

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

November 19, 2001

CALL TO ORDER

President Pottle called the meeting of November 19, 2001, to order at 5:33 p.m. at the Port of Olympia in the Port Conference Room. Commissioners Dickison and Van Schoorl were in attendance.

President Pottle reported the Commission had just come from executive session where they conferred with legal counsel regarding litigation at the Olympia Regional Airport involving environmental clean-up issues.

President Pottle also addressed the audience indicating that he heard that several people were in attendance to talk about the notion of removing the anchors at the Port Plaza and asked if anyone would like to clarify that rumor. Mr. Dennis McHugo said he and others were at the meeting because they heard the Port Commission wants to remove the anchors at the Port Plaza during the construction because the anchors were too militaristic. Commissioner Pottle thanked him for coming to express their concern, however, there is no intent of the Commission or any one else to remove the anchors because they were too militaristic. In fact, the plan is to move the anchors and place them more appropriately in the landscaping scene. The Commission insured those in attendance that was never the intent of the Commission nor ever talked about during a Commission meeting. Several people then left the meeting and thanked the Commission for the clarification.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Finance Director George Fox, Engineering and Planning Director Andrea Fontenot, Deputy Director Wendy Holden, Marketing Director Kari Qvigstad, Property Development Manager Heber Kennedy, Olympia Regional Airport Operations Supervisor Tim Lael, 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. Others in attendance included Keith Bausch, Paul Telford, Harold Chambers, Frank Dare, Joe Cole, Jim Monk, Dennis McHugo, Ray Gillespie, George Shipman, Bob ??, Charles Kelley, Catherine Olson, Virgil Shillam, Wayne and Marilyn Albro, Bob Shay, Robert Skillman, Fran McNair, Stanley Stahl, Dan and Bernice Van Mechelen, Don Meshke, Phil and Yvonne Conway, Erne Lewis, William Ehlers, and Neil Falkenburg.

APPROVAL OF AGENDA

The agenda was approved as submitted. The President of the Commission suggested we move the DNR Advisory and the Thurston County Redistricting Advisory to the forefront of the meeting since they were both relatively short presentations.

PUBLIC COMMENT

Mr. Joe Cole asked the Commission if they knew about an asphalt plant off of 88th Street. He heard the Port was hauling and dumping contaminated soils to that site. He indicated he had a letter that showed records of the materials that were being dumped and the soils were dug out from the Port properties. Mr. Cole indicated he wanted to know where it was from and where it went. President Pottle asked Mr. Handy to follow up on this and get back to Mr. Cole and bring a report back to the next Commission meeting.

Mr. Harold Chambers asked if the plans for the Plaza included public toilets. President Pottle responded indicating at this time there were not plans to put in public restrooms because of the high cost. He said that during large events they would be required to bring in port-a-potties as well as use the Farmer's Market restrooms.

Mr. Stanley Stohl asked the Commission about the ownership of the plaza property, he had information that said the property was owned by DNR and so he would like to know what the arrangement was. President Pottle responded that we have been planning for the Port Plaza for five years, the property has always been DNR's property, and we have a

long-term relationship with them. Commissioner Van Schoorl indicated that fill on state water land belongs to DNR, however, the Port of Olympia, like most other waterfront Ports in Washington has a Port Management Agreement with the DNR similar to ours where the Port assumes responsibility for the management of the property.

COMMISSIONERS REPORTS

No Commission reports were given.

EXECUTIVE DIRECTOR REPORT

No Executive Director Report was given.

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Bills and Vouchers. The bills and vouchers for the period ending November 19, 2001 were approved in the amount of \$426,280.28. Warrants issued: 022990, 022991-020351, 023052-023053, 023054-023057, 023133-023218, 023219-023225, 023226, 023228-023232, 023234-023267, 023268-023277, 023278-023290, 023291-023338, 023339-023342, 023343-023351. Voided warrants: 023058-023132, 023156, 023227, and 023233.

ACTION CALENDAR

DNR Presentation

Ms. Fran McNair and Ms. Courtney Wasson from the Department of Natural Resources presented a Commitment to Excellence Award to John Wolfe and Keith Bausch for their assistance in removing derelict vessels from the public docks and waterways. Ms. McNair indicated both John and Keith were essential in making this project successful and with their assistance saved thousands of dollars in completing the program.

Thurston County Redistricting Advisory

Mr. Don Krupp, Thurston County Administrator, provided the Commission with an update on the redistricting process underway. Mr. Krupp indicated the County has held two public hearings and will be presenting a proposal to the Thurston County Commission on December 13th. The proposal makes minor adjustments in the district boundaries given the amount of population growth from the 2000 population census. Mr. Krupp noted the committee took into account the current incumbents in the Thurston County Commission, Public Utilities, and Port districts to assure they would not locate an incumbent out of their own district. The 2000 census data showed district #1 with a population of 73,489, district #2 with a population of 67,301, and district #3 with a population of 66,565. The even split would be 69,118 population in each district. Mr. Krupp indicated where the new boundary lines would be in order to make each district more even. The new boundary lines would not displace any incumbents currently in office.

Public Hearing – 2002 Operating and Capital Budget

Mr. Harold Chambers commented on three items. First he said, we are proposing to spend \$20,000 on sales and sales aids, but the people at the Port are the best sales people we have, they go beyond the call of duty already. He indicated the money would be better spent on maintenance and staff. Second, he commented on the plaza. He said the Port should not spend \$750,000 on land that belongs to DNR, the Port is not able to use the plaza very much and he asked the Commission to consider before spending. And third, he suggested that Commissioner Van Schoorl refrain from voting since he is an employee of DNR which creates a conflict of interest.

Mr. Joe Cole commented that he also had a concern with the Plaza when we are in a recession. The recession will impact the citizens of the county as well as the nation. He suggested the Commission put off the plaza completion until times are better. Mr. Cole also commented on the maintenance and pesticides used on Port properties. He indicated he had a list of over 32 chemicals used, some very toxic, he said mowing is an alternative to spraying. Ms. Holden responded that we are currently developing a pesticide management program.

Mr. Erne Lewis indicated he had a concern with the budget, the same concern he has had for years. He commented that the Port operates like a business and shouldn't. The Port is not a business; he said the Port is using taxpayer money to

compete with businesses in the area using their taxes to compete. Mr. Lewis said it is a terrible thing to do to the local businesses; the Port should cut back to those things not in competition and operate like an institution trying to support local businesses.

Mr. Dan Van Mechelen commented that his property taxes keep going up and the donation to the Port keeps going up. He indicated he built a house in 1984 on Black Lake and now cannot afford the property taxes. He said it is irresponsible and improper for the Port to continue to operate in the red and continue to raise taxes. He asked the Commission to stay within budget and to try to continue to make the Port a deepwater Port is foolish.

Mr. Paul Telford said with the passage of I722 and I747, the people are sending a message. He indicated that a five percent increase in taxes violates the spirit and intent of the initiatives. He commented that the idea of banking may be legal, but is not moral. He also gave twelve reasons why the plans for the plaza should be put on the shelf, indicating it is a frivolous and extravagant project. He asked the Commission to put it to the vote of the public.

Mr. Neil Falkenburg commented that the Port built a boatyard and took half his business; now the Port is planning to build more slips and will take 40 boats from his marina, which will be 20 percent of his income. Mr. Falkenburg said at the rate hearing the Port set the rate increases at rate of inflation plus 3 percent as a minimum. He indicated the Port should take it from moorage customers instead of the taxpayers. Mr. Falkenburg again offered the Port to buy West Bay Marina from him. The Commission indicated they understood Mr. Heber Kennedy was in conversations with him regarding his offer.

Ms. Yvonne Conway said she was very disturbed at a government that would contemplate buying out a businessman. She said the government eats up the businessman. Ms. Conway said her taxes were \$200 a year before and now they are \$500 a month. She said she would like to make the tax limit less than 1 percent.

Mr. Virgil Shillam commented that he is tired of turning on the money spicket and the money flows. He said he has been paying taxes forever, granted not much goes to the Port, but he wanted to know what he gets out of the taxes that do go to the Port. He asked the Commission to make cuts, we are in a recession, and every bureaucracy wants to grow to justify itself.

Mr. Stanley Stohl said he understands the mission of the Port is to create jobs and stimulate the economy. He said the Port owes the taxpayers a justification, what kind of jobs the Port is creating.

Mr. Frank Dare said the Commission should listen to the public. The Port needs to cut back on what the Port does. The Port is irresponsible and should not be 32 million in debt. He said staff receives lots of raises, Ms. Holden's salary doubled. He commented that the hotel convention center is a fiasco, in the highest crime area in Thurston County. Mr. Dare asked how many jobs the Port Plaza would create. He said the Port is spending frivolously, adding to a marina for boats that will not be here based on a study during the best of times is unwise. He asked the Commission to hold increases to one percent and stop being arrogant and start listening. He commented that is not the Commission's money – we want a change.

Resolution 2001-11 – Adoption of Final Operating and Capital Budget

The Commission discussed the budget and presented changes for consideration. Commissioner Van Schoorl indicated he was in favor of adding a maintenance position at the airport and would like to find a way to fund that position. He commented that he still is interested in building the a stronger central maintenance program throughout the Port and would like the Port to continue in that direction. Commissioner Van Schoorl suggested that we fund the airport maintenance position with a start date in March at \$32,000. He proposed the following cuts: \$3,000 for the air show, \$15,000 from the marketing database proposal, \$8,000 from overtime/part-time from the airport budget, indicating that with additional help, they should not need as much OT/PT help, delay the hiring of the property administrator position to March saving \$13,000, and cutting the professional services for air service by 10 percent saving \$4,000. In addition, Commissioner Van Schoorl indicated staff is anticipating a new lease at New Market for an additional \$10,000 and he proposed to increase the Marina Rates to 4 percent increasing the budget by \$20,000. Commissioner Van Schoorl said with all these changes it would bring the budget to a \$51,000 change to the bottom line positive.

President Pottle commented that he did not agree with cutting the advance in technology and the continued resistance from the Commission and staff. He said the advance in technology would save money in the long term. President Pottle indicated he has been talking about this initiative for 11 months and no other Commissioner or staff has come up with a better idea, other than it is too much money. He said we are sending staff out to generate more money, and we are not giving staff the tools necessary to be successful as they might be. President Pottle said whether we are a business or a

government, the fact of the matter is that we need to train our people.

Commissioner Van Schoorl said he totally agrees that we need to improve technology and provide opportunities for customer service training. However, we need to first define the system we need. President Pottle indicated he wanted staff to find solutions to our database needs and to make sure our staff is trained like other business people are trained at sales skills. Commissioner Van Schoorl said he was not opposed to looking at improving our database, he suggested that we might do it less expensively. President Pottle indicated his first priority was the sales training and second priority was the issue of software and a technology change.

The Commission then discussed the levy rate. Commissioner Van Schoorl made a motion to set the levy rate to \$3,613,572.78 increasing the rate by one percent and keeping with the intention of I747. The motion passed unanimously.

The Commission passed Resolution 2001-11 as amended with the budget changes and the adopted levy rate unanimously.

Resolution 2001-12 – Authoring Increase in Limit Factor

The Commission unanimously passed Resolution 2001-12 authorizing an increase in the limit factor.

Resolution 2001-13 – Authorizing Increase in Tax Levy Capacity

The Commission unanimously passed Resolution 2001-13 authorizing an increase in the tax levy capacity.

Resolution 2001-14 – Certifying the Port's 2001 Levy for 2002 Collection

The Commission unanimously passed Resolution 2001-14 certifying the Port's 2001 levy for 2002 collection.

Resolution 2001-15 – Authorizing Proprietary-Type User Charges

The Commission unanimously passed Resolution 2001-15 authorizing the proprietary-type user charges with the change of the moorage and hangar rates at 4 percent.

Public Hearing – Comprehensive Plan Amendment

Ms. Andrea Fontenot presented the Commission with the comprehensive plan amendment to include the capital budget for 2002. Ms. Fontenot indicated the required notice had been given and no comments have been received on the environmental review.

Mr. Paul Telford asked the Commission to put the plans for the Port Plaza on the shelf.

Resolution 2001-16 – Comprehensive Plan Amendment

The Commission unanimously passed Resolution 2001-16 amending the Port of Olympia Comprehensive Plan to include the 2002 Capital budget.

Center Street Frontage Improvements Approval to Bid

Ms. Fontenot presented the Commission with a request to give approval to go out to bid for the Center Street Frontage Improvement project. Ms. Fontenot indicated this project is the completion of the frontage improvements along Center Street that were deferred by the Golf Course. The Port just completed the frontage improvements along Cardinal Glass, and this project will be an extension of that frontage. The preliminary cost estimate and budget for this project is \$129,000. The plans and specifications are ready for bid as a small works project. The Commission unanimously approved staff to go out to bid on the Center Street Frontage Improvement project.

ADVISORY CALENDAR

Roads South of Airport Advisory

Ms. Andrea Fontenot presented the Commission with an advisory on the road design for the roads south of the airport.

She advised the Commission that in the environmental review process for the runway and road relocation we examined several road alternatives for the Tilley road replacement, including a T intersection, and 35 and 50 mph curve. While the Port's preference was for either the T intersection or the 35 mph curve, the County and City will require the roadway to be built to AASHTO and WSDOT standards. These standards are interpreted as requiring new construction of this type of roadway to be built to a 50 mph design speed. The County and City are concerned that if the road is designed for a lower speed limit, but because of its rural nature, people drive faster than design speed, there could be a safety issue.

Ms. Fontenot indicated that as another alternative to a 50 mph road replacement for Tilley, staff looked at another alignment but further to the east, entirely on Kaufman property. Although this route was shorter between Hwy 99 and 93rd, the County would still require a 50 mph design standard. This alignment would be entirely within County limits.

Ms. Fontenot reported that staff are at the point in the design and environmental review process where we need to clearly identify the alignment and design standards. She said that staff recommends moving forward with the 50 mph design alternative for the Tilley road replacement as identified in the environmental review. This will require acquisition of an additional parcel on the northerly alignment of the curve.

Commissioner Van Schoorl said he was appalled that the City and County can not see different scenarios. Commissioner Dickison indicated it was lucky that it was an advisory, because he finds the design standards required by the City and County to be absurd. He indicated he still advocates for a T intersection and that the people driving this decision are misinformed.

ADJOURNMENT

President Pottle adjourned the meeting of November 19, 2001 at 8:00 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer