

**Port of Anacortes**  
**Regular Commission Meeting**  
**April 1, 2010**

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of April 1, 2010. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1<sup>st</sup> & Commercial Avenue, Anacortes, Washington.

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

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Operations & Facilities Hachey, Director of Engineering Elsner, Environmental Administrator Thoman, Office Assistant Timmerman, and Executive Assistant Lindsey.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of April 1, 2010, to order and welcomed all in attendance. He made note that Commissioner Mooney was joining the meeting via speakerphone and confirmed that Commissioner Mooney could hear and be heard. Commissioner Rubin noted that following the second public comment period the Commission would enter into Executive Session to consider the lease, sale or purchase of real property. The Executive Session was anticipated to last for one hour, and action might or might not be taken.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda. Hearing no one with a desire to address the Commission, the floor was closed.

CONSENT AGENDA

Commissioner Rubin read the consent agenda items: Approval of Minutes of the Regular Meeting/Executive Session of March 4, 2010, Special Meeting/Joint Meeting with the Port of Skagit County Commission of March 16, 2010, and Regular Meeting/Executive Session of March 18, 2010; Approval of Vouchers No. 3-1 through 3-154 totaling (\$2,706,218.12); Approval of the February 2010 Treasurer's Report totaling \$9,469,730.49; and an action items for: Project Acceptance of Construction Contract for 2009 Airport Improvements – Project #ARP-16, and Approval of Facilitator Training for Commissioners. Commissioner Rubin called for any objections to the consent agenda. Hearing none, Commissioner Rubin called for a motion for approval. Commissioner Short moved to approve the consent agenda. Commissioner Hopley seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

REGULAR AGENDA

ACTION ITEMS

Second Assignment of Lease and Estoppels Certificate Rhonda-Drona, LLC (Randy's Pier 61 Restaurant) to KB Newbatt Investments, Inc. -

Executive Director Hyde introduced Director of Operations & Facilities Hachey who reviewed the item, which sought Executive Director authorization for the Second Assignment of Lease and Estoppels Certificate of the Rhonda-Drona, LLC (doing business as Randy's Pier 61 Restaurant) land lease to KB Newbatt Investments, Inc. The Port owns the property on which the restaurant is located. Restaurant owners Randy and Jennifer Wingett have decided to sell their business and paragraph 8.1 of their lease requires that they receive the Port's consent for any assignment of the Lease.

Director Hachey noted that the Newbatt's will pay a security deposit of one year's lease payments and excise tax. The Barrett/Wingetts and the Newbatts acknowledge and agree that the Port's adjoining property has been and will continue to be used for marine industrial purposes and the effects such purposes generate. The lease is approximately \$15,700 per year with a market adjustment every five years. The next such adjustment is scheduled for 2010. The Newbatts have indicated that they intend to remodel the restaurant. In response to questions from the Commission, Director Hachey noted that the small dock near the restaurant is not included in the lease, and is in fact, leased to another business.

Hearing no additional discussion, Commissioner Rubin called for a motion. Commissioner Hopley moved to authorize the Executive Director to Execute the Second Assignment of Lease and Estoppels Certificate for the Rhonda-Drona, LLC lease to KB Newbatt Investments, Inc. Commissioner Niver seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

DISCUSSION ITEM

Executive Director Authority –

Executive Director Hyde reviewed proposed updates to the Executive Director Authority resolution, Resolution No. 725 which dates from 1985. As provided to the Commission at the March 18, 2010 meeting, the suggested updates propose increases to authority for effectiveness and efficiency as well as to be consistent with state law and other authorizations including the processing of small contracts. Executive Director Hyde reviewed each proposed change and requested input from the Commission. Questions from the Commission centered primarily on increases to authority for leases, contract amounts, change orders, and the role of the Commission in contract oversight. Executive Director Hyde thanked the Commission their input and noted that he would bring a revised proposal including their suggested changes to the Commission for additional review in May.

UPDATES

4<sup>th</sup> Quarter 2009 Financials –

Director of Finance & Administration Johnson provided the Commission with an update and noted that a year-end report is submitted each April as a statutory requirement of the Government Accounting Services Board (GASB) regulation 49. A copy of Director Johnson's report will be attached to the approved version of these minutes.

Director Johnson explained that operating revenues were somewhat lower in the 4<sup>th</sup> quarter of 2009, largely due to lower volumes at the Marine Terminal with coke handling numbers down and wharfage down approximately 25%. In comparison, revenues at the Boat Haven were down by a lower percentage of 8% from 2008. Operating expenses were only slightly higher overall in 2009 with stevedoring costs at their highest in the Port's 3-year contract. These costs are expected to lessen when that contract turns over in July 2010. Director Johnson's review of total operating revenues showed that the fuel dock at the Boat Haven had gross revenue of \$260,000 and continues to be a productive facility investment. Overall, the Port's net income for 2009 was approximately \$457,000.

Director Johnson reviewed the Port's capital grants, environmental grants, and related expenses. In response to questions from the Commission, he noted that reimbursements for the Port's expenditures for environmental cleanup at the Former Scott Paper Mill site are averaging 30 days from the Dept. of Ecology and 60 days from Chartis, the insurance company representing Kimberly Clark. Director Johnson also reviewed the requirements of GASB 49 and their effect on how the environmental expenditures and reimbursements are reported.

#### E & F Dock -

Director of Engineering Elsner provided the Commission with an update regarding the eventual replacement of E & F docks at the Boat Haven. He noted that the Port has selected the structural engineering firm of PND Engineers, Inc. to manage the replacement for these docks, based on the slip configurations approved by the Commission in the 2008 Comprehensive Plan. The Port will put together a procurement package so that budget decisions can be made regarding financing. Director Elsner explained that the Port is also looking into grant funding for the replacement and related dredging and upland improvements for public access, including a federal Boating Infrastructure Grant (BIG) and a state ALEA grant.

#### COMMISSION DISCUSSION

Commissioner Rubin called for any discussion from the Commission. None was forthcoming.

#### COMMUNICATIONS

Executive Director Hyde introduced Port Office Assistant Christine Timmerman who was recently selected for her position from a field of more than 250 applicants. Christine was present this evening for training and will begin her full time duties at the Port's Main office on April 12<sup>th</sup>. Christine is a native of Maine. Her spouse is stationed at NAS Whidbey.

Executive Director Hyde noted he had attended a presentation by the Economic Development Association of Skagit County the previous day, as did members of the Commission and a wide variety of local elected officials. The featured speaker was Washington State University President Floyd, who spoke on the addition of economic development to core goals.

Executive Director Hyde observed the 2010 Fidalgo Chapter of the Puget Sound Anglers 4<sup>th</sup> Annual Salmon Derby was another huge success. Port staff at the Boat Haven launched 160 boats on Saturday and retrieved nearly that many on Sunday. The winning salmon was caught by Ralph Thomas and weighed 27.4 pounds. Anacortes winners included Tim Starkovich in third place and Terry Dorn for the Secret Weight category. Congressman Norm Dicks was in attendance. Executive Director Hyde thanked Derby Chairman Jay Field for all of his work in running a terrific family event that also provides an economic boost to the community.

### Upcoming Events –

Executive Director Hyde provided a review of upcoming Port events.

The ribbon cutting ceremony for the P/Q Dock Small Craft Hoist will take place on April 9<sup>th</sup> at 11:00 a.m. at the head of P/Q Dock in the north end of the Boat Haven.

The Anacortes Chamber of Commerce will host its annual Wine Fest in the Transit Shed from 12:00 to 5:00 p.m. on April 10<sup>th</sup>. Following the close of that event the Transit Shed will be prepared for the display and celebration of the America's Cup, the oldest trophy in the history of sport, won in February by the BMW Oracle racing team using a vessel that was largely constructed in Anacortes.

The next Project Community Tour is scheduled for April 12<sup>th</sup> at 4:00 p.m. and will meet at the Dakota Creek office at 4<sup>th</sup> & Q Avenue and will then proceed to the Scott site project area.

The Port's Airport Advisory Committee will meet on April 13<sup>th</sup> at 5:00 p.m. in the Commission Meeting Room.

On May 1<sup>st</sup>, the Port will host its 1<sup>st</sup> Annual Kick-off to Boating Season at the Cap Sante Boat Haven. This new event will begin at noon and features the presentation of burgees to Port tenants of twenty years or more.

### UPCOMING MEETINGS

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

The next Commission Meeting will be the Regular Commission Meeting Work/Study Session of April 15, 2010, followed by a Special Meeting/Strategic Planning Session on April 20, 2010. The first Regular Meeting in May will be May 6, 2010.

### PUBLIC COMMENT PERIOD

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

### EXECUTIVE SESSION

Commissioner Rubin announced that the Commission would take a brief recess before moving into Executive Session to consider lease, sale or purchase of real property. The Executive Session was expected to last for one hour and action might or might not be taken following its conclusion. The Commission recessed at 8:21 P.M. and moved into Executive Session at 8:25 P.M. At 9:02 P.M. the Commission came out of Executive Session. Commissioner Rubin announced that no action would be taken regarding the matters considered and discussed.

### ADJOURNMENT

With no further business to come before the Commission, Commissioner Short moved to adjourn, which was seconded by Commissioner Niver. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 9:03 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 1, 2010