



Port of Skagit

Regular Meeting of the Port Commission

Tuesday, November 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, Heather Rogerson, Brady Rowe, Karmen Hardy, Sherrie Marble, Kody Skvaril and Debbie Hamilton

Others - None

CALL TO ORDER

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

The commission moved to amend the agenda as follows:

Move to New Business

ADMIN: Acquisition; Amend Personnel Policy to Update the Medical and Other Health Insurance Benefits Policy (2017) – Adopt Resolution

Add to Staff Reports

ADMIN: Northern State; SWIFT Center Logo – Logo Review

Executive Session

Remove Executive Session from Agenda

COMMISSION ACTION: The commission unanimously approved amending the November 13, 2017 Agenda.

CONSENT AGENDA

Public Communications

October 3, 2017 Special Meeting Minutes

October 10, 2017 Regular Meeting Minutes

Fiscal Report

MARINA: Occupancy Report; Month Ending October 31, 20107

The following voucher/warrants/electronic payments are approved for payment:

Payroll Warrants

Warrant #048563 through #048572 in the amount of \$10,463.83 for a pay date of October 6, 2017.

Warrant #048575 through #048576 in the amount of \$1,956.24 for a pay date of October 13, 2017.

Warrant #048577 through #048581 in the amount of \$6,681.00 for a pay date of October 20, 2017.

Payroll direct deposit D10061701 through D10061727 in the amount of \$51,771.76 dated October 6, 2017.

Payroll direct deposit D10201701 through D10201729 in the amount of \$49,937.67 dated October 20, 2017.

General Fund Accounts Payable Warrants

Warrant #079894 through #079894 in the amount of \$14,147.76 for a pay date of October 2, 2017.

Warrant #079897 through #079919 in the amount of \$33,117.57 for a pay date of October 6, 2017.

Warrant #079920 through #079920 in the amount of \$50,000.00 for a pay date of October 12, 2017.

Warrant #079921 through #079963 in the amount of \$78,046.17 for a pay date of October 13, 2017.

Warrant #080009 through #080010 in the amount of \$4,785.49 for a pay date of October 18, 2017.

Warrant #080011 through #080074; and Warrant #082075 through #082084* in the amount of \$439,001.15 for a pay date of October 20, 2017.

Warrant #080075 through #080110 in the amount of \$100,933.14 for a pay date of October 27, 2017.

Wire Transfer Payments

None

Grand total of approved warrants issued through October 31, 2017 is in the amount of \$840,841.78.

*Warrants #082075 through #082084 were erroneously printed out of sequence.

The commission reviewed the consent agenda items.

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

OPEN FORUM

Commissioner Omdal opened the floor for public comment. Hearing none, he closed the floor.

STAFF REPORTS

ADMIN: Western Washington University; Economic Data (2017); James McCafferty – Data Report

James McCafferty, of Western Washington University, was present and provided a PowerPoint presentation on the current economic climate and trends in the State of Washington.

His recommendation to the commission is to find bottlenecks in existing businesses and help them expand.

Discussion.

ASSOC: NW Innovation Resource Center; Report/Presentation (2017); Diane Kamionka – Annual Report

Diane Kamionka, of Northwest Innovation Resource Center, provided an annual report. She discussed infrastructure focused activity, attracting entrepreneurs to Skagit County, Build-It Now program, Angel Prep Bootcamp and building local partnerships.

ADMIN: Farm-To-Pint Festival (2018) – Sponsorship Update

Patsy Martin reported that Skagit Valley Marketing is working with local breweries, agriculture industries, Skagit Valley College, EDASC and the Port of Skagit to launch the first annual Skagit Farm-To-Pint Fest. Staff met and discussed a port sponsorship and determined to provide \$10,000 from the Economic Opportunity budget as well as \$5,000 in-kind donation of staff time, property, set up/clean up etc.

ADMIN: Northwest Washington Ports Collaboration (2017) – Information Only (Oral)

Patsy Martin reported that the Port of Skagit, Port of Anacortes, Port of Bellingham and Port of Everett are creating a collaboration with the intent to pool resources for economic development in the Northwest region of Washington State.

ADMIN: 3rd Quarter Financial Report (2017)

Patsy Martin reviewed the 3rd quarter financial report as submitted to the commission from Greg Thramer, Director of Finance.

Discussion.

PUB AGEN: PNWA Annual Convention; Portland, OR (October 17-19, 2017) – Convention Report

Patsy Martin reported that Sara Young and Patsy Martin attended. The Swinomish Channel dredging in is the President's budget.

Discussion.

PUB AGEN: WPPA Small Ports Seminar; Enzian Inn, Leavenworth, WA (October 26-27, 2017) – Seminar Report

Kevin Ware reported that the seminar was well attended and the following 3 items were of interest to the Port of Skagit:

1. Washington State audit experience
2. Marina rehabilitations & privatization
3. Unused wetland properties

Discussion.

ADMIN: Northern State; SWIFT Center Logo (2017) – Review Logo

Patsy Martin and Heather Rogerson reviewed and discussed the SWIFT Center logo draft with the commission.

The commission provided feedback.

NEW BUSINESS

ADMIN: 2018 Budget – Adopt Budget

Patsy Martin reviewed proposed budget changes to the preliminary 2018 budget that was presented to the commission during a public hearing at the regular commission meeting held on October 10, 2017.

Discussion of changes. Commission ready to adopt the 2018 budget.

COMMISSION ACTION: Commissioner Ware moved to Adopt:

- 1. Resolution 17-27 adopting its 2018 Budget**
- 2. Resolution 17-28 certifying the Port's 2017 levy for 2018 collection**
- 3. Resolution 17-29 authorizing an increase in regular property tax revenue pursuant to RCW 84.55.120**

- 4. Resolution 17-30 authorizing 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 Shuler seconded. Motion carried unanimously.

ADMIN: Comprehensive Scheme of Harbor Improvements (2018) – Adopt Resolution

Patsy Martin reported that pursuant to RCW 53.20, the port commission must adopt a Comprehensive Scheme of Harbor Improvements (CSHI) prior to commencing improvements within the port district.

Staff has updated the CSHI to reflect the surplus and authorization of sale of a portion of port-owned real property, provides minor updates related to the SWIFT Center proposal and updates to Appendices consistent with the Comprehensive Scheme. A public hearing on the proposed updates was held on October 3, 2017.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved to adopt Resolution 17-31 which establishes a revised and updated Comprehensive Scheme of Harbor Improvements for Capital Improvements within the port district. Commission Ware seconded. Motion carried unanimously.

ADMIN: Market Study; McCoy Creative LLC (2017) – Approve Study

Patsy Martin reported that staff has been approached by several tenants regarding the need for supplemental wayfinding signage at the Bayview Business Park and La Conner Marina. The port has experienced an increase in the number of businesses on our property with a need for public visibility such as King Arthur Flour, Heritage Flight Museum, Flyers Restaurant, and Chuckanut Brewery.

Staff recommends the port engage McCoy Creative to complete a market study for port properties with the focus on refreshing our brand image as it pertains to development of new wayfinding signage, as well as recommending other marketing strategies that will help our tenants achieve visibility to their customers.

The cost of this work is estimated at between \$10,000 and \$15,000.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved to approve a market study of port properties for marketing and graphic design support. Commissioner Ware seconded. Motion carried unanimously.

ADMIN: Skagit Community Fiber Optic Network Project; Policy Paper on Network Architecture and Business Plan Requirements (2017)

Patsy Martin reported on the work of developing a countywide fiber optic network in partnership with Skagit County, EDASC, the Skagit PUD and cities and towns around the county. Staff provided a Policy Paper Summary and is seeking approval for the same, as well as the authorization to negotiate agreements with partner entities consistent with policy requirements.

Discussion.

COMMISSION ACTION: Commissioner Ware moved to adopt a policy paper on Network Architecture and Business Plan Requirements, dated November 2017 subject to non-substantive changes by staff and legal counsel; and authorize staff to negotiate agreements with partner entities consistent with the adopted policy requirements. Commissioner Shuler seconded. Motion carried unanimously.

ADMIN: Skagit Valley Agriculture Economic Opportunity Brand Strategy; Consultant Services Contract - BrandStrategy, Inc. (2017) – Authorize Contracts

Patsy Martin reported earlier this year the Skagit Valley Value-Added Agriculture Innovation Partnership Zone (IPZ) determined that one of the IPZ's necessary next steps was to establish a brand strategy for Skagit Valley agricultural products. A subcommittee was developed. The subcommittee engaged Duane Knapp of BrandStrategy, Inc. to perform an assessment of the Skagit Valley agriculture economic opportunity as a first step towards establishing a brand strategy for Skagit Valley agricultural products. Staff discussed the outcomes with the commission and made the recommendation to move forward with a personal service contract with BrandStrategy, Inc. to provide services in support of developing and implementing the Skagit Valley Agricultural economic opportunity brand strategy.

COMMISSION ACTION: Commissioner Shuler moved to authorize the executive director to enter into a personal services contract with BrandStrategy, Inc. and to provide services in support of developing and implementing the Skagit Valley Agricultural Economic Opportunity Brand Strategy. Commissioner Ware seconded. Motion carried unanimously.

ADMIN: Fixed Asset Policy (2017) – Adopt Resolution

Patsy Martin reported that the port currently does not have a comprehensive fixed asset policy. As a part of the annual audit of the 2016 annual report, the auditor recommended that internal controls

be strengthened to ensure capital assets are properly reported, specifically to ensure that construction in progress (CIP) accounts are properly capitalized in a timely manner.

Staff reviewed a proposed fixed asset policy with the commission.

Discussion.

COMMISSION ACTION: Commissioner Ware moved to adopt Resolution 17-32 which will adopt a fixed asset policy. Commissioner Shuler seconded. Motion carried unanimously.

ADMIN: Rate Review; Airport (2018) – Adopt Resolution

Sara Young reported that staff prepared a comparative review of airport rate schedules for establishing the 2018 Skagit Regional Airport Rate Schedule.

The commission reviewed and discussed.

COMMISSION ACTION: Commissioner Ware moved to adopt Resolution 17-33 which confirms a rate schedule for fees to be charged at Skagit Regional Airport. Commissioner Shuler seconded. Motion carried unanimously.

ADMIN: Rate Review; Marina Moorage (2018) – Adopt Resolution

Scott Peterson reported that staff conducted a survey of wet moorage rates from the Ports of Everett, Anacortes, and Bellingham, along with the Oak Harbor Marina. Staff provided the comparison data and 2018 rate sheet.

Commission reviewed and discussed.

COMMISSION ACTION: Commissioner Shuler moved to adopt Resolution 17-34 which confirms a La Conner Marina Rate Schedule for fees to be charged at the La Conner Marina in 2018. Commissioner Ware seconded. Motion carried unanimously.

MARINA: Acquisition; Dunlap Building (2017) – Approve Purchase

Patsy Martin reported the port built and leased a 5,616-square foot building to Dunlap Towing in 1972. In 1984, an addition to the building of 3,584 square feet was constructed by Dunlap Towing. Dunlap Towing's lease expires on November 30, 2017 and staff proposed the Port purchase Dunlap's portion of the office/warehouse building in the amount of \$250,500, plus appropriate closing costs. Because of the purchase the Port would initiate a new five (5) year lease

with one (1) consecutive five (5) year extension period. The Port would realize a 7.5% return on the purchase price of the building.

Discussion.

COMMISSION ACTION: Commissioner Shuler moved to approve the purchase of the Dunlap portion of the building located at 617 North 1st Street, La Conner, in the amount of \$250,500 plus appropriate closing costs; and authorize the executive director and staff to take such other steps necessary to close this transaction. Commissioner Ware seconded. Motion carried unanimously.

PUG AGEN: U.S. Customs and Border Protection; Reimbursable Services Program; Service Fee Agreement and Memorandum of Understanding (2017)

Patsy Martin reported that the Port of Skagit was notified in October that our application to U.S. Customs and Boarder Protection (CBP) has been selected to participate in the Boarder Protection Reimbursable Services Program.

Staff met with CBP officials on November 7, 2017 to discuss the program. Once the port begins the program. The port will be billed monthly for any CBP services. Fees are charged based on the actual hourly cost of the officer deployed to the site including overhead and overtime pay, plus a 15% administrative fee. The port is permitted to pass costs on to "sub stakeholders" including the end user of the service.

Discussion.

COMMISSION ACTION: Commissioner Ware moved to authorize staff to enter into a Section 481 Service Fee Agreement with U.S. Customs and Border Protection and negotiate a Memorandum of Understanding for services at Skagit Regional Airport and the La Conner Marina. Commissioner Shuler seconded. Motion carried unanimously.

ADMIN: Amend Personnel Policy to Update the Medical and other Health Insurance Benefits – Adopt Resolution

Patsy Martin reported on September 12, 2017 the commission adopted Resolution 17-21 which requested a review by the Health Care Authority to participate in Washington State Insurance Plans. Since then, the port has applied and been approved to participate in PEBB for the upcoming plan year which begins on January 1, 2018.

The PEBB plan is available to commissioners and all qualifying port employees. PEBB offers the following insurance coverages: medical, vision, dental, life, AD&D, and long-term disability.

Staff is proposing a Resolution which will add clarifying language to the Personnel Policy so it is clear that all PEBB plans are available to commissioners and qualifying employees.

COMMISSION ACTION: Commissioner Ware moved to adopt Resolution 17-35 which will amend the Personnel Policy, updating the medical and other health insurance benefits policy. Commissioner Shuler seconded. Motion carried unanimously.

GOOD OF THE ORDER

Commissioner Omdal opened the floor for comment.

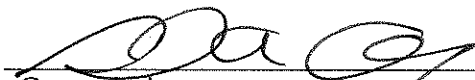
Hearing none, floor was closed.

ADJOURNMENT


The regular commission meeting ended at 4:32 p.m.

ADOPTED IN OPEN SESSION this 12th day of December 2017 and duly authenticated by the signatures affixed hereto.


PORT OF SKAGIT COUNTY



Commissioner



Commissioner



Commissioner