

Port of Anacortes
Regular Commission Meeting
June 4, 2009

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of June 4, 2009. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1st & Commercial Avenue, Anacortes, Washington.

In Attendance: Commission Secretary Niver, Commissioner Hopley and Commissioner Short. Commission President Rubin was excused. Commission Vice-President Mooney was in attendance for the Executive Session only.

Also in attendance: Executive Director Hyde, Director of Engineering Elsner, Director of Finance & Administration Johnson, Marina Manager Fowler, Accounting Manager Behan, Project Manager Estvold, Information Systems Administrator Parker, Accounts Receivable Bookkeeper Siechen, and Administrative Coordinator Lindsey.

Others in attendance included Port legal counsel, Frank Chmelik.

CALL TO ORDER

At 7:00 P.M. Commissioner Hopley called the regular meeting of June 4, 2009, to order and welcomed all in attendance.

PRESENTATION – Staff Cost Cutter Awards

Executive Director Hyde introduced Information Systems Administrator Parker and Accounts Receivable Bookkeeper Siechen to honor them with Cost Cutter awards for saving the Port money by taking or initiating cost-cutting measures in the workplace. Administrator Parker received the award for instituting cost savings in the area of telecommunications, while Bookkeeper Siechen received her award for finding methods to conserve both time and resources with increasing electronic file systems. Both honorees received a certificate documenting their accomplishment and were congratulated by the Commission.

SPECIAL GUEST – Bob Rose, Pleasant Valley Farms

Executive Director Hyde introduced Bob Rose, representing Pleasant Valley Farms. Mr. Rose thanked the Commission for the opportunity to make a short presentation regarding linkage for the Port to support agriculture in Skagit Valley. He noted there are 6,050 acres of agricultural land in Port District 3, representing 7% of all the agricultural land in Skagit Valley. Mr. Rose discussed how the Port, in its role as a source for economic development, could support agriculture through bonds via the Port's Industrial Development Corporation (IDC). Mr. Rose explained that in bonds such as these, there are no public funds involved, with the Port acting only as a sponsoring agency. The recipient of the bonds must cover all costs. Mr. Rose noted that many family farms have been bought out by large industry. Farmers in Skagit Valley are instead opening their own processing facility, needing moiré infrastructure to support their crops, growing at a rate of approximately 25% per year. Mr. Rose explained the local farmers have found a market niche for quality, and a consumer interest in local products. He will bring

more information to the Commission after formulating an IDC proposal. Mr. Rose invited the Commission to tour the local facility. The Commission thanked Mr. Rose for his presentation.

PUBLIC COMMENT PERIOD

Commissioner Hopley opened the floor for public comment pertaining to items on the regular agenda. Hearing no one desiring to address the Commission, the floor was closed.

CONSENT AGENDA

Commissioner Hopley called for any objections to the consent agenda. Hearing none, he read the consent agenda items: Approval of Minutes of the Special Meeting/Executive Session of May 7, 2009, Regular Meeting of May 7, 2009, and Regular Meeting Work/Study Session of May 21, 2009; Approval of Vouchers No. 5-1 through 5-149 totaling (\$1,179,208.03); and Approval of the April 2009 Treasurer's Report totaling \$10,762,780.29; and called for a motion. Commissioner Short moved to approve the consent agenda. Commissioner Niver seconded the motion. Commissioner Hopley called for a vote on the motion, which carried 3-0, with Commissioners Rubin and Mooney absent.

REGULAR AGENDA

COMMUNICATIONS

2009 First Quarter Financial Review

Executive Director Hyde introduced Director Johnson who provided a financial review for the first quarter of 2009. Director Johnson noted operating revenue for the first quarter was down approximately 6% from last year, at \$2,004,000 with decreases in permanent moorage being a factor. Likewise, operating expenses were also reduced and less than budgeted at \$1,920,000. The numbers for non-operating revenues were \$751,000, with capital grants of \$785,000, and non-operating expenses of \$940,000. Director Johnson noted non-operating expenses were related primarily to environmental clean-up. The first quarter net operating income at \$681,000 is below the budgeted number, but still higher than the first quarter of 2008. Director Johnson also noted outside factors that affect these figures, such as a slow down at the refinery, and the seasonality at the Cap Sante Boat Haven.

In responding to questions from the Commission, Director Johnson stated the Port is cautiously optimistic with slip vacancies decreasing, and a petroleum coke ship coming in this month, as well as fuel sales being up by 51% at the Boat Haven.

Update – Interlocal Agreements with Skagit County

Executive Director Hyde reported to the Commission on the Port's receipt of \$600,000 from the Skagit County Commissioners in the form of two grants, a \$500,000 grant for the Pier 1 Project and a \$100,000 grant for refurbishing the Wyman's ramp. Executive Director Hyde explained that the County had actually increased the amount of the awards, over the amount applied for by the Port. The Port will have 24 months from the receipt of the grants to complete the projects.

Upcoming Events

Executive Director Hyde reviewed upcoming events. On Monday, June 8th at 4:00 P.M. the Port will host the next community tour of the Pier 1 Project and Dakota Creek Shipyard area. Those interested in the tour should meet outside the Dakota Creek Office at the corner of 4th Street and Q Avenue.

June 12, 2009, at approximately 11:30 a.m., the Port will hold a public signing and groundbreaking ceremony for the former Scott Site environmental clean-up project. The community is invited to attend the ceremony and a barbeque, both at Seafarers' Memorial Park. This will be the last event held at the Park. The Park building will be moved over to the Port's trailer parking area behind McDonald's restaurant, and the upland and beach areas will be closed until all work is completed.

The Port will once again host the American Cancer Society's local Relay for Life at the Cap Sante Boat Haven, June 26-27th. This year the walkers will be able to use the esplanade area near the boat launch and Harbormasters' office. The Port is represented by a team of Port employees and their families and friends.

The first ever Anacortes Work Boat Races will be held in Guemes Channel on July 18th starting at 4:00 P.M. The Port is assisting with the event. The race committee's next meeting will be June 8th at the Wheelhouse.

The summer free concert series at the Cap Sante Boat Haven begins July 24th and runs through August 14th. August 21st and 22nd the Boat Haven hosts Blues, Brews and Barbeques, with tickets available for upfront concert seats, food and beverages. The concert series is promoted by the Snohomish Artists Guild.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule.

The next Regular Port Commission Meeting will be a Work/Study Session on June 18, 2009, at 7:00 P.M.

COMMISSION COMMUNICATIONS

Commissioner Short reported that he'd had the joy this past week of hosting some high school sailing team students, crewing for him during a yacht club race. He voiced concern over a lack of small boat space in the Boat Haven and encouraged the Commission to look into the availability of both in-water and upland storage possibilities. Commissioner Short noted the new P/Q Dock hoist will help small boaters.

PUBLIC COMMENT PERIOD

Commissioner Hopley opened the public comment period for items not on the regular agenda. Hearing none, the public comment period was closed.

RECESS

Commissioner Hopley stated the Commission would take a brief recess before entering into Executive Session for the purpose of discussing an environmental litigation matter. He noted the Executive Session was anticipated to last for one hour and that action might or might not be taken.

The Commission recessed the regular meeting at 7:38 P.M. At 7:47 P.M., Commissioner Hopley called the meeting back to order and the Commission entered into the Executive Session. The Commission came out of Executive Session at 9:15 P.M. Commissioner Hopley announced that no action would be taken at this time regarding the environmental litigation matter discussed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Niver moved to adjourn, which was seconded by Commissioner Short. Commissioner Hopley called for the vote on the motion, which carried unanimously and at 9:16 P.M. the meeting adjourned.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice-President

Ray Niver, Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner

Julie Johnson Lindsey, Administrative Coordinator
June 4, 2009