



# Port of Skagit

## Regular Meeting of the Port Commission

Tuesday, June 13, 2017 – 3:00 PM

Port of Skagit Hearing Room – 15400 Airport Drive, Burlington, WA 98233

### MINUTES

PRESENT: Commission - Steve Omdal, Bill Shuler and Kevin Ware

Staff - Patsy Martin, Scott Peterson, Sara Young, Greg Thrumer, Andrew Entrikin, Brady Rowe, Annalise Dillon, Heather Rogerson, Jodee Peace, Keith Love, Kody Skvaril and Debbie Hamilton

Legal Counsel – Brad Furlong

Others - See Sign-in Sheet

### CALL TO ORDER

Steve Omdal called to order the June 13, 2017 regular meeting of the port commission.

The commission moved to amend the agenda as follows:

#### Add to Staff Reports

1. AIRPORT: Tulip Festival (2018); Future Planning Status Update (Oral)
2. ADMIN: Moody's Investors Service; Credit Opinion/Rating (2017)

#### Add to New Business

1. ADMIN: Customs and Borders Protection Reimbursable Services Agreement Application (2017) – Adopt Resolution
2. BBP: Value Added Agriculture Building Signage (2017) – Approve Sign Concept
3. TENANT: BBP; NW Mills and Specialty Grains, SPC – Approve Third Amendment to Lease Agreement

### CONSENT AGENDA

Public Communications

May 9, 2017 Regular Meeting Minutes

Fiscal Report

ADMIN: 1<sup>st</sup> Quarter 2017 Financial Report – Review Report

ADMIN: Personnel Policy; Amend Policy to Reflect Previously Approve Changes (2017) – Adopt Resolution Number 17-16

ADMIN: Line of Credit; Skagit Bank (2014-Current) – Approve letter of Instruction

The commission reviewed the consent agenda items.

**COMMISSION ACTION: The commission unanimously approved the June 13, 2017 consent agenda.**

## **STAFF REPORTS**

### **AIRPORT: Tulip Festival (2018); Future Planning Status Update (Oral)**

Sara Young reported that Commissioner Steve Omdal and staff met with the Tulip Festival staff to discuss options to partner port facilities with the 2018 Tulip Festival:

- Coordinate port trade shows to include Tulip Festival information.
- Transportation options and coordination.
- Possible incentives i.e. moorage and tie-down discounts.
- Track data for number of participants that come through port entities.

### **ADMIN: Moody's Investors Service; Credit Opinion/Rating (2017) – Status Update**

Patsy Martin reported that a mandatory component of the 2017 bond closing process is for the port's bond counsel to obtain a credit opinion (rating) from Moody's Investors Service (MIS). MIS has assigned a Aa2 to Port of Skagit County, Washington's \$8 million Limited Tax General Obligation Bonds, 2017 (Taxable). Moody's maintains the Aa2 rating on the district's outstanding general obligation debt.

**OPEN FORUM** - *In the interest of time, public testimony will be limited to 3 minutes. The chair has discretion to limit time & number of persons speaking.*

Commissioner Omdal opened the floor for public comment.

Lynn Murphy of Puget Sound Energy (PSE) was present to tell the commission and port staff about two (2) products which are available through PSE:

1. Purchase Wind Power 2019 (Government only)
2. Solar Choice (Available to government and public)

Hearing no further comments. The floor was closed.

## **STAFF REPORTS**

### **ADMIN: Burlington Library Summer Reading Program; Story Trail at Port of Skagit – Status Update (Oral)**

Debbie Hamilton reported the Burlington Public Library invited the port to participate in their summer reading program kick-off event. It was determined to include the Story Trail at the Port of Skagit on the reading program log.

## **ADMIN: Community Fiber Optic Network Project - Discussion**

Patsy Martin reported on the planning and design work which is now underway on the Community Fiber Optic Network Project. The following work items will be accomplished upon completion:

- City of Burlington: Develop as-built map of existing fiber optic infrastructure, develop planning-level design for future hut placement location, design backbone route through city.
- City of Sedro Woolley: Design backbone route through city.
- Cook Road: Perform Design feasibility on Cook Road fiber optic backbone.
- City of Mount Vernon: Design fiber optic backbone from Port of Skagit Bayview Ridge system to City of Mount Vernon city limits.
- Town of La Conner: Design backbone route from Port of Skagit Bayview Ridge system to La Conner and develop planning-level design of fiber-to-the-home (FTTH) distribution network within town limits. Seek and document community input on FTTH distribution system within town limits.

Mayor Sexton was present to discuss concerns regarding how the project will move forward and spending decisions.

Discussion regarding installation of fiber backbone.

## **ADMIN: Unaudited 2015 Annual Financial Report – Review Report**

Greg Thramer reported that the port is required by law to file its annual financial report with the state auditor no later than 150 days after the close of the fiscal year. The port has filed the annual report within the May 30, 2017 deadline. Staff provided the report to the commission for review.

## **ADMIN: Northern State (SWIFT Center) 2017 – Status Update**

Patsy Martin and Heather Rogerson provided a status update for the SWIFT Center including the following three (3) items:

1. Port of Skagit selected to receive U.S. Environmental Protection Agency (EPA) grant funding in the amount of \$195,000.
2. Port of Skagit selected to undergo a Preliminary Planning Assessment of up to \$150,000 to be paid by Washington State Pollution Liability Insurance Agency (PLIA).
3. In May 2017, Governor Inslee announced the 2017 Governor's Smart Communities Award winners are the City of Sedro-Woolley, Port of Skagit and Skagit County for implementation

of a comprehensive plan which set the stage for revitalization of the former Northern State Hospital.

### **IDC: Assessment Audit Report (2014) – Review Report**

Greg Thrasher reported that the State Auditor's Office (SAO) recently completed its assessment audit of the Port of Skagit County Industrial Development Corporation (IDC) for 2014.

The State Auditor issued a "clean opinion."

### **NEW BUSINESS**

#### **ADMIN: Surplus Port Assets (2012 to Current) – Adopt Resolution**

Greg Thrasher reported that it is the port's policy to capitalize assets with a cost of \$5,000 or more. The port has determined there is one item on its list of fixed assets that is no longer of use or benefit; Host Server 02 Serial #10110201 and is scheduled for disposal.

**COMMISSION ACTION: Commissioner Bill Shuler moved to adopt Resolution 17-17 declaring as surplus port assets which are of no use or benefit to the port. Commissioner Kevin Ware seconded. Motion carried unanimously.**

#### **MARINA: RV Resort Rules and Regulations; Approve Update (2017)**

Patsy Martin reported that at the 2017 Strategic Planning Session the commission directed staff to review the current RV Resort Rules and Regulations and make appropriate changes to address staff comments and experiences regarding operations and safety issues they have seen since taking over operations in 2015.

Staff provided the RV Resort Rules and Regulations to the commission for review.

**COMMISSION ACTION: Commissioner Kevin Ware moved the commission approve the update to the 2017 La Conner Marina RV Resort Rules and Regulations. Commissioner Bill Shuler seconded. Motion carried unanimously.**

#### **PUB AGEN: Town of La Conner; Third Street Improvement Project (2016) – Approve Budget Increase**

Patsy Martin reported that the Port's 2017 Capital Budget included a \$200,000-line item for construction of sidewalk and landscaping improvements to the North Third Street right-of-way in La Conner. The project was contingent on receipt of grant funds from the State Transportation

Improvement Board. Bids were opened on the project in May. The successful bidder is C. Johnson Construction.

The Port's portion of improvements came in at approximately \$240,000 to complete the work. Staff is requesting an increase in the project budget from \$200,000 to \$250,000.

**COMMISSION ACTION: Commissioner Kevin Ware moved to increase the project budget from \$200,000 to \$250,000 to complete construction of the Third Street Improvement Project. Commissioner Bill Shuler seconded. Motion carried unanimously.**

**PUB AGEN: Skagit County 0.9 Grant Funding; Peak Sherpa Building Remodel (2017) – Accept Grant**

Scott Peterson reported that staff has been working with Peak Sherpa on locating their new processing facility at the Port of Skagit. Staff applied for a \$500,000 0.9 Economic Development Public Facility Project Grant to assist in redevelopment costs of the 15466 Ashten Road Building to make ready for Peak Sherpa to locate on port premises. Skagit County awarded the Port of Skagit \$300,000 for this project.

Discussion.

**COMMISSION ACTION: Commissioner Bill Shuler moved to accept the Skagit County .09 grant funding for the Peak Sherpa building redevelopment project located at 15466 Ashten Road in the amount of \$300,000. Commissioner Kevin Ware seconded. Motion carried unanimously.**

**TENANT: Bayview Business Park; Comcast of Washington IV, Inc. – Approve Conceptual Design**

Scott Peterson reported that Comcast has provided conceptual design of a permanent modular office trailer and is requesting to place it on their leased property located on 15730 Peterson Road.

Discussion.

**COMMISSION ACTION: Commissioner Kevin Ware moved to approve conceptual design for placement of a permanent high quality modular office trailer, two (2) new generators and two (2) new HVAC systems on leased property located on 15730 Peterson Road. Commissioner Bill Shuler seconded. Motion carried unanimously.**

**ADMIN: Customs and Borders Protection Reimbursable Services Agreement Application (2017) – Adopt Resolution**

Sara Young reported that staff is requesting authorization to submit an application to Customs and Borders Protection for a reimbursable Services Agreement for inspection and entry services at Skagit Regional Airport and La Conner Marina.

Discussion.

**COMMISSION ACTION: Commissioner Kevin Ware moved the commission adopt Resolution No.17-18 which will authorize application to U.S. Customs and Border Protection for reimbursement-based customs entry services at Skagit Regional Airport and La Conner Marina. Commissioner Bill Shuler seconded. Motion carried unanimously.**

**TENANT: BBP; NW Mills and Specialty Grains, SPC – Approve Third Amendment to Lease Agreement**

Scott Peterson reported that the port has a twenty-year lease agreement with Northwest Mills and specialty Grains, SPC (“NW Mills”) for the building located at 11829 Watertank Road. NW Mills has been unable to utilize the Port’s infrastructure and building due to construction and infrastructure delays and the port wishes to modify the term commencement date to June 1, 2017.

Discussion.

**COMMISSION ACTION: Commissioner Kevin Ware moved to approve a Third Amendment to Lease Agreement between the Port of Skagit and Northwest Mills and Specialty Grains, SPC for 11829 Watertank Road and authorize the executive director and other appropriate officials to take such other action as is necessary to carry out the intent of this action. Commissioner Bill Shuler seconded. Motion carried unanimously.**

**GOOD OF THE ORDER** – *In the interest of time, public testimony will be limited to 3 minutes. The chair has discretion to limit time & number of persons speaking.*

Commissioner Omdal opened the floor for comment.

Hearing none, floor was closed.

**BREAK**

The commission took a break at 4:09 p.m.

**EXECUTIVE SESSION**

The commission entered executive session at 4:21 to discuss the possible purchase, sale or lease of property the public discussion of which could affect the price.  
The executive session ended at 5:12 p.m.

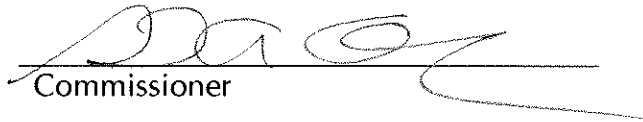
The commission entered back into regular session at 5:13 p.m.

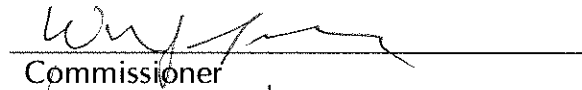
**ADJOURNMENT**

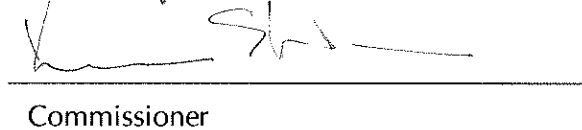
The regular commission meeting ended at 5:14 p.m.

ADOPTED IN OPEN SESSION this 11<sup>th</sup> day of July, 2017 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

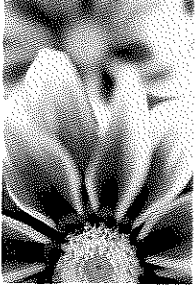
  
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**Port of Skagit**  
**Regular Commission Meeting**  
**Date: June 13, 2017, 3:00 PM**



Name/Organization/Company	Address	Phone Number	Do you wish to speak? Topic?
Lynn Murphy	PSE - BURNINGTON		Y/N PSE JPOPTES
JAY FINLAY	SASA	360.766.7029	Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N
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