

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
WORKSHOP and SPECIAL MEETING of the BOARD OF COMMISSIONERS
Thursday, March 29, 2012 at 6:00 pm
Port Office Conference Room
1804 Scott Road, Freeland, WA

6:00 PM - WORKSHOP

1. Informal discussion of recent correspondence and project status

6:30 PM - SPECIAL MEETING CALL TO ORDER

1. Finance Manager Hiring ** (6:30 – 7:00)

2. South Whidbey Harbor Expansion Project Action Issues** (7:00 – 7:30)
 - A. Draft InterLocal Agreement (City, School District, Port) for Parking at LMS

3. Clinton Beach Dock Condition and Direction** (7:30 – 8:00)

4. Adjournment

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

March 29, 2012

Freeland, Washington

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

Others Present:

Port Staff: Ed Field (Port Operations Manager) and Molly MacLeod-Roberts (Port Clerk); **Absent:** Ron Rhinehart (Port Finance Manager); **Others:** Wayne Morrison (Clinton) and Geoff Tapert (Langley)

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 Thursday, March 29, 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 review, discussion and direction on the Finance Manager hiring, the proposed InterLocal Agreement regarding access to additional parking at Langley Middle School, and the condition of the Clinton dock. Although the Meeting was of course open to the public, it was scheduled primarily to continue briefing the new Commission on current/developing issues for the listed topics and to determine subsequent direction for Staff, and public participation was not on the Agenda.

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

FINANCE MANAGER HIRING: Operations Manager Ed Field noted that the position had been advertised for two weeks with a deadline of May 25th. Only two applications were submitted, and neither were really qualified. Staff believes that advertising the position as "Interim" was a factor in reducing the amount of responses. He added that unfortunately the ad was not run in the Everett Herald, and apologized, explaining that it just fell between the cracks. Staff recommendation is to re-advertise the position and omit the word "interim."

Gordon noted that the duties and percentage of time spent on those duties was previously laid out for the Operations Manager and Finance Manager positions, and showed that a large amount of Field's time will be spent on the South Whidbey Harbor projects when the Port goes out to bid in June. Gordon added that both the Clinton dock and the application for a planning grant for the boat ramp at Possession would require additional time as well. When he joined the Port Commission in late 2009, the structure at the time included Field as Port Manager and Dane Anderson as a consultant filling the role of Finance Manager. The Port Manager position was/is distinctly different from an Executive Director. Gordon said, *"I think we should have a discussion based on the structure of the Port Staff moving forward. Looking at the specific job duties out over time, it will get to the point where 100% of Fields' time will be spent on the Port's facilities (construction, maintenance, etc.). So, we had discussed getting a grant-writing, financial wizard in here for the next 9 months and get us through this mess and then figure out which way to go with the position. But we didn't get any qualified applicants, so Staff is suggesting hiring a finance person who also has the ability to write grants as a permanent position. But based on the duties of the current Finance Manager, if it's going to be permanent, we need someone with a skill set that goes beyond finances and writing grants. That's the discussion I want to have tonight."*

Gregoire said that earlier in the year, Gordon had mentioned a need to talk about the broader governing structure of the Port. Gregoire said, *"In my time as Commissioner and through the last 6 years of observing how the Port functions, I think this Commission is at a point where we need to really have a*

good discussion and a good analysis of the structure we have, because it's kind of been given to us from the past years. Right now, I'm very much in favor of a part-time financial person to do the minimum financial stuff and I want it to be more broadly advertised in the Everett Herald and The Seattle Times, so we can have coverage in the critical financial area. For the financial auditing, we could go back to Edwards & Associates. As a Commissioner, I want to get a third party analysis of the historic Port structure, the current structure, how other small ports function, and what is the best way to be structured today. While that's going on (which would take a couple of months), parallel to that, the Port will be developing more specificity for a strategic planning document. That third party could interview Staff and Commission and look at the structures of other ports, and then we'd get a more packaged analysis on some options. While the third party is working on that, we need to make some progress on the Strategic Plan so we're going to have some discussions about what the shoreline plan does, what we want to do in the future, etc. And actually some of our strategic statements are in the Port's current Comprehensive Scheme. In summary, I think we have a window of opportunity to seriously look at our structure given the environment that I see happening around us. There are some huge things going on with that whole shoreline process and the project development at the Harbor – things we're going to be stuck with. And I don't know if we have the right structure to deal with that."

Jerome said, *"I guess I agree with both of you, but my concern is that we need somebody on board within a month, at the most. It's a good idea to go through the exercise Gregoire discussed, but in the meantime we need to fill this position."* Gregoire said they should hire a part-time interim financial person to handle the financial stuff. He's not worried about the grant stuff because he believed the Port could find other sources to handle that (such as the University of Washington). He didn't think blending the financial and grant writing aspects was a good idea. Jerome disagreed, saying, *"For the last 3-4 years, between Anderson and Rhinehart as Finance Managers, it's actually worked pretty well to have a combination of the finance and grant aspects under one person's hand."* Gregoire asked what grants were secured, and Gordon and Field reminded him about the Rural County Economic Development Fund grant for the breakwater relocation, the Boating Facilities Program grant for the ramp floats, and the Clean Vessel Program grant had all been secured, with the Port Security Grant, Boating Infrastructure Grant, and another Boating Facilities Program planning grant in process. Gordon added, *"In the last 3-4 years, there have been a lot of changes and we purposely allowed the structure to change here. We were outgrowing Edwards & Associates' building and Edwards & Associates' staff; we now have MacLeod-Roberts as a full-time Port Clerk. That allows us more flexibility to go after the grants that we have agreed with the City of Langley to pursue."*

Gordon reminded Gregoire that Staff believed the term "interim" might have turned away potential applicants and suggested hiring a full-time employee instead. He said, *"I requested the term "interim" because I thought it would buy us time by giving us 9 months to a year with someone managing our finances, manage the individuals that help us with our grants, and handle the complicated grant billing process after the grant writer is gone, including cash flow balances and issues. The reason I wanted to hire someone now was to get some overlap with Rhinehart before he leaves on May 10th. But having said that, at some point, I would like to see the Staff at the Port work toward an Executive Director and then have an Operations Manager to manage all the projects and construction. That doesn't mean that it's a tiered thing, but rather the buck would stop at one individual."*

Gregoire said, *"Based on the time I have spent in the shoreline area – we will not be successful in the next two years with the current structure. There's no way we can do what comes down the road in terms of shoreline stuff, the grants, the marina, etc. The world is really going to get complex. I went through this on the other side, and this Port is slow in getting there. The shoreline process is going to be really complex, the federal stuff is complex, and to me, I would like a 3rd party analysis to assemble the information to have the discussion about restructuring the Port parallel with us working on a Strategic Plan. But we have to cover the financing on an interim basis. I thought the position was going to be*

advertised in the Everett paper, and I'm very disappointed that it wasn't. We have a very narrow window here, and if we don't take this opportunity to address the issue of the Port's structure, we're not going to survive unless we restructure." Gordon said the Port is growing, and recalled the early years of the time he spent on the South Whidbey Parks & Rec Board, when there was little or no staff (and no Executive Director) and the board members took on the tasks that an Executive Director would do. As they grew into a larger budget and a larger facility over several years, the SWPRD was eventually able to afford and really use an Executive Director. The Port is growing. Several years ago, Field was the only Port employee, and Edwards and Associates provided the services of the Port Clerk.

Gordon reiterated his concern about the overlap, because with the grant applications, it is important for the new individual to be "in on the ground floor." Gregoire said he was also concerned about the overlap and said, *"I want the finance person here tomorrow so they have 30 days to work with Rhinehart, and the only way we can get that is through a contract with a consultant on an interim basis."* Jerome said, *"But contract with what kind of person, and what is that going to cost? If we contract with someone to work with Rhinehart full time for 30 days, we're going to blow 3 months' worth of salary for the position we're talking about."* Gregoire said, *"Well, I was hoping that the position would be more widely advertised so we could get some applicants and find that out."*

Gregoire said, *"I have spent the last 3 months attending the County's and Langley's shoreline planning meetings, and I have concluded that I don't have the time to do what's going to be needed to keep us out of hot water from those two processes. We need Staff to do it. I want to get a structure set up so that the stuff we do in the next year or so gets built into the Port. Our current structure doesn't allow that to occur, in my opinion, but I want to get a 3rd party to look at that. That's what I'm worried about. The issues with shoreline are so complicated that they require a huge amount of written work. And I'm doing some of that, but I'm finding out that I can't spend 20 hours per week on it and that's what it is demanding of me. I want to have a Port structure that this stuff feeds into. The Port structure needs to be reevaluated in light of the environment in which the Port operates."*

Gordon said, *"The Port of South Whidbey has tax receipts that are less than \$500,000 per year, and it doesn't have anything else that nets us a gain. So to simplify: In my mind, the staff costs would bleed us dry annually if we started loading up this place up with staff at this point. That's why small agencies struggle so hard with the electeds as long as they can – because they just can't afford the \$150,000 price tag for financial consulting."*

Rhinehart had drafted a revised job description, and Gordon read the following aloud:

Applications are hereby sought for the position of Finance Manager for the Port District of South Whidbey Island (Port). This is posted as a full-time salaried exempt position with defined benefits, with a proposed salary of \$30 to \$35/hour, depending on qualifications. Consultant proposals from qualified individuals who would be available as needed through the duration of 2012 (at a minimum) would also be considered.

Field said the deadline for applications could be April 9th, to allow for Commission review at the regular meeting on April 10th. The job would be advertised in the Whidbey Classifieds, the Everett Herald and the Seattle Times. Gregoire announced that he would be out of town from April 9-24th so he wouldn't be at that meeting, but both Jerome and Gordon would be present. After the initial review by the Commission and creation of a "short list", Field said interviews could then be scheduled as soon as possible, with immediate hiring. If the individual had to give two weeks' notice, they could still be on board by May 7th so there would at least be some overlap with Rhinehart. The Commission agreed to re-advertise the position as discussed.

SOUTH WHIDBEY HARBOR EXPANSION PROJECT ACTION ISSUES

Draft Inter-Local Agreement (ILA) between City of Langley, South Whidbey School District (SWSD) and the Port for Parking at Langley Middle School (LMS) (EXHIBIT A):

Staff and the Port Attorney had reviewed the ILA, and made a few minor tweaks, and made some notable comments. Field said, *"It essentially came down to the same thing: the meat of the ILA (the terms and conditions) are all based on a number of letters that are going to be developed and signed in the future regarding everything such as use, cost, access, maintenance, etc. Because of that, the attorney said the true content of the ILA hasn't been determined yet, so it would be premature to record it as an agreement."* Gordon said Mayor Kwarsick had designed it that way since specific action isn't defined quite yet, but would be defined later along with who would contribute what, etc. He added, *"This is more about just agreeing that we're going to work together towards this end."* Field explained that the attorney had noted ILAs are a legal entity and the RCWs are therefore specific. The attorney's recommendation is that it should instead be referred to as a Memorandum of Understanding (MOU) or a Letter of Intent, as a way of getting to the letters and then ultimately the letters and the original MOU would turn into an ILA when the whole thing is put together.

Gordon recommended they change the draft to an MOU and tell the City and the SWSD that an ILA will follow as the specifics are worked up. Jerome agreed, noting that an ILA needs to have detailed Terms & Conditions and the draft doesn't have any of those in Article 2. He said the only condition in the ILA is Article XI, which requires the Port to carry insurance and he doesn't see any need for that at this point. Field added that the details of the terms and conditions would be needed in order to get insurance.

The Commission agreed to direct Staff to immediately draft an MOU as discussed and send it electronically to the City and SWSD, with the understanding that an ILA will follow. The City needs it, because they are going ahead with their grant application for the funicular.

CLINTON BEACH DOCK CONDITION AND DIRECTION: Field said, *"The dock is unfortunately showing its age and showing the effects of the last few weeks of fairly heavy storms from the southeast."* He explained that the triangular steel frame that is the primary connection between the two major dock sections is very distressed. Two or three years ago, Art Anderson Associates (the original designer) looked at it and recommended beefing up the steel frame and replacing some of the through-rods. At that time, it was also determined that some of the through-rods dead-end into the pile well, so there is no safe way to work on those through-rods without permanently damaging the pile well. It's also very unlikely it could be done in place. As a result of the recent storms, Field said that part of the critical tri-frame is now cracked and broken along one side, and at least 2 of the through-rods are broken. Some of the bolts have loosened as well. Field said, *"So what we are seeing now is movement between the two docks of up to 4-5". The whole dock has therefore been flagged off. We have deteriorating maintenance conditions and there is no way to do the major maintenance work that is needed while it is in place. As far as I can tell, the only way to really get it rebuilt and ready for another season of bad weather would be to partially disassemble it, tow it somewhere, repair/re-engineer as needed and put it back in place. Off the top of my head, I think that would cost a good \$100,000. I do not feel it is an imminent danger to life and health at this point, and I don't think it's an imminent danger to navigation but if we got a whopper of a storm, it could be."*

Gregoire said he has scheduled a site visit next Friday with an engineer he knows from the Port of Everett, who formerly worked with Reid Middleton.

Gordon noted that the aluminum ramp is now level and goes to a wooden structure that zigzags down, and asked, *"The ADA ramp is to meet what requirement? Was that potentially for loading/unloading of passenger ferries?"* Field said it was and Gordon asked if that ADA access was a requirement of the IAC/RCO (Recreation & Conservation Office, formerly Inter-Agency Committee for Outdoor

Recreation) grant. Gordon said that wooden structure is rotting, and it puts a huge amount of weight on the dock, actually tipping the dock away from the other dock. He wants to know if it is possible to get rid of the whole wooden structure and just use the aluminum ramp. Field said the previous ADA code had an exemption for 80 ft. gangways, but he didn't think that exemption applied to major commercial facilities, like a commercial passenger loading operation. Gordon wanted to look into removing that structure because he really feels that heavy weight on the landing is exacerbating the problem. Field agreed. Gordon noted that the dock was built as a passenger ferry slip that isn't happening, and the Port built the dock and is maintaining it for Washington State Ferries (WSF) for nothing. He wants to remove the ADA switchback structure and get that weight off the dock, and have a discussion with WSF to find out what their future perspective is for the dock. Field thought taking down the wooden structure would "probably give us the breathing room of the summer." However, he would be extremely uncomfortable going into the fall without additional analysis, engineering and repair. He would like Reid Middleton to check into two things: 1) The geometry and what will be needed underneath the 80' aluminum gangway when the wooden structure is removed, and 2) Would that gangway be suitable for use at the South Whidbey Harbor when we relocate the breakwater?

Jerome said that if WSF has no need for the dock, he's not sure what purpose any of the structure serves. Field said it is a convenient pick-up/drop off location for boaters, especially during the busy summer months. Jerome suggested that while they are looking at costs to repair, they should also find out how much it would cost to remove it completely and possibly sell it.

Field believed the wooden structure could be removed completely under the existing Maintenance & Operations blanket permit that we have, because it doesn't affect the footprint or get in the water in any way. However, according to Joe Callaghan of GeoEngineers, if the dock is taken away for any reason (repair it, sell it, etc.), even if the work could be done under the M&O permit we have, the Port would have to file a separate removal permit with Fish & Wildlife and all the other agencies, because that documents that you have that structure in place now. And once you take it away (even if it's only for 6 months to repair it and bring it back), without a removal permit, Fish & Wildlife could say, "it's a new structure and we want mitigation for it."

The Commission agreed upon the following direction:

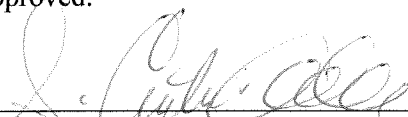
- Gregoire and Field will meet with an engineer from Port of Everett for a site visit at the Clinton Dock
- Field will research whether there would be any hold on removing the wooden ADA structure due to grant encumbrances
- Field will contact the company that offered to re-purchase the breakwater from the Port to find out if they would be interested in purchasing the Clinton Dock and what it might be worth if sold.
- Reid Middleton to look into option of removing structure and possible alternate use of gangway at South Whidbey Harbor, as well as estimated repair numbers.

Field thought the Port is probably clear on encumbrance issues for two reasons: 1) The structure is functionally obsolete and falling apart. Acquisition projects are encumbered forever, but development projects are encumbered just for the design life cycle or until they are obsolete. 2) Only a portion of the ramp was built during the Clinton Beach project, and the Port paid the \$8,000 cash for it rather than include it in the grant and have the entire thing encumbered.

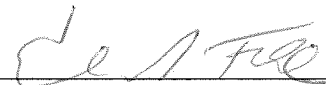
ADJOURNMENT: The Special Meeting was adjourned at 8:10 p.m.

Approved:

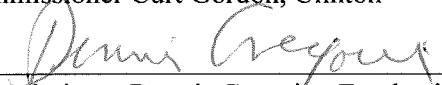
Minutes prepared by:




Commissioner Curt Gordon, Clinton



Edwin S. Field, Port Operations Manager



Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Exhibit A: Draft Inter-Local Agreement between SWSD #206, City of Langley and Port