

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

Held at South Whidbey Parks & Rec District, 5475 Maxwellton Rd, Langley WA  
Tuesday, July 14, 2015 at 6:30 p.m.

**AGENDA**

WORKSHOP (6:15 – 6:30 PM): Commission review of vouchers and recent correspondence

REGULAR MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

**Consent Agenda**

Approval of June 2015 Vouchers in the amount of **\$83,012.35** and approval of Minutes from the Regular Meetings of January 20 (adjourned from January 13) and February 10, and the Special Meeting of February 11, 2015.

PUBLIC COMMENT – Please limit comments to 5 minutes

FINANCIAL UPDATE

**May 2015 Financial Statement and Executive Director Report**

STATUS REPORTS

**Port Operations**

Maintenance & Operations Supervisor Report

Operations & Maintenance Permitting

Island County Hazard Mitigation Plan

- Resolution No. 15-03 Authorizing the Adoption of the Island County Multi-Jurisdiction Hazard Mitigation Plan

**Mukilteo Parking**

**South Whidbey Weekend Bus Service**

**Island County Fairgrounds**

**South Whidbey Harbor**

Phase 1 Project

- Outside Mooring

Overall Harbor Expansion

Project Harbor Operations

- Harbormaster Report

**Possession Beach Waterfront Park**

Boat Ramp Renovation Project

Cell Tower Lease

ACTIVITIES/INVOLVEMENT REPORTS

**Gordon:** Council of Governments (COG), Skagit-Island Regional Transportation Policy Organization (RTPO) Technical Advisory Committee (TAC), Washington Public Ports Association (WPPA) and Clinton Community Council (CCC)

**Halloran:** Marine Resources Committee (MRC) and City of Langley Council Meetings

**Ng:** Economic Development Council (EDC)

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

## PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

July 14, 2015

Langley, Washington

**Commissioners Present:** Curt Gordon (Clinton), Ed Halloran (Langley) and Jack Ng (Freeland)

**Port Staff Present:** Angi Mozer (Executive Director), Molly MacLeod-Roberts (Port Clerk), Duncan McPhee (Harbormaster), Wayne Nance (Maintenance & Operations Supervisor), and **Consultants** Melene Thompson (Fairgrounds Property Manager) and Marty Matthews (Fairgrounds Business and Marketing Plan Study)

**MEETING CALL TO ORDER:** Following a Workshop from 6:15 p.m. to 6:30 p.m. for informal Commission review and discussion of vouchers and recent correspondence, the Regular Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, July 14, 2015, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, Washington. Commissioner Curt Gordon (President) called the Regular Meeting to order at 6:30 p.m., followed by the Pledge of Allegiance.

### CONSENT AGENDA

**Approval of Current Vouchers:** Vouchers audited and certified by the Auditing Officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing which has been made available to the Board, and have been presented to the Board for review.

**Approval of Minutes:** Minutes from the Regular Meetings of January 20 (adjourned from January 13) and February 10, and the Special Meeting of February 11, 2015

**ACTION:** A Motion was made by Commissioner Ed Halloran and seconded by Commissioner Jack Ng to approve the Consent Agenda as presented, including the authorization and acceptance of Vouchers dated July 2015 as signed today in the amount of \$83,012.35. The Motion passed unanimously.

**PUBLIC COMMENT:** None.

### FINANCIAL UPDATE

**May 2015 Financial Statement and Executive Director Report:** The Commission acknowledged receipt of the May 2015 Financial Statement which was distributed to them previously. Executive Director Angi Mozer reported the Port received \$150,000 in tax, operating and grant revenue and incurred \$61,000 in operating and capital expenses during May 2015. Ending cash balance at 5/31/15 was \$590,000. In addition to the regular 2015 Cash Flow Projections charts, Mozer also provided one for the Fairgrounds. She also prepared a Fairgrounds Finances Summary, which includes the funding from both the RCEDF (Rural County Economic Development Funds) and the CERB (Community Economic Revitalization Board) grants and the expenses funded by them. That Summary also provides a separate breakout for the operating revenue and expenses.

### STATUS REPORTS

#### **Port Operations**

**Maintenance & Operations Supervisor Report:** Wayne Nance reported on maintenance & repairs completed/planned and activities at Clinton Beach, Humphrey Road Parking Lot, Bush Point, Possession Park and the Fairgrounds. To date, Island County has paid approximately \$5,800 for improvements at the Fairgrounds, including new bathroom locks and lumber, stain & paint for the bleachers. The County's

employees fixed the gable ends and installed a new ventilation fan in the Malone Building. County Facilities Director Larry Van Horn has committed to providing electricians for a day to help address some of the electrical issues found during the June 23<sup>rd</sup> walk-through. Port Staff has nearly completed all the painting projects at the Fairgrounds, including the main stage, grandstand, horse barns, goat barn, Hope Building trim & posts, and cattle barn as well as most of the tables and benches. New, locked paper towel, toilet paper and soap dispensers have been delivered and Port Staff will replace the old dispensers in the next week or so. The Port had Puget Sound Energy inspect the vault for the property and cut down the trees behind the goat barn that were leaning on the power lines. Additionally, the Port has paid for a large construction container to dispose of miscellaneous materials that have accumulated behind the barns over the years.

**Operations & Maintenance Permitting:** The process is ongoing, and Mozer has been in close contact with Morgan Ireland of Grette Associates, who asked the Port to complete the field indicator worksheets. Mozer subsequently went to each of the facilities, dug a 12” hole and reported on the soil condition at the bottom of each.

**Island County Hazard Mitigation Plan**

- Resolution No. 15-03 Authorizing the Adoption of the Island County Multi-Jurisdictional Hazard Mitigation Plan: Mozer reported that it is complete and has been finalized, and the different participating agencies have been invited to adopt the Plan.

**ACTION: A Motion was made by Halloran and seconded by Ng to approve Resolution No. 15-03 Authorizing the Adoption of the Island County Multi-Jurisdictional Hazard Mitigation Plan. The Motion passed unanimously.**

**Mukilteo Parking:** Subsequent to Commission action at the regular June meeting, Gordon signed the Interlocal Agreement for a feasibility study for parking in the City of Mukilteo between Mukilteo, Sound Transit, Island County and the Port. Mukilteo will send out a request for Statements of Qualifications for that study in the next month or two. That timing will coincide with the Port sending out a Request for Qualifications and Proposal for the Clinton Market Study, and provide the opportunity to share information. Gordon believes the City of Mukilteo is committed to working on resolving the parking issues.

Gordon met with a representative from the Tulalip Tribe to discuss the possibility of using one of the concrete pads (tank bottoms) at the Tank Farm property for a temporary parking lot until the Multi-Modal Facility is built. The Tribe’s concern is that they don’t want it to be permanent. Gordon hopes to come up with documentation that will provide a guarantee to the Tribe that it will only be temporary because a permanent parking option will become available.

**South Whidbey Weekend Bus Service:** The Port is working on providing bus service on Fridays, Saturdays and Sundays that would loop from the Clinton ferry to Langley and Freeland and back to the ferry. The service would potentially be funded by a grant, fares or sponsorships. Mozer & Gordon met with Island Transit and requested an estimate of the cost to run that service year-round. Based on 18 round trips per weekend (4 on Friday and 7 each on Saturday and Sunday), Island Transit’s Financial Analyst projected the annual cost would be \$282,276. Gordon plans to meet with some of the Island Transit Board Members to discuss it further.

**Island County Fairgrounds:** Fairgrounds Property Manager Melene Thompson provided her monthly report to the Commission. She said everyone has been working hard and the property is looking really good. The campground is doing well with increased visitors. The camper surveys are helping identify desired improvements for the campgrounds and Thompson added a portable toilet and picnic tables in

response to the feedback gathered so far. The Ragnar Relay takes place next weekend; an estimated 10,000 people will be at the Fairgrounds (the finish line) on Saturday. There are 3 potential tenants for the Turner Building and one commercial kitchen tenant (every Monday after Fair ends). Goosefoot conducted a survey regarding the community's need for the commercial kitchen and over 65 respondents are interested in using the one at the Fairgrounds.

Thompson and Marty Matthews (Fairgrounds Business & Marketing Plan consultant) worked all weekend at Choochokam, resulting in 120 completed due diligence surveys on what people would like to see at the property other than the Fair. She will be at Wag 'n Walk at Greenbank Farm on August 16<sup>th</sup>, and will host public forums at the Fairgrounds on August 20<sup>th</sup> at 2:00 p.m., August 26<sup>th</sup> at 6:30 p.m., and September 1<sup>st</sup> at 11:30 a.m. She is looking for multiple teams of people for focus groups and plans to have the Due Diligence Report completed by the end of the September. Thompson will be moving out of her office at the Fairgrounds for the four weeks the Fair Association will be leasing the property, beginning July 18<sup>th</sup>.

Matthews is working closely with Thompson as he begins work on the Business & Marketing Plan due at the end of the year. He has reviewed the Landerman-Moore strategic plan and talked to a lot of people to get public insight of the Fairgrounds. Former Fair Association President Dan Ollis and Fair Administrator Sandy Brandon said they would provide additional financial information as requested. Matthews plans to meet/talk with managers of the fairgrounds in Monroe as well as Jefferson, Kitsap and Kittitas counties – all of which have venue success in the off-season. In addition to renting space, he is looking into non-fair events.

The Commission walk-through of the Fairgrounds took place on Tuesday, June 23<sup>rd</sup>. It was noted that the Black Box Theatre requires an exit sign and an additional exit; Ng suggested Island County should address the issue. Since 65 people are interested in using the commercial kitchen, Ng asked if the County might pay for a walk-in freezer/refrigerator.

Gordon noted that a sublease is needed for the 4 weeks the Fair Association would have exclusive use of the Fairgrounds for the Whidbey Island Fair. The Port doesn't know what the value of the 4 weeks might be in terms of property revenue, and it is difficult to get the financial information from the Association. He suggested that for this year only, the Association could be responsible for just the utilities (electricity, water, sewer, garbage, etc.) with no other fee. After the Fair, as a condition for the "no fee", the Fair Association should vacate the property until January 1, 2016.

**EXECUTIVE SESSION:** The Commission recessed into Executive Session at 7:36 p.m. for an expected duration of 15 minutes to discuss lease price and terms, public discussion of which could cause a likelihood of decreased price. At 7:52 p.m., the Commission extended the Session for an additional 5-10 minutes. The Commission came out of Executive Session and returned to the Regular Meeting at 8:03 p.m.

Because the Association is no longer paying the maintenance expenses for the property, the Commission believes this year's Fair will have a profit. Ng and Halloran both indicated support for charging the Association a fee based on a percentage of the net profit to compensate the Port for revenue lost during that four weeks. Ng viewed it as a partnership – if the Fair doesn't make money, the Port won't be collecting any money from the Association. **Wendy Sundquist** (Vice President of the Association) explained that their fiscal year runs Oct 1 – Sep 30, so for the first six months the Association did have maintenance expenses (before the Port took over management on April 1) and they no longer receive rental revenue. She doesn't believe the Association will have a profit this year. Mozer will continue lease negotiations with the Association based on Commission suggestions.

## **South Whidbey Harbor**

### Phase 1 Project

- **Outside Mooring:** Collins Engineers submitted a proposal for bid document support for the outside mooring project and anchor realignment, construction phase services for the outside mooring project and underwater inspection for anchor line realignment. The total fees for those proposed services were \$29,464. Because the proposal was received after the regular June meeting, Mozer authorized Collins to proceed up to her allowed spending limit of \$4,000. Commission approval of the proposal is required beyond that amount. The proposal is structured so that Collins will actually use engineering performed by Reid Middleton for realigning the anchor cables. Reid Middleton's proposal for the repair of the mooring chain system (design services and bid documents and bid services) totals \$18,000 (not to exceed). Shannon Kinsella at Reid Middleton said that is a high estimate; she doesn't think it will actually cost that much.

Mozer explained that getting bids for the anchor realignment will provide the Port with a very objective indication of the cost to fix the issues. Once that amount is known, the Port can then go back to Mike Carlson Enterprises (MCE) and say: Either you fix it or we are going to pay another company X amount to fix it and request reimbursement from you for the cost. The Commission directed Mozer to let MCE about the Port's plan.

**ACTION: A Motion was made by Halloran and seconded by Ng to accept Collins Engineers' proposal in the amount of \$29,464 and Reid Middleton's proposal in the amount of \$18,000 (not to exceed) as submitted. The Motion passed unanimously.**

[Agenda Re-ordered]

**PUBLIC COMMENT: Mel Trenor** provided the monthly progress report for Island Beach Access (IBA). Island County learned today that the \$165,000 grant (including \$75,000 allocated for public beach access) has been withdrawn. IBA needs to survey Wateredge Drive at Sandy Point and Trenor asked if the group could use the Port's grant funding for it; the Commission agreed it would absolutely be appropriate.

- **Overall Harbor Expansion Project:** Joe Callaghan of GeoEngineers provided responses to the Army Corps of Engineers final questions. It appears the Corps will be issuing the permit soon. Mozer was directed to ask Callaghan about whether having the big permit in hand would make it easier to get approval for doing the smaller G Dock option.

### Harbor Operations

- **Harbormaster Report:** Duncan McPhee was on hand to present his monthly report. Harbor is fully staffed (Harbormaster, Assistant Harbormaster and two seasonal dock attendants) and very busy. The rented 6-passenger golf cart is being used to shuttle customers to/from the Harbor and McPhee is keeping a log of the number of trips, number of passengers and destination (business center or offsite parking). Public crabbing and fishing on all floating docks is now limited to the hours of 9 a.m. – 9 p.m. He reported that there are a lot of public users (non-moorage customers) taking up space on D and E Docks and there's a lot of mess generated from the crabbing & fishing. McPhee estimated one-half to two-thirds of the crabbers and those fishing come from the mainland. Harbor staff has put a temporary wave diversion in place at the wall opening on D Dock to mitigate the wave action across the dock during a northwestern swell; it's held up well so far and has been effective.

### **Possession Beach Waterfront Park**

**Boat Ramp Renovation Project:** Washington State's final 2015-2017 operating and capital biennial budgets were signed by the Governor. However, the Port's construction project is unlikely to receive funding from the Recreation & Conservation Office (RCO), unless another grant applicant whose project

has a higher ranking is unable to perform or execute their project. Mozer explained that if the Port's project remains unfunded, the next step is to reapply in 2016 for the next grant cycle. Gordon asked the status of Coast & Harbor Engineering's (CHE) work that is 75% funded by an RCO planning grant. Mozer reported CHE is mostly funded for their permitting and design activities. However, CHE has provided an additional proposal for costs above the current contract and that still needs to be negotiated. Mozer explained that through that planning grant, the Port is committed to get to 100% per design and permitted by the end of the calendar year, but she believes an extension is possible.

Cell Tower Lease: The 60-day notice period for default of the lease with AT&T passed and Port Attorney Brad Cattle subsequently drafted a Notice of Termination.

**ACTION: A Motion was made by Halloran and seconded by Ng to ratify the issuance of the Notice of Termination issued by the Executive Director under Section 3.07 of the Lease for the reasons specified in that Notice of Termination. The Motion passed unanimously.**

#### ACTIVITIES/INVOLVEMENT REPORTS

**Gordon:** Council of Governments (COG), Skagit-Island Regional Transportation Policy Organization (RTPO) Technical Advisory Committee (TAC), Washington Public Ports Association (WPPA) and Clinton Community Council (CCC)

**COG:** The COG pushed off the EDC's application for a feasibility study of incorporation of Freeland to the Island County Board of Commissioners. Other discussions were held regarding Greenbank Farm and the recent death in the County Jail.

**RTPO-TAC:** The local subarea of RTPO is not going to exist anymore since Skagit left to become part of a metropolitan planning organization.

**WPPA:** Gordon noted the recent WPPA newsletter included an excellent column regarding tenant lease rights by attorney Frank Chmelik. In June, Mozer attended the Finance Seminar in La Conner. WPPA President Eric Johnson provided a Legislative Update. Attendees also learned about different tools and techniques to present financial concepts. Representatives from the State Auditor's Office also presented some options for the Annual Reports that would make port district's reports align with cities and other public agencies.

**CCC:** The CCC is still working with Washington State Ferries on the issue of the "kiss and ride" area. Mark Helpenstell recently joined the CCC, representing the South Whidbey Parks and Recreation District.

**Halloran:** Marine Resources Committee (MRC) and City of Langley Council Meetings

**MRC:** At the July 7<sup>th</sup> meeting, Dr. Tom Mumford provided a fabulous presentation on kelp and macro algae in the Salish Sea. Rumor has it that the Department of Ecology is reconsidering their stance that Island County can't prohibit fin fish pens. Several MRC members believe Island County will be allowed to prohibit them after all. There will be a joint meeting with Snohomish County's MRC on September 16<sup>th</sup> at 4:00 p.m. at Clinton Beach Park.

**Langley:** The City's conference room has been updated. Discussions included The Star Store's vacate land request to accommodate their remodel project, the relocation and success of the food truck, and authorization for the Port to use a gas-powered golf cart at the Harbor.

**Ng:** Economic Development Council (EDC): No meeting last month; Ng will attend tomorrow's meeting and report next month.

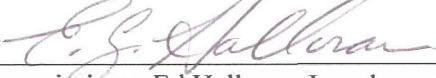
OLD BUSINESS: None.

NEW BUSINESS: None.

ADJOURNMENT: The Meeting was adjourned at 9:08 p.m.

Approved:

  
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Commissioner Curt Gordon, Clinton

  
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Commissioner Ed Halloran, Langley

  
\_\_\_\_\_  
Commissioner Jack Ng, Freeland

Minutes reviewed by:

  
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Angi Mozer, Executive Director

**Public Disclosure Statement:** The foregoing Meeting Minutes, audio recording and all supporting documents presented are available at the Port of South Whidbey, 1804 Scott Rd., Suite 101, Freeland WA 98249.