

**Port of Anacortes**  
**Regular Commission Meeting**  
**September 2, 2010**

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of September 2, 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 Vice-President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Operations & Facilities Hachey, Director of Engineering Elsner, Marina Manager Fowler, Accounting Manager Behan, Project Manager Darden, and Executive Assistant Lindsey.

Others in attendance included Port legal counsel Frank Chmelik.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of September 2, 2010, to order and welcomed all in attendance. He announced that an executive Session would be held following the second public comment period for the purpose of discussing litigation or potential litigation with legal counsel, as well as the lease, sale or purchase of real property. Anticipated duration was expected to be 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 of August 5, 2010, Regular Meeting Work/Study Session of August 19, 2010, and Special Meeting/Site Tour of August 23, 2010; Approval of Vouchers No. 8-1 through 8-147 totaling (\$1,735,281.62); and Approval of the July 2010 Treasurer's Report totaling \$11,686,649.73. Commissioner Rubin called for any objections to the consent agenda. Hearing none, he 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

NEXT STEPS

Proposals to the Port – Resolution No. 1226

Commissioner Rubin noted past discussions held by the Commission during their meetings of July and August where they examined draft policy for establishing guidelines for proposals,

requests for action, and/or solicitations received by the Port or Port Commission. He inquired if the Commissioners were ready to take action on the proposed resolution, drafted by Commissioner Hopley based on discussions by the Commission including submissions from Commissioners Niver, Rubin and Hopley. Commissioner Niver moved to adopt Resolution No. 1226, establishing guidelines for acceptance, evaluation, and response to proposals, requests for action, and solicitations of support received by the Port or the Port Commission from members of the public, Port staff, or Port Commissioners. Commissioner Hopley seconded the motion. Commissioner Rubin called for any discussion.

Commissioner Hopley noted that he had incorporated the points made during the Commission's last discussion, including adding proposals for public, staff and Commissioners being channeled through the Executive Director and adding the reference that the Executive Director would evaluate any proposal against set criteria that would correspond to his authority, therefore corresponding to the Port's Mission Statement, Comprehensive Plan, and so on, which reflect the views of the Commission. Hearing no further discussion, Commissioner Rubin called for a vote on the motion, which carried unanimously.

### STUDY SESSION

#### Marina Economic Analysis –

Director of Operations & Facilities Hachey noted that historically, the Commission sets rates for moorage at Cap Sante Boat Haven for effect in May of each year. He presented data as requested by the Commission regarding the make-up and fees generated or potentially by both permanent and transient boaters in the Boat Haven's 955 slips. Director Hachey noted that during the last 12 months, through June of this year, the Boat Haven had 87% occupancy and generated fees of \$3.4 million. He explained that the Port has not raised moorage rates for the past two years, although costs the Port have increased, making revenues from the Boat Haven relatively flat compared to prior years.

Director Hachey noted the aggregate vacancy rate as seen in the table below. He noted that smaller, trailerable boats were more likely to exit the Boat Haven in the winter months. An examination of slip vacancies over the past three years demonstrated the seasonality of moorage use. The majority of smaller boats moored at the Boat Haven belong to local owners, while approximately 12% of the larger boats at the Boat Haven are locally owned.

Regarding transient moorage customers, Director Hachey explained that Cap Sante Boat Haven has the second highest attendance public marina by transient boaters, with Friday Harbor being the first. He noted that Friday Harbor allows only transient and no permanent moorage customers during the summer months. Transient boaters are attracted by many factors, including amenities, adjacent services, security, and rates. He reviewed the rates charged for slips per size at the Boat Haven, noting wait lists were heavier two years ago when the market was stronger. Most of the boats on the Boat Haven's current waitlist are between 50-57 feet in length. Cap Sante is one of only a few public marinas in the state with a waitlist.

Guest moorage as of July totaled 4,688 transient visits. Director Hachey noted that these visits were remaining strong into September and believed this was due in part to the Port's aggressive fuel pricing which drew boaters to our marina. Also profitable were large boating group gatherings. He also compared the average revenue per slip and transient slip rates to those of other public marinas in our region. Executive Director Hyde noted that many larger boats are pre-positioned here in the summer and then return to their home ports in Lake Washington and Lake Union

during the winter. A copy of Director Hachey's presentation will be attached to the approved minutes of this meeting.

The Commission discussed the presentation, including permanent versus transient moorage revenues, slip mix, rate calculation, the discontinuation of the former rate model, and marketing and promotion of the Boat Haven. Executive Director Hyde noted the importance of transient boaters to the local economy.

#### Boat Haven Customer Survey -

Marina Manager Fowler presented data from a recently instituted online customer service survey of transient boaters staying at the Boat Haven. Questions asked included:

How many nights stayed – highest average was 1-2 nights.

Reasons for choosing the Boat Haven – top answers were destination, amenities, and staff.

A rating of the staff and facilities – with an average of 4.75 on a 1-5 scale with 5 being best.

Whether boaters visited the fuel dock – 70% did so.

Also asked was whether boaters used either the trailer boat launch or small craft hoist, whether they participated in activities or events sponsored by the Boat Haven, such as Friday night and Central Pier concerts and use of the complimentary bicycles. Visitors were also asked what they spent money on while visiting the Boat Haven, with many spending significant amounts on groceries, dining, and entertainment, the average being \$350 per responder.

Manager Fowler noted that the survey had only a small number of responders at this point, but would give the Port a good idea of where visiting boaters are spending their funds, not to mention repairs made to their vessels by local quality repair businesses. 82% of those responding said they would be very likely to return to the Boat Haven and 18% said they would be likely to return. The survey is still in effect and can be accessed online.

Commissioner Hopley thanked Executive Director Hyde and staff for their quick responses to the Commission's request for information regarding the Boat Haven. Executive Director Hyde noted that staff would continue to track moorage and transient information.

#### Capital Improvement Project (CIP) Update –

Executive Director Hyde noted that project score sheets had been distributed to the Commission and requested that these be completed and returned for discussion at the next Commission meeting. Commissioner Niver requested recommendations from Port staff regarding the projects and Executive Director Hyde noted this would be included in the discussion. He called on Director of Engineering Elsner who presented updated information regarding the Seafarers' Memorial Park Building. Director Elsner reviewed that the Commission had asked staff for a cost estimate on adding a second story to the existing building when it is returned to the Park following the completion of the Scott Site environmental cleanup. Staff also researched returning the building in its original configuration and including outbuildings for particular or multi-purpose uses. He noted the limitations set for costs via Kimberly Clark's insurer Chartis and the Department of Ecology funding. A second story elevator would be particularly expensive. He noted it may be productive for the Commission to hold a special meeting in order to spend more time on discussion of costs and long term operational issues for the building and provide direction for staff, with the goal being to have the Park reopened to the public by next summer.

Commissioner Hopley observed that the idea of adding a second story was both demand and opportunity driven, with the Commission thinking this could be done economically, however in reviewing the cost differences; he acknowledged that other projects had higher priorities than the addition of a second floor to the Park building. Commissioner Mooney favored a continuing look at a second story for the building. Commissioner Rubin noted a special meeting would be held to discuss options and asked Executive Assistant Lindsey to poll the Commission and staff and schedule a date for such a meeting.

### COMMISSION DISCUSSION

#### Commission Annual Meeting Calendar –

Commissioner Rubin noted that a copy of the Commission's annual meeting schedule was provided in their meeting packets. He reported that he had recently had a discussion with Mitch Everton, Executive Director of the Chamber of Commerce, and the Chamber would like to sponsor another Meet Your Commissioners meeting as they did last year. The date for this meeting is still to be determined.

#### Delegation of Authority – Marina –

Commissioner Rubin noted the Commission has delegated leasing of hangars and the setting of parking rates at the Anacortes Airport to the Executive Director, but had traditionally not delegated the same authority for the Boat Haven. He asked for input from the Commission on whether they would like to consider delegating such authority.

Commissioner Short believed the Commission should be involved in the setting of rates. He wished to see recommendations from Port staff, but with discussions and final rates set by the Commission. Commissioner Niver noted that if this were delegated to staff, although still done under certain guidelines, the rates wouldn't be set in an open meeting. He believed the Commission's deliberations in an open meeting helped the public to understand and participate in rate setting discussions. Commissioner Hopley preferred to set rates via policy, whether by the Commission or by the Port staff. He believed there should be a transparent mechanism for setting moorage rates with it being as more objective than subjective process. Commissioner Mooney was of the opinion that the Executive Director, Marina Manager, and Director of Operations & Facilities for the Port would have more knowledge of the Boat Haven than the Commission and should be delegated authority to set rates. Commissioner Niver noted that the formerly used rate model was transparent and demonstrated the costs to repair and replace the Boat Haven facilities, and this was calculated into the proposed rates presented by staff. Commissioner Short noted that use of the rate model was discontinued due to the economy. He preferred to receive recommendations from staff for review by the Commission in a public meeting format. Commissioner Rubin noted that the Commission and staff would continue discussions regarding moorage rates.

#### Technology for Commissioners –

Commissioner Rubin noted that he often had difficulty opening documents sent electronically by staff and observed the Port may be lacking electronic technology for the Commissioners. He noted that some entities are networked with laptop computers for elected officials use. Commissioner Niver noted that he does not use a computer for communications from staff, but

suggested there may be some simple upgrades that Commissioner could get and that those having problems should speak to staff. Commissioners Mooney and Short also reported difficulty with attachments. Commissioner Hopley suggested that given the extent computers were relied upon for communication, it would make sense to consider uniform operating software or hardware systems for the Commission to use. Commissioner Rubin will work with Executive Director Hyde and Information Systems Administrator Parker to discuss options.

#### Signage –

Commissioner Mooney noted that Oak Harbor has signage at their airport that includes a listing of tenants and hoped that something similar could be placed on the Port's property at Oakes Avenue and Anacopper Road. Executive Director Hyde noted that an airport signage project was budgeted and submitted to the Federal Aviation Administration, but no funds were available from the FAA at this time.

#### Tenants -

The Old Anacortes Rowing/Sailing Society meets this evening. Many in this group launch their boats using the new P/Q Dock small craft hoist.

### COMMUNICATIONS

#### Upcoming Events –

Executive Director Hyde noted the next Project Community Tour is scheduled for September 13<sup>th</sup> at 4:00 p.m. and will meet at the Dakota Creek office at 4<sup>th</sup> & Q Avenue. Dakota Creek has moved their newest Candies vessel onto the new pier and has the Washington State Ferry Tillicum in for repairs. Commissioner Niver observed that Dakota Creek successfully leveraged the Port's \$2.6 million in grants contribution into building this new pier and upgrades to their facilities in support of private industry.

### UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The next Regular Commission Work/Study Session Meeting will be on September 16, 2010, and the first Regular Meeting in October will be held on the 7<sup>th</sup>.

### PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda. Hearing no one with a desire to address the Commission, the public comment period was closed.

### EXECUTIVE SESSION

Commissioner Rubin announced that the Commission would take a 5 minute recess and then move into Executive Session for the purpose of discussing litigation or potential litigation with legal counsel as well as the lease, sale or purchase of real property. Anticipated duration is up to one hour and action may or may not be taken. The Commission entered into Executive Session at 8:40 P.M.

At 9:50 P.M. the Commission came out of Executive Session and resumed the Regular Meeting. Commissioner Rubin noted that no action would be taken regarding the matter or matters discussed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Mooney moved to adjourn, which was seconded by Commissioner Niver. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 9:51 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  
September 2, 2010