



PORT OF OLYMPIA COMMISSION  
MINUTES OF SPECIAL MEETING

July 22, 2009

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**CALL TO ORDER**

President McGregor called the meeting of July 22, 2009, to order at 9:36 a.m. at the Olympia Golf and Country Club. Commissioners Barner and Telford were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Finance Director Kevin Ferguson, Communications Manager Kathleen White, Harbor Director Bruce Marshall, Engineering Director Rick Anderson, Marine Terminal Director Jim Amador, and Marketing and Business Development Director Kari Qvigstad.

Public in attendance were as follows: Lon Wyrick, Ken Balsley, Walt Jorgensen, and Jim Wright.

**COMMISSION CONSIDERATION**

**Thurston Regional Planning Council Pro-Rated Membership & Retreat**

President McGregor indicated he invited Lon Wyrick from the Thurston Regional Planning Council to this meeting to discuss the Ports membership and participation in the retreat.

Mr. Wyrick indicated the Port dropped their membership in 2006. The Port would need to join the Thurston Regional Planning Council at the council level in order to have an impact. He indicated that the Planning Council is the Metropolitan Planning Organization for this area. The council has 21 members. He noted that the Port was a very active member and used to be a champion for causes in the history of the council. He noted that the TRPC would like the Port to re-join. Mr. Wyrick indicated that LOTT and IT are paying the same level of membership dues as the Port. The Port has county wide taxing authority and that is why the dues are so high. Mr. Wyrick indicated that if the Port wanted to join in 2009, they would pro-rate the membership dues at \$11,565 for the remainder of the year.

President McGregor indicated that the TRPC is holding a retreat in September and the council could take action at that meeting if the other commissioners would like to join again.

Commissioner Telford indicated that he has tried to get a reduced rate for years. He indicated that the Port is a member of the Thurston Planning Board by statute. Commissioner Barner attends those meetings and he sees no reason why we should attend both. He noted that he asked the council to consider an associate membership of \$1,000 and that proposal was never responded to.

Mr. Wyrick responded that the council did discuss and decided that it would set a precedent and everyone would want that deal.

Commissioner Telford asked if the dues could be re-evaluated, comparing operating revenues with LOTT and IT. He indicated that he felt that both of those agencies have more to work with than the Port does. He said he did not feel that the council was making a good faith attempt to get the Port back in – it is all or nothing – he asked that they work with the Port and come up with a reasonable and fair proposal. Mr. Wyrick agreed to ask the council to look at the revenues.

Commissioner Barner indicated that this is not in the budget and he is not comfortable making a decision today. He commented that the Port projects did not even get considered for stimulus dollars through the TRPC. Commissioner Barner asked if the Port could have a chance to dialog with TRPC. The Commission assigned Commissioner Telford as the spokesperson if the committee wants to talk to the Port.

**Marine Terminal Security Costs**

Commissioner Telford indicated that he is concerned about the incurred costs to operations due to security – this is an unfunded mandate by the Coast Guard.

He suggested that we prepare letters and formally address our congressional delegation and ask for financial help and convey our concerns to congress about the additional costs to the Port.

Mr. Jim Amador indicated he was meeting on Friday with the Northwest Marine Terminal Association and he would raise the issue with the other Ports to see if there is a mutual interest in pursuing this. Mr. Amador indicated that many of the larger Ports have already implemented the security measures before it was a mandate so the smaller Ports are the ones that are feeling the impact.

The Commission indicated that they would wait to see what Jim finds out at the NW Marine Terminal meeting and see if others are interested in a letter. President McGregor suggested that we use WPPA lobbyist to write a letter on behalf of the Ports if others are interested.

### **New Market Industrial Campus Property Development**

Ms. Kari Qvigstad indicated that the staff has been working on a storm water plan and hired a consultant last year. Staff is working internally to develop recommendations for 2010. In addition, the Ports Advisory Committee is also reviewing and developing recommendations. Commissioner Telford commented that we need an area wide storm water plan, he noted that we have some land that is not developable and we could use that land as a solution, we have done a poor job dealing with neighborhood issues and the transportation issues stymie development. Mr. Rick Anderson noted that Joanne Snarski is working on this issue. Ms. Qvigstad indicated that staff can provide the Commission with an update on the transportation issues in Tumwater. The Commission asked for that update in writing.

Commissioner Barner asked that staff outreach to the area. Commissioner Telford commented that the PAC is evaluating the issues and it would be appropriate for them to engage citizen input.

Commissioner Telford asked staff about the Airport Wildlife Management Plan. Mr. Rudy Rudolph commented that the Wildlife Management Plan will be included in the master plan update.

Commissioner Telford also commented that he felt that the Port needs freeway access to the Port properties.

### **Peninsula Property Development**

Ms. Qvigstad indicated that staff is in the process of finalizing the RFP for the NorthPoint properties. Staff expects to bring this forward to the Commission in late August. The goal is to provide alternatives that provide the Port with the maximum benefit.

Commissioner Barner indicated that he wanted to target interest groups and wants public involvement in the process. Ms. Qvigstad indicated that the plan includes public involvement.

Commissioner Telford commented that what happens at East Bay impacts what will be feasible at NorthPoint. Commissioner Barner indicated that he would like to see some heritage and culture included in the development.

Ms. Qvigstad also provided an update on the Market District parking issue. She noted that there is not an immediate interest in development in the market right now. Staff has come to an agreement with the market tenants on interim parking. Mr. Galligan noted that there is also not an interest in a partnership of a parking structure therefore there is lack of money for construction with out the commitment for revenue we could not get a revenue bond. The Commission asked that staff refresh the Commission on the plan (i.e., location/site).

### **Commission Mileage Reimbursement Policy**

Commissioner Telford indicated that he did some research with other Ports and governmental agencies on what they do for reimbursement of mileage for board members. He provided the Commissioners with a list of recommendations to amend the current Port Policy 601. The Commissioner agreed to the proposed revisions. The Commission asked staff to bring forward to the Commission a revised Policy for approval.

### **Port Name Change Legislative Initiative**

Commissioner Telford indicated that he met with Eric Johnson from WPPA to see if there was interest from other Ports in this legislation. The proposed legislation would be to change the law to allow a Port Commission to put a Port name change on the ballot whereas it currently takes a

citizen petition. He asked the other Commissioners if they supported him trying to get a legislator to introduce this sort of a bill. He thought that we would need support from WPPA as well. The other commissioners encouraged him to pursue this type of legislation as it would give flexibility to Ports statewide. Commissioner Telford stated that he would wait until he gets feedback from the WPPA legislative committee.

### **Conduct of Commission Meetings – Costs and Ways to Reduce**

Mr. Galligan indicated that TCTV has provided a memo with a breakdown of the expenses related to televising our commission meetings. The cost is really based on the number of hours a commission meeting is held.

President McGregor suggested that the Commission try to keep their meetings to less than 2 hours. Mr. Galligan indicated that if Commissioners proposed questions to the staff in advance of the meeting time can be saved at the meeting.

Commissioner Telford asked that staff copy hard to read power point pages for the commissioners with one slide per page instead of 2 per page.

The Commission agreed to continue to keep two cameras for the meetings and to try and keep the meetings under two hours to save on TCTV costs.

### **Commissioner Relations & Communications**

Commissioner Telford commented that Port letterhead should not be used by a single commissioner unless all three Commissioners agree on a letter or at least a clear consensus exists. A Commissioner's personal agenda or interest can sometimes be confused with those of the Port when Port stationary is used.

### **Mid-Long Term Port Goals**

Commissioner Telford provided the other commissioners with a graph that showed the history of the Port debt and the property taxes collected since 1996. He indicated that he wanted a Port goal on financial performance – what should the return be on the tax investment with a break even point with depreciation by year X.

President McGregor indicated that there are three types of currency as stated in the Comprehensive Scheme: monetary return to the Port, monetary return to Thurston County economy resulting from jobs, increased tax base, etc. created by Port activity, and non-monetary return to Thurston County community (infrastructure and services provided by the Port which contribute to the quality of life in the area. Those type of attributes provided to the community do not get booked in the financial ledger.

Commissioner Telford stated that he has never agreed with this philosophy and that it has been used to excuse poor Port financial performance.

### **Port Plaza Utilization**

Commissioner Telford commented that the Port Plaza is underutilized and we tried to give it to the City to manage five years ago and at that time they would not take it over. Mr. Galligan indicated that he has proposed this concept to Steve Hall again and basically they will take it over if the Port is willing to pay for the maintenance and management.

Commissioner Barner suggested we have a joint meeting with the VCB, ODA, and City to see how we can better utilize the plaza and maximize the use.

Ms. Qvigstad indicated that staff would re-look at our marketing efforts and propose a cost effective plan to maximize the asset.

### **2010 Budget**

Commissioner Telford indicated he would not support a tax increase and would not support any salary increases due to the state of the economy.

President McGregor commented that he supports taking the 2009 rate (amount) plus new construction. He indicated it is always good to look at expenses and do some belt tightening. He noted that 2009 is looking better than years past and he is not ready to take a position on staff pay increases. He asked staff to develop measurable/obtainable goals.

Commissioner Barner indicated that we need to have a goal to get off taxes. He commented that he did not know if pay raises were appropriate yet or not. He asked about how much funding would be available for capital projects.

Mr. Galligan indicated that staff will be bringing the Commission alternatives on taxes for Commission direction/vote. He noted that we will have measurable goals. He noted that belt tightening is already occurring. He also noted that he will be presenting to the Commission recommendations on the pay raises consistent with the adopted Port Policy on pay for performance. Commissioner Barner indicated that he would like a re-cap of the policy and program for pay for performance.

**5 Year Forecast**

Mr. Kevin Ferguson distributed a chart outlining the proposed five year forecast. He noted that in this forecast we expect to have approximately \$2 million for the capital plan each year.

**Fuel Dock Study**

Mr. Bruce Marshall provided the Commission with a summary of his analysis of a fuel dock. He outlined the policy considerations for the Commission including: Location, Profitability, Private vs. Public Operation, and Competition.

Commissioner Barner indicated that he does not think the Port needs to get into the fuel dock business. The private sector already has fuel.

Commissioner Telford indicated that he does not want to see the Port operate and be in direct competition with the private sector.

President McGregor commented that he is willing to consider a fuel dock, but is not in favor of the Port operating it.

Mr. Marshall indicated that we have had interest from the public, but they have found that a fuel dock is not feasible financially.

Mr. Galligan proposed that staff draft a letter to the group that requested the Commission consider a fuel dock indicating that we did the study and we would support a private entity operating a fuel dock, but not the Port.

**Snow Removal Plan**

Mr. Rudy Rudolph presented the Commission the snow removal plan for the future. He noted that this plan reflects the lessons learned from this past winter. He noted that we will have a standby contract in place if we have the snowfall with large accumulation as this past year.

**ADJOURNMENT**

President McGregor adjourned the meeting of July 22, 2009 at 3:15 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer