

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
WORKSHOP and SPECIAL MEETING**
Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Thursday, January 24, 2013 at 6:00 p.m.

AGENDA

WORKSHOP (5:30 – 6:00 P.M.): Informal discussion of recent correspondence and interview prep

SPECIAL MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

COMP SCHEME AND STRATEGIC PLAN RFQ RESPONDENT INTERVIEWS** (6:00 – 7:15 P.M.)
Interview with Triangle Associates, Inc. (6:00 – 6:45 P.M.)

Discussion of all interviews (6:45 – 7:15 P.M.)

SOUTH WHIDBEY HARBOR PHASE 1 CONSTRUCTION** (7:15 - 7:45 P.M.)
Grant funding status & project/schedule updates (7:15 – 7:30 P.M.)

Resolution No. 13-02 to Allow the Transfer of Funds from the General Obligation Bond Account to the General Operating Account (7:30 - 7:45 P.M.)

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

January 24, 2013

Freeland, Washington

Commissioners Present: Curt Gordon (Clinton), Dennis Gregoire (Freeland) and Chris Jerome (Langley)

Others Present:

Port Staff: Ed Field (Port Operations Manager), Angi Mozer (Port Finance Manager), Molly MacLeod-Roberts (Port Clerk) and Julie James, Harbormaster **Others:** Eric Toews, Dave Robinson and Jim Pearman (Triangle Associates, Inc.)

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Thursday, January 24, 2013, in the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting was for Commission and Staff interviews of potential Comprehensive Scheme and Strategic Plan consultant firms. Although the Meeting was of course open to the public, it was specifically scheduled for the interviews and for detailed Commission and Staff discussion, and public participation was not on the Agenda.

Following a Workshop from 5:30 p.m. to 6:00 p.m. for informal Commission review and discussion of recent correspondence and project status Commissioner Gordon, President, called the Special Meeting to order at 6:00 p.m., followed by the Pledge of Allegiance.

COMPREHENSIVE SCHEME AND STRATEGIC PLAN REQUEST FOR QUALIFICATIONS (RFQ) RESPONDENT INTERVIEWS

Interview with Triangle Associates, Inc.: Eric Toews (Planner & Attorney), Dave Robinson (Planner) and Jim Pearman (Senior Associate) were on hand to present Triangle Associates' response to the Port's RFQ (**EXHIBIT A**). Pearman explained that he was representing Bob Wheeler (President) who was unable to attend the meeting. Their 35-minute presentation was followed by a 30-minute Q&A period.

Discussion of all interviews: The Commission and Staff discussed the qualifications of the three firms that had been interviewed: Makers Architecture & Design, LLP; Qvigstad & Associates, Inc.; and Triangle Associates, Inc. Gordon said they need to choose a firm and start the process of working on the scope and how much it will cost. Port Operations Manager Ed Field agreed and said it would probably require an additional meeting with the principals of the firm selected to give them a general scope for them to respond with a general proposal (menu-driven list of possibilities, etc.).

Commissioner Chris Jerome said the Makers team appeared to have a broader perspective and more experience than the others, including the presence of valuable sub-consultant resources BST Associates (local maritime-economy experts) and Reid Middleton (marine engineers). Gordon and Gregoire agreed. Since the Commission was unanimous in agreement with Makers as the first choice, Staff was directed to contact Makers and discuss the next steps (including general proposal and additional meeting). In the event that the Port is unable to come to an agreement with Makers, Commissioner Dennis Gregoire suggested they identify Triangle Associates as the 2nd choice/fall back position and the Commission agreed.

SOUTH WHIDBEY HARBOR PHASE 1 CONSTRUCTION

Grant funding status and project/schedule updates: Field reported Reid Middleton is in the middle of putting plans & specs together and the Port expects to have a 98-99% check set (bid documents) next week. The intention is to have the bid ready to issue on February 6. There will be a 3-week bid period

with bid opening on February 27th, followed by a 10-12 day bid review (check references, etc.), leading up to the March 12th regular meeting when the Commission would make a motion to award. Following the contract award process, the expectation is that Notice to Proceed would be given around April 1st. The duration for the contract will be either 300 or 330 days. Field's intention is to have substantial completion by February 1st (to provide a little cushion before the shutdown of the fish window on February 15th), and final 100% completion 45 days after that. He noted that the schedule is based on no FEMA funding. If there is FEMA funding, it would have to be completed by December.

Gregoire distributed a table he created titled "Activities occurring in 2013 at Port of South Whidbey" (**EXHIBIT B**) that identified 4 Actions (Langley Marina Construction, Port Comp Scheme & Strategic Plan, Shoreline Master Plan Update and Possession Boat Ramp) along with a time frame and products for each. Gordon cautioned Gregoire that since this was a Special Meeting, they could only discuss items on the Agenda and the Shoreline Master Plan and the Possession Boat Ramp were not on the Agenda. Gregoire said he would only be talking about the first two Actions. He wants Field to lay out the steps for the South Whidbey Harbor construction parallel with the steps for the Comp Scheme & Strategic Plan process. He continued, *"We need to know where Staff is spending time and we need a road map of specific meetings, time commitments, and data assembly so we can reasonably measure and monitor the progress, so we don't spend a lot of time in our meetings talking about stuff that is on the critical path."* Gordon said it's all evolving and they would have a lot more information regarding schedules, etc. after the meeting with Makers and once the construction bid has been awarded, but it is premature to request that information now.

Regarding funding, Port Finance Manager Angi Mozer reported, *"We have heard nothing from FEMA, and Congressman Rick Larsen's office hasn't either."* Based on the schedule that Field discussed earlier, she feels that the Port is at the point of no return for getting FEMA funds for the construction project. Gordon asked, *"Do you have any communication or confirmation that would suggest it would be irresponsible for our Port Commission to not continue to entertain getting the FEMA grant for our community? Because we have a responsibility to the public now to not spend more money than we should since we don't have a commitment from FEMA."* Mozer said the Port's Fiduciary Agent has been pushing the Port to leave the door open. She's asked the Port to do the options for the contract and has provided guidance to encourage us to wait for the funds. However, the deadline to spend those funds is December 31, 2013. Mozer said, *"So while she's encouraging us, she's also telling us our timeline is getting shorter and shorter. And we are now at the point where we have to go to bid either with the FEMA funds and the December 31, 2013 time constraint or with no FEMA funds/no government requirements and a February 15, 2013 date. In my opinion, at this point in time it is not an option to take the FEMA funds and I don't have anything that says it would be irresponsible of us to stop pursuing those funds for the construction. Between the federal requirements that would cost approximately \$200,000-\$300,000 and the potential of missing specific deadlines to get the project finished on time, I think those mitigate any benefit."* Field said the additional cost of the federal requirements has been known and pretty constant, but an early completion date of December 1st-10th has become a major factor. With the work duration shrinking, the Port would have to pay the contractor a lot more to accelerate the schedule and that would reduce the benefit even further.

Jerome asked if there was any value in contacting the Port's fiduciary agent tomorrow and saying, *"Look, if you can't confirm the funding in the next couple of days, we have to go ahead without FEMA money."* Mozer said it would behoove the Port to be in contact with the fiduciary agent, but noted that the agent doesn't actually have the power to produce any of the needed documents. Gordon suggested they could tell the agent that the Port is going forward on the dock project because FEMA has missed our deadline, but ask her what she needs the Port to submit in order to get the boats for the Fire District and the Sheriff's Office. The Commission agreed with Gordon's suggestion. Mozer said she would contact the agent, noting that if the Port goes forward with the boats, there would need to be a scope change with the

agreements and she would need to communicate that to her anyway. Regarding the Fire District, Mozer thought they might be losing interest in the fire boat and might use their 25% matching funds (\$135,000) to instead replace other aging equipment. If the Port doesn't hear from FEMA soon, she thinks they might withdraw. Gordon asked her to convey that concern to the fiduciary agent as well.

Resolution No. 13-02 to Allow the Transfer of Funds from the General Obligation Bond Account to the General Operating Account (EXHIBIT C): Mozer explained that the Port needs to invoice the Bond Fund, because the General Operating Fund is running low due to prior expenditures on capital purchases. She created Resolution No. 13-02 to give the Auditing Officer the authority to transfer funds between the accounts. Each transfer will be documented and have prior approval from the Board. Mozer presented the Board with Memorandum #2013-01 (**EXHIBIT D**), which directs her (as Auditing Officer) to transfer \$380,179.95 from the Bond account to the General Operating account to reimburse the capital expenses paid in 2007 related to the purchase, movement and temporary moorage & rigging of the 400' breakwater.

ACTION: A Motion was made by Gregoire and seconded by Jerome to approve and adopt Resolution No. 13-02 to authorize the transfer of funds from the General Obligation Bond Account to the General Operating Account. The Motion passed unanimously.

ACTION: A Motion was made Jerome and seconded by Gregoire to approve Memorandum #2013-02, directing Angi Mozer, Auditing Officer to transfer \$380,179.95 from the Bond Account to the General Operating Account. The Motion passed unanimously.

Gordon provided his signature on the Memorandum as President. Port Clerk MacLeod-Roberts explained that this and all future transfer of funds will be made in conjunction with the regular meeting and payment of vouchers so that the Port will not pay a penalty for early withdrawal of reinvestment funds.

Since the last Port meeting, Mozer reported that she met with Island County Budget Director Elaine Marlowe regarding the Rural County Economic Development Fund grant. Marlowe said there is no match requirement for the grant per the InterLocal Agreement (ILA). Mozer explained that her understanding was that the RCEDF grant application included a 100% match by the Port, but the ILA does not dictate any match at all. Based on this new information, she had updated the SWH Phase 1 Grant Funding Plan and SWH Capital Project Expense Matrix through December 2012 spreadsheets (**EXHIBIT E**). In addition to eliminating the RCEDF match on the first spreadsheet, Mozer also updated the "Design & Permits up to Dec 2012" row (costs already incurred). That amount went from \$240,000 to over \$400,000 because of both the amount spent since the last update and the additional review of previous expenses. It is still not comprehensive – it does not include anything spent with Arthur Andersen dating back to 2007-08 (about \$390,000).

Mozer also provided the Commission with a spreadsheet of "Predicted SWH Construction Project Cash Flow" (**EXHIBIT F**) to illustrate a potential scenario of how the Port's cash balances will look. She worked with Field to put together a rough estimate of construction costs, which will be updated when the contractor develops a construction schedule, etc. The scenario includes the Port receiving grant reimbursements two months after paying invoices (although the County indicated 30 days, she chose to be conservative). Jerome asked if the Port could invoice the County now for invoices paid to date. Mozer explained that Marlowe indicated the absolute cleanest thing to do was to just invoice construction costs, and the Port cannot invoice the County for any costs prior to the signing of the ILA, which refers to construction.

Gordon said he expected that Staff would have a better timeline in early March, but if they have any expectations for their time he agrees with Gregoire and asked them to give a projection of how the year is


going to go. He didn't think it was realistic for them to do that yet. Field suggested they could try to update the previous spreadsheet that Ron Rhinehart had prepared indicating the percentage of time the Finance Manager and Operations Manager expected to spend on specific tasks/projects. Gordon said that would be a start, but he thought Gregoire was looking more for a project timeline. Gregoire said he would provide a model of what he's looking for.

ADJOURNMENT: The Special Meeting was adjourned at 8:00 p.m.

Approved:



Commissioner Curt Gordon, Clinton



Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Minutes reviewed by:



Edwin S. Field, Port Operations Manager

- Exhibit A: Triangle Associates, Inc.'s Statement of Qualifications
- Exhibit B: "Activities occurring in 2013 at Port of South Whidbey table (Gregoire)
- Exhibit C: Resolution No. 13-02
- Exhibit D: Memorandum #2013-01
- Exhibit E: "SWH Phase 1 Grant Funding Plan" and "SWH Capital Project Expense Matrix through December 2012" spreadsheets (Mozer)
- Exhibit F: "Predicted SWH Construction Project Cash Flow" spreadsheet (Mozer)