

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

November 22, 2004

CALL TO ORDER

President Telford called the meeting of November 22, 2004, to order at 5:30 p.m. at the Olympia Center, Room B in Olympia. Commissioners Pottle and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director John Wolfe, Administrative Manager Jeri Sevier, Finance Director George Fox, Public Works Director Andrea Fontenot, Airport Director Rudy Rudolph, Marketing Director Kari Qvigstad, Communications Manager Patti Grant, Marketing Program Assistant Maureen Malahovsky, Administrative Assistant Jennie Foglia-Jones, Property Development Director Heber Kennedy, Marine Terminal Director Jim Amador, and Harbormaster Bruce Marshall.

Public in attendance were as follows. Representing Goodstein Law Group was Bob Goodstein; Representing *The Olympian* was Jim Szymanski and representing KGY was Patrick Conrad. Also representing the media was Kyle Moore from KIRO TV, and Paul Akers from KING TV. Others in attendance include: Harold Chambers, Jonathan Kempe, Keith Keyser, Jenna McDonald, Luke Noble, Wil Williamson, Michael Tempke, Ron Manwell, Lonnie Perkins, Jim Dees, Ned McKinley, Nina Triffleman, Mark Long, Rick Long, Ruth Lewis, Dennis Mills, April Graff, Lon Freeman, Charlie Stephens, Brenda Hughes, Lac Darette, Deb Longhans, Jeanie Mykland, Lorraine Hahie, Harvey Williamson, Barbra Williamson, Kristen Williamson, Rachel Williams, Walter Cutteford, Ruth Lipow, Gar Lipow, Alice Zillah, Robert Marra, Paul Gallegos, Simara Shonni, David Edwards, Saudian Slaby, Bart Adler, Desire Hogan, Amando Barzola, Fred Ray, Scott Baker, Crystal Lorentzon, Natski Kikuya, Graham McEvily, Rick Fellows, Kaori Suzuki, Charlie Kirry, Rodney Edgbert, Peter Bohmer, David Palazzi, Walt Copland, Gina Mdipola, Jeff Mocniak, Tom Jones, TJ Johnson, Vicki Brown, Eric Wozniak, Barry Cannon, Nicole Miller, Bernie Meyer, Megan Syverson, Jason Bagmboudarian, Cary Retlin, Keith Bausch, Florence Caplow, Jonathan Coleman, Serena Becker, Sara Lankutis, Nicole Miller, Joseph Regucci, Nancy Brickell, Rod Campbell, Marisa Kaneshieo, Drew Hendricks, Tom Wright, Mark Hopey, Richard Gaines, Susan Mazkowski, Peter Adrian, Timothy Knittle, Julie Puhich, Catherine Hom, Will Wolf, Carol Taylor Cann, Chris Gawdy, Djuna Davidson, Joyce Willms, Gary Foote, Chris Jackson, Chris Chappell, Kendra Anderson, Rod Campbell, Ray Campbell, Terese Saliba, Jeff Brigham, Chris Stegman, Chris Carson, Craham Parrington, Jackson Millikan, John Tevis, Robert Rose, and Rashel Guan.

APPROVAL OF AGENDA

The agenda was amended as requested by Mr. John Wolfe. Mr. Wolfe requested that the item number 6 under the action calendar, Resolution 2004-11 – Amending the Comprehensive Plan to the include the Capital Budget, be removed from the agenda.

PUBLIC COMMENT

Earl Pearson, tenant at the Olympia Regional Airport, commented on his hangar lease at the Airport, he noted that the cost to move the hangar would be \$280,000. He indicated that he sent a letter to the Commission and asked for a response.

Tom Howdeshell, resident of Olympia, thanked the Port Commission staff for getting the budget materials to him in a timely manner and got all of his questions answered.

The following people provided comments to the Commission regarding the shipment of military goods

through the Port of Olympia.

The following people spoke in support of continuing the shipments: Harold Chambers, Ron Manual, Ruth Lewis, April Graph, Bart Adler, Charlie Kirry, Walt Copeland, Keith Bausch, Joseph Regucci, Susan Mazkowski, Catherine Hom, Jeff Brigham, John Tevis, Robert Rose, and Kristin Williamson.

The following people spoke in opposition of continuing the shipments: Jonathan Kemp, Keith Kaiser, Jenna McDonald, Luke Noble, Wil Williamson, Mike Tempke, Jim Dees, Pete Bohmer, Dennis Mills, Lon Freeman, Chanlif Stevens, Brenden Hughes, Luke Derrett, Deb Longhans, Jeanie Mykland, Harvey Williamson, Barbra Williamson, Rachel Williams, Wally Cutteford, Ruth Lipow, Alice Zillah, Robert Marra, Gar Lipo, Craig Corry, David Edwards, Crystal Lorentzson, Graham McEvily, Rick Fellows, Jeff Mocniak, Berry Cannon, Bernie Meyer, Nicole Miller, Rod Cambell, Mark Hopey, Drew Hendricks, Carol Taylor Cann, Chris Gowdy, Rod Campbell, Terese Saliba, Chris Stegman, and Chris Carson.

COMMISSIONERS REPORTS

Commissioner Van Schoorl indicated he and Heber Kennedy have been meeting weekly with the PFD committee on the Hands on Children's Museum proposal.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe provided the Commission with an update on recent events at the Port of Olympia. He indicated that Airport staff held an airport tenant meeting last week to discuss the runway shift construction project phasing and the impacts. There was constructive discussion, and all tenants in attendance were comfortable with the plan. Staff will provide a Commission Advisory early next year as we get closer to implementation.

In addition, the Airport staff has been developing a Habitat Management Plan to address the endangered species at the Airport. Staff is making progress in assembling data needed for drafting a plan. This will also be a future Commission Advisory item.

At the Marina, the occupancy is currently at 85 percent. The DEF Docks have 71 percent of the new slips leased. Mr. Wolfe noted that the site preparation and foundation work for the OARA building site continues. He reported that the Boatworks hauled a total of 75 vessels in October, a 50 percent increase over the same period last year.

Reporting on the Marine Terminal, Mr. Wolfe indicated a log vessel, the Santa Francisca is scheduled to arrive late this week or early next week. The volume is approx. 1.6mmbf. Suppliers are PLS & M&R.

Mr. Wolfe indicated that Kari has been working with the Business Directors and is close to finalizing draft strategic plans for each of our business units. A work session has been scheduled with Port Commission mid-January to review those plans. In addition, the Port staff met with Michael Cade of EDC on November 18th to discuss the 2005 priorities & contract process. Michael has requested that I attend a portion of the EDC workshop to share with the EDC Board members some of the business development activities that Port staff is engaged in or plans to undertake in the coming year.

Mr. Wolfe noted that he and Kari met with Lyn McClelland from the Maritime Administration/MARAD to discuss short-sea shipping initiatives and develop strategies for upcoming discussions at WPPA and Freight Mobility Strategic Investment Board. He also reported that he and Kari attended a regional summit on economic development in Seattle that included development of strategic initiatives for the region for development in early 2005. Kari participated on the roundtable discussion relating to infrastructure, where multi-modal transit and freight mobility was identified as a top priority.

Finally, Mr. Wolfe indicated that he and Heber met with Mike Strub of LOTT last week. Mike confirmed that LOTT would like to pursue a joint administration building and has proposed three alternate sites for

consideration. Two of the sites are within the current LOTT property, and the other is the Port's building site just north of LOTT. They prefer to own their administrative building, but are willing to consider sharing the ownership of a joint building. They are waiting for the Port to determine its preferred site for its future offices.

Tom Hawdeshell, resident of Olympia, commented that he was glad we are looking at the endangered species at the airport and would like for us to also consider the plants.

Consent Calendar

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the November 8, 2004 Commission Meeting.

Bills and Vouchers. The Commission unanimously approved the bills and vouchers in the amount of \$660,762.15. General Fund Checks Issued: 035455-035513, 035514-035516, 035517, 035518-035562, 035563-035573, 035574, 035575-035666, and 035667-035683. Voided Checks: 034156, 034647, 035453-035454, 035536, and 035448.

Capital Expenditures. The capital expenditures were unanimously approved by the commission in the amount of \$511,250.74 to Harlow Construction for the Cascade Pole Phase I-Marine Drive North project, to Puget Sound Energy and to the City of Tumwater for the Airport Runway Safety Project.

ACTION CALENDAR

2005 Operating and Capital Budget Public Hearing

Mr. Tom Hawdeshell, resident of Olympia, asked questions regarding the budget, the Commission responded to his questions.

Mr. Jamin May, representing the Hands on Children's Museum, thanked the Commission for their continued support of the Sand in the City event.

Mr. Bob Jacobs sent a letter to be read into the public record. President Telford read his letter regarding the Port budget.

Resolution 2004-07 – Adoption of the Final 2005 Operating and Capital Budget

President Telford commented that he felt the Marina capital projects should be expensed and that the Marine Terminal paving was also an expense. He asked that the staff provide an advisory on the New Market Boulevard and the Fiber Optic plans prior to beginning the projects. In addition, President Telford commented on other aspects of the budget. In addition, he indicated that the budget was based on 3 percent for compensation increases. Mr. George Fox confirmed that 3 percent was in the budget for all employees. In addition, under executive, there is an amount equal to ½ percent that will be used for merit increases. President Telford suggested a 2.3 percent be allocated to a cost of living increase adjustment to be given in an equal amount to each employee – about \$1000, with another 1 percent earmarked overall for merit increases. Mr. Fox stated that the current data on the cost of living index was 2.5 percent. Commissioners Van Schoorl and Pottle did not support Commissioner Telford's suggestion.

Commissioner Van Schoorl moved approval of Resolution 2004-07 adopting the final 2005 Operating and Capital budget. Commissioner Pottle seconded the motion.

President Telford made an amendment to the motion to include a capital reserve fund that would take the 2004 positive cash flow and set aside for future capital projects. The amendment died for a lack of a

second, but not for a lack of interest. Commissioners Pottle and Van Schoorl indicated they would be interested in that idea, but would need further information.

The motion to approve Resolution 2004-07 passed unanimously. President Telford complimented Mr. Wolfe for being responsive to his requests.

Resolution 2004-08 – Authorizing an Increase in the Tax Levy Capacity

Commissioner Van Schoorl moved approval of Resolution 2004-08 authorizing an increase in the tax levy capacity. Commissioner Pottle seconded the motion.

Harold Chambers, resident of Yelm, indicated the commission was circumventing the voters wishes and asked them not to approve this resolution. President Telford indicated that this is a form of banking and violates the intent of I742 and I747 and will not support.

The motion to approve Resolution 2004-08 passed with a 2-1 vote. President Telford voted against the motion.

Resolution 2004-09 – Certifying the Tax Levy Collection for 2005

Commissioner Van Schoorl moved approval of Resolution 2004-09 certifying the tax levy collection for 2005 in the amount of \$3,788,249. Commissioner Pottle seconded the motion.

President Telford made an amendment to the motion to reduce the amount by the difference of the positive cash flow from 2004. The amendment died for a lack of a second.

Tom Hawdeshell, resident of Olympia, asked if the taxes would go up or down. The commission responded that the Port tax levy rate would go down because the levy amount will remain the same as 2004. The Commission also noted that 6 percent of the tax levy goes to the environmental cleanup.

The motion to approve Resolution 2004-09 passed with a 2-1 vote. President Telford voted against the motion.

Resolution 2004-10 – Authorizing User Charges for Goods and Services

Commissioner Van Schoorl moved approval of Resolution 2004-10 authorizing user charges for goods and services. Commissioner Pottle seconded the motion.

The motion to approve Resolution 2004-10 passed unanimously.

ADVISORY CALENDAR

City of Tumwater PFD Proposal Advisory

Mr. Chuck Denney, Parks and Recreation Director, City of Tumwater, provided the Commission with an advisory on the Community Aquatic Center proposed for the PFD process. He asked the Commission for a letter of support acknowledging the project and the Port's support if the proposal is successful. The Commission indicated they would send a letter of support.

ADJOURNMENT

President Telford continued the meeting of November 22, 2004 at 8:05 p.m. to an executive session to be held on November 9, 2004 at 6:30 p.m. at the Port offices to determine the performance review for the executive director.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer