

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING**

Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Wednesday, October 29, 2014 at 6:00 p.m.

AGENDA

CALL TO ORDER and PLEDGE OF ALLEGIANCE (6:00 p.m.)

ISLAND COUNTY FAIRGROUNDS (Approximately 6:05–6:45 p.m.)
Property Management Options

PORT OPERATIONS (Approximately 6:45–8:00 p.m.)
2015 Budget Discussion

Executive Director Hiring Process

ADJOURNMENT (Approximately 8:00 p.m.)

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

October 29, 2014

Freeland, Washington

Commissioners Present: Curt Gordon (Clinton) and Ed Halloran (Langley) **Absent:** Dennis Gregoire (Freeland)

Others Present

Port Staff: Molly MacLeod-Roberts (Port Clerk) and Angi Mozer (Interim Executive Director)

Public: Helen Price Johnson (Island County Commissioner), Justin Burnett (Editor, South Whidbey Record), Wendy Sundquist (Langley), Don LaMontagne (Freeland), Virginia Keck (Clinton) and Wayne Morrison (Clinton)

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, October 29, 2014, in the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting was for the Commission to meet and discuss Property Management Options for the Island County Fairgrounds and Port Operations (including 2015 Budget and Executive Director Hiring Process). Although the Meeting was of course open to the public, it was scheduled primarily for Commission consideration, discussion and action on the specific issues listed and public participation was not on the Agenda.

Commissioner Curt Gordon, President, called the Special Meeting to order at 6:03 p.m., followed by the Pledge of Allegiance.

ISLAND COUNTY FAIRGROUNDS

Property Management Options: Gordon explained that because the Port's budget was limited, two separate applications for Rural County Economic Development Funds (RCEDF) had been prepared. One application was for a feasibility/due diligence study between now and April 1st when the Fair Association's property management lease with Island County ends. The other application added additional funding for the Port to manage the Fairgrounds for one year, beginning April 1, 2015. The Port also plans to apply for gap funding from a Community Economic Revitalization Board (CERB) grant. At the previous Port meeting, Gordon and Commissioner Ed Halloran agreed to apply for the feasibility/due diligence study only.

Halloran said the Port doesn't know what will be concluded from the study period. He reiterated his support to submit a grant application for the feasibility study, and added that the Port could subsequently apply for the additional management/maintenance funding if needed as a result of the facility management assessment. He added, *"We should be really confident that we have a good foundation before we put the next effort into it."* There would be challenges; such as making arrangements with the County to handle things like the Port discovering significant repair/replacement items – will the County provide that financial support? Halloran had reviewed the Fair Association's previous lease with the County and said he would be concerned with the Port signing a lease with those conditions.

Gordon said, *"I don't think anyone could get a good handle on what's in store for a property manager there until you've actually managed it for a while. I believe the best way to get the knowledge needed to go forward with a long-term approach (especially addressing some capital needs & money required) would be to actually sit in that seat. And sitting in that seat for a year without strings attached would be great."*

Halloran indicated he did not have a problem with the Port taking on the management – he thinks the Port would do a terrific job. He added, *"But the conditions under which we agree to spend grant money on that effort, and then can't meet the requirements, puts us at risk of tarnishing a very good reputation. If*

we're going to make that kind of commitment, it's essential we know how good our backstop is – and our backstop is outside funds.”

Island County Commissioner Helen Price Johnson said she understands the Port's concerns and agreed on the importance of exercising due diligence and making sure an acceptable agreement is reached between the Port and County. She added, *“I'm here to tell you that the County is willing to work with the Port to find that common ground.”* She explained that under the current lease with the Fair Association, the County is responsible for major repairs while the Association is responsible for day-to-day upkeep. The leaseholder also retains the revenues generated from the rentals of the facility. Also, there is a new position that has been funded in the County's adopted budget – a project manager to assist the current facilities manager, in particular in the outlying areas. Halloran wants to make sure when the Port needs major capital funding, they will have the support of the County representative in presenting it to the County Commissioners. Price Johnson suggested the County's Facilities Director would be available to answer any questions from Interim Executive Director Angi Mozer or the Commissioners as individuals. She believes the Port and County will be able to insert language into a lease agreement that is acceptable all around. She reiterated that it is a wonderful property with a rich heritage and great potential. It needs good stewardship, and she believes that can be accomplished through this partnership.

In order to expand the use of the property to accommodate other events, Halloran said the Port would have to start by working with the City of Langley and the South Whidbey School District on the parking issue. Gordon agreed that would be part of the feasibility study and research, along with other specifics that the Landerman-Moore strategic plan did not address. Most notably missing from that plan was the piece that involved going to the community and the users and figuring out the local needs and the nuts & bolts of how to address those. Price Johnson agreed, adding that the previous plan laid out some phased approaches on how to make the Fairgrounds pay for itself. She said, *“And what we learned from that is [the previous plan] takes the use of that property to a level ... that doesn't accommodate the local community (in particular the property directly adjacent to the Fairgrounds) at its full implementation. There will need to be additional balance of public support with what the property can expect to generate on its own.”* Gordon believed the public support could be in the form of capital improvements, and the goal would remain for the property to become self-sufficient using those improvements. Without those capital costs, the property could sustain itself with just the maintenance costs to address.

Regarding the two RCEDF applications, Gordon asked for Price Johnson's opinion as to the urgency of submitting, if it made a difference to apply for the first and wait until later to apply for the second, etc. She indicated her preference would be to move forward in November, because the Council of Governments (COG) will not meet in December which would mean COG would not consider applications until January 2015. If approved by the County, it would still take some time to prepare the InterLocal Agreement for the funds which could easily put it past the April 1st deadline for the property management. Gordon asked for Mozer's input on the timing. She said the timeline is pretty tight and that by applying for the funds by the Oct. 31st deadline, it would provide the Port with the study results by April 1st. Gordon was in favor of submitting both applications now and be extremely diligent about the language in the lease. He believes that as a result of the study, or if agreement on the lease can't be reached, the COG would accept it if the Port decided not to move forward with the second application's project (managing the property for one year). He reiterated his belief that the best way to learn about a facility is to run it. Price Johnson agreed and added that the uncertainty about the Fairgrounds has many users concerned. If the Port submits both applications, that would provide a show of good faith that the County and Port are moving forward and there is a plan.

ACTION: A Motion was made by Halloran and seconded by Gordon to proceed with submittal of both RCEDF applications as discussed (for the feasibility/due diligence study and for property management for one year of the Fairgrounds). The Motion passed unanimously.

Price Johnson thanked the Commission and said, *"I really am looking forward to seeking solutions together."* The Commission agreed and thanked her for attending the meeting.

PORT OPERATIONS

2015 Budget Discussion: Mozer referred to the copies of the Draft 2015 Budget, the 2015 Draft Budget Summary/Notes and the 2015 Budget Revenue & Expenses Breakdown (**EXHIBIT A**) she previously drafted and provided to the Commission. Halloran asked about outside mooring revenue, and Mozer explained it was not included since there are no solid customers yet. After sending out the draft, Mozer realized she had duplicated the previous year's projected revenue of \$51,000 for the Humphrey Road Parking Lot. The 2014 budget anticipated greater revenues based on the rate increases, but the Port did not experience those rate increases at the lot. She proposed decreasing that Line Item 11 to \$46,000 and the Commission agreed to amend the draft budget. Mozer noted that she had incorrectly calculated Line Item 9: Possession residence lease revenue at \$12,150 and Line Item 10: Bush Point Residence lease revenue at \$15,513 by adding rather than deducting the leasehold taxes from the base rent for each resident. The Commission agreed to amend the draft budget so Line Item 9 and Line Item 10 would be decreased by \$770 and \$1,233 accordingly.

ACTION: A Motion was made by Halloran and seconded by Gordon to approve the 2015 Preliminary Budget as amended at this meeting for publication in advance of the Public Hearing on the 2015 Preliminary Budget on November 12, 2014. The Motion passed unanimously.

Executive Director Hiring Process: The Executive Director Job Description (EXHIBIT B) had been amended per Commission direction. According to the Port Attorney, it is the responsibility of the Commission to appoint an Executive Director. Gordon noted the importance of continuity in the Port, and indicated that because of all that is going with the Port, there isn't time to go through a lengthy hiring process. Commissioner Dennis Gregoire has indicated he will be moving out of the district in the next few months and the Port will need to appoint his replacement. Additionally, the South Whidbey Harbor Expansion Project is being reviewed, grant applications for the Fairgrounds and the Clinton Food Shed are pending, and management of grants received previously for Possession, etc. must be done. Gordon proposed bringing the updated job description to the next regular meeting to discuss appointing Mozer as Executive Director with a one-year contract with an extensive evaluation at the end of that year. Halloran responded, *"Why not do it tonight? With what we have on our plates and what we hope to have on our plates near-term, I don't see any reason why we shouldn't proceed. Mozer's work ethic, production, and quality are exemplary."* Gordon agreed, but noted that a contract would need to be drafted and the salary negotiated.

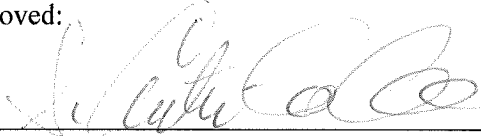
ACTION: A Motion was made by Halloran and seconded by Gordon to offer the position of Executive Director to Angi Mozer effective December 1st on an annual basis.

Halloran asked Mozer if she would be satisfied with that process and accept the position. Mozer said yes, she absolutely would – pending negotiations.

Gordon called for a vote and the Motion passed unanimously.

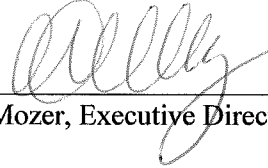
ADJOURNMENT: The Special Meeting was adjourned at 7:25 p.m.

Approved:



Commissioner Curt Gordon, Clinton

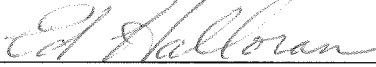
Minutes reviewed by:



Angi Mozer, Executive Director

ABSENT

Commissioner Dennis Gregoire, Freeland



Commissioner Ed Halloran, Langley

Exhibit A: Draft 2015 Budget, 2015 Budget Summary/Notes and 2015 Budget Revenue & Expenses Breakdown
Exhibit B: Executive Director Job Description