

Port of Anacortes
Regular Commission Meeting
September 3, 2009

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of September 3, 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 President Rubin, Commission Vice-President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Director of Finance & Administration and Acting Executive Director Johnson, Director of Engineering Elsner, Marina Manager Fowler, Project Manager Dossen, Project Manager Estvold, and HR Generalist & Operations Assistant Herrick. Executive Director Hyde was excused.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of September 3, 2009, to order and welcomed all in attendance.

PUBLIC COMMENT PERIOD

Commissioner Rubin 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 Rubin called for any objections to the consent agenda. Hearing none, he read the consent agenda items: Approval of Minutes of the Regular Meeting/Executive Session of August 6, 2009, Regular Meeting Work/Study Session/Executive Session of August 20, 2009; Approval of Vouchers No. 8-1 through 8-159 totaling (\$1,990,681.37); Approval of the July 2009 Treasurer's Report totaling \$12,495,306.24; and an action item for: Assignment of Lease – SkipperCress Yacht Sales to Nordic Northwest, LLC. Commissioner Rubin called for a motion for approval. Commissioner Mooney moved to approve the consent agenda. Commissioner Short seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

REGULAR AGENDA

ACTION ITEM

Construction Authorization for P/Q Pier Small Craft Launch In-Water Project, #CSBH-17b

Director Johnson introduced Director of Engineering Elsner who reviewed the item for the Commission. The items requested authorization for staff to proceed with the construction elements associated with the P/Q Pier Small Craft Launch In-water Improvements Project. Director Elsner explained that there had been some debate over the differences that were in the 2009 Capital Improvement Plan versus what this project is. He noted the intent and scope of the project never changed, although the title of the project and elements to pursue with the City

of Anacortes a public access agreement were added, but the P/Q elements were always part of the project and staff has moved forward with that assumption in the design work and in the authorizations brought forward to the Commission

Director Elsner explained this was the final authorization for the project for \$482,458. He noted some cost increases in this line item from the 2009 Capital Improvement Plan reflected the Department of Natural Resources requirement for extensive grading plus modified docks and screening to eliminate the amount of over water coverage during the permitting phase which added approximately \$80,000 additional cost to the project.

The project is divided into two phases, upland and in-water work. The upland phase was substantially completed earlier this summer. The Commission authorized staff to complete the pre-construction elements associated with the project on March 5, 2009. The in-water phase requested for authorization in this item included:

- Installation of a temporary access float between Docks O and P to provide continued access to tenants at Docks P/Q during construction
- Demolition of existing Docks P/Q surface
- Reinstallation, widening and resurfacing of Docks P/Q to 14'-0" wide
- Installation of a 2-ton crane and hoist system for launching of small crafts at the end of Docks P/Q Pier
- Installation of piling and new staging floats for small craft launch
- Widening of Docks P/Q concrete approach pier
- Site communications, electrical and aerial lighting improvements for new small craft launch facility

In-water construction documents were solicited to interested contractors through the Port's public bid roster process on August 17, 2009 and received and evaluated on August 31, 2009. Base bids ranged from \$373,000 to \$678,000 plus applicable Washington State sales tax. Culbertson Marine Construction, Inc. submitted the lowest responsible bid.

In response to questions from the Commission, Director Elsner noted the total cost with all elements of the project, including prior authorizations, was approximately \$600,000, for all portions of the project. This is the final phase of the project and will include installation of the hoist to complete the facility with funds coming from the Tax Fund.

Hearing no further questions for staff, Commissioner Rubin called for a motion. Commissioner Short moved to authorize a construction budget totaling \$482,458 to be spent from the Tax Fund, to complete the P/Q Pier Small Craft Launch In-Water Project, project #CSBH-17b. Commissioner Mooney seconded the motion. Commissioner Rubin called for any discussion.

Commissioner Hopley commented on the characterization of the project as explained by Director Elsner. He noted that the P/Q Dock hoist project was included in a draft version of the budget but was dropped from the budget in favor of a public access improvement project that was defined as a project that would be identified in a "to be identified" process with the City to determine what the Port's public access requirements would be to develop the marina. The budget for such a project was \$450,000. Commissioner Hopley recalled there was a strong expectation that this small craft project would come out of that process. He spoke to what he saw as the importance of separating decisions made by the Commission from those beneficiaries of the project, noting two Commissioners had close ties to the proponents of the P/Q hoist. Commissioner Hopley stated he would vote against the project on principal and his belief that the Port should have continued to go through a process with the City to request that the project meet public access requirements.

Commissioner Mooney noted he had grown up in Anacortes and there had always been a need for this type of small craft hoist facility.

Commissioner Short noted increased access for those with small boats and the benefit to community, believing the hoist would attract more small boaters, not only members of the Yacht Club or OARS, the Old Anacortes Rowing Society. He believed with using tax funds for public access was appropriate.

Commissioner Niver recalled past discussions by the Commission on improved governance and strategic planning, finding the process for the P/Q project lacking in both. He agreed with the Commissioner Hopley that a public access credit might have been derived from further planning and discussion with the City. He noted he would support the project, as it benefited the community, although he disagreed with the approval process.

Commissioner Hopley noted the cost of the project was originally slated to come out of the General Fund in the draft budget. He explained that in past budget discussions, he'd made the motion to delete the project and take the approach to identify the project as public access, wanting the dual benefit of fulfilling public access requirements with the City of Anacortes, and paid for through the tax fund.

Commissioner Rubin noted that waterfront in the Port district was becoming more and more exclusive and it was difficult for the public to get access. He believed public access into the water was needed for all boats. Although a messy process in this case, he noted the intent of the project was met by the project.

Hearing no further discussion, Commissioner Rubin called for a vote on the motion, which carried by a vote of 4-1 with Commissioner Hopley opposed.

UPDATE

Cost Recovery, Spending, and Equipment Purchases for Scott Site

Director Elsner presented the Commission with an update regarding the cost recovery, spending and equipment purchases for work on the former Scott Paper Mill site. Staff has briefed the Commission throughout the past year about the core elements of the project including the relationship with the Department of Ecology the funding from Ecology, the partnering with Ecology on a cleanup plan that was holistic, going after a majority of the contamination, taking it off the property, and taking it to an appropriate upland disposal facility. The Port has also worked aggressively with the Kimberly Clark Corporation to negotiate a final settlement and insure they paid their share of the environmental cleanup as a corporation with liability. Staff wanted to make certain the Commission has a clear understanding of how the Port's cost for the project would be recovered. Director Elsner presented a brief memo outlining three separate cost recovery methods. With the Department of Ecology – the Port is reimbursed for all grant eligible expenses at 50 cents on the dollar with some limits. Chartis is the insurance company formerly known as AIG, formerly known as AIU, which represented Kimberly Clark to provide the POA with an environmental insurance policy for negotiated expenses. The Port presented budgets to Kimberly Clark and Chartis for negotiated amounts with a certain dollar threshold, after which both the Port and Kimberly Clark get into an insurance layer and cost recovery plan. There will be non-grant eligible expenses, primarily for computer equipment and other equipment, personal safety equipment, and inventory which will not be reimbursed by Ecology or Chartis; however, the Port will recover other project costs. The

Port has set up a process where the Port is leasing some of its properties and facilities to the project, including the trailer parking lot behind McDonalds, an area on Pier 2, and moorage in Cap Sante Boat Haven. Those lease fees are grant eligible from Ecology and are reimbursable from Chartis. These are three different types of cost recovery, with one other component being Port salaries for a negotiated amount of over \$1 million dollars over the life of the project with all who work on the project charging and tabulating their time, for which the Port is reimbursed. Those salaries have been reclassified out of the Port's regular budget.

Director Elsner and Director Johnson responded to questions from the Commission. Both noted the Commission will see these amounts represented in upcoming voucher lists, with the effort by staff today being to make certain the Commission had a clear understanding of the amounts and how they would be funded. Commissioner Hopley praised the efforts of Port staff in the organization and execution of the project and agreements. A copy of Director Elsner's presentation, including more information on dollar amounts will be attached to the approved version of these minutes.

DISCUSSION ITEM

Annual Commission Calendar

Commissioner Rubin led a discussion of a calendar prepared by staff, indicating annual items that come before the Commission. Members of the Commission expressed an interest in having staff add Washington Public Port meetings, local events in which the Port is a participant, the Commission's annual retreat and the Executive Director's report to the Commission, to the calendar. Commissioners Rubin and Short will work with the Administrative Coordinator to make the additions.

COMMUNICATIONS

Director Johnson had no additional updates for the Commission at that time.

COMMISSION DISCUSSION

Commissioner Rubin called for any discussion by members of the Commission.

Commissioner Short noted concerns for the rocks that are near the north side of the entrance to the Cap Sante Boat Haven. Over the years a couple of boats have run up there. Commissioner Short explained that both he and Marina Manager Fowler had requested additional lighted signage markers from the Coast Guard. They will be touring the area on the evening of September 20th, and asked if any Commissioners wished to attend. Commissioner Short will report back to the Commission on the conditions found.

Commissioner Hopley noted that discussion at a recent Port/City Liaison Committee meeting had included speculation about the use of the north end of the Boat Haven by small boat and various other groups. Commissioner Hopley wished to see a regular report on the discussions from the liaison committee meetings given to the Commission. Commissioner Short offered some clarification on the recent discussion and hearing the affected public's opinion. Further discussion ensued on the idea of input from advisory committees in meetings run by staff. Commissioner Rubin will ask Executive Director Hyde to provide a report to the Commission at the next regular meeting.

Commissioner Mooney asked for clarification regarding the purpose of the calendar and whether it was a tool for the Commission to bring items forward for consideration. Commissioner Rubin explained that the Commission Discussion period of each meeting was intended for that purpose. If, after discussion, an item brought forward by a Commissioner had sufficient support for further consideration, staff could be directed to put together an action item for a future meeting.

UPCOMING MEETINGS

Director Johnson reviewed the Commission's upcoming meeting schedule.

The next Regular Port Commission Meeting will be a Work/Study Session on September 17, 2009, at 7:00 P.M. Earlier that day; the Port will host local elected officials for a luncheon and tour of Port projects. At 2:00 P.M., members of the Commission and Port staff will attend the groundbreaking ceremony for the Northwest Career & Technical Academy Marine Skills Center at the Port's Parcel One property. The first meeting for October will be on October 1, 2009 at 7:00 P.M.

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.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Hopley moved to adjourn, which was seconded by Commissioner Mooney. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 8:06 P.M. the meeting adjourned.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice-President

Ray Niver, Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner