

FRIDAY HARBOR PORT DISTRICT
Port Commission *Special Meeting* at San Juan Island Yacht Club
Wednesday, September 9, 2009 at 11:00 a.m.

Minutes

Port Commissioners Present: Mike Ahrenius
Greg Hertel
Barbara Marrett

Port Staff Present: Marilyn O'Connor, Port Director
Bob Freeauf, Marina Facilities Manager
Tami Hayes, Harbormaster
Phyllis Johnson, Auditor
Dave Ryan, Airport Manager

Others Present: Mike Close, SJI Marine Center

The meeting was called to order at 11:09 a.m.

1. Staff Reports:

- A. Airport Manager: The NDB project is on schedule with completion expected within two weeks. Repairs on the taxi-lane have delayed the AP Improvements project one week. Completion is expected by the end of September or early October.
- B. Harbormaster: A 60 ft. seiner sunk last week-end which was anchored in the channel between Friday Harbor and Brown Island. The Coast Guard alerted all necessary agencies. No bids were received on the derelict vessel that was recently advertised. The minimum bid has been lowered to \$500. One Port vehicle and one abandoned truck, along with a spiral staircase will also be offered as surplus property.
- C. Auditor: Mike Ahrenius moved to approve Vouchers 9610-9659 totaling \$388,293.37. Greg Hertel seconded and the motion passed. Moorage revenue/boat night analysis was distributed.
- E. Executive Director: The Port Director will be on vacation for 2 ½ weeks beginning September 15th and will miss the regularly scheduled Port Commission meeting on September 23rd. Commissioner Ahrenius will also miss the meeting. The regularly scheduled 4:00 p.m. meeting today has been cancelled.

2. The Port Director brought the Commissioners up to date on the current status of all Port entities. Bob Freeauf shared the preliminary marina assessment that Moffat & Nichol has submitted, along with a map of the marina highlighted with future project suggested

timelines. The assessment is advantageous in letting staff know which marina repairs are needed when. The breakwater, however, is not covered in the marina assessment. The Port Director felt enough money continually needs to be budgeted annually to satisfy our long-range projection of rebuilding costs. Paul Sorenson is currently doing a study on marina fee structure which should support replacement costs. Commissioner Ahrenius felt Opalco should be kept informed of any repairs. The Moffatt and Nichol survey indicates the marina is in better shape than expected.

The airport is still working off the 2007 Capital Improvement Program. The new manager, Dave Ryan has added a few things not noted in the plan, such as pavement rehabilitation. Washington Aeronautics may help defray some of those costs. He plans to comprise a plan for the airport similar to the Moffatt & Nichol survey for the marina. The FAA will cover up to 95% of seal-coating coverage of runways and taxi-lanes.

Marilyn provided financial information which indicated the marina generates 85% of the Port's revenue, and the airport 15%. The marina is responsible for 67% of the total operating expense, with the airport at 33%. 12% of revenues come from property tax. There is currently 1.5M in reserve. The marina's debt service is due to be paid off soon. Borrowing capacity is 6.3 million right now. The Commission would like to see a portion of this money invested in facilities for community enhancement.

Bill Watson from the Economic Development Council shared lodging and sales tax reports, but stated summer statistics will not be reflected until November. Real estate has had significant drops in transactions as well as the value of those transactions. Lower housing is moving more than higher-end housing. There are currently no large community construction projects and lots of commercial space in town is available.

The Commissioners discussed several directions in which the Port could grow in coming years:

- Any properties above/adjacent to the marina purchased for growth.
- Addition of upper story in marina's parking lot
- Possibilities of marina expansion
- Converting existing 30 ft. slips to 50 ft. slips in the marina
- Purchase of gravel pit, barge opportunities
- Possible RV Park on the 10 acres the Port owns west of the airport
- Development of light industrial property for the community
- Development of affordable/seasonal housing for the community

- Purchase of existing island marinas
- Possible housing for Coast Guard
- Camping facilities for pilots
- Solar panels above garbage bins/Powering electric poles/Decorate pilings
- Net Shed at Jackson Beach – Boating Activity Center

Barbara Marrett would like the NOAA Westside Vessel Exclusion Zone proposal on the next Port Commission meeting agenda.

The meeting adjourned at 5:30 p.m.

Mike Ahrenius, Commissioner

Barbara Marrett, Commissioner

Greg Hertel, Commissioner