



Port of Skagit

Regular Meeting of the Port Commission

Tuesday, November 10, 2015 – 3:00 PM

Meeting held at – La Conner Peninsula Building – 539 N. 3rd Street, La Conner, WA

MINUTES

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

Staff - Patsy Martin, Scott Peterson, Sara Young, Jodee Peace, Karmen Hardy, Andrew Entrikin, Sadie Shope, Nancy Gardener, Dorothy Walker, Kody Skvaril, Heather Haslip and Debbie Hamilton

Others - Brad Furlong – Legal Counsel

CALL TO ORDER

Kevin Ware called to order the November 10, 2015 regular meeting of the port commission.

Changes or additions to the agenda as follows:

Amend agenda to remove executive session.

CONSENT AGENDA

Public Communications
October 13, 2015 Regular Meeting Minutes
Fiscal Report
Budget to Actual Report

The commission reviewed the consent agenda items.

COMMISSION ACTION: The commission unanimously approved the November 10, 2015 consent agenda.

OPEN FORUM

Commissioner Ware opened the floor for public comment.

Hearing none, the floor was closed.

STAFF REPORTS

ADMIN: Northern State (2015) – Status Update (Oral)

Patsy Martin provided a status update on the Northern State process. No action taken.

AIRPORT: Capital Improvement Plan Update (2017-2021)

Heather Haslip reported that the port submits an updated 5-year Capital Improvement Plan (CIP) to WSDOT Aviation Division and FAA annually, prior to November 1st. Staff provided a summary of the current 5-year CIP for the commission to review. No action taken.

MARINA: Master Plan Update (2015) – Status Update (Oral)

Sara Young reported that in order to meet funding request deadlines it is necessary to complete a Marina Master Plan by March 2016. Staff is working on an update to the master plan. Staff will be holding several stakeholder meetings for public input. The commissioners were provided dates and invited to attend.

Discussion. No action taken.

MARINA: Monthly Occupancy Report – Month Ending 10/31/15

Kody Skvaril reported that the Marina Occupancy Report indicates that the trend is on course with this time of year. He plans to include billed revenue on future reports.

Discussion. No action taken.

NEW BUSINESS

ADMIN: Budget 2016 – Adopt Resolutions

Scott Peterson reported that in accordance with RCW 53.35.020 the preliminary 2016 operating and capital budgets was made available to the public on September 28, 2015 and a public hearing was held on October 13, 2015.

The final budget reflects changes discussed during the preliminary budget hearing and have been incorporated into the final budget document.

COMMISSION ACTION: Commissioner Shuler moved to adopt:

- **Resolution No. 15-16 which adopts the Port of Skagit 2016 Budget**

- **Resolution No. 15-17 which certifies the Port's 2015 levy for 2016 collection**
- **Resolution No. 15-18 which authorizes an increase in property tax revenue pursuant to RCW 84.55.120**
- **Resolution No. 15-19 which authorizes an increase in tax levy capacity pursuant to RCW 84.55.120 and an increase in limit factor for maximum levy capacity pursuant to RCW 84.55.0101**

Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Comprehensive Scheme of Harbor Improvements (2015) – Adopt Comprehensive Scheme

Sara Young reported that pursuant to RCW 53.20. the port commission must adopt a Comprehensive Scheme of Harbor Improvements prior to commencing improvements within the port district and be amended annually with the adoption of the port budget and Capital Improvement Plan. A public hearing must be conducted and was held on October 13, 2015.

COMMISSION ACTION: Commissioner Steve Omdal moved to adopt Resolution 15-25 which will amend the Comprehensive Scheme of Harbor Improvements to incorporate the 2016 Capital Improvement Plan as presented in the 2016 port budget. Commission Shuler seconded. Motion carried unanimously.

ADMIN: Economic Opportunity Growth Policy (2015) – Adopt Policy

Patsy Martin reported that staff developed an Economic Opportunity Growth Plan built on the commission's vision to participate actively in the mission of "Good Jobs for Our Community."

The port has been working with EDASC, Skagit County, Skagit Council of Governments, cities when needed, the area's chambers of commerce, municipalities and business owners. These partnerships are creating new jobs in our marine, aerospace, and manufacturing sectors as well as new value-added agricultural product lines and jobs in the agricultural sector.

Staff anticipates adjusting the Plan on an annual basis to evaluate the work that has been accomplished and the circumstances that have changed.

COMMISSION ACTION: Commissioner Shuler moved to adopt Resolution 15-20 which adopts the Economic Opportunity Growth Plan Year 2015. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Lease Policy (2015) – Adopt Resolution

Patsy Martin reported that staff has updated the Port's Lease Policy. Staff is now recommending the commission adopt a resolution which will update the Lease Policy.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved to adopt Resolution 15-21 to update the Port's Lease Policy for Port of Skagit properties and repeal all preceding resolutions pertaining to leasing of port properties. Commissioner Omdal seconded. Motion carried unanimously.

ADMIN: Northern State; Design Guidelines Manual (2015) – Adopt Resolution

Heather Haslip reported on July 21, 2015 the commission approved submittal of a proposal to the Department of Enterprise Services (DES) for the transfer of control of the Center for Innovation and Technology (the Center), to the port.

One of the stated collective goals is to protect the historic character of the Center. To accomplish this the port has contracted with experts to develop design guidelines. That work is now complete.

COMMISSION ACTION: Commissioner Shuler moved to adopt Resolution 15-22 which adopts the Design Guidelines Manual for the Center for Innovation and Technology Northern State Hospital National Register Historic District. Commission Omdal seconded. Motion carried unanimously.

ADMIN: Software Purchase – Accounting (2015) – Approve Purchase

Scott Peterson reported that the finance department has spent a considerable amount of time researching accounting software to replace the MAS 90 software that is over fifteen (15) years old. The current system does not meet the needs of our current financial reporting requirements to manage our facilities or our internal reporting needs.

The port budgeted \$45,000 for a new software program in 2015. The cost of the recommended software package is \$47,356. In addition staff is asking for an increase to the budget by \$31,711 to cover the cost of training, setup, and the conversion from the old program to the new.

COMMISSION ACTION: Commissioner Shuler moved that the commission approve the purchase and additional budget amount for a new accounting software program with a total purchase price of \$76,711. Commissioner Omdal seconded. Motion carried unanimously.

AIRPORT: Rate Review; Airport (2016) – Approve Rates

Sara Young reported that staff prepared a comparative review of airport rate schedules in preparation for establishing the 2016 Skagit Regional Airport Rate Schedule. The comparative was provided to the commission for review as well as recommended rate increases for 2016.

Review and discussion.

COMMISSION ACTION: Commissioner Shuler moved to adopt Resolution 15-23 confirming a rate schedule for fees to be charged at Skagit Regional Airport beginning January 1, 2016 and customers to be notified 30 days prior to the change. Commissioner Omdal seconded. Motion carried unanimously.

AIRPORT: Small Works; Restaurant Upgrade (2015); 15426 Airport Drive, Suite 2; Sunshine Painters – Approve Budget Increase

Sara Young reported that the Port entered into a limited public works contract with Sunshine Painters for completion of painting and other trades work on the Airport Restaurant Upgrade Project. The original contract amount was \$10,307.00 including sales tax. In the course of the project, additional work by Sunshine Painters was required in the amount of \$7,921.00.

Discussion.

COMMISSION ACTION: Commissioner Omdal moved to amend the contract budget for Sunshine Painters (Contract No. LPWC-15-07) in the amount of \$8,000.

AIRPORT: Taxiway F; Former Crop Duster Hangar Clean-up Site; Wetland Inspection and Performance Monitoring, Consultant Services Contract; Geo Engineers (2013-2015) – Amend Contract

Heather Haslip reported that in 2013, after the port completed cleanup action construction to remove contaminated soils from the Taxiway F Former Crop Duster Hangar Clean-Up Site, the port entered into a contract with GeoEngineers to conduct five years of required wetland inspection, performance monitoring, and annual reporting.

During the 2015 annual wetland inspection GeoEngineers identified work that must be performed at the wetland restoration site to comply with the year 3 performance requirements of the Permit. GeoEngineers has provided a proposed scope and estimated fee in the total amount of \$17,700 to perform the required work to meet Permit performance standards for year 3, and work anticipated to be required to meet performance standards for years 4 and 5.

COMMISSION ACTION: Commissioner Shuler moved to authorize an amendment to Consultant Services Contract with GeoEngineers to amend scope and increase contract amount by \$17,700, and authorize the Executive Director to execute all necessary documentation.

BBP: Chuckanut Brewery, LLC; New Building Site Prep (2015) – Amend Budget

Patsy Martin reported that the Chuckanut Brewery Site Prep Project is currently under construction. In the course of ongoing building permit discussions with Skagit County and local utility providers it has been determined that utility hook-ups for the project will total a cost of \$46,294.

These costs were not included as Port costs in the original agreement with the project proponent, Chuckanut Brewery, LLC. The Port has now been asked by Chuckanut to pay site prep and include the cost in the Port's lease agreement with them. The lease agreement includes provisions in which the Port will recoup all project investments plus a 7.5% rate of return.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved to amend the Chuckanut Brewery Site Prep Project budget in the amount of \$55,000 for the purpose of covering utility hook-up fees. Said amount shall be included in the tenant's lease agreement via an amendment to their lease. Commissioner Omdal seconded. Motion carried unanimously.

BBP: Impressions Relocation Project (2014) – Accept Project as Complete

Scott Peterson reported that on January 13, 2015 the commission approved a budget of \$150,000 to complete improvements to the building at 11367 Higgins Airport Way as it was necessary to relocate Impressions Worldwide to this space. The project is now complete. The final project cost was \$176,961.41 including change orders and additional work. Staff is now requesting the commission accept the project as complete including the final project cost of \$176,961.41.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved to accept as complete the Impressions Worldwide Relocation Project with a final cost of \$176,961.41.

MARINA: Rate Review; Marina Moorage (2016) – Approve Rates

Kody Skvaril reported that staff recently conducted a survey of wet moorage and dry storage rates. Based on that survey, staff is proposing a rate increase. The commission reviewed rate history, summary of the survey, and proposed new rates.

Discussion.

COMMISSION ACTION: Commissioner Omdal moved the commission adopt Resolution 15-24 which confirms the rate schedule for fees to be charged at the La Conner Marina for 2016. Commissioner Shuler seconded. Motion carried unanimously.

TENANT: BBP – Chuckanut Brewery, LLC – Approve Amendment

Scott Peterson reported that the port has a fifty year lease with Chuckanut Brewery, LLC to locate a new brew house on Lot 11 in the port’s business park. Recently, Will and Mari Kemper have informed the Port they desire to change its name from Chuckanut Brewery, LLC to MW Kemper, LLC.

COMMISSION ACTION: Commissioner Shuler moved that the commission approve an Amendment to Lease Agreement with MW Kemper, LLC, fka Chuckanut Brewery, LLC for Lot 11 of the Skagit Regional Airport Binding Site Plan 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.

GOOD OF THE ORDER

ADJOURNMENT

The regular commission meeting ended at 3:41 p.m.

ADOPTED IN OPEN SESSION this 8th day of December, 2015 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

Signature on File

Commissioner

Signature on File

Commissioner

Signature on File

Commissioner