

Port Angeles HarborWorks Development Authority  
Board of Directors Meeting  
Jack Pittis Conference Room, Port Angeles City Hall  
June 4, 2008

**Waiver of Advance Written Notice:** Before calling the meeting to order, President Orville Campbell noted that, in accordance with the requirements of Port Angeles Ordinance No. 3333, the City Council shall call an organizational meeting of the initial directors within 60 days of the effective date of the Ordinance, and shall cause at least 7 days advance written notice to be given to each director, unless waived in writing. In that the requisite 7 days advance written notice had not been provided, he distributed a Waiver of Advance Written Notice that was signed by all directors.

**Call to Order:** President Campbell called the meeting to order at 2:30 p.m.

**Attendance:**

Directors Present:	President Orville Campbell, and Directors Jerry Hendricks, Bart Irwin, Karen McCormick, and Howie Ruddell.
City Representatives Present:	City Manager Mark Madsen, City Attorney Bill Bloor, City Clerk Becky Upton, and Deputy Director of Community & Economic Development Nathan West.
Port Representatives Present:	Executive Director Bob McChesney, Commissioner George Schoenfeldt, and Legal Counsel Steve Oliver.
Others Present:	Larry Dunn, Lower Elwha Tribe; Linda Rotmark, Clallam County Economic Development Council; Brian Gawley, Peninsula Daily News; and Paul Cronauer, Citizen.

**Election of Officers:** Consideration was given to the election of officers. Manager Madsen advised the Board that, according to State law, the offices of President and Secretary must be filled, but not by the same person. The officers are elected on an annual basis. The Directors felt it would be appropriate to elect a Secretary at this time, and to defer further elections to another meeting. **Bart Irwin moved to place the name of Jerry Hendricks in nomination for the office of Secretary. The motion was seconded by Karen McCormick. Bart Irwin moved to close nominations and call for the question. A vote was taken on the motion, which carried unanimously.**

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**Report of Legal Entity Formation Process:** At Manager Madsen's request, City Clerk Upton provided a synopsis of actions taken thus far to meet legal requirements concerning the formation of the Public Development Authority. City Ordinance No. 3333 was adopted on May 20, 2008; a summary of the Ordinance was published on May 25, 2008, and the Ordinance took effect on May 30, 2008. On the latter date, copies of all initiating documents were sent to the Secretary of State. Clerk Upton also discussed the Call to Meeting, as issued by Mayor Gary Braun on behalf of the City Council.

Manager Madsen reported the next steps to be taken are merely formalities in the legal formation of the Public Development authority, as documents must be filed with the U.S. Internal Revenue Service to obtain a Taxpayer Identification Number and with the State of Washington to obtain a Unified Business Identifier (UBI) number. There is no requirement to file as a non-profit corporation, as the PDA is a municipal corporation. Once an accountant or accounting firm is engaged, the above referenced documents can be appropriately filed. **Bart Irwin moved to authorize the filing of documents with the IRS and the State of Washington to formalize the entity's creation. The motion was seconded by Jerry Hendricks and carried unanimously.**

**Meeting Times/Dates:** The Board directed its attention to the establishment of regular meeting dates and times. **Bart Irwin moved that, for the first six months, the Board of Directors meet on the first Wednesday of each month at 2:30 p.m., after which consideration can be given to changing the regular meeting schedule. Howie Ruddell seconded the motion, which carried unanimously.**

Orville Campbell distributed a roster with contact information for all Board members. He asked that any added or corrected information be provided to the City Clerk.

**Discussion of Draft By-Laws:** City Attorney Bloor had earlier distributed a copy of the revised draft By-Laws, and he noted that most changes were of a grammatical nature. However, one substantive change could be found on Pages 3 - 4, Article V - Corporate Officers, Section 5. President: The language in the last sentence was changed to the extent that the President would have general supervision and control over the business and affairs of the Authority in the absence of an Executive Director. The Executive Director will answer to the full Board instead of just the President. Attorney Bloor added that Article IV, Section 11 will be completed to reflect the regular meeting dates, time, and location.

Discussion ensued on what would constitute a quorum, as two different numbers are established by the Charter and the By-Laws. Attorney Bloor indicated the Charter is the controlling

document, so the quorum will be set at four. The By-Laws will be changed accordingly. It was noted that the word, *later*, in Article III should be changed to read, *latter*.

Bart Irwin referenced Article VII - Financial Matters, feeling it is lacking in specificity especially in view of the fact that money will be a significant issue for the PDA. He felt there was a need to add language to the By-Laws to the extent the financial matters would be controlled by a financial resolution in order to protect the public interest. **Bart Irwin moved to amend the By-Laws by adding the following language: "All financial matters, except as herein provided, shall be dealt with as provided by the Board of Directors' Resolution entitled, *Standing Resolution on Financial Matters*". The motion was seconded by Karen McCormick and carried unanimously.**

Bart Irwin then directed attention to indemnification of the members of the Board of Directors, officers, and employees. After due consideration, it was agreed that the PDA will need to purchase separate insurance for purposes of indemnification. The City and the Port cannot be held liable for any action of the PDA or its Board. **Bart Irwin moved to adopt the By-Laws as amended. Jerry Hendricks seconded the motion, which carried unanimously.**

**Preliminary Budget Discussion:** Manager Madsen asked Nathan West, the City's Deputy Director of Community & Economic Development, to provide input as relates to the Scope of Work. Mr. West addressed Phase I of the Rayonier report, to include the Critical Path Analysis, with a focus placed on a parallel track for the Rayonier site and the Harbor. Due diligence, to include a site analysis, will be done on the Rayonier site, in addition to a market analysis on the best use of the property in terms of what the Port Angeles market can accommodate. Similar due diligence would take place on the Port Angeles Harbor as relates to the Harbor Resource Management Plan, to coincide with the Shoreline Master Program. Mr. West noted the importance of recognizing various land use issues that must be addressed, such as Comp Plan amendments or Code changes. He also addressed the focus on clean-up of the site.

In addressing the Scope of Work, Manager Madsen felt it would be easier to then understand the staffing requirements of the PDA. He reviewed from his perspective the staffing needs of the organization, as well as the desired expertise and skill levels. Port Legal Counsel Oliver also identified needed expertise because of compliance requirements, file repositories, and the like. Consideration was given to legal requirements for notices of meetings and disclosure of public records. City Clerk Upton briefly summarized the legal requirements for requests for public records, noting that one request had already been submitted for PDA documents. A Public Records Officer will need to be appointed by the PDA to respond to records requests, and by consensus, the Board suggested that City Clerk Upton serve as the Interim Public Records Officer for the PDA.

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Manager Madsen shared information he garnered from Foss' Development Authority in Tacoma, indicating one of the first steps would be to engage an Executive Director. He suggested that the Board consider the appointment of an Interim Manager for 30 - 60 days as necessary. To that end, he suggested that consideration be given to the appointment of Jim Haguewood. **Howie Ruddell moved to retain the services of Jim Haguewood as Interim Manager of the Port Angeles Harbor Works Development Authority. Karen McCormick seconded the motion.** In the ensuing discussion, it was agreed the Board should meet with Mr. Haguewood for the purpose of conducting an interview. Consideration was given to what types of information the Board would like to receive from Mr. Haguewood during the interview. **Howie Ruddell restated the motion to pursue a relationship with Jim Haguewood as Interim Manager, and to have Mr. Haguewood be prepared to provide a resume, a projected scope of work, cost, and conditions of employment. Karen McCormick, as seconder of the motion, agreed to the restatement. A vote was taken on the motion, which carried unanimously.**


It was noted that Mr. Haguewood could assist in the Executive Director search. Manager Madsen indicated the City's Human Resources Division has been working on a draft job description and has been seeking salary information. He shared information gained thus far on parameters and costs, providing projections if the PDA were to conduct its own job search as opposed to engaging a search firm. For purposes of planning, staffing costs could be projected at \$500,000.

Manager Madsen indicated that the Board should be prepared to submit letters of request to both the City and the Port for the funding of staffing and operating costs at a range of \$500,000 - \$700,000. The payments would be incremental and would be considered callable loans. Port Executive Director McChesney indicated the Interim Manager should formulate the initial budget for consideration by the Board, after which the initial request would be submitted to the City and the Port for approval. The initial budget should include start-up costs for staffing, offices, phones, and the like, and then an amended budget could be considered at a later date. Manager Madsen referenced the City's agreement with the Clallam Business Incubator and the possibility of Mr. Haguewood being tasked to work with the PDA.

**Special Meeting Date:** President Campbell asked the Board to consider the selection of a meeting date to receive a proposal from Mr. Haguewood, and it was agreed the meeting will be held on Monday, June 23, 2008, at 5:00 p.m., in the Jack Pittis Conference Room at City Hall. With reference to the Resolution that was passed earlier, Manager Madsen was asked to provide the Resolution in letter form to the Board. In addition, he was authorized to communicate the Board's needs to Mr. Haguewood in anticipation of the meeting on June 23<sup>rd</sup>. As an added note, Bart Irwin noted the many State and Federal citations; he felt it would be helpful to receive copies of those citations. Attorney Bloor agreed to provide the documents as requested.

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**Adjournment:** There being no further business, the meeting was adjourned at 4:08 p.m.

  
Orville Campbell, President

  
Becky J. Upton, City Clerk