dumping fees. Commissioner Telford commented that he wondered about the effectiveness of having both the Thurston Regional Planning Committee (TRPC) and the Transportation Policy Board (TPB). He further asked staff about conversations with Intercity Transit services for air service. Ms. Wendy Holden indicated that staff has asked Intercity Transit (IT) to bring the current route by the terminal building. IT responded that February is when they update routes, if the measure does not pass, they would need to evaluate that service entirely. Commissioner Telford indicated that it seems easy enough for them to swing by the terminal since they are already going down Airdustrial Way every half hour and he hoped that IT would consider the idea.

Commissioner Pottle supported Commissioner Telford comments in getting transportation service in and out of the airport terminal. Commissioner Van Schoorl indicated he also agreed, and would like to see a whole range of services available. IT should be an integral part of this.

Commissioner Van Schoorl noted that he recently attended several meetings with the Olympia/Thurston Chamber sub committees and represented the Port along with Major Osgood on the jury process on the selecting a developer for a project in the Tumwater Towne Center. He noted that he attended the Sand in the City event at the Port Plaza and said it was a tremendous event attended by over 20,000 people.

Commissioner Van Schoorl announced the Port plaza dedication this Saturday at 11:00 a.m., as we also celebrate our 80th Anniversary. He invited the public to attend, enjoy the music and entertainment.

EXECUTIVE DIRECTOR REPORT

Ms. Wendy Holden reported that the marine terminal has now received 5 railcars of construction mats and has begun loading them out. These mats are being trucked to a construction site in the Centralia/Chehalis area. She reported that last week the longshoremen unloaded the barge "Ocean Oregon" carrying Canadian logs. The logs will be loaded to railcars traveling to Oregon and California. Ms. Holden announced that three log vessels are scheduled for the month of September, with the first tentatively scheduled to arrive September 15th for Formark/Mitsubishi.

Merrill and Ring is currently bringing in logs to the Port and we hope to have a log yard lease finalized with them this month.

Turning to the Properties program, Ms. Holden announced that the City of Olympia created two Public Facilities Districts (PFD's). One is in concert with Lacey, Tumwater and Thurston County; the other is City development only. The City has decided the PFD's use should be a conference center. With the other cities and county choosing different purposes, it is expected the City of Olympia will issue an RFP for development of a conference center that includes a visual arts component. The two most likely locations are the block north of the Phoenix Inn and the Port property along State Avenue.

Ms. Holden reported that the Port Properties Program would be conducting a real estate briefing on September 24 for real estate professionals in the Puget Sound Region. She indicated that the State Avenue Request for Proposals has attracted a lot of attention. Over thirty firms have requested copies of the RFP. A briefing seminar and tour will be held September 20 for interested parties.

Ms. Holden reported that Ed Roufs and his wife Vicki are secure in temporary quarters while the insurance company processes their claim for the fire in their home. They are both very appreciative of the help of the Port family and the aviation community.

Ms. Holden announced that air service continues to consume the Air Service Team. In August the team expanded to include EDC representatives. Planning is in full swing for the Community Commitment program. Lorie Watson is doing a weekly or bi-weekly update on all of the activities, which you have received. The visitors and convention bureau is assisting with ground transportation planning, and liaison with hotels and restaurants. And of course on Wednesday this week Commissioner Pottle and Kim Champney will address the Chamber Forum. She indicated that on that same day she and Craig Denny will be before the Spokane Chamber's legislative and policy committee.

Ms. Holden reported that over 90 boats visited Swantown and the Port Plaza over the Labor day weekend. The Swantown Regatta was also held over the Labor day weekend and added a beer garden and food court to their event. Ms. Holden indicated that the Port crew was great during the busy weekend and thanked Larry, Frank and Cheryl for their hard work putting this weekend together.

Ms. Holden noted that the marina's overall occupancy for this month is 102 percent. Year to date is 95 percent. A 17 percent increase in the number of launches over 2001 with an estimate of 616 year to date. Parking has also increased year over year estimated at 43 percent increase. The temporary moorage has increased by 19 percent, for an estimated number of guest nights average size 32' is 564. And the Boatyard reported a double record month for August.

Ms. Holden announced that the Port of Olympia and KGY AM/FM Radio invite the community to a

special 80th Anniversary celebration on Saturday, September 14, from 11:00 a.m. to 1:30 p.m. Festivities will also mark the Grand Opening of Port Plaza, the new waterfront park on Budd Inlet. Refreshments will be served, and free entertainment for all ages will be featured throughout the event on the Plaza Main Stage and smaller North Stage.

Commissioner Telford commented that he would like more information on the RCI claim before it comes to the commission in executive session. He commented that he was also concerned about the long shore discussions and would like to know how the Port is preparing for a strike.

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Minutes. The minutes from the August 5, 2002 meeting was moved by Commissioner Pottle and seconded by Commissioner Van Schoorl. Commissioner Telford indicated that the August 5th meeting was a public hearing to hear from the public and those people expect their comments to be reflected in minutes. He indicated that these minutes do not do that, and would like to see these minutes expanded to say what each person had to say and be reflected in the minutes. Since this is the official record of the meeting, would like to see what was said.

Commissioner Van Schoorl indicated that in part the official record in part is the tape, but he does not have a particular problem with expanding on these minutes to include more direct comments instead of a summary. Commissioner Telford indicated that his recollection is that the minutes are the official record and the tape is not. Commissioner Van Schoorl supported Commissioner Telford and asked staff to expand on the minutes for August 5th meeting and bring back at a future meeting for approval.

The minutes from the August 12, 2002 meeting were unanimously approved as presented. Commissioner Pottle moved adoption of the minutes; Commissioner Telford seconded the motion, however he indicated that he submitted some line changes to staff before the meeting to be considered. He reviewed those changes with the Commission. The Commission supported those changes. The Commission unanimously passed the minutes as amended.

ACTION CALENDAR

Selection of Port of Olympia Banking Services

Mr. George Fox indicated that the Port has decided to make its own money management and investment decisions, and has passed two resolutions naming a Port treasurer and setting out an investment policy.

He reported that over the past four weeks, the Port has received 12 proposals from various banks and brokers. The Bank and Broker selection team, consisting of George Fox, Commissioner Telford, Executive Director Nick Handy, and Accounting Manager Susan Buck, met with several of the proposers. Mr. Fox noted that the team has developed recommendations for both the bank and broker, Mr. Fox asked the Commission to approve the recommendation of the bank and broker selection team and appoint Heritage Bank as the Port's bank and Salomon Smith Barney as the Port's broker and to pass resolutions establishing required accounts at Heritage Bank and at Salomon Smith Barney.

Commissioner Pottle asked what the criteria was for the selection. Mr. Fox responded that there was several criteria used; what could the bank or broker provide for the Port; and the customer service criteria. Mr. Fox responded that the team wanted a broker that is working directly with governmental bonds. Mr. Fox indicated that Mark Furman, representing Heritage Bank, and Mr. Bruce Korus, representing Salomon Smith Barney, were in attendance if the Commission has questions.

Mr. Furman addressed the Commission and indicated that Heritage Bank is looking forward to working with the Port, and noting that Heritage Bank just celebrated its 75th anniversary.

Mr. Korus addressed the Commission and indicated Saloman Smith Barney is confident it can do an excellent job and looks forward to working with the Port.

Mr. Fox indicated if the Port is ready to act on this, we have two resolutions provided by the banking institutions. Resolution 2002-05 and 2002-06. These resolutions are essentially a contract with the banks authorizing officers and establishing an account. Mr. Fox noted that they may need to be changed each year when we change treasurers in January.

Commissioner Telford moved to approve Resolution 2002-05 naming Heritage Bank as the Port's bank, and 2002-06 naming Salomon Smith Barney as the Port's broker. Commissioner Telford indicated he served on the review committee and disclosed that he does not bank with either the selected bank or brokerage firm. He indicated that it is apparent that a smooth transition is critical and that therefore the teams preference went to smaller institutions. He said it would be beneficial to have a bank that is local and convient and involved in the community.

Commissioner Telford indicated that the more he learns, his reservations about moving the Port's banking and investment decisions away from the county have not diminshed since the interest rates are very low and he is not sure that the Port can do any better than the Thurston County investment pool. Commissioner Telford indicated that as Treasurer, he intends to generally defer to Mr. Fox's recommendations, but reserves the right to disagree. He noted that he will develop a comparison method to track and compare the Port and County to see how the year goes.

The Commission unanimously approved Resolution 2002-05 and 2002-06 appointing Heritage Bank for banking services and Salomon Smith Barney for investing services. Commissioner Van Schoorl commented that he was very pleased to see that local banks were selected and he thanked the review team for its efforts in interviewing and selecting.

Olympia Regional Airport UST Removal and Soil Remediation Bid Approval

Ms. Andrea Fontenot presented the Commission with the bid results for the removal of three underground tanks on the Gower lease site, and associated soil remeditation and also for soil remediation on a site nearby. Based on feedback from the Commission at the August 12, 2002 meeting, Ms. Fontenot noted that staff structured the bid to include soil remediation at the Pearson site on a change order basis. Typically this work would be bid as an additive alternate and would be awarded at this time.

Ms. Fontenot indicated that staff is requesting award of the base bid at this time to Stemen Environmental, Inc. in the amount of \$89,700 plus WSST. Engineer estimate was for \$129,100. Secondly, Ms. Fontenot indicated that staff is requesting authority to issue a change order to Stemen Environmental, Inc. for an amount up to \$20,985 plus WSST to accomplish any additional work required to secure an NFA for the Gower site and/or the Pearson site. Engineer estimate for this work was \$26,590.

Ms. Fontenot reported that the work at the Gower site was bid as unit pricing, instead of lump sum, and therefore the final costs for this work will not be known until work is completed. After the Gower site is completed, She indicated that Ecology grant money is contingent on a No Further Action (NFA) so therefore we must secure an NFA at the Gower site before proceeding with the work at Pearson. If budget permits, the change order work at the Pearson site would be approved for construction.

Commsisioner Van Schoorl asked if we have had any experience with Stemen Environmental. Ms. Fontenot, indicated that Dept. of Ecology gave a good reference for them. Mr. Don Bache indiciated that references were checked with customers of Stemen and their ability to work with DOE to get a NFA has been successful. A motion was moved by Commissioner Pottle to approve the staff recommendation. Commissioner Telford seconded the motion.

Commissioner Telford indicated that he was not willing to authorize a change order until the issue was settled with Mr. Pearson before we were going to do any work on his site. He commented that he looked

at site and understood that there was some testing done and he want to see an attempt to get this settled before any work is done. Ms. Fontenot indicated that staff is asking for authority conditional on an agreement with Mr. Pearson. Mr. Sandau is working on setting up a meeting with Mr. Pearson to review current testing done that exceeds MOTKA Levels that were found. Mr. Bache indicated that testing was done in 1998, those tests showed that they did not get all of the contaminated soil because of utility lines. We recently tested and confirmed that material is still there and were above clean up levels required by the DOE. Area is arround the utility lines and are now no longer in use and can be cut and abandoned.

The Commission unanimously approved the recommendation to approve the low bid of \$87,800 plus WSST to Stemen Environmental, and conditional on reaching an agreement with Mr. Pearson, approval for a change order in the amount of \$20,985 plus WSST.

ADVSIORY CALENDAR

Finance and Information Services Advisory

Mr. George Fox presented the Commission with a brief overview of Port Finance, including: General Port Finance Laws & Regulations, Port of Olympia Financial and Information Systems, Port of Olympia Historical Financial Results 1980-2001, Port of Olympia Bond Debt & Taxes, Review of Market District Creation and Commencement of Operations, Port of Olympia current year financial results through July 31, 2002, Brief discussion of 2003 plans, including Capital Budget and Treasury. Commissioner Telford requested copies of slides and indicated he will have questions later. All members of the commission expressed interesting in getting a copy of the slides and George Fox advised he would forward a copy to each.

ADJOURNMENT

President Van Schoorl adjourned the meeting of September 9, 2002 at 7:40 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer