

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

November 8, 1999

CALL TO ORDER

President Van Schoorl called the meeting of November 8, 1999, to order at 6:30 p.m. at the Port of Olympia large conference room. Commissioners Pottle and Dickison were in attendance.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Executive Assistant Jeri Sevier, Director of Finance George Fox, Director of Engineering and Planning Andrea Fontenot, Swantown Marina and Boatworks Manager Bruce Marshall, Property Development Manager Heber Kennedy, Special Projects Coordinator Patti Grant, Marine Terminal Manager Jerry Mahoney, and Office Assistant Cathy Johnson.

Members of the public in attendance included: Kathy Overhause of Olympia; Duane Sturges of Olympia; Stephen Njorose of Olympia; Mohsen Kourehdar with the Department of Ecology; Larry E. Dudley of Olympia; Joe Cole of Lacey; John Youmans of Olympia; Jerry Baruffi with Westbay Marina; Gerry Dierker of Olympia; Neil Falkenburg of Olympia; Joel Coffidis representing *The Olympian*; and Port's legal council Sandy Mackie.

APPROVAL OF AGENDA

The agenda was approved as submitted with the addition of an agenda item for the purpose of scheduling rate hearings.

PUBLIC COMMENT

Mr. Joe Cole of Olympia, shared with the Commission his complaints against Cascade Pole and concerns with an artesian well near the Farmers Market. Mr. Cole expressed his willingness to help the Port find additional funding to help with the containment of contaminants at the Cascade Pole site. The Commission and members of the public agreed that they all wanted the same thing, a clean Port.

Mr. Gerry Dierker commented to the Commission his concerns regarding the Cascade Pole project. He would like to see the Port make a more aggressive effort in cleaning up the contamination left by Cascade Pole.

Mr. Sandy Mackie advised that the process was extensive involving many years of testing to determine the boundaries of the Cascade Pole site, and encouraged those interested in these issues to review the early years of exhaustive effort that went into characterizing this site.

Mr. Mohsen Kourehdar with the Department of Ecology that his department has all files regarding Cascade Pole, and that these files are of public record. Any interested person is welcome to contact his office to review files relating to Cascade Pole testing and history.

Mr. Jerry Baruffi asked the Commission to charge live-aboard fees at Swantown Marina, especially now that Initiative 695 has passed. The Commission indicated they would be scheduling a rate hearing to discuss this issue in November.

COMMISSIONERS REPORTS

No Commission reports were given.

CONSENT CALENDAR

Capital Project Expenditures. The Commission unanimously approved the Capital Project Expenditures for the week ending November 12, 1999 in the amount of \$40,478.38.

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ACTION CALENDAR

Olympia Fuel Dock, LLP

Mr. Heber Kennedy presented the Commission with an Option Agreement for the Olympia Fuel Dock, LLP for the project located at NorthPoint. The Option is for one (1) year at a fee of \$1,112.00. The size of the parcel is .23 acres upland and .41 acres of tideland that might change once they get started with the actual permit process. The Commission unanimously ratified the Option Agreement for the Olympia Fuel Dock, LLP.

Guest House Tumwater, L.L.C.

Mr. Kennedy presented the Commission with a Lease Amendment No. 3 granting an easement to Guest House Tumwater, L.L.C. for a private sewer lift station for Guest House's exclusive use. The Commission unanimously authorized the guest House Tumwater, L.L.C. Lease Amendment No. 3.

Pearson Air

Mr. Kennedy presented the Commission with a Lease Amendment with Pearson Air to remove the underground tanks as negotiated between Doug Sandau, Wendy Holden, and Earl Pearson. The amendment is based on the Port providing a rent credit for 29 months. Commissioner Pottle requested staff make special efforts to ensure the Port is properly protected in this transaction regarding potential liabilities. The Commission unanimously ratified the Lease Amendment with Pearson Air.

Green Crow

Ms. Wendy Holden presented to the Commission a new Lease Agreement with Green Crow for two (2) acres at the Marine Terminal to begin November 1, 1999 and ending on October 31, 2000. Both parties have 30 days notice to vacate. The Commission unanimously ratified the Lease Agreement with Green Crow.

Citifor

Ms. Holden presented to the Commission a new lease with Citifor for one (1) year beginning August 1, 1999 for 6.0 acres. The lease consists of an operating agreement for exclusive rights as well as nonexclusive language for use. The rate is based on a minimum monthly rental of \$600.00 per acre or \$3,600.00 per month. The Commission unanimously ratified the one-year lease with Citifor.

Holbrook

Ms. Holden presented to the Commission a one-year lease agreement Holbrook one-acre site at the Marine Terminal commencing September 1, 1999 through August 31, 2000. The agreement calls for 30 days notice to vacate by either party. The Commission unanimously ratified the one-year lease agreement with Holbrook.

ADVISORY CALENDAR

Budget Presentations by Department/Business

Each director and/or representative presented the Commission with a description of the proposed 2000 Business Plan and Budget Overview for each department and business operating at the Port of Olympia.

Engineering Department

Ms. Andrea Fontenot presented to the Commission the Engineering Department's top priorities for the year 2000. At the top of their list is the design of a Cascade Pole sediment containment cell and Phase Two extraction field extension.

Executive Department

Mr. Nick Handy presented to the Commission the Executive Department's top priorities for the year 2000, which included increasing customer focus, maintenance stewardship, and further developing the Marine Terminal customer base.

Finance Department

Mr. George Fox presented the Finance Department's top priorities for the year 2000 to the Commission. Top priorities will be to develop financing strategies for the Cascade Pole project, complete training for all staff on basic computer applications, and develop an allocation model for G&A and governmental costs. Other priorities include revising budget and income statement formats, and developing a plan for improving WAN connections between the main file server and accounting and other remote locations.

Marketing and Trade Development

Mr. Heber Kennedy presented the Marketing Department's top priorities to the Commission for the year 2000. They include focusing on trade development activities for Port businesses with emphasis on the Marine Terminal, marketing the Swantown Marina DEF expansion, and marketing corporate aviation and air service at the Olympia Regional Airport.

Property Development

Mr. Heber Kennedy presented to the Commission the top priorities of Property Development for the year 2000. They include securing a lease for the Market District mixed-use building and NorthPoint properties, coordinating with Engineering and Planning for property zoning and planning, and increasing targeted marketing strategies for NMIC properties.

Operations Department

Ms. Wendy Holden presented to the Commission the Operations Department's top priorities for the year 2000 which include developing new business in each business unit, increasing revenues and volumes of existing business, and support tenant expansions. Expanding the tenant base at the Marina and Airport, and improving the appearance of the Marina, NewMarket and Airport properties, with particular focus on selected painting projects, streets, and landscaping. Other priorities include increasing the number of vessels serviced at the Swantown Boatworks from 420 to 475 annually, increasing dry storage occupancy rate to 66 percent of rated capacity by December 2000, and beginning Marina renovation program, with special emphasis on docks.

Mr. Nick Handy mentioned to the Commission that Port staff salaries have been frozen for two years. He also advised no new staffing is requested in this year's budget. Commissioner Dickison said that he would like to see an increase in staff salaries, and director salaries brought back to where they were before Port cutbacks. Commissioners Pottle, Dickison and Van Schoorl discussed whether these increases should be split between salary increases, merit pay raises, and/or incentive bonuses. The Commission directed staff to include a 5 percent increase in Port staff salaries in the budget. The decision as to how that increase is developed will be developed by Port staff and reviewed by the Commission chair.

Scheduling of Public Hearings

The Commission will hold a public hearing at the regularly scheduled November 22, 1999 meeting for adopting the operating budget, capitol budget and setting levy rates for 2000. In addition, the Commission will hold a public hearing on November 23 for the purpose of discussing marina and hangar rates with tenants and marina owners. A final decision on this issue will be made at the December 13, 1999 Commission meeting, or a special meeting on November 29th.

ADJOURNMENT

President Van Schoorl adjourned the meeting of November 8, 1999 at 9:00 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer