

# Port Of Olympia Commission

## Minutes of Regular Meeting

November 25, 2002

### Call to Order

President Van Schoorl called the meeting of November 25, 2002, to order at 5:30 p.m. at the TCTV Studio in Olympia. Commissioners Pottle and Telford were also in attendance.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Finance Director George Fox, Engineering and Planning Director Andrea Fontenot, Swantown Harbormaster Bruce Marshall, Airport Manager Doug Sandau, Marine Terminal Manager John Wolfe, Marketing Director Kari Qvigstad, Communications Manager Patti Grant, and Property Manager Heber Kennedy.

Public in attendance were as follows. Representing Legal Counsel was Mick Phillips. auH Representing the Planning and Advisory Committee was Dave Clark and Jan Vander Veen. Others in attendance who signed the attendance sheet include: Harold Chambers, Keith Bausch, Meta Heller, and Martha Vander Veen.

### Approval of Agenda

The agenda was approved as submitted.

### Public Comment

**Harold Chambers, resident of Yelm**, addressed the Commission regarding the Olympia Conference Center. He stated that the article in the Olympian indicated that the Port would fund a parking garage if the conference center were built on Port property. Mr. Chambers asked if the Port is planning on doing this.

President Van Schoorl responded that the Port is not a participant in the Public Facilities District and is not a participant in the selection process. The Port has indicated the property would be available on Port property if so chosen. The Port is also supportive of a conference center, but not involved in any other way for this project. If the City is unsuccessful in the negotiations for the preferred proposal, the alternative proposal does include Port property, and if that proposal became a viable option, then the Port would be involved using Port property. The Port has not proposed a parking garage.

President Van Schoorl noted, however, that the Port is doing a study on a parking garage for the Market District, but not related to the conference center.

### Commissioners Reports

President Van Schoorl indicated he attended a customer appreciation event last week for the Marine Terminal. He thanked staff, especially Kim Kawada, for the planning of that event. It was very well attended and was well planned.

### Executive Director Report

Mr. Nick Handy reported that at the Marine Terminal business continues to grow. He indicated the next vessel due in is the Hoegh Merchant that will be discharging coils of wire rod. This cargo is coming in from China and will be stored in the FTZ. Mr. Handy also noted that we are expecting four log ships in December. He reported the garnet is still being shipped in and out by truck.

Turning to the Properties program, Mr. Handy reported the State Avenue Planning Team interviewed the qualified respondents to the Port's RFP on November 7<sup>th</sup>. Mr. Handy reported the team is postponing any recommendation to the Commission until the matter with the PFD for the conference center is resolved. Mr. Handy commented that recently President Van Schoorl sat on the selection committee for the State of Washington selection team for the Department of Transportation building to go on the property located at the corner of Linderson and Airdustrial Way. Mr. Handy announced that Wright Runstad was selected to build that building.

At the Airport, Mr. Handy reported we have received the passenger counts from Big Sky Airlines for their first week of service in Olympia. The airline had a total of 168 arrivals and 201 departing passengers. Mr. Handy also reported the excavation of contaminated soil and subsequent backfilling work at the Gower site has been completed. The final paving of the site will be held off until next spring after the dirt has had a chance to settle.

Mr. Handy noted that because of the increasing levels of air traffic at the Olympia Airport, the FAA has approved adding one more air traffic controllers in the tower at the airport. This will bring the number of controllers working in the tower to five. Mr. Handy commented that staff is also working with the FAA to authorize a change in the control tower's operating hours to allow for coverage during every one of Big Sky's flights in and out of Olympia.

At the Marina and Boatworks, Mr. Handy noted that we are moving into the typical seasonal decline. The marina occupancy is at 89 percent. However, Mr. Handy noted that the Boatworks again had an increase year over year in boats hauled in October hauling 66 boats representing an 18 percent increase over last year. Mr. Handy commented that we continue to see tremendous growth in this business.

### **Consent Calendar**

The Consent Calendar was unanimously approved as follows.

**Minutes.** The minutes from the October 28, 2002 meeting were unanimously approved by the Commission. The minutes from the November 12, 2002 meeting were unanimously approved by Commissioners Pottle and Van Schoorl. Commissioner Telford abstained from voting as he did not attend that meeting.

**Bills and Vouchers.** The bills and vouchers for the period ending November 25, 2002 in the amount of \$2,878,294.92 were unanimously approved by the Commission. General Fund Warrants /Checks Issued: 026764-026772, 026773-026789, 026792-026793, 030000-030111, 030112-030118, 030121-030127, 030128-030129, 030130, 030131, 030132-030164, 030165-030274, 030275, 30277-030279, 030281, 030282, 030287-030301, 030303-030304, and 030305-030349. Capital Fund Checks Issued: 030000-030002. 2001 LTGO Bond Fund Checks Issued: 030000-030007, and 030008. Environmental Fund Warrants/Checks Issued: 026790-026791, 030000-030010, 030111-030016, 030025-030031, and 030032-030036. Voided Warrants/Checks General Fund: 026788, 026793, 026794, 026795-026999, 030119-030120, 030023, 030128-030129-030276, 030280, 030283-030286, 030302, 030330, and 030332-030340. Voided Checks - ER Fund: 030117-030024.

### **Gower Lease Approval.**

The Commission unanimously approved the lease amendment with Gower Flying Service that includes the new format representing Port policy regarding insurance limits, environmental stewardship, hazardous substances, maintenance and repairs, rent calculation, surety, etc. This agreement reflects continuation of the current term Gower Flying has through December 31, 2010 with additional five 5-year options. The rent will be adjusted every five years according to the Port's policy of 9 1/2 % of 60% of the fair market value as determined by the Thurston County Assessor's office and upgrades the surety to a one time the annual rent. Current rent is \$928.39/month.

### **ACTION CALENDAR**

#### **Adoption of 2003 Operating and Capital Budget - Resolution 2002-08**

Mr. Nick Handy indicated that Mr. Fox would be providing the Commission with a thorough presentation on the budget. Mr. Handy announced that this meeting would be the final public hearing after having held at least four public sessions on the budget throughout the months of October and November.

Mr. Handy noted that staff has tried to be responsive to the Commission's concerns expressed at previous hearings making changes as indicated along the way. The capital budget also has been modified to be responsive to Commission direction or concerns expressed.

Mr. George Fox presented the Commission with a PowerPoint presentation on the final 2003 operating and capital budget.

Commissioner Telford gave opening remarks indicating that the bottom line increase in the operating budget is \$400,000; therefore he sees no reason to raise taxes. He commented that the other jurisdictions are taking 1% over last year, plus new construction. He indicated that the Port's budget calls for a 8.9% increase. Commissioner Telford and Mr. George Fox disagreed that the 8.9% levy being recommended by Port staff was equivalent to the 1% increase proposed in the three cities' and the County budgets. Commissioner Telford also commented that he had previously developed questions about the budget in June and staff has not responded to many of those questions. He commented that he is not in support of many of the items in the budget and does not feel that he is ready to approve an item until he has more information.

Commissioner Pottle indicated that adopting the budget provides a holding place for an item, however the final bid comes back to the Commission with more information before it is ever approved.

Commissioner Telford commented that he felt the landscape position proposed in the operating budget was not justified. Commissioner Van Schoorl made a motion to approve the operating budget, Commissioner Pottle seconded the motion with a modification to take out the landscape position and add back in the landscaping contracts. Commissioner Van Schoorl indicated he supported the position. Commissioners Pottle and Telford asked staff to come back with more information and they would be willing to revisit the position with in the next three months.

#### **Public Comment:**

**Mr. Harold Chambers, resident of Yelm**, indicated that as far as taxes collected, we should keep the dollar amount the same, not the rate. He also indicated that he noticed the interest rate on investments is down. He asked why the Commission awarded Heritage Bank without a formal bid process.

Mr. Handy responded that we did have an RFP process for banking proposals. Commissioner Telford sat on that review team. It was a public process, announced at Commission meetings, there was a press release issued, and Port Commission awarded to Heritage Bank the contract at a public meeting. Commissioner Telford indicated there is no difference on the rate between banks.

#### **The Commission voted unanimously approving the operating budget with the modification of taking out the landscaping position and putting the landscaping contracts back into the budget.**

The Commission discussed the capital budget as proposed. The Commission asked staff to report on Marine Drive and Genoa's roof. Ms. Andrea Fontenot responded that regarding Marine Drive, she was not able to get an extension from FEMA or the State on the grant for the earthquake repairs. Therefore, Ms. Fontenot indicated staff is recommending we repair the northern portion of Marine Drive in conjunction with DEF and then wait on the southern portion until a decision is made on the State Avenue planning. Ms. Fontenot indicated this recommendation would cut \$80,000 from the capital budget. Ms. Fontenot also responded that at this time staff is recommending leaving the money in for Genoa's roof. Ms. Fontenot commented that a team is in the process of conducting a review of the fire damage with the insurance adjusters and at this time staff is not in a position to make a recommendation, but would like to leave the money in the budget as a placeholder for now.

**Commissioner Pottle moved approval of the capital budget as presented less \$80,000 for Marine Drive. Commissioner Van Schoorl seconded the motion. The Commission approved the capital budget with a two to one vote. Commissioner Telford voted against the approval of the capital budget.**

**Commissioner Pottle moved approval of Resolution 2002-08 authorizing providing for acceptance, approval, and adoption of the final operating and maintenance, environmental remediation, and capital budget for 2003 pursuant to RCW 53.35.045. Commissioner Van Schoorl seconded the motion. The Commission approved Resolution 2008-08 with a two to one vote. Commissioner Telford voted against the approval of the budget.**

#### **Authorization of Tax Levy Capacity - Resolution 2002-09**

Commissioner Pottle moved approval of Resolution 2002-09 authorizing an increase in the tax levy capacity pursuant to section 209 of Referendum 47. The increase in the tax levy capacity would be \$174,670. Commissioner Van Schoorl seconded the motion. The motion passed with a two to one vote. Commissioner Telford voted against Resolution 2002-09.

**Certification of the Port's 2002 Levy for 2003 Collection - Resolution 2002-10**

President Van Schoorl indicated that 6 cents of the tax levy goes to environmental clean up, so the base rate is actually 21.7 cents. He proposed to the Commission to leave the base amount the same, where in reality, the Commission is voting for a decrease in rate, but take the new construction value. President Van Schoorl indicated that proposal would be a total of \$3.788 million, a 3.5 percent decrease in the rate, and a 26.6813 cents per \$1,000 of assessed value.

Commissioner Pottle moved approval of the proposal by Commissioner Van Schoorl and approving Resolution 2002-10 certifying the Port's 2002 levy for 2003 collection. The motion was seconded by Commissioner Van Schoorl. The motion passed unanimously approving the tax levy capacity at 26.6813 cents per \$1,000 of assessed value for a total tax levy of \$3,788, 243.

**Authorization of User Charges for Port Goods and Services - Resolution 2002-11**

Commissioner Pottle moved approval of Resolution 2002-11 authorizing proprietary-type user charges for Port goods and services. Commissioner Telford indicated he would like a separate briefing on this issue at some time to better understand the process. Commissioner Telford seconded the motion. The motion was unanimously approved passing Resolution 2002-11.

**ADJOURNMENT**

President Van Schoorl adjourned the meeting of November 25, 2002 at 7:25 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer