

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

Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Thursday, October 29, 2015 at 3:00 p.m.

AGENDA

SPECIAL MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE (3:00 p.m.)

2016 Budget

South Whidbey Harbor

ADJOURNMENT (Approximately 4:30 p.m.)

WORK SESSION (Approximately 4:30 -5:00 p.m.)

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

October 29, 2015

Freeland, Washington

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

Port Staff: Angi Mozer (Executive Director), Molly MacLeod-Roberts (Port Clerk), and Duncan McPhee (Harbormaster)

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Thursday, October 29, 2015, 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 address the items on the Agenda. Although the Meeting was of course open to the public, it was scheduled primarily for Commission consideration, discussion and action on those specific issues and public participation was not on the Agenda.

Commissioner Curt Gordon, President, called the Special Meeting to order at 3:05 p.m., followed by the Pledge of Allegiance.

South Whidbey Harbor: Bob French, Projects Manager at Nichols Bros. Boat Builders (NBBB) was on hand to discuss NBBB's plans for its Langley property near the Harbor. Island County recently provided a response to the company's Consolidation Permit application, and many questions were raised. French provided maps of the current project for the concrete pier and dock. He explained NBBB plans to put an additional barge off the end of the dock and existing barge. To do that, they will need to replace the current creosote-treated pilings (dolphins) with steel, and replace and relocate the existing anchor buoys with new, temporary buoys. The proposed location of one of the temporary buoys falls in the Port's tidelands area leased from Washington State's Department of Natural Resources (DNR), so NBBB would need the Port's permission. The Commission agreed the Port would like to do what it can to accommodate NBBB and would want reciprocity for future expansion of the Harbor. Executive Director Angi Mozer was tasked with researching the issue with DNR to get approval. French left the meeting at 3:30 p.m.

Mozer reported that after 6 years, the Port had finally received the permit from the U.S. Army Corps of Engineers for the full buildout of the Harbor. Mozer noted the paperwork indicated the permit length was only 3 years instead of 5 years, and the Corps agreed to redo it.

2016 Budget: Mozer had prepared the draft Preliminary 2016 Budget and previously provided the Commission with copies of all budget-related documents, including breakdowns of revenue and expenses. She noted that under Grant Funding, the draft budget includes a **Line #39:** \$70,000 placeholder for RCEDF (Rural County Economic Development Funds) funding for the Fairgrounds in the event the Port continues to manage the property after the current lease with Island County expires on March 31, 2016. The draft also includes **Line #42:** \$100,000 for RCO Grant Funding for Possession Construction (boat ramp renovation), but the Port won't know the funding status until February 2016.

Mozer explained that she was very conservative in budgeting the revenue from the Fairgrounds operations. In the current draft, the Port would spend \$30,000 more for Fairgrounds expenses than it would take in from Fairgrounds revenue and that additional money would have to come from the Port's General Fund. Gordon noted that Island County has committed \$30,000 per year for maintenance at the Fairgrounds over the last several years. After a brief discussion, the Commission agreed the amount of funding from RCEDF should instead be increased from \$70,000 to \$100,000 to compensate for the \$30,000 loss for maintenance expenses.

The Port can increase its levy each year by the lesser of 1% or the percentage increase in the implicit price deflator (rate of inflation). The implicit price deflator to be used in 2016 is just 0.251%. In order for the

Port to collect the full 1% in 2016, it will need to issue a finding of substantial need to increase the limit factor above the rate of inflation. The other option is to bank the capacity of a full 1% levy for the future. Mozer had prepared the draft Resolutions to demonstrate substantial need with the intention of collecting the full 1% in 2016. Port Clerk Molly MacLeod-Roberts said she believed the draft Ordinance/Resolution wording for the percentage increase of 0.251% (and the corresponding dollar amount) was incorrect – it should read 1% instead or the Port cannot collect the full amount. Gordon said that had confused him as well. Mozer explained the guidance said to prepare it that way, and MacLeod-Roberts suggested contacting the Island County Assessor and/or the Department of Revenue for clarification.

The Port recently received an A+ rating from Standard & Poors and the Commission briefly discussed the details provided in the report.

Mozer realized she had missed adding Harbormaster Duncan McPhee's request to increase **Line #166: Seasonal Wages** by \$1,200.

The Commission directed Mozer to amend the budget as follows:

- Line #39: PLACEHOLDER Funding – Fairgrounds from \$70,000 to \$100,000
- Line #166: Seasonal Wages from \$16,000 to \$17,200.

ACTION: A Motion was made by Halloran and seconded by Ng to approve the 2016 Preliminary Budget as amended at this Meeting for publication in advance of the Public Hearing on the 2016 Budget on November 10, 2015. The Motion passed unanimously.

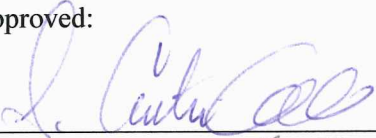
The Commission thanked Mozer for her work on the budget.

ADJOURNMENT: The Special Meeting was adjourned at 4:25 p.m.

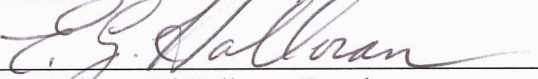
The previously announced public Work Session began immediately following adjournment of the Special Meeting. The Work Session ended at 5:15 p.m.

[Note: No actions are taken during Work Sessions, which provide an opportunity in an informal workshop format for the Board to review and discuss general Port business.]


Approved:



Commissioner Curt Gordon, Clinton



Commissioner Ed Halloran, Langley



Commissioner Jack Ng, Freeland

Minutes reviewed by:



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.