

Port of Anacortes

Regular Commission Meeting Work/Study Session & Executive Session September 18, 2008

The Port Commission of the Port of Anacortes held its regular meeting and work/study session at 7:00 P.M. on the evening of September 18, 2008. This was a regularly scheduled Commission Meeting held at the Commission Meeting Room of the Main Port Warehouse building, 1st & Commercial Avenue, Anacortes, Washington.

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

Also in attendance: Executive Director Bob Hyde, Director of Engineering Elsner; Director of Finance & Administration Johnson; Director of Operations and Facilities Hachey; Marina Manager Fowler, and HR Generalist & Operations Assistant Herrick.

CALL TO ORDER

At 7:00 P.M. Commission President Short called the regular meeting of September 18, 2008, to order and welcomed all in attendance. He noted that following the second public comment period, the Commission would enter into an Executive Session for the purpose of discussing a personnel matter. Commissioner Short explained the Executive Session was anticipated to last one hour and that action might or might not be taken.

SPECIAL GUEST – Cliff Verhoeff – Snohomish Artists Guild

Executive Director Hyde introduced Mr. Cliff Verhoeff, representing the Snohomish Artists Guild, a non-profit corporation. Mr. Verhoeff was the promoter of the Cap Sante Boat Haven summer concert series, featuring northwest performers on five consecutive Friday evenings in July and August.

Mr. Verhoeff thanked the Port for hosting the concert series at the newly completed outdoor room area at the Boat Haven. The concerts drew an average of 300 people each evening. He noted that he would like to continue and expand the series by adding a 6th evening next summer and wondered if the Port might consider adding a grassy area for additional seating, saying he would be happy to assist with plans to do so. He invited comments from the Commission.

Commissioner Short noted he had attended two of the concerts, which he found to be of very good quality, with his only complaint being the excessive volume.

Commissioner Hopley asked whether the Seafarers' Memorial Park area would be preferable in the future. Mr. Verhoeff acknowledged that he would love to hold the concerts at that venue, but understood that the area may not be available next summer due to environmental cleanup.

Commissioner Rubin noted that he had enjoyed the concerts tremendously, and enjoyed the Marina views provided by the concerts' location.

Executive Director Hyde thanked Mr. Verhoeff for his professionalism and for providing the community with a great concert series. He looked forward to seeing an expanded schedule next summer.

Commissioner Mooney thought the concert series was a terrific event and looked forward to next year as well. He was supportive of planning with additional improvements for the public's use of the outdoor room area. Commissioner Short noted that the Port is discussing the purchase of additional outdoor tables and chairs for the area.

PUBLIC COMMENT PERIOD

Commissioner Short 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

UPDATE

Executive Director Hyde introduced the Port's new Accounting Manager, Carly Behan. A resident of Anacortes, Carly was chosen from nearly 30 applicants to fill the position vacated by Sheila Iturriaga, who accepted a senior accounting position with the City of Redmond. Carly is a Certified Public Accountant, and a graduate of San Diego State University. A former manager with Ernest & Young, Carly brings extensive financial and government auditing experience to the position.

REGULAR AGENDA

ACTION ITEMS

Letter of Support for the Guemes Channel Trail -

Executive Director Hyde briefed the item for the Commission. He explained that City of Anacortes Mayor Dean Maxwell has requested the Port provide a letter of support of the City's efforts to create an extension of the Tommy Thompson Trail along Guemes Channel shoreline to the Washington State Ferry Dock, and Washington Park. Portions of the trail extension would cross Port property. A long term 20 year project for the City, the proposed trail extension will require property acquisition and possible environmental buffer zone issues for the City as well. Executive Director Hyde has drafted a letter, presented for Commission approval.

Hearing none, he called for a motion. Commissioner Rubin moved to authorize the Executive Director to submit a letter of support for an extension of the Tommy Thompson Trail, known as the Guemes Channel Trail Project, to the City of Anacortes. Commissioner Niver seconded the motion. Commissioner Short requested any discussion by the Commission. Questions from the Commission touched on potential locations for the trail both on and off Port property and whether there would be any impacts to Port tenants, with none anticipated. The Commission was supportive of including public access funding as part of the Port's support if appropriate.

With discussion concluded, Commissioner Short called for a vote on the motion, which carried unanimously.

Authorizing Staff to Proceed in Developing a Plan for Refinancing the Port's 1998 Revenue Bonds-

Executive Director Hyde introduced the item for the Commission, noting that the Commission had reviewed and requested additional refinancing information at their September 4th regular meeting, attended by consultant Susan Musselman. Staff has been working with Ms. Musselman to obtain the information requested and sought approval to proceed to develop a plan for refinancing of the Port's 1998 Revenue bonds in order to provide savings to the Port. Once developed, any resolution for refinancing would be brought to the Commission for final approval.

Executive Director Hyde introduced Director of Finance & Administration Johnson who provided additional details in the absence of Ms. Musselman who could not be present. He explained that the staff is not asking for any funding at this time, rather direction from the Commission before moving forward. He highlighted some of the requested information discussed at the last meeting such as the option to refinance using only GO Bonds, versus a combination of GO and Revenue Bonds, and the Port's bond capacity. He noted that a plan to reduce the interest rate by refinancing could save the Port between \$50,000-70,000 a year in interest costs and shore up some additional capacity. A copy of Director Johnson's presentation will be attached to the approved version of these minutes.

Director Johnson responded to questions from the Commission regarding how the refinancing could impact the Port's capacity and how funds in reserve for repayment of bonds should be calculated. Members of the Commission wished to see more clarification regarding these calculations prior to any additional discussion and possible redetermination of assets in relation to capacity.

Director Johnson noted that these were two separate issues, the calculation of the limitation of indebtedness (2007 prepared, which hasn't been reviewed or audited yet) and the second being committing those items, which becomes a cash flow issue.

Director Johnson noted that in terms of the limitations of indebtedness, there is a statutory limitation to the debt the Port can have. He explained that you can't take assets and increase the value of debt limitation; you can only decrease the value of debt limitation. The other question in looking at commitments is more of a Commission discussion as to how to proceed and what the priorities are. He assured the Commission that staff would not deviate from statutory requirements.

Following a lengthy discussion by the Commission, Commissioner Rubin moved to authorize Port staff to proceed to develop a plan for refinancing the Port's 1998 Revenue Bonds. Commissioner Niver seconded the motion. After a period of additional discussion, Commissioner Short called for a vote on the motion, which carried unanimously.

STUDY SESSION

Prioritize Capital Projects

Executive Director Hyde introduced Director of Engineering Elsner who reviewed the priority ranking of 2009 projects by the Commission and staff and provided an overview of all capital projects in inventory, in this third of three sessions regarding the Capital Plan presented for

Commission review and input. Director Elsner responded to questions and comments from the Commission. A copy of Director Elsner's presentation will be attached to these minutes.

COMMUNICATIONS

Governance Discussion – Next Steps

Executive Director Hyde noted that the Commission had participated in two well-received seminars on governance with Dr. Monte Bridges. From the last seminar with the Commission, Dr. Bridges has completed a set of draft policies for the Commission's review. Next steps in the process will be:

- Final clean-up of draft policies
- Development of end statements and/or end goals
- Developing a monitoring schedule and operation schedule for the Commission
- Creating a linkage plan – how to get public input

Dr. Bridges recommends a couple more sessions to complete these tasks at the Commission's convenience. Commissioner Rubin will pass these draft policies along to the Commission for review before the next study session.

September 26th Joint Special Meeting with the Anacortes City Council to tour the Anacortes Airport Improvements –

Executive Director Hyde noted that the Commission would hold a special meeting jointly with the Anacortes City Council in order for both to tour the numerous improvements at the Airport, including commercial development, safety features, and noise abatement. Attendees will meet at the Port's project office at the Airport, 4000 Airport Road. Members of the public and press are welcome to attend, but no public comments or actions will be taken.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule for September and October. As noted, there will be a Special Meeting to tour the Airport Improvements with the Anacortes City Council on September 26th at 4:00 p.m. The next Commission Regular Meeting will be October 2, 2008 and the next Regular Work/Study Session will be held on October 16, 2008, both at 7:00 p.m.

PUBLIC COMMENT PERIOD

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

EXECUTIVE SESSION

Commissioner Short announced that the Commission would take a brief recess and then enter into Executive Session for the purpose of discussing a personnel matter. The Executive Session was anticipated to last for one hour, and action might or might not be taken. Commissioner Mooney noted that as the meeting would now move to another room, he would sign off in support of the majority's decision, should any action be taken.

At 8:26 P.M. the Commission entered into Executive Session. At 8:47 P.M. the Commission came out of Executive Session and resumed the Regular Meeting. Commissioner Short announced that no action would be taken regarding the litigation matters discussed

ADJOURNMENT

With no further business to come before the Commission, Commissioner Rubin moved to adjourn, which was seconded by Commissioner Hopley. Commissioner Short called for the vote on the motion, which carried 4-0-and at 8:47 P.M. the meeting was adjourned.

Attest:

William L. Short, Commission President

Keith Rubin, Commission Vice-President

Ray Niver, Commission Secretary

Steve Hopley, Commissioner

Pat D. Mooney, Commissioner

Julie Johnson Lindsey, Administrative Coordinator
Filming by Lindsey Herrick
September 18, 2008