

PORT OF SKAGIT COUNTY

Regular meeting of the Port Commission

Tuesday, October 21, 2008 5:00 PM

MINUTES

PRESENT: Commission - Glenn Allen, Jerry Kaufman and Kevin Ware

Staff - Patsy Martin, Scott Peterson, Kristin Garcia, Bob Nord, Karmen Hardy, Paul Stannert, Colleen Powell, Janel Saulsbury, Mary Jo Newbury and Debbie Hamilton

Others - Brad Furlong, Walt Meagher, Duane Knapp
Public: See sign-in sheet

Changes or additions to the agenda as follows:

1. Remove from agenda; AIRPORT: Runway 10/28 and Taxiway A Rehabilitation; Consultant Services Contract Agreement; Precision Approach Engineering (2008) – Approve Contract.
2. Remove from agenda; MARINA: Skagit Bay Search & Rescue Grant; Personal Floatation Device Loaner Program (2009) – Approve Grant Application.
3. Executive Session to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price and potential litigation. Executive session will last approximately 30 minutes. Action may or may not be taken after the executive session.

Public Communications

Published articles noted by commission.

Approval of Minutes

COMMISSION ACTION: The commission unanimously approved the minutes of the September 23, 2008 regular meeting.

Fiscal Matters

COMMISSION ACTION: The commission unanimously approved October 2008 vouchers as presented.

Open Forum

No issues discussed during open forum.

NEW BUSINESS

ADMIN: Brand Strategy (2008) – Adopt Promise

Patsy Martin reviewed the Brand Strategy four-step process. Following the Brand Strategy assessment phase which concluded on September 29, 2008, the team moved into the brand promise phase and completed a draft promise for the Port of Skagit County.

“We promise excellence in public service and leadership within a business landscape that inspires success and enhances the quality of life in Skagit County.”

Duane Knapp, Brand Strategy advisor, was present for questions and discussion.

COMMISSION ACTION: The commission unanimously adopted the Brand Strategy promise as presented.

STAFF REPORTS

ADMIN: 3rd Quarter Tenant Employment Census

Patsy Martin reported on the third quarter tenant employment census, showing an overall decrease of 205 employees. Port-wide employment is down 16% from 1,289 to 1,090 for full time employees, and part time employees decreased 15% from 78 to 67. The biggest downturn is occurring in the construction dependent and boat building businesses.

Discussion

ASSOC: EDASC 3rd Quarter Report

Patsy Martin reviewed the EDASC 3rd Quarter with the commission. The payment request was included in the voucher approval.

MARINA: Monthly Occupancy Report; Month Ending October 15, 2008; Comparison of Monthly & Transient Moorage

Staff and commission reviewed the October 15, 2008 Occupancy Report.

Discussion regarding moorage promotion. Commission directed staff in September 2008 to begin a moorage promotion to new tenants offering 3 months' moorage free when they sign up for a one-year lease. In an effort to bring additional business activity to marina commercial tenants and to the Town of La Conner in response to the current economic climate, the commission would now like to expand the moorage promotion to include existing tenants, who recruit new tenants that sign a one-year lease to receive 3 months' moorage free.

COMMISSION ACTION: The commission unanimously approved a moorage promotion to include existing tenants, who recruit new tenants that sign a one-year lease, to receive 3 months' moorage free. The promotion for both new and existing moorage tenants will run through April 30, 2008.

MARINA: La Conner Chamber of Commerce; Classic Yacht & Car Show

Paul Stannert reported that the La Conner Chamber of Commerce has requested the use of the south basin parking lots together with F Dock to stage the 9th annual Classic Yacht and Car Show to be held on a Saturday. The following three dates were considered: August 8, 2009, August 15, 2009, or September 19, 2009.

Discussion

COMMISSION ACTION: The commission unanimously approved the La Conner Chamber of Commerce request to use the south basin parking lots and F Dock to stage the 9th Annual Classic Yacht and Car Show and chose August 15, 2009 as the date for the event in exchange for free advertising with the La Conner Chamber of Commerce as they advertise for the upcoming event.

RECESS TO PUBLIC HEARING: 2009 BUDGET AT 5:43 P.M.

BUDGET HEARING

A public hearing was held to receive comments about the adoption of the 2009 Budget.

Kristin Garcia presented an overview of the 2009 consolidated operating budget.

There was/was no public testimony and no written comments were received.

Public Hearing closed at 6:00 pm.

RECONVENE REGULAR MEETING

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The regular meeting was reconvened at 6:01 p.m.

ADMIN: 2009 Budget – Adopt Resolution

Kristin Garcia reported that in order to adopt the final operating and capital budget for 2009, RCW 53.35.030 requires that a public hearing be held prior to said adoption.

Public Hearing notices have been properly published and posted and the Preliminary 2009 Budget have been made available for public review.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-21 adopting the final budget for 2009.

ADMIN: Levy Authorization – (RCW 84.55.120) – Adopt Resolution

As a result of the commissioners' preliminary budget meeting on October 7, 2008, port staff was directed to prepare final budget documents to be presented during the budget hearing. Those budget documents provide for the port's 2008 levy, for collection in 2009, to be \$1,251,983, which is an inflationary increase in the amount of \$64,143 from the previous year. Due to the difficult economic conditions we are currently experiencing the commission and staff's intention is for the millage rate to decrease due to the expectation that expected growth in 2008 is greater than the current inflationary index. Skagit County growth rates are not yet available for 2008. The purpose of the increase is to provide funding for much needed environments, community, safety, and infrastructure projects included in the port's 2009 capital budget.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-22 authorizing an increase in property tax revenue pursuant to RCW 54.55.120 commensurate with the current inflationary index.

ADMIN: 2009 Levy Capacity – Adopt Resolution

Kristin Garcia reported that taxing districts with a population in excess of 10,000 may provide for the use of a limit factor up to 101% (Referendum 47, Section 204; RCW 84.55.0101). A taxing district which is not taxing to its full capacity may pass a resolution to protect its capacity to increase taxes in future years (RCW 84.55.092) if a substantial need exists. The port is not presently taxing to its capacity.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-23 finding substantial need and establishing a levy limit factor of 101%.

ADMIN: 2009 Tax Levy Certification – Adopt Resolution

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Kristin Garcia reported that it is necessary for the port to certify its levy each year for the collection of taxes. The 2008 levy is \$1,251,983 for collection in 2009. The tax levy will fund environmental, community, safety, and infrastructure projects identified in the port's 2009 capital budget.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-24 certifying the Port's 2008 levy for 2009 collection.

NEW BUSINESS

ADMIN: Fiber Optics; Interlocal Agreement with City of Mount Vernon; Manage and Maintain the Port's System (2008)

Patsy Martin reported that it is time to begin connecting tenants to Internet Service Providers (ISP's) to the fiber system. To facilitate and manage those connections staff is recommending the port contract with the City of Mount Vernon to provide those services. The port does not have the type of experience or staff.

Discussion

COMMISSION ACTION: The commission unanimously approved the execution of a five year renewable interlocal agreement with the City of Mount Vernon to manage and maintain the port's fiber system. The commission authorized legal counsel and executive director to adjust the final document as necessary in response to the City of Mount Vernon's final comments, and authorized staff to take necessary steps to carry out the intent of this action.

AIRPORT: Pasture Clearing Project; Day Labor (2007) – Approve Project Closeout

Scott Peterson reported that the Day Labor Pasture Clearing Project is now complete and the final cost of the project is \$176,703.09. The additional cost of the project can be attributed to weather conditions this past spring, higher fuel costs, higher fertilizer costs and an under estimation of the scope of work.

COMMISSION ACTION: The commission unanimously accepted the Airport Day Labor Pasture Clearing Project as complete.

MARINA: Abandoned Boats (7/10/81-Current), Sale of Abandoned Vessel – Adopt Resolution

Paul Stannert reported a vessel described as a 1976 24' Reinell, registration number WN 9766W, has been secured for greater than 90 days for delinquent payment of port charges. The owner has been notified and the account has not been brought current as of October 13,

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2008 nor have arrangements been made for the removal of the vessel from the moorage facility.

COMMISSION ACTION: The commission unanimously adopted Resolution No. 08-25 authorizing the sale of an abandoned vessel, described as a 24' Reinell, hull identification number RENA 1724M761.

RECESS REGULAR MEETING

The regular meeting recessed at 6:17 p.m.

EXECUTIVE SESSION

An executive session was held to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price. The executive session is expected to be 30 minutes and started at 6:27 p.m. The commission expects to return from executive session by 6:55 p.m. Action may or may not be taken following the executive session.

The executive session ended at 6:46 p.m.

RECONVENE REGULAR MEETING

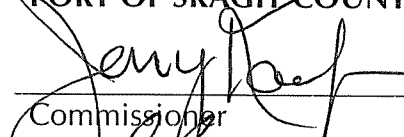
The regular meeting was reconvened at 6:47 p.m.

COMMISSION ACTION: The commission unanimously:

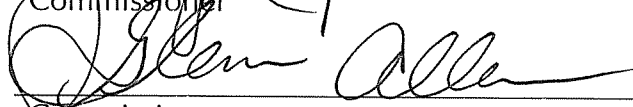
- 1.) Ratified the actions of staff accepting the purchase and sale agreement and addendum, dated October 8, 2008 between the Port of Skagit County and La Conner Self-Storage, for the total purchase price of \$842,000.
- 2.) Authorized commission and staff to execute necessary closing documents to complete this transaction.
- 3.) Authorized staff to enter into a management agreement with Art and Marcie Miles for managing the self storage facility, the terms of which will be negotiated and agreed to by the port's legal counsel.
- 4.) Authorized staff to enter into an agreement with Mr. Robert Hackman and Mr. G. Wayne Shackelford, dba La Conner Self Storage to handle the existing accounts receivable.
- 5.) Authorized waiving all contingencies subject to Kristin Garcia and Paul Stannert's inspection of La Conner Self-Storage financial records.

ADOPTED IN OPEN SESSION this 18th day of November, 2008 and duly authenticated by the signatures affixed hereto.

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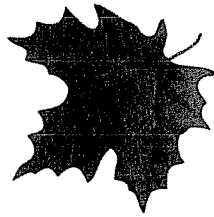
Commissioner



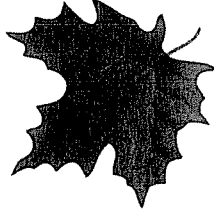
Commissioner

Kevin ware - Absent

Commissioner



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Name/Organization/Company	Address	Phone Number	Do you wish to speak? Topic?
Elliott Wilson <i>Skagit Valley Herald</i>		416 2147	Y/N
MARTIN HOWARD	LaConner Chamber 13505 McKeon Rd	466-7442	Y/N
DAVE TRACEY	LA CONNER CHAMBER	466-9909	Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N