

PORT OF SKAGIT COUNTY

Work Session of the Port Commission

Tuesday, September 2, 2008 9:00 AM

MINUTES

PRESENT: Commission - Glenn Allen, Jerry Kaufman and Kevin Ware
Staff - Patsy Martin, Scott Peterson, Kristin Garcia,
Sara Young, Karmen Hardy, Paul Stannert, and
Debbie Hamilton
Others - Walt Meagher, Brad Furlong

APPROVAL OF MINUTES

No August Work Session Minutes as August Work Session was cancelled.

Changes or additions to the agenda as follows:

Patsy Martin announced a need for an executive session to discuss the possible sale or lease of property the public discussion of which could affect the price. The executive session will last approximately 15 minutes and should be concluded by 11:11 a.m. Action may or may not be taken.

Issue 1: ADMIN: Medical Insurance Renewal (2008-2009) – Approve Renewal

Kristin Garcia reported that the port faced a medical premium increase of approximately 13% last year. As a result, staff formed a committee to begin researching insurance options that would contribute to cost savings. During the past year, the committee met periodically with the port's insurance broker to discuss options and a course of action.

Regence Blueshield is now offering a new plan called Innova. This plan's coverage is consistent, with minor changes, with what is currently in place and offers a 5% to 6% decrease in premium rates. Staff also recommends no change to employee contributions.

Staff discussed with the commission the out-of-pocket maximum reimbursement option ("stop loss policy") which the commission approved in 2002. In October 2002, the commission approved reimbursement of employee out-of-pocket expenses over \$300 up to \$2,500. If the Innova plan is adopted, the out-of-pocket maximum would decrease to \$2,250. Staff recommends a change to the existing policy to reimburse expenses over \$300 up to the new maximum of \$2,250.

COMMISSION ACTION: The commission unanimously approved a twelve (12) month medical insurance renewal with Regence BlueShield for the Innova Plan effective October 1, 2008 and authorized changing the existing out-of-pocket reimbursement policy to reimburse employee out-of-pocket expenses over \$300 up to \$2,250.

Issue 2: Request for Proposals; Lease/Operation of Crosswinds Restaurant (2008) – Walk Through

Scott Peterson reported that staff has received an Intent to Lease for the former Crosswinds restaurant building and equipment from Farrokh Larijani. Chris Whan was in attendance with Mr. Larijani to give a presentation and walk through with the commission. The commission proceeded with the walk through of the restaurant at 9:07 a.m. which concluded at 10:00 a.m.

Discussion of plans and signage.

Next steps are completion of the Intent to Lease and development of a scope of work to be presented to the commission at a future meeting.

Issue 3: MARINA: Emergency Resolution; Emergency Underground Concrete Vault – Adopt Resolution

Scott Peterson reported that on August 8, 2008, an underground vault was discovered at the Port's industrial building construction site located at 539 North 3rd Street in La Conner. A sample of liquid from inside the vault was tested and results indicated the liquid was a weathered petroleum product and other hazardous waste.

Staff determined this discovery met with the definition of an "emergency" per RCW 39.04.280.

The underground concrete vault was removed and staff is waiting for test results of the soil. Construction was not discontinued.

COMMISSION ACTION: The commission unanimously adopted Resolution 08-19 declaring an emergency and authorizing contract award without public bid solicitation for the removal of the underground concrete vault located at 539 North 3rd Street in La Conner.

Issue 4: MARINA: Occupancy Reports – Review Past Year

Scott Peterson presented an overview of a Marina Vacancy Analysis for the past year. Vacancies have increased significantly, especially in the 26 foot covered, 30 foot covered and 34 foot uncovered slips. Overall, there has been a \$427,000 revenue loss from September 2007 to August 2008.

Discussion

Staff and commission agreed to:

1. Move forward with a marketing plan that will offer free moorage for a year long stay;
2. Continue to work on the pre-design of the La Conner Marina MasterPlan Update; and
3. Request Paul Sorenson of BST Associates to review the marina vacancies and offer some suggestions.

RECESS REGULAR MEETING

Regular Meeting recessed at 10:55 a.m.

EXECUTIVE SESSION

The commission entered into executive session at 11:00 a.m. to discuss the possible sale, purchase or lease of property the public discussion of which could affect the price. Action may or may not be taken. The executive session was estimated to end at 11:15 a.m.

Staff left the hearing room at 11:15 a.m. to tell the public that the executive session was not finished yet and would conclude at approximately 11:45 a.m.

The executive session ended at 11:40 a.m.

RECONVENE REGUALR MEETING

The regular meeting was reconvened at 11:41 a.m.

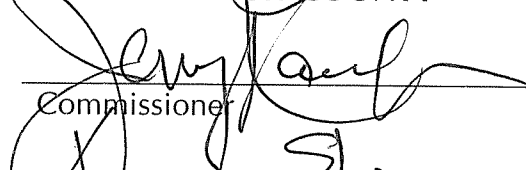
COMMISSION ACTION: The commission unanimously authorized the executive director to sign the Intent to Lease for the former Crosswinds Restaurant per the terms discussed in executive session.

ADJOURNMENT

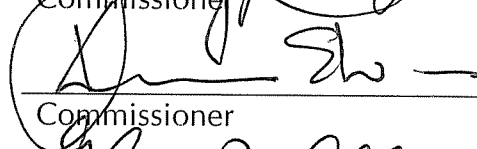
The commission adjourned the regular meeting at 11:42 a.m.

ADOPTED IN OPEN SESSION this 23rd day of September 2008 and duly authenticated by the signatures affixed hereto.

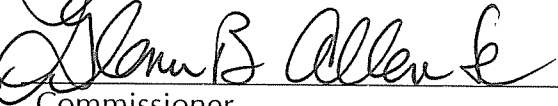
PORT OF SKAGIT COUNTY



Commissioner



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