

**Port of Anacortes**  
**Special Commission Meeting**  
**Budget Public Hearing**  
**November 3, 2010**

The Port Commission of the Port of Anacortes held its regular business meeting one evening early as a special meeting at 4:00 P.M. on the afternoon of November 3, 2010. This meeting was rescheduled from the regularly scheduled November 4, 2010 Commission Meeting to accommodate the Port and underwriters' schedule for bond considerations. The meeting was 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, Marina Manager Fowler, Accounting Manager Behan, and Executive Assistant Lindsey.

Others in attendance included Port legal counsel Frank Chmelik, who was present via speakerphone for the Executive Session portion of the meeting.

**CALL TO ORDER**

At 4:00 P.M. Commission President Rubin called the special meeting and budget public hearing of November 3, 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. Anticipated duration was expected to be one half hour and action might or might not be taken.

**2011 BUDGET PUBLIC HEARING**

Commissioner Rubin opened the public hearing on the Port's 2011 budget. Hearing no one with a desire to address the Commission in regards to the 2011 budget, the public hearing was closed.

**BUDGET ADOPTION**

Executive Director Hyde introduced Director of Finance & Administration Johnson who reviewed the 2011 budget summary for the Commission. As presented at recent meetings, the 2011 budget shows operating revenues of approximately \$11.4 million derived from the Cap Sante Boat Haven 51%, the Marine Terminal 35%, Properties 12%, and Airport 2%. Operating expenses, including General & Administrative expenses, will total approximately \$10.6 million, with a similar breakdowns with 54% at the Cap Sante Boat Haven, 35% for the Marine Terminal, Airport 6%, and Properties 5% of expenses. Director Johnson observed that the Port's five year trend showed operating revenues ahead of expenses by a slightly larger margin than the past two years.

Total Net Operating Income is expected to be \$866,753

Net income overall, which includes capital grants of \$2,515,000, net non-operating income of (\$187,526) and net environmental activity of \$721,695 is \$3,925,924. Director Johnson explained these numbers include environmental recoveries and did not represent funds that the Port has to spend.

### ACTION ITEMS

Commissioner Rubin noted the 2011 budget was represented by three action items as follows:

#### Resolution No. 1228 – Certifying the 2010 Tax Levy for Collection in 2011 –

This item represented a Tax Levy in the amount of \$530,000 which is consistent with the amount collected by the Port for the past two years. No increase in taxes was planned. This amount was approximately \$773,000 less than the amount the Port is authorized by law to collect. The 2011 tax levy will be used in part for the Seafarers' Memorial Park and Park Building Improvements.

Commissioner Rubin called for any discussion. Hearing none, he called for a motion. Commissioner Short moved to adopt Resolution No. 1228, authorizing and certifying a tax levy for collection in the year 2011 in the amount of \$530,000 pursuant to Referendum 47 (RCW 84.55.120). Commissioner Mooney seconded the motion. Commissioner Rubin called for discussion, and hearing none, called for a vote on the motion, which carried unanimously.

#### Resolution No. 1229 – Protecting Levy Capacity –

At the request of Commissioner Rubin, Director Johnson explained what is meant by protecting capacity. The Port chooses to levy a tax that is substantially less than the levy capacity, as noted by the prior resolution. In order to have the ability to levy up to the capacity, plus the 1% property tax limit factor, the Commission must pass a resolution to that affect each year. Director Johnson noted the Port has a good plan in what amount it levies and spends with taxes. Some municipalities have resorted to maximizing their capacities in a lesser economy.

Commissioner Rubin observed that while the Port was not using all that it was allowed to use, the action was to protect that capacity for the future. Commissioner Hopley noted that the Commission recently met to discuss the tax levy and decided that \$530,000 was a good number for this year, but also decided the Port Commission needs to take a more comprehensive look at taxes going forward and have additional discussions in summer of next year. With discussion concluded, Commissioner Rubin called for a motion. Commissioner Mooney moved to adopt Resolution No. 1229 that authorizes an increase in the limit factor for maximum levy capacity pursuant to Section 204 of Referendum 47 (RCW 84.55.0101). Commissioner Short seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

#### Resolution No. 1230 – Establishing the 2011 Final Budget –

This item requested Commission adoption of the final Port of Anacortes budget for 2011. Hearing no questions for staff, Commissioner Rubin called for a motion. Commissioner Short moved to adopt Resolution No. 1230, establishing the 2011 final budget. Commissioner Niver seconded the motion. There being no discussion, Commissioner Rubin called for a vote on the motion, which carried unanimously.

Executive Director Hyde noted that copies of the final budget would be available in the Port's main office, as well as posted on the website. The Port's budget was published internally for the second year in a row by Finance & Administration staff, whom he commended on an excellent product.

### 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 October 7, 2010, Regular Meeting Work/Study Session of October 21, 2010 and Special Meeting of October 25, 2010; Approval of Vouchers No. 10-1 through 10-138 totaling (\$2,546,978.33); Approval of the September 2010 Treasurer's Report totaling \$11,711,592.28; and Action Item: Construction Authorization for Wyman's Ramp Rehabilitation. Commissioner Rubin called for any objections to the consent agenda. Commissioner Niver noted that he would like to change the motion for the action item. Commissioner Rubin removed that item from the consent agenda. Hearing no other changes or objections to the consent agenda, he called for a motion for approval. Commissioner Short moved to approve the consent agenda. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

### ACTION ITEM

#### Construction Authorization for Wyman's Ramp Rehabilitation, Project #MRT-14 –

Executive Director Hyde introduced Director of Operations & Facilities Hachey who briefed the Commission on the item, which requested authorization for staff to continue with the construction elements to complete the rehabilitation of the Wyman's Ramp. Director Hachey explained that the ramp has deteriorated to the point of being very difficult to use due to uneven surfaces, rails, and the steepness of the ramp's grade into the water. During low tides in the summer, this sometimes prevents barges from using it at all. The Port has received a grant of more than \$100,000 from the Skagit County Tax Fund under the Economic Development Public Facility Project category towards rehabilitation with the Port paying the balance. The project scope includes demolishing, re-grading and resurfacing the ramp, removal of the crane and outrigger from the upland dock area, fenced parking, paving, and removal of those dolphins that are a hazard to navigation. The Port received four bids with Schwetz Construction being the lowest responsive and responsible bidder. Total project cost with contingency and oversight is \$475,771. The in-water work must be completed prior to January 31, 2011.

Commissioner Niver wished to restate the motion to include specifying the grant from Skagit County. He moved to authorize staff to proceed with the construction elements for the Wyman's Ramp Rehabilitation Project, project #MRT-14, for a cost of \$475,771. \$375,771 to be spent from the General Fund and \$100,000 from the Skagit County Tax Fund Grant. Commissioner Short seconded the motion. Hearing no discussion, Commissioner Rubin called for a vote on the motion, which carried unanimously.

## REGULAR AGENDA

### COMMISSION DISCUSSION

There was no discussion from the Commission.

### COMMUNICATIONS

#### Upcoming Events –

Executive Director Hyde reviewed upcoming events. The Port's Transit Shed will be the site of several public and private events through the end of the year. Among the public events are the following:

Nov. 6 - Chamber Cheers

Dec. 3-5 - Island Hospital Celebration of Trees

And a new event this year, held in conjunction with the annual Christmas Boat Parade on December 18<sup>th</sup>, a Community Celtic Christmas Concert - (following Boat Parade). The concert is free with your donation of either a non-perishable food donation for the food banks, a new, unwrapped toy for Toys for Tots, or a monetary donation to the Boys & Girls Club. The Transit Shed will be open for viewing the Christmas Boat Parade, beginning at approximately 5:30 p.m. with the concert to follow at approximately 6:30 p.m.

The Anacortes Futures Project will hold the second of three community input meetings on November 16<sup>th</sup>. An estimated 80 people attended the first meeting. The public is encouraged to attend.

The next Project Community Tour is scheduled for November 8<sup>th</sup> at 4:00 p.m. and will meet at the parking lot near Anthony's restaurant at the Cap Sante Boat Haven, 1019 Q Avenue, and then move to the Scott Site if time and daylight allows.

Port staff has begun a travelling burgee photo wall at the main office. Staff members who are traveling on vacation take a Port burgee along, snap a photo with it that indicates the location, and forward a copy to the office.

### UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The Commission will hold a Special "Meet Your Commissioners" Meeting in conjunction with the Anacortes Chamber of Commerce at the Anacortes Public Library, 1220 10<sup>th</sup> Street, on November 15<sup>th</sup> at 5:00 p.m. The next Regular Commission Work/Study Session Meeting of November 18<sup>th</sup> has been cancelled as members of the Commission and staff will be attending the Washington Public Ports Association Annual Meeting November 17-19 in Tacoma, WA. The first Regular Meeting in December will be held on the 2<sup>nd</sup> at 7:00 p.m.

### BOND SALE UPDATE

Director of Finance & Administration Johnson reported to the Commission on the Port's sale of bonds for financing the replacement of E & F Docks at the Cap Sante Boat Haven. Director Johnson noted the Commission had elected to move up this meeting and budget public hearing in order to take better advantage of bond market conditions. Director Johnson reported he and Accounting Manager Behan met with bond underwriters Piper Jaffray and bond consultant

Musselman in Seattle earlier in the day today, which proved to be the right choice. As discussed previously with the Commission, they found that Buy America Bonds presented a better value to the Port, with the aggregate total cost being 3.36%. Commissioner Rubin thanked Director Johnson for his report. There were no additional questions from the Commission.

#### 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 recess and then move into Executive Session for the purpose of discussing litigation or potential litigation with legal counsel. Anticipated duration was up to one half hour and action may or may not be taken. The Commission established telephone communication with Port legal counsel Chmelik via speakerphone and entered into Executive Session at 5:00 P.M.

At 5:40 P.M. the Commission came out of Executive Session and resumed the Regular Meeting. Commissioner Rubin called for a motion regarding the matter or matters discussed. Commissioner Hopley made the two-part motion. He moved to authorize additional funding of \$1,501,930 for the Former Scott Paper Mill Cleanup Project – Phase 2, project #ENV-01B to align the Commission funding authorizations with the Chartis Project Budget, with all costs to be paid from the Environmental Fund, and cost recovery proceeds to be applied back to the Environmental Fund. And, moved to authorize additional funding of up to \$5,000,000 provided for under the additional coverage of the Chartis Insurance Policy to complete the remaining project elements for the Former Scott Paper Mill Cleanup Project – Phase 2 and Phase 3, project #ENV-01B and ENV-01C, with all costs to be paid from the Environmental Fund, and cost recovery proceeds to be applied back to the Environmental Fund. Commissioner Niver seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

#### 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 5:43 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  
November 3, 2010