



Port of Skagit

Work Session of the Port Commission

Tuesday, November 16, 2010 9:00 AM

MINUTES

PRESENT: Commission - Jerry Kaufman, Bill Shuler and Kevin Ware

Staff - Patsy Martin, Kristin Garcia, Scott Peterson, Sara Young, Paul Mattos, Carl Molesworth, Heather Moses, Bob Nord, Karmen Hardy, and Debbie Hamilton

Others - See Sign-in Sheet

APPROVAL OF MINUTES

COMMISSION ACTION: The commission unanimously approved the Tuesday, October 19, 2010 Work Session Minutes of the Port Commission.

Changes or additions to the agenda as follows:

Motion and second to amend the agenda to include the following:

- 1) ADMIN: Rate Review; Airport/BBP (2011) – Approve Fee Schedule
- 2) ADMIN: Rate Review; Marina (2011) – Approve Fee Schedule

Executive Session to discuss potential litigation. Executive session will last approximately 30 minutes. Action may or may not be taken following the executive session.

Issue 1: ADMIN: Rate Review; Marina (2011) – Approve Rates

Scott Peterson reported that staff annually evaluates market marina rates for the coming year. Staff completed an evaluation and comparison of other ports' rates. Staff is recommending no change in moorage rates for 2011 based on remaining competitive in a tough economic climate.

Staff's evaluation of dry boat storage rates resulted in an average increase in the storage rates of 17.5%. The recommended increase is based on market comparisons of the Port of Edmonds and Skyline Marina as well as an analysis of operations. With this increase the La Conner Marina's rates will be below both Edmonds and Skyline rates.

Staff provided a marina rate schedule for 2011 for the commission to review.

Discussion.

The commission is concerned about the 17.5% increase. They requested staff revise the increase and come back to them with a new rate schedule at the November commission meeting.

Issue 2: ADMIN: Rate Review; Bayview Business Park (2011)

Scott Peterson reported that staff annually evaluated market values of all port-owned buildings to determine a range of lease rates for each marketable building. Actual leases will be negotiated based on length of term, capital investment, number of jobs, types of jobs (living wage), as well as any substantial development.

Staff recommended a monthly range of .45 dollars to .60 dollars per square foot for all Port owned buildings. In addition, staff will factor the market rate for office space into a blended rate for the facility.

COMMISSION ACTION: The commission unanimously approved the 2011 Bayview Business Park rates as published November 2010.

Issue 3: ADMIN: Budget (2011) – Adopt Budget

Kristin Garcia reported that although conservative figures were presented in the preliminary budget, somewhat more optimistic numbers are included in the final budget. Staff believes the numbers more accurately reflect what the Port reasonable expects to earn in revenue during 2011. Final revenue projections reflected in the 2011 budget are \$4.48 million. These projections are consistent with 2009 actual revenues of \$4.32 million and 2010 budgeted revenues of \$4.36 million.

COMMISSION ACTION: The commission unanimously adopted the following:

- 1) Resolution 10-23 adopting the 2011 operating and capital budgets;**
- 2) Resolution 10-24 authorizing an increase in Tax Levy Capacity pursuant to RCW 84.55.120; and**
- 3) Resolution 10-25 certifying the Port's 2010 Levy for 2011 collection.**

Issue 4: ADMIN: Holiday Cards (2010) – Review Contact List

Debbie Hamilton provided proposed mailing lists for the 2010 holiday greeting cards. This listed included port tenants, other Washington ports as well as businesses, individuals, public entities and groups that the port has worked with in the last year.

Debbie requested that staff and commission review the list and provide changes or additional names on or before December 5, 2010.

Issue 5: MARINA: Occupancy Report

Paul Mattos reported strong winter numbers. The commission reviewed the October 31, 2010 occupancy report.

Issue 6: AIRPORT: Taxiway F; Former Crop Duster Hangar Clean-Up Site; Insurance Recovery; Complaint for Damages (2009); Westport Settlement

Patsy Martin reported the Westport Insurance Corporation, successor-in-interest to Puritan Insurance Company, provided insurance to the Port of Skagit between 1985 and 1987. The port has incurred liabilities, expenses, and losses related to environmental damage at the former crop dusting operations area located on Taxiway F. The port filed a declaratory judgment action in Skagit County Superior Court naming Westport and others in an effort to assert the port's rights to coverage under the subject insurance policy.

The Port and Westport have agreed to settle all claims in the matter for the sum of \$500,000 to be paid by Westport to the Port. The terms of the settlement agreement require the Port to release all claims against Westport in connection with the subject insurance policy.

COMMISSION ACTION: The commission unanimously approved a settlement agreement and release between the Port of Skagit County and Westport Insurance Corporation and authorized the executive director to execute the necessary documents to finalize a settlement agreement.

RECESS

The commission recessed the regular meeting at 9:50 a.m.

EXECUTIVE SESSION

The commission entered into executive session at 9:55 a.m. The session is expected to last approximately 30 minutes. The purpose of the executive session is to discuss potential litigation. Action may or may not be taken following the executive session.

The executive session ended at 10:25 a.m.

COMMISSION ACTION: The commission unanimously authorized the Port to enter into settlement negotiations with Travelers and enter into mediation, if necessary, regarding Taxiway F clean up and settlement pursuant to the terms discussed in executive session and authorized the President to represent the commission in assisting the Executive Director to make decisions as needed.

ADJOURNMENT

The commission adjourned the work session meeting at 10:26 a.m.

ADOPTED IN OPEN SESSION this 14th day of December, 2010 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

Signature on File

Commissioner

Signature on File

Commissioner

Signature on File

Commissioner