

**COMMISSION MEETING MINUTES
MARCH 14, 2016
1:00 p.m.**

PRESENT:

Colleen McAleer, President
Connie Beauvais, Vice President
Steven Burke, Secretary
Karen Goschen, Interim Exec. Director
Chris Hartman, Dir of Engineering

Mike Nimmo, Marine Terminal Mgr.
Jerry Ludke, Airport/Marina Mgr.
Holly Hairell, HR Manager
Sylvia Teichert, Executive Asst.
Simon Barnhart, Port Attorney

TIME SPECIFIC: 1:15 p.m. 2015 Community Partner Program Presentations

I. CALL TO ORDER – OPEN SESSION**II. PLEDGE OF ALLEGIANCE****III. APPROVAL OF CONSENT AGENDA****A. Commission Meeting Minutes**

- a. February 5, 2016 Special Commission Meeting
- b. February 18, 2016 Special Commission Meeting
- c. February 22, 2016 Work Session
- d. February 22, 2016 Commission Meeting
- e. February 26, 2016 Special Commission Meeting
- f. March 4, 2016 Special Commission Meeting

B. Vouchers in the Amount of \$ 2,280,541.96

Commissioner Beauvais made the motion to approve the Consent Agenda. Commissioner Burke seconded the motion.

Port counsel Simon Barnhart noted that he was not in attendance at the February 22 Work Session and his name should be stricken from the records. Commissioner McAleer pointed out a typo on the February 18 Minutes for the word "criterion" which should be "criteria".

Commissioner Beauvais modified the motion to approve the consent agenda with the two corrections. The motion was seconded by Commissioner Burke. Commissioner Burke abstained from voting and Commissioners Beauvais and McAleer voted aye. The motion passed.

IV. COMPLETION OF RECORDS

The Master Policy Report is attached for information as directed by the Commission. Discussion followed on professional and personal services reporting and the increase in log handling over last year.

V. EARLY PUBLIC COMMENT SESSION

Lissy Andros, Forks Chamber of Commerce, said she was excited to make a presentation for the 2016 Community Partner grant in the near future.

VI. PLANNING

No items

VII. PROPERTY**A. Arrow Launch Service****a. 914 Marine Drive**

Property Manager Tanya Kerr presented this lease for consideration with Arrow Launch Service which will provide them the ability to service their vessels in Port Angeles. The space consists of 3,000 sqft with monthly payments of \$1,325 plus leasehold excise tax providing the Port with an annual income of \$15,900.00 before leasehold excise tax. The initial term is five years with an annual CPI increase and there are two five-year options to renew. Tenant pays utilities and a bond has been secured in the amount of \$17,941.56. Discussion followed.

Commissioner Beauvais moved to authorize the Interim Executive Director to sign a lease with Arrow Launch Service, Inc. per terms and conditions as stated. The motion was seconded by Commissioner Burke and passed unanimously.

b. 916 Marine Drive

Ms. Kerr reported this proposed lease with Arrow Launch Service will support their long-term use and business growth. The initial term is five years with two five-year options to renew. The building consists of 5,000 sqft with additional exterior storage space. Monthly payments consist of

\$2,200.00 plus leasehold excise tax and tenant pays utilities. Annual income for the Port is \$26,400.00 before leasehold excise tax and there is a bond in the amount of \$29,789.76. Discussion followed.

Commissioner Beauvais made the motion to authorize the Interim Executive Director to sign a lease with Arrow Launch Service, Inc., per the terms and conditions as stated. Commissioner Burke seconded the motion and it passed unanimously.

c. Terminal 4

The location of this proposed lease with Arrow Launch Service is Terminal 4 and the sublease of the relevant harbor area lease. Terminal 4 consists of a 6,625 sqft wooden dock together with portions of the harbor area leased to the Port under DNR Harbor Area Lease No. 22-074157. The location is west of the North Oak Street and W. Railroad Avenue intersection. The initial term is five years with two five-year options to renew. Monthly payments are \$2,000.00 plus leasehold excise tax and tenant pays utilities. Annual Port revenue is \$24,000.00 plus leasehold excise tax. Discussion followed. It was noted that the timber dock was constructed in the mid-1980s and a condition assessment shows it is in good shape with an estimated of 20-30 years additional lifespan. It was also noted that DNR has approved this sublease. All three of the leases with Arrow Launch begin March 15, 2016.

Commissioner Beauvais made the motion to authorize the Interim Executive Director to sign a sublease agreement with Arrow Launch Service, Inc. per the terms and conditions as stated. The motion was seconded by Commissioner Burke and passed unanimously.

VIII. MARINAS

No items

IX. AIRPORTS

**A. Fee Waiver Request - Cascadia Rising Earthquake Preparedness Drill
June 7-10, 2016**

Jerry Ludke, Airport/Marina Manager, reported this request comes before the Commission as required under Commission Resolution 848 "Waiver of Fees for Non-profit Groups". The fee waiver is appropriate because the event provides a benefit to the citizens of Clallam County. Approximately 15 military personnel will occupy the airport terminal during the four-day exercise and the National Guard will complete a facility use and hold harmless agreement. The event will include emergency responders in coastal communities throughout Washington, Oregon and British Columbia. The fiscal impact is the waiver of \$1,600.00. Discussion followed. It is possible that a C130 plane may participate in the exercises. The Commission agreed this is a good relationship to foster and thanked Mr. Ludke for his effort in securing the exercises here because it could have been lost to another location.

Commissioner Burke made the motion to grant the full fee waiver to the Cascadia Rising Operations by the National Guard. The motion was seconded by Commissioner McAleer and passed unanimously.

X. NEW BUSINESS

A. Port Representation on Organizations

The chart dated January 21, 2016 was discussed. Commissioner Burke will take the organizations represented by former Commissioner Hallett who resigned as of January 31, 2016 as well as Sequim Chamber of Commerce, Economic Development Corporation (Beauvais alternate), Port Angeles Downtown Association and PA Forward. A revised chart will be provided at the next meeting.

B. Officer Election

Commissioner Burke made the motion to nominate Commissioner Beauvais as Vice President of the Board. The motion was seconded by Commissioner McAleer and passed unanimously. Commissioner Beauvais made the motion to appoint Commissioner Burke Secretary of the Board. Commissioner McAleer seconded and the motion passed unanimously.

XI. OLD BUSINESS

A. Time Specific at 1:15 p.m. 2015 Community Partner Program Impact Presentations

Six out of the ten recipients of the Port's first annual 2015 Community Partner Program provided a report on the impact of the monies awarded by the Port. As background, 2015 was the first year of the program with a budget at \$65,000.00 for the program to promote trade, tourism or economic development projects in Clallam County. The Commission selects the recipients and the awarded dollar amounts. Discussion followed. The Commissioners were in agreement to have the matrix show the average of their individual award amount.

B. Terminal 3 Headline Dolphin & Maintenance Program – Berger Abam Professional Service Agreement Amendment #1

Director of Engineering Chris Hartman provided information on this project. It was awarded by the Commission in 2015 to BergerAbam for design of a new headline dolphin at Terminal 3 along with a condition assessment and report for the entire existing terminal. Concurrently, the Port has been working with Kennedy/Jenks to design stormwater conveyance for Terminal 3 and the surrounding upland area. One option is to raise the grade on the north end of T3 to allow stormwater to drain back towards the

shore instead of directly into the harbor. The design will add significant weight and may cause unintended adverse structural impacts. This option is outside the scope of Kennedy/Jenks expertise and Port staff recommends amending the original BergerAbam agreement to complete the structural analysis of raising the grade of T3. The cost of this amendment is not to exceed \$26,500.00, however, only \$13,990.00 would be spent if the outcome of task 2 results in a conceptual cost estimate that is too high. It was noted that a total of \$1.2 million dollars is allocated in the Capital budget for the T3 Headline Dolphin and Maintenance Project. Discussion followed. The grading option provides the additional benefit of resurfacing the terminal which is a future project in the 5 year Capital Plan. The concern for the piping option is the likelihood of damage to the new stormwater piping underneath T3 during a king tide or storm surge and a general increase in maintenance due to the harsh environment. The Commission asked Mr. Hartman to provide more cost comparisons on storm impacts, modifications to bull rail, piping system, concrete resurfacing and king tide data.

C. Economic Development Corporation (EDC) Contract

Interim Executive Director Karen Goschen provided a revised red-lined addendum which had previously been presented and discussed at a work session. As background the EDC wanted the same contract for each public entity based on the County contract. The Port addendum allows for provisions that are important to the Port. Discussion followed with suggestions noted for inclusion into the final addendum.

Commissioner Beauvais moved to approve the addendum to the contract with the EDC for the 2016 calendar year as per the noted changes. The motion was seconded by Commissioner Burke and passed unanimously. Counsel Simon Barnhart pointed out that this addendum is a counter offer and has to be accepted by the EDC.

XII. PUBLIC COMMENTS SESSION

None

XIII. ITEMS NOT ON THE AGENDA

Three items by Commissioner McAleer:

A. Inquired when the annual report on month-to-month leases will be provided to which Ms. Goschen responded it is scheduled for April 11.

B. Indicated she would like the Commission to receive copies of leases before they are presented for approval. Ms. Goschen stated that she will discuss it with the Port attorneys Chris Riffle and Simon Barnhart to determine the best way to accommodate the request.

C. Brought forth the topic of business meeting and work session minutes. Her preference is for action minutes only and Commissioner Burke indicated he is fine with that. Commissioner Beauvais' preference is having some history included. Regarding work sessions, it was noted that the agenda could be converted to minutes plus follow-up requests should be indicated. Port counsel Barnhart recommended that no action (motions) be taken in work sessions since the expectation by the public is a discussion format.

**XIV. NEXT SPECIAL MEETING MARCH 21, 2016
NEXT MEETING REGULAR MEETING MARCH 28, 2016**

XV. EXECUTIVE SESSION

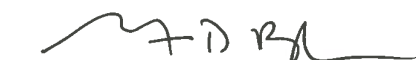
Commissioner McAleer moved the Board of Commissioners into executive session at 4:15 p.m. to consider three property items and three items of litigation with no personnel items. These items are discussed in executive session in accordance with title 42.30.110 of the Revised Code of Washington. It is estimated that the executive session will conclude in one hour. No action is expected. The executive session was extended for 30 minutes and again at 5:45 p.m. for an additional 30 minutes.

XVI. ADJOURN

Commissioner McAleer reconvened the regular meeting at 6:15 p.m. and immediately adjourned. No action was taken.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS


Colleen M. McAleer, President


Steven D. Burke, Secretary