

**Port of Anacortes**  
**Regular Commission Meeting**  
**April 21, 2011**

The Port Commission of the Port of Anacortes held its regular business meeting and work/study session at 7:00 P.M. on the evening of April 21, 2011. This was a regularly scheduled Commission Meeting held Skyline Beach Club, 6041 Sands Way, Anacortes, Washington.

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

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Marina Manager Fowler, Information Systems Administrator Parker, Project Manager Rowe, and Executive Assistant Lindsey.

Filming the meeting on behalf of the Port was Mr. Andy Stevens and Mrs. Mary Stevens.

CALL TO ORDER

At 7:02 P.M. Commission President Rubin called the regular meeting of April 21, 2011, to order noting that this was the Commission's annual meeting held at the Skyline Beach Club, and welcomed all in attendance.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda.

1. *Mr. Roger Born, 2008 Piper Circle, Anacortes, addressed the Commission. Mr. Born thanked the Commission and staff for doing a great job and the Port for what it does for the community. He also thanked the Commission for coming out to the west end of Anacortes for this annual meeting.*

Hearing no one with a desire to address the Commission the floor was closed.

CONSENT AGENDA

Commissioner Rubin read the consent agenda action items as follows:

Contract Acceptance for the Former Scott Paper Mill Cleanup Project – Phase 2, Project #ENV-01B – accepting as complete the construction contracts with Pacific Pile & Marine, L.P. and Nickel Brothers House Moving USA, Inc.

Resolution No. 1231 – Real Estate Acquisition Policy

Award of Fuel Contract – PetroCard for diesel, gasoline and oil products for the Cap Sante Boat Haven.

Resolution No. 1232 – Auction of Abandoned Vessels for non-payment of Port charges.

Authorization for Write-off of Uncollectible Accounts – Yachtlease and Tronsdall Tug & Barge.

Commissioner Rubin called for any objections to the consent agenda and hearing none, called for a motion. Commissioner Short moved to accept the consent agenda, and Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

Executive Director Hyde thanked the Commission for the policy in real estate acquisition which will provide guidance to staff.

## REGULAR AGENDA

### ACTION ITEM

#### Construction Authorization for the Puget Sound Rope Office Building, Project #PROP-07 -

This item requested Commission authorization for staff to proceed with construction elements necessary to complete the Puget Sound Rope Office Building.

Executive Director Hyde introduced Project Manager Brady Rowe who reviewed the item for the Commission. The project involves all labor, materials, and equipment necessary to complete site improvements for a new 4, 700 square foot office building, including but not limited to site grading and drainage, and construction of the office building to include utility extensions and landscaping. The building will house eleven offices, a reception area and accommodate Puget Sound Rope Administration, sales and staff while freeing up more of the warehouse space for manufacturing.

Bids were solicited through the Port's public works bid process with the bid opening held April 11, 2011. Four contractors bid on the project with Roosendaal-Honcoop Construction, Inc. of Lynden submitting the lowest responsive and responsible bid of \$716,284 including signage additive, approximately \$100,000 under budget. Construction allowance, oversight and administration bring the total request to \$818,659. Funding for the project will come from the Port's Property Sales Proceeds Fund. Completion is anticipated in Winter 2011/2012.

Commissioner Rubin called for a motion prior to discussion. Commissioner Mooney moved to authorize a construction budget totaling \$818,659.00 to be spent from the Property Sales Proceeds Fund, for the construction elements of the Puget Sound Rope Office Building, Project #PROP-07. Commissioner Short seconded the motion. Commissioner Rubin called for discussion, and hearing none, called for a vote on the motion, which carried unanimously.

### STUDY SESSION

#### Update – Airport Projects -

Project Manager Rowe reviewed completed and on-going projects at the Anacortes Airport. 2009 saw the additions of a web camera, ADS, Apron lighting, and a Snow plow. 2010 projects included residing and window replacement for the Fixed Base Operations building, as well as re-routed electrical systems, repainting, and a new heat system upgrade to radiant heat. Also in 2010 was the addition of a FOD Boss – similar to a sweeper for the runway, and the replacement of the fuel tank cathodic protection.

Projects begun in 2009/2010 include the Airport stormwater management and detention pond analysis. Manager Rowe reviewed the scope of the project, which is currently in the end stages of Phase 2 Design Determination with Airport consultant W & H Pacific. Research has indicated that detention ponds near the Airport are not advised since they attract birds and other wildlife. The Federal Aviation Administration (FAA) and the City of Anacortes have reviewed improvements to the present downstream system, including the installation of larger pipes for

direct discharge. The FAA recommends this solution over the installation of underground vaults for stormwater retention, as well as it being the least costly alternative.

Tree obstruction removal due to safety concerns is an on-going item as needed.

A new Airport sign was installed on the Port's property on Oakes Avenue and Anacopper Road. The sign includes all airport tenants and was designed and executed in-house by Port staff.

2012 marks the year that planning will need to begin for the Airport Master Plan, which will be 20 years old in 2014 and is on the Port's master calendar for preparations beginning next year.

Future projects at the Airport include vegetation management and pavement management projects.

Commissioner Rubin thanked Manager Rowe for the report and invited questions from the Commission.

Commissioner Mooney asked for clarification regarding the stormwater project. Executive Director Hyde explained that the drainage pipe that runs from the Airport downhill and daylighted at Ship Harbor is undersized at 18" and could use replacement. The City is interested in the Port digging up and replacing the old pipe with a new, larger one of at least 24". The pipe is gravity fed. Commissioner Niver asked if the Port has abandoned the idea of an underground detention system. Manager Rowe noted that the FAA prefers direct discharge due to the costs and time involved.

Commissioner Niver further inquired about work on a new Airport Master Plan. Manager Rowe explained that the Port's Comprehensive Plan calls for Airport Master Planning to begin in 2012. Commissioner Niver observed that it will take a lot of planning and inclusion of public input regardless of FAA requirements.

Commissioner Short inquired as to the status of the three buildings along the Airport fence line. Executive Director Hyde reported that the land is being leased but any project work involving that area is on hold.

Commissioner Niver inquired whether aircraft maintenance is performed on planes in the Tie-Down area to which Manager Rowe noted it was not.

Commissioner Rubin inquired about FAA grant availability and whether the stormwater work might be funded. Manager Rowe noted that he had received an e-mail from the FAA the day before that indicated funding for the project for this year is coming through. Commissioner Mooney noted that funding for airport improvements comes from ticket sales. Executive Director Hyde explained that the Port is at the lowest level of funding at \$150,000 per year due to the Airport's small general aviation status.

Commissioner Hopley noted the future process area which he believed implied that the FAA has expressed an expectation that development of that area would be a part of the next Airport Master Plan and he wished to note there was never any discussion of a time table for the use of that area.

2010 Fly-In Chair Ken Davies reported to the Commission on the success of the 3<sup>rd</sup> semi-annual event, held June 12<sup>th</sup> with approximately 115 aircraft attending throughout the day. Highlights included the Black Jack Squadron, a group of retired naval aviators who performed a fly-over in formation. Mr. Davies noted the event was well-attended by the public and that no incidents were reported. The Anacortes High School cheerleaders used the event to sell bottled water as a fundraiser and the local Kiwanis club sold food. He explained that the pilots hold the Fly-Ins to educate the public and increase public awareness, not just for recreational flying, but also for business use. Due to construction at the Bayview Airport, there will be no Fly-In there this year.

Mr. Davies noted that a big improvement at the Anacortes Airport is the installation of the camera system. Pilots use this to check the weather which can vary greatly from Whidbey to Anacortes, as an example. Since there is no approach system at the Anacortes Airport, the cameras provide a great deal of helpful information.

#### Airport Performance Indicators –

Executive Director Hyde provided the Commission with a performance indicators report for the Airport from Director of Operations & Facilities Hachey. He noted these reports are prepared monthly and shared with staff. The report for the Airport shows that aviation air services and commercial flights are trending downward with fewer passengers than during the previous three years. Monthly take-offs are also lower, averaging approximately 600 per year or 25 per day. Parking revenues are down from prior years and San Juan Airlines has announced they will not renew their lease for the parking areas nearest the fixed operations building. Airplane tie-downs are lower with fewer transient aircraft visiting and likewise fuel sales are down, with the cost of aviation fuel being very expensive.

#### 4<sup>th</sup> Quarter Financial Report –

Director of Finance & Administration Johnson provided the Commission with an overview for the fourth quarter ending December 2010. Operating revenues were up about 6% over the same period for 2009, while operating expenses were up about 2% compared to 2009. Total operating revenues for 2010 were \$10.3 million and total operating expenses were close to \$9.5 million for a net operating income of \$828,000. Director Johnson noted the increase in net income could be attributed to Port staff that as an organization have done a nice job of reducing expenses. The Port holds monthly cash flow meetings between the finance department and the project managers and will be presenting this process as a model at the Washington Public Ports Association meeting this year.

Director Johnson also reviewed Non-operating revenue of \$616,000 and expenses of \$611,000, and capital grants of \$300,000. Environmental grants and recoveries were about \$2,000 ahead of expenses. Overall net income was below that of 2009 and below budget projections. Director Johnson noted that net income was harder to quantify due to reporting standards. Approximately \$15 million was included as additional costs for the former Scott Paper Mill Site. Commissioner Niver observed that the \$15 million surplus was listed as a \$15 million loss the previous year. Director Johnson concurred, noting this was an accounting function.

Director Johnson explained that a big difference at the end of 2010 was the Port's going out for bonds totaling \$4.5 million to fund the replacement of E&F Docks at the Cap Sante Boat Haven. Debt to Capital Ratio was 0.35:1 and the Port's Efficiency Ratio was 0.92:1. The Port's gross profit margin was better in 2010 but still left a ways to go to meet that of the year's prior to the

recession. Weekly meetings between the accounting and marina office departments have improved outstanding day sales with fewer accounts at more than 20 days past due. Tax revenues for 2010 were 7% of operating revenues, the lowest in the past five years.

Commissioner Mooney noted the Port has made a large number of improvements and had done a lot with just a small amount of funding overall. Commissioner Rubin thanked Director Johnson for the report and for including the ratios he had requested.

### COMMISSION DISCUSSION

#### Airport Master Plan

Commissioner Niver noted he was surprised to see that Port staff had decided to go ahead with a new Airport Master Plan, as that decision should be up to the Commission. He related that the only person he thought understood the Port's agreement with the City in regards to the Airport was Ian Munce, who no longer works for the City. Commissioner Niver explained that the Airport Master Plan is the Port's and not the FAA's and that in his opinion the Federal government did not have authority to determine what the Port's plans should be and those plans should be consistent with the City.

Commissioner Hopley stated he found it logical the Airport Master Planning process should be started given that the existing Master Plan was a 20 year plan and involved a lengthy process to produce. He noted he had heard Executive Director Hyde mention over the past few years that the Port would begin the planning process in 2012, so he was not surprised to see it as a communications item on the agenda.

#### Redistricting in Accordance with the 2010 Census

Commissioner Rubin reported that the State of Washington has told the Port, along with other Cities and districts, and so on, that it is due for redistricting. This is required to be done following each census. The Port recently received the data from Skagit County. Commissioner Rubin and staff will examine the data and present it to the Commission at a future meeting. The Port needs to send its proposal for redistricting, if needed, and a report if not needed, to the State by December 31, 2011. Executive Director Hyde added that the State had sent the entire State Census information along with redistricting instructions on four condensed compact discuses. Commissioner Niver wished to examine the data.

#### Real Estate Acquisition Policy

Commissioner Hopley observed the Commission had passed a consent agenda earlier that evening which included a policy on real estate acquisition. He thought this was a good step in the right direction for policy driven decisions. Commissioner Hopley explained that the Commission had also spent a good deal of time working on a Port parking policy, working towards an eventual plan. He noted the Commission should continue to examine policies to improve them, thinking an addendum to a resolution would be preferable to the resolution format, with research done on essential items needed for inclusion in a policy. This was discussed briefly by the Commission. Commissioner Short observed that paid parking was a ways down the list of parking priorities. Using the parking leased to UPS for distribution, he questioned whether that function was more parking or a distribution function and should be rated properly. Commissioner Niver agreed, believing the UPS example to be more of a business operation that a parking lease, and was relatively temporary since the vehicles were moveable. Commissioner Mooney observed that UPS is a business on wheels.

## COMMUNICATIONS

Executive Director Hyde noted the agenda for May 5<sup>th</sup> would include initial discussions on the 2012 Capital Improvement Plan scoring and review, which will also include the Airport Master Planning timeframe.

Having received approval from the Commission, the Port will hold a groundbreaking for the new Puget Sound Rope Office building on April 29<sup>th</sup> at 11:00 a.m. at 2<sup>nd</sup> Street and “O” Avenue in Anacortes. Anacortes Architect Mike Underwood, who designed the new building, along with one associate was in attendance this evening. Puget Sound Rope has a long-term lease.

## UPCOMING EVENTS

Executive Director Hyde reviewed upcoming events. The Port’s 2<sup>nd</sup> Annual Opening Day of Boating Season will be held May 7<sup>th</sup> at the Central Pier of the Cap Sante Boat Haven, beginning at 12:00 p.m. All major local boating organizations will have a representative in attendance.

The next Community Tour of Port projects will take place on May 9<sup>th</sup> at 4 p.m. at the Scott Site.

Trawlerfest comes to the Boat Haven on May 9-14<sup>th</sup>.

The grand re-opening of the Seafarers’ Memorial Park and \$34 million dollar cleanup will take place at the Park on May 20<sup>th</sup> beginning at 11:30 a.m. Commissioner Niver noted the Port staff had done very well to integrate the needed upgrades of the Park and surrounding area with the environmental cleanup process. Executive Director Hyde praised the work of Project Manager Becky Darden, Director Johnson, and former Director Elsner.

The annual Waterfront Festival Kick-off Dinner will be held on May 20<sup>th</sup> as well, beginning at 6:00 p.m. in the Transit Shed. The Festival itself will be held at the Boat Haven May 21<sup>st</sup> & 22<sup>nd</sup>.

Other upcoming Transit Shed events include the April 22<sup>nd</sup> Farmer’s Market Fundraiser and the April 29<sup>th</sup> Island Hospital Gala of Hope.

## UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission’s upcoming meeting schedule. The next Regular Commission Meeting will be on May 5, 2011 at 7:00 p.m. at the Commission Meeting Room. Included on the agenda is a 2% moorage rate increase, the first in three years, as outlined in the 2011 budget. Also on the agenda is an action to request Executive Director contracting authority be extended from one year to three years for contract consultants. There will be no second meeting in May due to members of the Commission and staff attending the Washington Public Ports Association spring meeting in Blaine, May 19-20.

## PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda.

1. *Mr. Val Johnson, 5102 MacBeth Drive, Anacortes, addressed the Commission. Mr. Johnson identified himself as having lived at his present residence since 2003. He inquired about regulations for jet aircraft operating from the Anacortes Airport. Mr. Johnson was concerned about jets using the Airport’s small runway and taking off over houses. He asked what criteria the FAA and Port use for deciding and controlling who uses the runway.*

Commissioner Rubin noted the FAA does make those regulations. Executive Director Hyde will provide more information to Mr. Johnson on aircraft wingspan and weight regulations for the runway and Airport.

*2. Mr. Jack Barnard, 4415 Kings Way, Anacortes, addressed the Commission. Mr. Barnard wished to compliment the Port on the work done at the Seafarers' Memorial Park, noting the whole area was much more user friendly, attractive, open and easier for small boaters to use.*

Hearing no others with a desire to address the Commission, the public comment period was closed.

Commissioner Rubin thanked the Skyline Beach Club for providing the meeting venue and Andy and Mary Stevens for filming.

### ADJOURNMENT

With no further business to come before the Commission, Commissioner Niver 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:**

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Keith Rubin, President

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Pat D. Mooney, Vice-President

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Ray Niver, Secretary

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Steve Hopley, Commissioner

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William L. Short, Commissioner

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Julie Johnson Lindsey, Executive Assistant  
April 21, 2011