

**Port of Shelton  
Commission (Workshop) Minutes  
June 8, 2010**

**I. Call to Order**

**Commission Chairman Hupp** called to order the work shop meeting of the **Port of Shelton Commission at 2:00 p.m.**

The following persons were present: Commissioner Wallitner, Commissioner Miles; John Dobson, Executive Director, Wendy Smith, Executive Assistant; Karen Sandberg, Jason Dose, City of Shelton; Laura Lewis, Craig Watson, Conley Watson, Shawnie Vedder, Maitri Edwards, Dick & Jo Curtis, Linda Gruer, Glen Fouvre, Dick Taylor, Janice Vocke, Christine Hoyt, Richard Byrd, Brenda Hirschii, John Cox, Dedrick Allan, KMAS; Mary Duncan, Shelton Mason Journal.

**II. Pledge of Allegiance**

**III. Agenda**

Approved agenda

**IV. Business Discussion Items with No Action**

Robert's Rules on Adoption of Minutes

Since Commissioner Miles didn't want to sign the minutes of the 18<sup>th</sup> this item was placed on the agenda to once again verify the rules on the adoption of minutes. On Aug. 18 last year there was a discussion of adoption of minutes. Formal or non formal motion. Commissioner Hupp did some research last August and is giving a copy of the memo that went forward and was discussed. Came to the conclusion that it is not necessary nor desirable to adopt minutes with a formal motion (Reference Roberts Rev. 10, pg. 343). There was nothing wrong with the way the minutes were adopted last week. Commissioner Wallitner asked what are the consequences of not signing the minutes. Commissioner Hupp answered nothing. Commissioner Hupp just wanted to clear the air. Commissioner Miles stated that if we were consistent in what we were doing this wouldn't be a problem. He said that he cannot remember every detail off hand. We have been making a motion and voting. Commissioner Hupp stated that on Aug. 18 we went through this exercise and made an agreement to adopt the minutes without a motion. We were operating that way for several months until all of a sudden the process changed. Miles wants to see consistency from the Board. Miles said it is Commissioner Hupp's fault. Commissioner Wallitner said it is now solved. Commissioner Hupp took responsibility for not dropping the hammer when it should have been dropped.

Sponsorship of the Fair

Commissioner Hupp said normally we would go forward with this issue and not bring it up but we don't want to run any risk of being under the

microscope. John Dobson stated that last night there was a meeting with the fair board. There was a plan to move forward with the fair. On Dec. 31, 2013, we will not be using the current fairgrounds. What do we do in the future? He explained that we were going to the families and businesses in the community. This is still the plan but it hasn't happened as quick as we wanted or needed it to. John & Rachel Hanson have come forward to form a corporate entity to run the fair and rodeo. John Dobson expressed interest in having the Port sponsor the fair and the name is the Mason Area Fair instead of the Mason County Fair. Several other businesses are also supporting the fair. There was lots of doubt up through last week that the fair was even going to happen. Commissioner Hupp explained that this is community support like the baskets for the chamber downtown. Commissioner Hupp said we support lots of community events so this is the same idea. Guest asked if the Hansons are running the grounds for all events or just the fair and rodeo. John Dobson answered just the fair and not any other events. The Port of Shelton still owns the fairgrounds and leases the property. John Dobson would like to see this fair become private. There are many fairs that are private like Puyallup, Lynden, Benton-Franklin, Yakima and they are very profitable. Citizen asked if there is a location for 2014? John Dobson said not yet. Commissioner Hupp said that this could have come to an end this year. We don't know how this is going to work out but we are looking for an answer and to be a help. Citizen asked about the acreage that the county was going to move the fairgrounds to. What happened to it? Both Commissioners Wallitner and Miles stated they ran out of money. Commissioner Hupp is comfortable with the authority of the Executive Director to pursue the use of Port of Shelton funds to support the use of the fair. Commissioner Wallitner said he is comfortable with this but doesn't want to spend all money there. John Dobson said to give him 3 years and he will get the money back.

#### North Bay Trail System

Commissioners Miles and Hupp attended an all ports meeting in Allyn. Commissioner Hupp explained that these meetings were started about a year and a half ago. They are an opportunity for open discussion on items of Port interest. They have been a good thing. One item that came up was a support letter from Mason Co Parks and Rec. up at the north end of the county. The letter is addressed, To whom it may concern, but it should be addressed to the Parks Dept. They are asking for support by signing the letter. Commissioner Hupp wanted to kick the idea around feels this is exactly what the all ports is all about. Good opportunity to show good faith and support. The trail system is intended to originate at the Port of Allyn near the Gazebo. First part of trail winds up with the intersection of Hwy 302 right by the fish hatchery. The intention is for walking and biking trails and maybe a horse trail. A contribution from the Overton family would eventually connect it with hood canal. The mail

route connection from Olympia to Hood Canal came over water then on land back in the 1800's. Puts a trail in place to mark it. Costs the port nothing. This is a grant application. Commissioner stated if there is concurrence then let's have staff put the letter together and have the Executive Director sign it. It will be our turn to put on the All Ports meeting in August. Commissioner Hupp thought it would make sense to pick a day when we were having a workshop, move time to 6PM. The dates are Aug. 10, 24 or 31. Commissioner Hupp asked if staff could coordinate and put it together with other ports. Usually they supply appetizers for the group.

#### FTZ

Commissioner Hupp has been involved with FTZ 216 the zone is sponsored at the Port of Olympia. Two of the zones are here and eleven others that stretch from Port of Bremerton to the Port of Chehalis and Centralia. Commissioner Hupp explained that about a year ago it was decided that the Port was going to move away from that organization because of a lack of opportunity within the organization. When the Port first got involved in this it looked as it would be a very active opportunity for businesses in the trade zone. Once the program started Nafta and Gatt started up in the national level and this has almost moved the opportunities out of the realm of being reasonable. If you can't save \$40,000 a year in tariffs then it really doesn't pay to be involved. The more it was talked about they realized there was more to this that brings the forces together in the 4 county area. There is value with coordination between cities and ports. The question became how do we continue with new dues etc. The dues will be reduced by 30 percent. Opportunity to reduce acreage to under 200 acres. This reduces the obligation of the Port. There is a policy board meeting tomorrow morning. Commissioner Hupp intends to carry the message from where we want to go. Both Commissioner Wallitner and Miles said to proceed.

#### Adage

Commissioner Miles took a lot of consideration to what former auditor Al Brotche said about advisory ballots. He brought up the idea about putting this on the ballot for Adage. He wants to consider this as a possible resolution for next week to put on the ballot. Commissioner Wallitner asked what would the ballot say, Do you want Adage or not? Commissioner Miles said yes. Commissioner Hupp said the cost is between \$7500 and \$10000. The Ballot would only go to the Port voters and thus only reach about 40%. If the real intent is to find out how the community feels it needs to be done by the county. Commissioner Miles suggested that we do a joint consideration with the county? Commissioner Hupp doesn't think this should be done with Port money. He thinks it should be the county. Commissioner Miles just wanted to see what the process is and the costs. Staff will do research and make some calls. Commissioner Hupp said we cannot do a county wide vote. Guest

asked couldn't you throw support behind this? Since Adage is locating on Port property. We would like to know how the county is feeling about this issue. Commissioner Wallitner feels that the citizens should take this to the county. Guest feels that Port of Shelton would have a stronger pull with the county. Commissioner Hupp feels that this is not administratively for the Port of Shelton to do. He is not comfortable as this puts the Port in a position and he is still neutral. Commissioner Wallitner stated that his opinion is even with an advisory ballot they are still under the gun. Guest stated that this would go to the voters, advisory ballot, take the temperature of the community. Rick Byrd suggested the citizens go to the county and ask them to do this. Commissioner Hupp would feel more comfortable with the county stepping up to do this.

#### North American Eagle

Commissioner Hupp said that part of what came out last Tuesday's meeting was that the relationship with North American Eagle was done inappropriately. Commissioner Hupp recollects that we had a long discussion about this issue prior to the North American Eagle arrival. Commissioner Hupp resisted the issue. He was concerned about the noise. Afterburners have a potential to shock people when they go off. He met with the guy and realized the marketing potential. Commissioner Hupp got comfortable and came back and talked about it. All commissioners decided after looking at the pad that they could make the tie downs safer by placing blocks underground. Could use blocks we already had and our own equipment. Commissioner Hupp said that all three commissioner stood around and agreed and Commissioner Miles commented that he didn't want to see the afterburner on dry grass which was an excellent suggestion. Commissioner Miles agreed with everything that Commissioner Hupp stated but thought that there should be a contract in place to be paid for the employee's time and insurance on file to protect our assets. John Dobson stated that he didn't think that it was any different then the 60 year anniversary when the dragsters were lit off. Commissioner Hupp said this is a great marketing opportunity when he comes at the end of the month, they will be here from a national perspective of 75 sponsors. Commissioner Miles said even in radio you have trade. Even in trade there is a contractual agreement. Up to that point it was great. What did we get for this besides trade or promotion. They used our facility and our equipment and man hours. Commissioner Miles said he was asking a question and the answer that he got didn't sit well. John Dobson said at the 60<sup>th</sup> anniversary there were drag racers, over 100 airplanes, buildings being run, no insurance, no agreements, no contracts. The Port spent over \$14,000. Commissioner Miles stated that this was their event and we have insurance. John Dobson stated we have insurance coverage as the port for slip and slide and others. John Dobson said this is no different. Commissioner Miles had requested this in email form. He explained that there are two items on this agenda that

are out to smear him. If he had gotten the information and it sat well there would be no problem, but these are items that did not sit well. John Dobson said he cannot respond to each individual commissioner. If there is a question about his credibility then bring it to the other commissioners. Commissioner Miles should meet with Attorney Houser instead of accusing him of signing agreements that put Port at risk. Commissioner Miles stated that he cannot bring this forward without getting it first. Commissioner Miles stated that he has asked and John Dobson has blown him off. Guest asked what is the liability if unit had blown up. Would the port be covered? Answer is Yes and the driver is providing a copy of his insurance on his next visit. Guest asked about FOIA isn't that a public records request. John Dobson told Miles that he needed a FOIA. John Dobson stated that he was totally incorrect. He is trying to have the commission work together. Brenda Hirschii asked did you say that all public disclosure requests go to the attorney. John Dobson said that he made a policy to go through the attorney for all requests. Commissioner Hupp said that this is not uncommon. Most governing bodies get legal advice. Brenda Hirschii said she does weekly public disclosure requests through the county. Shannon Goudy gets her all the information that she needs. Attorney Houser said that State of Washington does not have a FOIA, but a public records request. There are lots of questions once a request comes in, does a record exist, is it public, is it personnel, is it exempt – under real estate etc. Very inexpensive as Attorney Houser has only responded to 2 requests in the last 2 years. Recent request pertaining to SEPA – whether internal or drafts no public record. Had one a couple years ago and don't get very many. Port must respond within 5 days. Sometimes request is broad or unclear we must spend time recovering documents. This is a management issue. Attorney Houser has done that in the past. Some need clarifications. For example financials of attorneys. A little different than public records request. Commissioner Hupp asked are we comfortable with them coming down to operate on the 30<sup>th</sup>. Commissioners Wallitner and Hupp are both comfortable.

**V. Staff Comments**

Picture of car with wings.

John Dobson showed a picture and said if you remove the wings that is just like the North American Eagle. Thinks that there is one at Boeing Field right now.

Hospital beds

John Dobson reported that he chatted with John Eaton and the remaining beds will be out of the building by the end of the month. Commissioner Wallitner says that they have 8 dialysis machines to ship to Haiti. The Port of Shelton authorized over 7000 hospital beds to be stored in an unused facility. Only 30 remain. This was all volunteer efforts. John Eaton won a national award for this effort.

### New Tenant

Another greens company going to be renting 14,000 square feet. The monthly rent amount is over John Dobson's limit so this will come forward for commission approval.

### Mason County General Hospital

Has rented the Baja building and is doing a mock up for their new facility there showing where the walls will be placed, etc.

### Tenant updates

Noble Valley lost contract with Costco, Brothers took over the refrigeration contract. Non profits forest festival are in building 1 will be moving them to the 430 building by mid July. They will pay for electricity and building has a barbed wire fence around it. Guest asked will the chamber of commerce stuff move too? John Dobson said yes all groups involved in building 1 will be moved to the 430 building. Patti Tupper was the original signer. There is an awning on the back with good protection. No power in building at this point.

### Housekeeping items

John Dobson made some changes on expense reports. There are times when commissioners are charging for miles when going to a meeting but didn't want to charge for the meeting. Hopefully this form will be simpler to work with. Commissioner Hupp said this was a work in progress. John Dobson also asked if they could you turn in the report within each month otherwise there is a lot of digging back into old files to reconcile. Attorney Houser thinks that this is a good practice for accounting and auditing purposes.

## **VI. Public Comments**

### Dick & Jo Curtis

Info for him and his wife – looking at minutes. Wondering why there are April and nothing from May on the website. First two weeks should have been posted already. Others have minutes up already. Commissioner Hupp said administratively, sometimes it takes longer to get issues posted. Appreciate input. General question how do we ask questions informal but during business meetings how can we get a question to the board during a meeting, should it be in writing? Commissioner Hupp says there are two opportunities to speak one at the beginning and one at the end. Trying to prevent spontaneous interaction when board is trying to conduct business. As long as they can ask questions as a result of that meeting over a month ago Hupp talked to lots of community members about this meeting. Commissioner Hupp got the recommended from Superior Court judges and ex County Commissioner that we loosen up.

He followed this by saying that he is trying to avoid spontaneous outburst that border on being disrespectful.

Janice Vocke

Along the same lines when they are told that there are no public comment they get a little more vocal. Comp plan she spoke and said that citizens wanted to comment and read documents. Citizen looked up comp plan and found it and went home to research it. Commissioner Hupp estimated that it would take the rest of the time to go through the plan. They tried to rush through the plan so citizens could have a chance to speak. John Dobson said that there were 30 some pages and Brandon is making the updates. Once we get through that Brandon still has to add in the drawings. Then it will get input from the citizens and we would love to have input. Another side to this is if you ever want to meet with John Dobson to get a hold of Wendy and make an appointment.

Craig Watson

Most of his topics have been covered. Thanks for the informal process. This is a small board and it can act informally or formal. Appreciate the fact that you have loosened up. You will see an improvement with public relations. When we refer to you we try to be respectful. When you address public that you refer to them as sir or madam instead of young fellow or young lady. Can be taken as demeaning in using age or gender. Commissioner Wallitner stated that he would try to be better but has only been here 6 months close election should have shared with Byrd. He uses slang and taking that under advisement. Craig went on to present everyone with packet from the American Lung Association and American Heart Association and would like this entered into the record. Also the latest study from circulation from May 10, 2010. Commissioner Hupp said we would make note of the titles for the record. The information brought to the meeting was:

1. A Letter from the American Lung Association to the House Committee on Energy and Commerce and the Subcommittee on Energy and the Environment dated June 24, 2009.
2. A one page article from KUOW – Seattle titled NW EPA Head Says Seattle may not meet new ozone standards dated April 19, 2010.
3. An article titled, "Particulate matter air pollution: how it harms health" from the World Health Organization – Europe dated April 14, 2005.
4. Massachusetts Medical Society article titled "Massachusetts Medical Society Adopts Policy Opposing Biomass Power Plants dated December 9, 2009.
5. Incinerator Free Mason County – Adage Emissions paper.
6. Duke Energy Out \$93 M for Clean Air Act Violations in Indiana. Dated December 29, 2009.

7. Copy of Circulation, Journal of the American Heart Association dated May 10, 2010.

Brenda Hirschii

She thinks that there are some questions that still must be answered, from maybe the May 11 meeting? Citizen asked about conflicts of interest by board. Have not seen minutes, they haven't been posted. Miles read statement at the last study session. And sent a letter in response, all did. Have the answers been public? Yes Commissioner Wallitner answered No, no, yes and Commissioner Hupp answered No, no, yes. Last week miles brought up conflict of interest surrounding port director, brought into the public, this should be cleared up. Not fair to leave it lie.

Commissioner Hupp said that is true. We tried to clear that up in Executive Session. But couldn't get that resolved. Commissioner Hupp said there isn't a formal complaint. Brenda asked Isn't it formal when it is made in a public meeting it becomes public? To be fair to Mr. Dobson to put that whole thing to rest. Attorney Houser said that the complaint was against a public employee. Public accusation in a public meeting. Board needs to review that is it a complaint and if so should it be brought out and answered in a public meeting. Guest asked if the public port employees working outside the public meeting laws, does the commission as a whole have a legal obligation to ascertain whether a port employee has some conflict that might place them with securities and exchange trading laws. Would it not behoove the board to ascertain that information even in a private session so that the POS is not put in a legal position.

Commissioner Hupp again explained that we tried to deal with that in Executive Session but he is still waiting for a formal complaint. Rick Byrd said are you telling me that when you went into exec. Session did you not have full participation? Commissioner Hupp said yes. Commissioner Miles stated that he asked if the exec. Session was about him and all of them said no. Rick Byrd suggested that executive session should happen again and deal with this. Commissioner Hupp said that there is still no formal accusation. Citizen explained further that employees should not have any conflict of interest. Attorney Houser said the purpose of executive session was to review the performance of an employee and during that time you can discuss other issues of the same nature. He said that it is appropriate to look into and discuss further without a formal accusation. Janice Vocke asked can't it be just answered and Commissioner Hupp said we will deal with it.

**VII. Commissioner Comments**

Commissioner Miles asked about an email from John Dobson about proceeding with agreement for water and sewer service. John Dobson had forwarded the email from City of Shelton.

**VIII. Adjournment**

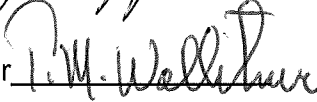
With no additional business and no action, Chairman Hupp adjourned the workshop of the Port of Shelton Commission at 3:36PM.

Minutes submitted by: Wendy Smith, Executive Assistant.

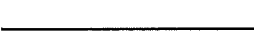
Minutes approved by: Chairman Hupp

Handwritten signature of Guy Hupp in cursive script, written over a horizontal line.

Minutes approved by: Commissioner Wallitner

Handwritten signature of P.M. Wallitner in cursive script, written over a horizontal line.

Minutes approved by: Commissioner Miles

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