



# Port of Skagit

Regular Meeting of the Port Commission  
Tuesday, December 13, 2011 9:00 AM

## MINUTES

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

Staff - Patsy Martin, Scott Peterson, Kristin Garcia, Carl Molesworth, Heather Moses, Bob Nord, Paul Mattos, Debbie Hamilton and Port Attorney Brad Furlong

Others - See Sign in Sheet

## CALL TO ORDER

Commissioner Kaufman called to order the December 13, 2011 regular meeting.

## RECONSTITUTE THE BOARD – Election of Officers

Patsy Martin reported that it is time to reconstitute the board effective January 1, 2012.

**COMMISSION ACTION: The commission elected the following offices to take effect January 1, 2012:**

**Bill Shuler – President**  
**Kevin Ware – Vice President**  
**Steve Omdal - Secretary**

## Changes or additions to the agenda as follows:

### Staff Reports

1. **Add:** ASSOC: WPPA Small Ports Seminar (2011) – Event Report (Oral)
2. **Add:** TENANT: BBP; Impressions Worldwide, Inc.; 11656 Knudson Road; Lease dated 11/01/2010 – Note of Thanks (Oral)
3. **Add:** ADMIN: December Meeting; Election, Committee Assignments
4. **Remove:** MARINA: Abandoned Boats, Sale of Abandoned Vessel – Adopt Resolution

## CONSENT AGENDA – Port of Skagit

Public Communications  
November 8, 2011 Regular Meeting Minutes  
Fiscal Report

**COMMISSION ACTION: The commission unanimously approved the consent agenda.**

## **OPEN FORUM**

Commissioner Kaufman opened the floor for public comment. With no public comment, the floor was closed.

## **STAFF REPORTS**

### **ADMIN: Cash Flow/Budget to Actual Report; Ending October 31, 2011- Update**

Kristin Garcia reported on the Budget to Actual report ending October 31, 2011.

### **ADMIN: 2012 Seattle Boat Show – Event Update**

Carl Molesworth reported the Port of Skagit is registered to participate in the Seattle Boat Show beginning Friday, January 27 to Sunday, February 5, 2012. The event is held at the CenturyLink Field. The port will have several staff members attend the show to run the Port of Skagit Booth on a daily basis. He invited the commission to assist at the booth or participate in the show.

The port plans to run the same promotions as in the past: three (3) months' free moorage for a new one (1) year moorage commitment and two (2) nights for the price of one (1) guest moorage.

### **ADMIN: Long-Term Financial Plan – PowerPoint and ADMIN: Long-Term Capital Facilities Plan - Update**

Kristin Garcia provided a PowerPoint presentation in which she reviewed:

- Long Term Plan of Finance – Outcomes
- Situational Analysis – Operations
- Situational Analysis – Enterprises
- Challenges
- Capital Facility Plan - Airport Strategy
- Capital Facility Plan- Business Park Strategy
- Capital Facility Plan - Marina Strategy

She also provided the Long-Term Plan recommendations:

- Maintain operating income (excluding depreciation) of 5% or greater of operating revenue
- Maintain prudent operating reserves at 25% of operating expenses
- Maintain debt reserves in an amount equal to the following year's annual debt service requirement
- Maintain opportune capital investment reserve at or near \$1million and replenish when used

- Incorporate into the budgeting/forecasting process, an asset replacement reserve for each enterprise, in an amount equal to at least 5% of depreciable assets of that enterprise

#### **ASSOC: NARF Agreement (2012) – Update**

Patsy Martin reported that the Port of Skagit's contract with the Northwest Agricultural Research Foundation (NARF) expires December 31, 2011. The contract was a five (5) year contract. NARF uses funds received from the Port and other organizations to research new crops, pest management techniques and value-added processes to support and grow the agricultural economy for the valley. Included in the 2012 budget is \$22,500 for standard NARF research. In addition, \$7,500 has been included in the budget for research into innovative value-added agriculture processes.

Staff is completing a new five (5) year contract with NARF. The research that begins in 2012 will be completed on a five (5) year schedule.

#### **BBP: Higgins Airport Way Storm Line Repair/Replacement Project – Update**

Sara Young reported in August 2011, the port awarded a contract to Interwest Construction, Inc., for the replacement of a failed segment of stormwater conveyance pipe on Higgins Airport Way. The total budget amount for the project was \$250,000. The final total project cost is estimated to be \$270,034.26.

#### **MARINA: Occupancy Report – November 2011 - Update**

Paul Mattos provided a report on the La Conner Marina Occupancy for November 2011.

Discussion.

#### **ASSOC: WPPA Annual Meeting (2011) – Update (Oral)**

Commissioners Ware and Shuler reported on the Washington Public Ports Association Annual Meeting held December 7-9, 2011 in Bellevue, WA. Other staff in attendance: Patsy Martin, Kristin Garcia, Scott Peterson, Carl Molesworth and commissioner elect Steve Omdal. The commissioners stated it was a good meeting overall.

#### **TENANT: BBP; Impressions Worldwide, Inc.; 11656 Knudson Road; Lease Dated 11/01/2010 – Note of Thanks (Oral)**

Patsy Martin reported that Scott Peterson received a thank you note from Impressions Worldwide thanking port staff for recent work completed on and around the Impressions' property. They were especially appreciative as they had several new customers coming to tour their facilities.

#### **NEW BUSINESS**

**ADMIN: Executive Director Authority (2012) – Adopt Resolution**

Patsy Martin reported that the commission adopted Resolution No. 11-03, which generally sets forth the authority delegated to the executive director and staff on January 11, 2011. It is appropriate to review the executive director authority on an annual basis. Staff prepared a resolution for consideration by the commissioners.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-29 which generally sets forth the authority delegated to the executive director and her staff.**

**ADMIN: Surplus; Port Assets (2011) – Adopt Resolution**

Kristin Garcia reported that it is the policy of the Port of Skagit to maintain a listing of fixed assets owned by the Port. During 2011 the port completed a computer server upgrade which resulted in certain equipment becoming obsolete and no longer of benefit or use to the port. These assets will be recycled for security purposes and disposal cost savings.

Additionally, the port has a 1994 Pontiac Grand Prix that was in use at the marina; however, it is no longer of benefit and does not serve an efficient purpose. Staff plans to surplus the vehicle, sell or auction it and use the proceeds to acquire a more efficient mode of transportation.

The Washington State Auditor requires that the port declare surplus those assets no longer of use or benefit prior to disposal. Staff will keep a schedule of assets to be declared surplus on file.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-27 which will declare as surplus personal property that is of no use or benefit to the port.**

**TENANT: BBP; Mount Vernon Seafoods, LLC; Write-Off Bad Debt – Adopt Resolution**

Kristin Garcia reported that Mount Vernon Seafoods came to the port in 2010. The company had received a guaranteed loan from the USDA but was also relying on bank financing to take the business venture to the next step. In 2011, staff determined the bank financing did not occur and the project was not going to go forward.

Staff has determined the most reasonable and economical route to pursue collection is to send this account to collection. As part of the accounting process it is appropriate to write off accounts that are deemed uncollectible. Staff presented for commission approval, a resolution to write off bad debt of \$49,419.46 for tenant Mount Vernon Seafoods, LLC.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-28 which authorizes the write-off of bad debt in the amount of \$49,419.46 of Mount Vernon Seafoods, LLC.**

**ADMIN: December Meeting; Election, Committee Assignments**

Patsy Martin reported that it is time to determine committee assignments for 2012. The following assignments were determined:

**Committees**

EDASC Board  
RTPO  
SCOG  
SCOG Revolving Loan Fund  
WPPA Trustee  
  
PNWA

**Port Representatives**

Patsy Martin  
Bill Shuler  
Bill Shuler  
(Skagit 2010-2012)  
Kevin Ware  
Alternate – Patsy Martin  
Patsy Martin

**Other Organizations**

Mount Vernon Chamber  
Burlington Chamber of Commerce  
La Conner Chamber of Commerce  
Sedro Woolley Chamber of Commerce  
Concrete Chamber of Commerce  
Washington Finance Officers Assoc.  
Pacific Coast Congress of Harbormasters  
and Port Managers  
Society of Wetland Scientists  
Washington Airport Managers Assoc.  
Washington Community Airport Assoc.  
SASA  
WPPA Committees  
    Aviation  
    Environmental  
    Finance  
    Legislative  
    Marina  
    Trade & Economic Development  
Padilla Bay  
Skagit Valley Tulip Festival  
Burlington Rotary  
Rotary International  
Skagit Valley Farm Tour  
Planning Association  
Dept. of General Administration –  
    Co-Op Membership  
La Conner Smelt Derby  
Board of Accountancy

**Port Representatives**

Kristin Garcia  
Carl Molesworth  
Paul Mattos  
Bill Shuler  
Bill Shuler  
Kristin Garcia  
  
Paul Mattos  
Sara Young  
Bob Nord, Sara Young  
Bob Nord  
Kevin Ware, Sara Young  
  
Sara Young, Kevin Ware  
Patsy Martin  
Kristin Garcia  
Bill Shuler  
Paul Mattos, Scott Peterson  
Steve Omdal  
Carl Molesworth  
Kristin Garcia  
Patsy Martin  
Patsy Martin  
Patsy Martin  
Sara Young  
  
Scott Peterson  
Paul Mattos  
Kristin Garcia

La Conner Classic Yacht & Car Show  
Northwest Marine Trade Association  
Western Washington Agricultural  
Association  
Other

Paul Mattos  
Paul Mattos  
  
Patsy Martin  
N/A

## **GOOD OF THE ORDER**

### **EXECUTIVE SESSION**

The commission entered into executive session at 10:45 a.m. to discuss potential litigation. The executive session is expected to last approximately 30 minutes and will end at approximately 11:15 a.m. Action may or may not be taken.

Commissioner Ware stepped out of executive session at 11:15 a.m. to tell the public the executive session would be extended to 11:50 a.m.

The commission exited the executive session at 11:50 a.m. No action taken.

### **PORT OF SKAGIT INDUSTRIAL DEVELOPMENT CORPORATION SPECIAL MEETING**

The commission entered into the Port of Skagit Industrial Development Corporation special meeting at 11:51 a.m.

### **CALL TO ORDER**

Commission to consider a resolution authorizing an amendment to the Amended and Restated Bylaws of the Port of Skagit County Industrial Development Corporation.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-02 which authorized an amendment to the Amended and Restated Bylaws of the Port of Skagit County Industrial Development Corporation.**

The commission closed the special meeting at 11:58 a.m.

The commission resumed the regular meeting at 12:00 noon.

### **ADJOURNMENT**

The commission adjourned the regular meeting at 12:01 p.m.

ADOPTED IN OPEN SESSION this 10th day of January 10, 2012 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

*Signature on File*

\_\_\_\_\_  
Commissioner

*Signature on File*

\_\_\_\_\_  
Commissioner

*Signature on File*

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Commissioner