

THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
WORKSHOP and SPECIAL MEETING
Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Tuesday, October 30, 2012 at 6:30 p.m.

AGENDA

WORKSHOP (6:00 – 6:30 P.M.): Informal discussion of recent correspondence and project status

SPECIAL MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

ACTION ISSUES** (6:30 P.M.)

Draft Budget for 2013

1. Commission and staff review

South Whidbey Harbor

1. Harbormaster Hiring Report
2. Port Ramp Float Project #2012-3 – Update if needed
3. Phase 1 Update
 - Commission Action on Proposed PMA and Aquatics Lease Amendments for Phase 1
 - Permitting and Bid Schedule Update
 - Add'l. Permit & Const. Document Design Services proposal from Reid Middleton (9/7/12)
 - Coordination with NBBB

By-Law Issues

1. Possible By-Law Revisions for 2013

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

October 30, 2012

Freeland, Washington

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

**attended via telephone conference call from Toronto*

Others Present:

Port Staff: Ed Field (Port Operations Manager), Angi Mozer (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk) **Others:** Jim Larsen (South Whidbey Record)

MEETING CALL TO ORDER: The Special Meeting (in workshop format) of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, October 30, 2012, 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 work and review on the draft 2013 Budget, along with updates and action on the listed South Whidbey Harbor and By-Law issues.

After informal discussion of recent events and correspondence, Commissioner Gordon, President, called the Special Meeting to order at 6:33 p.m., followed by the Pledge of Allegiance.

ACTION ISSUES

Draft Budget for 2013

1. Commission and Staff Review: Port Finance Manager Angi Mozer referred the Commission to their copies of the Draft Budget for 2013 (**EXHIBIT A**), on which she had highlighted several items for discussion. Mozer had also prepared two 2013 DRAFT Budget Summary/Notes showing the 2013 Planned Operating Revenue/Expenses and Planned Capital Revenue/Expenses, with one assuming FEMA funds of \$1,086,717 and one assuming no FEMA funds (**EXHIBIT B**). Gordon and Jerome commended Mozer on the work she had done and said the Summary/Notes were especially helpful.

Line Item 1 – Property taxes: Mozer explained she had budgeted \$525,000 for property taxes. With the 1% increase, the highest lawful levy calculation will come out around \$498,000. The 2012 budget was \$515,000 but she thinks the Port will actually get closer to \$530,000, so she increased the 2013 budget accordingly. However, she has not been able to discuss it with the Island County Assessor because that office wants to wait until they can provide the final reports to everyone. Gordon was concerned that \$525,000 might not be enough because he believes the Port will not be able to collect any additional monies above the budget number. Mozer said she would contact the County for clarification on that issue and the issue of banked capacity.

Line Item 24 – Grant Funding-Port Security Program: Per the Budget Summary Notes, the Net 2013 Deficit with FEMA funds is (\$85,577). Without any FEMA funds the Net 2013 Deficit is (\$508,462). Mozer explained that the Port Security Grant was for FY 2009 money and it should have been spent by now, so Marine Exchange (the fiduciary agent) has been requesting extensions for the projects so they can be funded. With the current political climate and potential budget cuts, FEMA has not yet granted the current extension request. Mozer said, "*So Marine Exchange has asked the Port to put together a report to provide the status of our project and they will go to FEMA and fight the case for every single grant to justify it. It sounds like that is what FEMA wants and needs – to make sure all the projects are justified so they can continue to fund them. In mid- to late November, we should hear back as to how that went.*"

Gordon suggested they prepare two budgets (A & B): one with FEMA and one without FEMA. The Commission agreed.

Line 43 – Comprehensive Plan: Jerome wondered if the \$30,000 budgeted would be sufficient. Gregoire said there is a lot of value in the current structure, and if it doesn't have to be completely redone, it can be done for less. He does think the Port needs to add a significant amount of economic data. After brief discussion, the Commission agreed to leave the amount at \$30,000.

Line 47 – Travel Expense-Staff: Jerome asked if it could be broken out and allocated per facility. MacLeod-Roberts explained that since several staff travel between multiple facilities, it would be too time intensive and administratively expensive to do so.

Line 67 – Humphrey Lot Major Improvements/Repairs: Jerome recalled that the parking lot needed painting, yet there was no money included in the budget. Mozer said she would add \$4,000 for striping.

Capital Improvement Program (CIP): Gregoire handed out a sheet he prepared depicting a potential CIP model using the Comp Scheme outline (**EXHIBIT C**). As part of the budget process, he believes it would be helpful to have a 5-year CIP as a planning tool. Gordon agreed with the concept, but it would take significant discussion regarding projects, priorities, etc. Since it is not critical to tonight's budget discussion, he suggested they table it for now and instead discuss it in conjunction with updating the Comp Scheme. Gordon added that a Capital Facilities (Asset) Inventory will also be needed as part of that process.

Lines 68, 70 and 71 – Freeland Park, Maxwelton Park, and Mutiny Bay Boat Launch: For this budget process, Gregoire wanted to address the gaps in terms of facilities that the Port hasn't spent much money on (the boat launches at Maxwelton, Freeland Park and Mutiny Bay). He said the Port has provided funding to print brochures that advertise those facilities, but they are not functioning boat launches. He would like a few thousand dollars in "seed money" for those facilities included in the budget.

Gordon asked Field about the ownership and responsibility for those three properties. Field explained that the Port co-owns the facilities with Island County. The Port cannot invest capital in property it does not own, so in order for the Port to provide capital investment (building the boat ramps) at those facilities, the Port received 25% ownership, and the County retained 75% ownership. Per the InterLocal Agreements (ILAs), the maintenance of the jointly owned properties is 100% the responsibility of the County. Gregoire said he was concerned that the budget contained \$0 for those facilities; he believes it is the Port's responsibility to keep the ramps functioning. Jerome disagreed, noting that the ILAs state that the maintenance is 100% the County's responsibility. He suggested they could look into discussing those ILAs during a special workshop. Gregoire said that maintenance is simply removing sand, but the Port constructed the ramps so it's the Port's responsibility to continue to construct and keep the ramps and floats functioning. Gordon agreed they should look into those ILAs during one of the future workshops, but he would like to get back to the 2013 budget discussion at this point. Gregoire argued that Lines 68, 70 and 71 are part of the discussion and he would like \$5,000 allocated for each facility (Freeland, Maxwelton & Mutiny Bay) in the 2013 budget to get information about the ramps. Jerome said he was leery about including money in the budget until after the Commission has reviewed the ILAs, but he suggested they could add \$15,000 to "Line 66 – Consultant Services-Capital" as a contingency. He is not in favor of committing funds to those facilities in the budget until the ILAs have been reviewed and discussed. Gordon agreed with Jerome. Mozer was directed to add \$15,000 to Line 66 as discussed.

Finance Manager Comments:

- **Line 29 – Trade Fair/Sponsorships:** In the 2012 budget, a total of \$15,000 was budgeted, with \$7,500 for Admin & \$7,500 for Capital. During a previous meeting, the Commission agreed to increase the total budget to \$20,000. Rather than split it between Admin & Capital, Mozer had placed the full amount as Admin on Line 29. The Commission confirmed that was the correct placement, as the grants

are Administrative expenses to the Port (grants), regardless of whether the grant recipient uses the funds for administrative or capital expenses.

- **Line 10 – AT&T Cell Tower Lease:** Mozer pointed out that she had only included the first and last month deposit of \$2,200. She did not include any monthly payments. The Commission agreed it was a fair assumption that monthly payments wouldn't start in 2013.
- **Line 42 – Consultant Services (Administration) and Line 66 Consultant Services (Capital):** In previous years, Consultant Services were all budgeted as Admin only. For 2013, Mozer has left \$5,000 for Admin Consultant Services and created a new account for Capital Consultant Services and placed \$20,000* in that budget. (*Subsequently increased to \$35,000 per discussion at this meeting)
- **Line 88 – Green Business Initiative:** Mozer asked if that should be included in the budget. The Commission agreed it could be deleted. Until there is a specific identified project, there is no reason to include it in the budget.
- **Additional Line Item:** Field identified the need to add a line item under Capital Expenditures for South Whidbey Harbor Environmental Testing, Monitoring and Inspection and recommended \$10,000 for the 2013 budget. The Commission agreed and Mozer said she would add it.
- **Line 147 – Additional Wages: Seasonal + Maintenance:** Staff recommended increasing the budget by \$3,750 for a total of \$11,900 in order to retain the current part-time dockhand year-round. The Commission agreed to the increase.

South Whidbey Harbor

1. Harbormaster Hiring Report: As of the 4 p.m. deadline today, 20 applications for the Harbormaster position had been submitted. Field said of the 20, there were 4 in the "A" group (very well qualified, excellent candidate), 4 or 5 in the "B" group (interesting, good possibilities) and a dozen in the "C" group ("other"). He and Jerome will interview the top choices next week, and the Port will hopefully have a new Harbormaster at the regular meeting in November.
2. Port Ramp Float Project #2012-3 Update: The gangway has been fabricated and the floats will be fabricated this week and next. Tentative start date for on-site pile driving and major construction is November 19th, pending material deliveries, tidal issues, etc. The project should be substantially complete by the end of December.
3. Phase 1 Update
 - **Commission Action on Port Management Agreement (PMA) and Aquatics Land Lease modifications with Department of Natural Resources (DNR) for Phase 1:** Field said the Port has received DNR's offer to revise the PMA and Aquatics Land Lease configuration to match the new Phase 1 configuration. The Record of Survey format has also been approved by DNR. At this point, all the documents are ready for signature and notarizing. The Commission agreed to authorize Gordon to sign the PMA and Aquatics Land Lease as President.
 - **Permitting and Bid Schedule Update:** The Hydraulic Project Approval from Washington State Department of Fish and Wildlife (WDFW) came in earlier that day. Field said, *"At this point, we are waiting only on the U.S. Army Corps of Engineers permit and the permits from the City of Langley. We have all the City's comments from building and public works engineering. Our engineers have been reviewing those and today via teleconference we worked through all the comments and concerns item by item. We are preparing responses or agreement or reaction on all the items, and I will get that information in to the City and discuss with them how best to proceed to work through that. So we're moving ahead in the right direction."* Regarding the schedule, Field explained that in order to meet a bid window in December, the Port needs to have all permits in hand by November 1. Since that will not occur, the Port will now be looking at a January bid date. That should not be a problem with the Corps or City permits. However, when the Corps issues the permit, the Port will immediately send it off to FEMA so they can start their Environmental and Historic Preservation (EHP) permitting process. The problem is

that the Port has no idea what goes into that process or how long it will take. Field said, “By the December meeting, we will probably need to decide to wait for the EHP permit or proceed without it.”

- **Additional Permit and Construction Document Design Services proposal from Reid Middleton dated 9/7/12 (EXHIBIT D):** Field requested approval for Task 001 of the proposal and proceed to finish design.

ACTION: A Motion was made by Gregoire and seconded by Jerome to approve and accept Reid Middleton’s proposal for Additional Permit and Construction Document Design Services in the amount of \$18,385. The Motion passed unanimously.

- **Coordination with Nichols Brothers Boat Builders (NBBB):** Field has had some initial discussions with NBBB. Although they are hoping to land some work that will result in additional projects at their Langley facility, it might not happen for a while and in the meantime the Port might be able to use some of NBBB’s facility for parking or for some lay down space during construction.

By-Law Issues

1. Possible By-Law Revisions for 2013: Although not a formal policy, historically the Port has rotated the position of President each year between the 3 districts, and 2013 would be Gregoire’s “turn” to be President. Since he plans on spending a lot of time working on shoreline issues and committee work, Gregoire does not feel his schedule will allow him to serve as President in 2013. Jerome also indicated that his schedule would probably prevent him from serving as President. According to the Port’s By-Laws (ARTICLE IV – OFFICERS, Section 1. Elections): “b)...the term of office may not exceed 1 year consecutively.” The Commission agreed they should consider amending the By-Laws to read: “...may not exceed 2 years consecutively.” Field noted that according to ARTICLE XI – AMENDMENTS, the By-Laws may be amended by resolution at any regular meeting, with 30 days prior notice to the Commission. Therefore this meeting could serve as notice to the Commission, it would be noted at the regular November meeting and a Resolution could then be adopted at the December meeting.

Field recommended they also consider amending ARTICLE VIII – ORDER OF BUSINESS, which currently reads: “In accordance with Commission direction, the Order of Business shall include an initial half-hour general workshop session followed by the Pledge of Allegiance, the Business Meeting...” He suggested deleting “half-hour” from the text. The Commission agreed.

Mozer asked if the Port needed to add language to the By-Laws (ARTICLE V – MEETINGS) regarding Commissioners attending meetings via teleconference or other electronic means. The Commission directed her to check with the Port attorney and notify the Commission of the potential changes.

Draft Budget for 2013 (continued): Gordon asked if the Commission or Staff had any other comments regarding the draft budget. There were none.

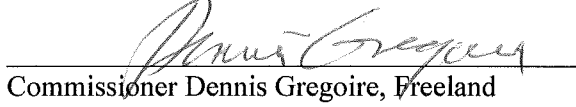
ACTION: A Motion was made by Gregoire and seconded by Gordon to approve the 2013 Preliminary Budgets A and B as amended at this meeting for publication in advance of the Public Hearing on the 2013 Preliminary Budget on November 13, 2012. The Motion passed unanimously.

ADJOURNMENT: The Special Meeting was adjourned at 8:20 p.m.


Approved:



Commissioner Curt Gordon, Clinton




Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Minutes prepared by:



Edwin S. Field, Port Operations Manager

- Exhibit A: Draft Preliminary Budget for 2013
- Exhibit B: 2013 Budget Summary/Notes, with and without FEMA funds
- Exhibit C: CIP Potential Model using Comp Scheme outline
- Exhibit D: Reid Middleton 9/7/12 proposal for Additional Permit & Construction Document Design Services