



# Port of Skagit

Work Session of the Port Commission

Tuesday, December 20, 2011 9:00 AM

## MINUTES

PRESENT: Commission - Bill Shuler and Kevin Ware. Jerry Kaufman absent

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

Others - See Sign-in Sheet

## **APPROVAL OF MINUTES**

**COMMISSION ACTION: The commission unanimously approved the Tuesday, November 15, 2011 Work Session Minutes of the Port Commission.**

## **Changes or additions to the agenda as follows:**

MARINA: La Conner Marina; Binding Site Plan (2011)

## **Issue 1: ADMIN: Northern State Presentation**

Patsy Martin introduced Pete Papadopoulos, Larry Dustin and Eron Berg who were present to provide a presentation on the North Cascades Gateway Redevelopment Project which outlined possible new uses for the Northern State property in Sedro Woolley, WA.

The property is strategically located between Vancouver and Seattle and the project repurposes the site as a destination resort.

Larry Dustin outlined the possible business framework as a PPP (public, private, partnership). They are looking for possible partnerships in the public sector to provide support in the project moving forward.

Discussion

## **Issue 2: ADMIN: Communication Plan Update (2012) - Review Update (Oral)**

Carl Molesworth reported that he reviewed the 2007 Communications Plan. It will better serve the Port if this is used as a Communication Procedural Manual. A Communication

Plan will be developed in the future and will be used to inform staff regarding specific communication projects.

### **Issue 3: ADMIN: IDC Bylaw Amendment (2011) – Adopt Resolution**

Patsy Martin reported that the Port of Skagit County Industrial Development Corporation held a special meeting during the December 13 regular commission meeting to consider a resolution amending the Amended and Restated Bylaws of the Port of Skagit County Industrial Development Corporation. Resolution No. 11-02 changes the IDC annual meeting of the Board of Directors to the last regular meeting of the Port Commission each December. The commission now needs to consider a resolution authorizing the amendment to the Amended and Restated Bylaws of the Port of Skagit County Industrial Development Corporation.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-30 which approves an amendment to the Amended and Restated Bylaws of the Industrial Development Corporation concerning the annual meeting date of the Board of Directors.**

### **Issue 4: ADMIN: Long-Term Financial Plan (2012) – Adopt Plan**

Kristin Garcia reported on December 13, 2011, staff presented to the commission a long-term financial plan which outlined the purpose of the plan, desired outcomes, and a situational analysis both from a historical and current perspective, discussed the strategy for building the long-term capital facility plan for each enterprise and concluded with policy recommendations.

The long-term financial plan will be used as a model to guide policy issues, set capital investment priorities and determine long-term cash flow requirements. The plan will be updated annually as the port priorities change or new opportunities or new information become available. Staff recommended adoption of the plan.

**COMMISSION ACTION: The commission unanimously adopted the port's 2012 Long Term Financial Plan.**

### **Issue 5: ADMIN: Fiscal Policy; Long-Term Financial Plan (2012) – Adopt Resolution**

Kristin Garcia reported that the long-term financial plan policies are as listed:

- 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 \$1 million 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.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-31 which approves fiscal policies as documented in the Port's 2012 long-term financial plan.**

#### **ISSUE 6: AIRPORT: Rate Review; Airport (2012) – Review Rates**

Sara Young reported that staff prepared a comparative review of airport rate schedules to assist with the 2012 Skagit Regional Airport Rate Schedule. Airports included in the comparison include Anacortes, Arlington, Bellingham and Friday Harbor.

Current occupancy in port-owned T-hangars is at 100% with a waiting list of 8. Based on the rate comparable and current T-hangar occupancy, staff is recommending the following rate increases for 2012:

1. Raise T-hangar rates by 3%
2. Raise storage unit rates by 5%
3. Raise long-term and monthly parking rates by 3%
4. Raise short-term parking daily rate to \$5 per day.

Staff recommended no change to tie-down rates, weekly and monthly short-term parking rates.

**COMMISSION ACTION: The commission unanimously approved the 2012 Skagit Regional Airport Rate Schedule established by staff and adjust as necessary.**

#### **Issue 7: AIRPORT: R/W 10-28 Rehabilitation Project; Underdrain Replacement and Nominal Overlay (2010) – Accept Project as Complete**

Sara Young reported in September of 2010, the port awarded a contract to Interwest Construction, Inc., to complete the Runway 10-28 underdrain replacement nominal overlay project.

In 2010 the port budgeted \$3,319,000 for the project. The final total project cost is estimated to be \$3,332,747.49.

The project has been completed. Precision Approach Engineering is recommending acceptance of the project as complete.

**COMMISSION ACTION:** The commission unanimously accepted as complete the Runway 10-28 Underdrain Replacement and Nominal Overlay Project, in the total project amount, including engineering, construction and miscellaneous costs of \$3,332,748.49 and authorized staff to execute any necessary closeout documents.

**ISSUE 8: EASEMENT: Skagit PUD; Josh Wilson Transmission Line (2011) – Approve Easement**

Sara Young reported that Public Utility District No. 1 of Skagit County (PUD) has requested an easement over a portion of port property located near the intersection of Josh Wilson Road and Higgins Airport Way. The PUD intends to install an underground vault at this location to house a pressure reducing valve related to a new 18-inch transmission line that the PUD will be constructing in 2012 along Josh Wilson Road. The new transmission line will provide redundant fire service to Bayview Ridge and will help the PUD stabilize water rates in the area. The proposed easement requires an additional approval process for any above-ground appurtenances.

**COMMISSION ACTION:** The commission unanimously approved granting an easement to Public Utility District No. 1 of Skagit County for underground utilities located at Josh Wilson Road and Higgins Airport Way and authorized staff to approve any above-ground appurtenances associated with said easement based on the criteria that they not interfere with aviation safety or cause an aesthetic impairment to the area.

**Issue 9: MARINA: La Conner Marina Binding Site Plan; Consultant Services Contract – David Evans and Associates (2011) – Approve Contract Amendment**

Sara Young reported that the port entered into a master contract, dated June 20, 2011, engaging the professional services of David Evans and Associates (DEA) to complete the binding site plan for the La Conner Marina. The scope of work includes (1) preparation of water and sewer utility easements for the marina; and (2) completion of the binding site plan.

The Town of La Conner requested a video survey of the sanitary sewer system prior to approval of the binding site plan. The requested video survey work is extra work not contemplated in the Master Contract scope of work or project budget.

The original project budget on this project was established at \$20,000 prior to obtaining proposals from qualified surveyors. Staff is requesting authorization to amend the DEA contract and enter into a task order in the amount of \$8,500 to allow the video survey to be completed.

**COMMISSION ACTION: The commission unanimously approved an increase in budget to \$45,000 for completion of the La Conner Marina Binding Site Plan Project and approved an amendment to David Evans and Associates master contract for consultant services in the amount of \$8,500.**

**EXECUTIVE SESSION**

The commission entered into executive session at 10:55 a.m. The session is expected to last approximately 30 minutes and will end at approximately 11:25 a.m. The purpose of the executive session is to discuss possible sale, purchase or lease of property the public discussion of which could affect the price. Action may or may not be taken following the executive session.

The commission exited the executive session at 11:25 a.m. No action taken.

**PORT OF SKAGIT INDUSTRIAL DEVELOPMENT CORPORATION (IDC) ANNUAL MEETING**

The commission entered the IDC Annual Meeting at 11:30 a.m.

**COMMISSION ACTION: The commission unanimously adopted Resolution No. 11-03. A Resolution of the Board of Directors of the Port of Skagit County Industrial Development Corporation (the "Development Corporation") designating Skagit State Bank as bank depository for funds of the Development Corporation and designating authorized signatures.**

**ADJOURNMENT**

The commission adjourned the work session meeting at 11:36 a.m.

ADOPTED IN OPEN SESSION this 21st day of February, 2012 and duly authenticated by the signatures affixed hereto.

**PORT OF SKAGIT COUNTY**

*Signature on File*  
\_\_\_\_\_  
Commissioner

*Signature on File*  
\_\_\_\_\_  
Commissioner

*Signature on File*  
\_\_\_\_\_  
Commissioner