

PORT OF ANACORTES

Minutes-Special Meeting

February 1, 2011

The Port Commission of the Port of Anacortes held a Special Commission Meeting on February 1, 2011. The purpose of the meeting was for the Commission and staff to attend a Commission retreat. This meeting was held at the Breazeale Padilla Bay Interpretive Center in Mount Vernon, Washington. No official action was taken.

In Attendance: Commission President Rubin, Commission Vice President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Executive Director Hyde, Director Finance & Administration Johnson, Director of Operations & Facilities Hachey, and Executive Assistant Lindsey.

Others in attendance included Port legal counsel Frank Chmelik, serving as facilitator for the morning session.

Economic Development Association of Skagit County (EDASC) Executive Director Don Wick joined the meeting for lunch.

At 9:00 A.M. Port Commission President Rubin called the Special Meeting to order and announced the purpose of the Special Meeting. He noted that this was an informal seminar format for the purpose of organizational and Commission assessment, communication, and function, and no action be taken.

Review of Past Retreats –

Commissioner Rubin reviewed topics of past retreats held by the Commission:

2006 – Changing the culture of the organization and of the Commission.

Hiring a new Executive Director

Finishing the Trailer Boat Launch

2007 – Ethics

Use of Committees

Project Priorities Matrix

2008 – Governance

Ends Development Work

How to develop Policies

2009 – Strategic Plan Review begun

Discussion of Tourism

Goal Setting for the organization, Commission, and Commissioners

Governance initiatives - Improved decorum in meetings, use of Roberts Rules of Order, reducing length of meetings, better quality deliberations

No personal interest above public interest

Commissioner involvement in the community

Increase revenues, acquire property and develop a matrix

Joint planning with the City

Find an anchor tenant for the Boat Haven

2010 –Assessing the Port’s political bank account. Commissioners scored this at an average of 6.7 out of 10.

Progress on 2009 goal setting and governance initiatives

Commissioner Rubin noted that the Commission had made good progress over the years and especially in the last year.

Commissioner Hopley observed that reviewing past retreats was a great exercise and should be done during the first half an hour of each retreat.

Port counsel Chmelik recalled past retreats during which the Commission had described themselves as viewed as reactionary and indecisive. In contrast, words or phrases the Commission now used to describe themselves and how they and the Port were perceived included:

Goal Oriented, Progressive, Innovative, An Economic Development Engine, Open, Leaders on Difficult Issues, Vital, and Result Oriented.

Clarifying Commission versus Staff Roles –

Mr. Chmelik led the Commission in a discussion of fulfilling the Port’s Mission and clarifying Commission versus Staff roles. He noted that the Commission was now well respected and trusted by their peers in the Washington Public Ports Association, and state and local agencies such as the Department of Ecology. He asked the Commission and staff to give the Port and Commission a letter grade, with the average being a B+ overall. Commissioner Niver believed this was as much a grade for the Port staff as the Commission, with the change in staff contributing in large part to the Port’s success. He stated the Commission respected staff and as a result, delegated responsibility to them, allowing the Commission to deal with governance and policy setting goals.

Strategic versus Tactical Planning –

The Commission discussed strategic versus tactical planning and procedures, including budget based management and how Commissioner ideas and requests of staff are handled. Topics touched upon included Commissioner input regarding the use of the transit shed, feedback about the Anthony’s parking lot, and safety observations at the Boat Haven and Airport. Mr. Chmelik suggested that in these cases the Commission request that staff look into a Commissioner’s inquiry and then report back to the Commission as a whole. Commissioner Niver observed that the Port has a policy resolution with procedures for doing so, Resolution No. 1226. The Commission reviewed this policy resolution and following discussion determined that the Executive Director will include a status report on any issues brought to him in his weekly update to the Commission. The Commission also has an opportunity at each meeting to bring up items under Commission discussion that they wish the other Commissioners and staff to be made aware of. Staff will ask for explicit direction from the Commission when needed. Regarding the Transit Shed in particular, the Commission will examine long-term use of that facility as a future agenda item.

Consensus Decision Making –

Commissioner Rubin distributed a handout he had received during an extension course regarding the Continuum of Consensus. He noted that among his goals as Commission President was that everyone's opinion be heard. The Commission discussed this, noting that it was in the development of a policy that the real consensus was most important, with Commissioner Hopley noting that to do so would result in a better end product. Commissioner Rubin observed this would also require educating one another on items any Commissioner did not have knowledge of or were not aware of. An example of this was the Commission's discussions regarding prilled sulfur operations, transportation, and air quality.

The Commission took a short break for lunch, during which they were joined by Don Wick, Executive Director of The Economic Development Association of Skagit County (EDASC). Mr. Wick thanked Executive Director Hyde for serving on the EDASC Board. He noted the Port is doing well. The addition of Anthony's will bring other businesses to the Boat Haven, and the new Marine Trades Skills Center will provide needed support for the marine industry.

Discussion Item: Property Acquisition – Policy Development -

Commissioner Rubin noted that Port staff was working on creating a property inventory. He reviewed that at its meeting of October 25, 2010, the Commission had discussed property acquisition and creating a policy for considering the criteria for purchasing property. Those criteria and priority were as follows:

Economic Development	55%
Public Access	20%
Buffers	15%
Protection of Waterfront	7%
Environmental Mitigation	3%

Commissioner Rubin noted the Commission had also determined that environmental cleanups and inventories were stand alone categories. He noted the Port had never tapped into its ability to create an industrial development district fund. Commissioner Short felt that properties adjacent to properties owned by the Port should have priority for purchase. Commissioner Hopley observed that the Commission needed to expand on the criteria above as all inventory would fall into one of those categories. Commissioner Rubin noted that the next step was to determine how to turn these priorities into a policy.

Discussion ensued with the Commission developing the following list of evaluation criteria:

- Adjacency
- Demand/Need
- Price/Cost
- Zoning
- Control
- Fits existing Comprehensive Plan and Strategic Plan

The Commission agreed that these criteria would not be weighted since each could be a priority in different acquisition situations. Commissioner Rubin stated he would work with Port staff to develop a score sheet combining the criteria discussed.

Commissioner Rubin inquired whether government organizations should do things that private citizens won't do or can't do. Commissioner Niver believed this to be true so long as government was not in competition with private industry. Commissioner Hopley noted the Commission should keep in mind the overriding principal of the Port was Economic Development. Commissioner Short agreed, noting the Port has acquired property to support living wage jobs and to protect zoning that held those jobs.

Commissioner Hopley noted the Port should look into purchasing development rights where they might be available to protect zoning.

The Commission also discussed how much "shovel ready" property was needed, with Commissioner Mooney believing that some available property was needed to attract new businesses and expand existing tenants as needed. Commissioner Niver noted the Port has limited reserves and that land purchases might limit the Port from doing other things. Commissioner Hopley favored examining the property inventory being created by staff and looking to see if there were any categories in which the Port is low on the percentage of property identified as desirable by the Commission.

Commissioner Rubin re-introduced the topic of Industrial Development District funding which Director Johnson observed has a time limit factor and generally was utilized in cases where a taxing district has run out of taxing ability.

The discussion then returned to the Comprehensive Plan and Strategic Plan noting which areas of Port operations have property needs or limitations at present. Also discussed was whether the Port should have some inventory available in each operating area. The Boat Haven and Airport have land availability at present; however more land could be needed at the Marine Terminal for marine business facilities and space. The Commission noted it can take 3-5 years for a property to be "shovel ready" and they did not want to see a lack of property be a limiting factor to growth. Also agreed upon was considering the needs of existing tenants as priority, while finding value in diversity. Commissioner Niver observed this was noted in the Port's Strategic Plan.

Commissioner Rubin noted concern over the Port's present reliance on the petroleum industry. Director Hachey observed that if the refineries produced higher volumes (of materials such as petroleum coke) they would build their own facility for further refining them instead of shipping them to others. The Port concentrates on building and helping business by operating facilities that help local industry.

Other topics of discussion –

Commissioner Rubin noted that Commissioner Hopley had stated publically that he would not be running again for Port Commissioner when his term expires then end of this year. He asked the Commission for their input on how to best keep an organization on-track with changes in leadership and how to "institutionalize" the present level of the Commission in terms of governance. Commissioner Rubin noted he wished

Commissioner Hopley would reconsider as he had always found his comments stimulating and thought provoking.

In answer to Commissioner Rubin's question, Commissioner Hopley believed that continuing to do as the Commission had been doing, setting policies for guidance, was the best way to continue, noting the Commission's legacy would be long lasting and beneficial policies for the Port.

ADJOURNMENT

Having no other business to discuss at this time, Commissioner Rubin called for a motion to adjourn. Commissioner Niver moved to adjourn the special meeting. Commissioner Short seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously, and the Special Meeting adjourned at 3:02 P.M.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice President

Ray Niver, Secretary

William L. Short, Commissioner

Steve Hopley, Commissioner

Julie Johnson Lindsey, Executive Assistant
February 1, 2011