

P O R T O F O L Y M P I A C O M M I S S I O N
M I N U T E S O F W O R K S E S S I O N

February 4, 2008

CALL TO ORDER

President McGregor called the work session of February 4, 2008, to order at 2:00 p.m. in the Large Conference Room at the Port of Olympia. Commissioners Telford and Barner were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Marketing Director Kari Qvigstad, Property Business Development Manager Mike Reid, Property Manager Clarita Mattox, Finance Director Steve Davis, Senior Manager Property Development Heber Kennedy, Harbor Director Bruce Marshall, Controller Kim Peterson, Engineering Director Jeff Lincoln, Public Works Project Manager John Thompson, and Communications Manager Patti Grant.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance included: Jim Wright, Richard Wolf, Sue Danver, Stanley Stahl, Patrisa Di Francesca, and Arthur West.

Real Estate Investment Plan – Resolution 2006-06 Review

Ms. Kari Qvigstad presented the Commission with a revised Resolution 2008-04 (previously Resolution 2006-06) for review. She indicated that staff made changes as directed by the Commission at the last work session.

The Commissioners indicated the changes were appropriate and this resolution should come to the February 25th Commission meeting for approval.

Discussion of Port (Executive Director) Goals for 2008

A listing of proposed goals that are currently in the budget, a listing of proposed goals that are dependent upon GO Bonding, and a listing of proposed goals that there is currently no budget for were presented to the Commission for discussion.

After discussion, the Commissioners indicated they would like to see the following as 2008 Goals:

- East Bay Master Development
- South Marina Project (MNO)
- Cascade Pole Site Capping
- Facility Acquisition**
- Marine Terminal Improvements/Weyerhaeuser Operations
- Marina Dock Repairs
- Runway LOS Correction & Rehabilitation
- Intermodal Enhancement Project
- Complete Comprehensive Plan (Scheme of Harbor Improvements) Update
- Airport Habitat Management Plan
- Military Ship Plans and Procedures

**The Facility Acquisition is contingent upon staff recommendation to move forward.

The Commission asked that these goals be re-written with paragraphs describing the goal and a timeline of completion and be brought back to the next work session on February 19th for confirmation.

In addition, the Commission indicated they would like to have an advisory/discussion at future work sessions on the following topics:

- County Wide Rail District
- NorthPoint Development

Financing Discussion

Mr. Steve Davis presented the Commission with a listing of cash expenditures for significant Capital Improvement projects for August 2006 through December 2007 as requested at an earlier work session. The capital expenditures totals \$7.5 plus million.

In addition, Mr. Davis presented the Commission with estimated month end cash balance ignoring financing assuming only East Bay project. Commissioner Telford indicated that he did not think that Mr. Davis had considered all money in and out from all sources. Mr. Galligan asked Mr. Davis to share the details with Commissioner Telford that match the summary.

Commissioner Telford distributed a handout with his cash projections and financial needs. He indicated that his goal is to keep the borrowing to a minimum and shorten the payoff.

President McGregor indicated that we also need to keep some debt capacity for the future if the opportunities arise in years down the road. Mr. Davis indicated that we want to stretch out the lower interest bonds for 20 years now to save in interest costs later. This is part of the longer-term strategy. Mr. Galligan suggested that he spend time with Commissioner Telford on his proposal and then report back to the other commissioners.

Air Service Briefing

Mr. Rudy Rudolph provided the Commissioners with a briefing on the possible air service consortium. He noted that there is an opportunity to become one of six in a consortium that would use a small air carrier (potentially Cape Air or Kenmore Air) to provide interline connections with the hub at the Portland International Airport. Sixel Consulting would organize the meetings, recruit the airlines, facilitate consortium agreements, author the federal grant application, meet with communities, and recommend routes, frequencies, and expectations. The initial cost to the Port would be \$2500. The eventual cost to the Port is 1/6 of 10% grant match (\$16,500 - \$25,000), \$2 per enplaned passenger to Sixel, staff time and marketing costs.

Mr. Rudolph indicated that the Port needs to decide by the end of February if they want to be one of the six airports in the consortium. Commissioner Barner indicated he would like to hear more on the opportunity. The Commission asked Mr. Rudolph to provide a briefing to the Commission at the regular meeting on February 11, 2008 and to provide a little bit of history about air service at the Olympia Regional Airport.

Other Items

Mr. Galligan asked for Commission guidance on responding to letters that are addressed to "The Commission." Mr. Galligan indicated that his recommendation is that he would draft a letter for the President to sign on behalf of the Commission. This draft could be also routed to the other Commissioners for comment. Commissioner Barner indicated that process was good for him. Commissioner Telford also agreed with the recommendation.

Next Meeting Agenda

Review of Goals for 2008
Planning and Advisory Council Draft Resolution
Planning and Advisory Committee Work Plan for 2008
Briefing on NorthPoint

ADJOURNMENT

President Telford adjourned the meeting of February 4, 2008 at 4:15 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer