

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

Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA
Wednesday, April 16, 2014 at 6:00 p.m.

AGENDA

CALL TO ORDER and PLEDGE OF ALLEGIANCE (6:00 PM)

APPROVAL OF VOUCHERS in the amount of **\$2,900.10**

ORGANIZATIONAL RESTRUCTURE

ISLAND COUNTY FAIRGROUNDS STRATEGIC PLAN

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

April 16, 2014

Freeland, Washington

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

Also Present

Port Staff: Angi Mozer (Port Finance Manager), Molly MacLeod-Roberts (Port Clerk), Dane Anderson (Management Consultant) and Duncan McPhee (Harbormaster)

Others: Wayne Morrison, Wendy Sundquist and Virginia Keck

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, April 16, 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 address the items on the Agenda and hold an Executive Session to review the performance of public employee(s). 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 6:04 p.m., followed by the Pledge of Allegiance.

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. The vouchers so listed and presented are summarized on the attached Voucher Listing (**EXHIBIT A**).

ACTION: A Motion was made by Commissioner Ed Halloran and seconded by Gordon to authorize and accept Vouchers dated April 16, 2014 as signed today in the amount of \$2,900.10. The Motion passed unanimously.

ORGANIZATION RESTRUCTURE: Management Consultant Dane Anderson referred to the copies of the draft Organization Restructure Plan (**EXHIBIT B**) he previously provided to the Commission. The Restructure includes having one individual (Executive Director) report to the Commission rather than two individuals (Finance Manager and Operations Manager). The Executive Director would have three direct reports: Maintenance & Operations Supervisor, Harbormaster and Port Clerk. This eliminates three part-time positions: Bush Pt/Clinton Manager, Possession Park Manager, and Humphrey Road Parking Lot Supervisor. The duties of those positions would be handled by the M&O Supervisor. Based on the actuals from last year's financial statements, the annual savings from these changes would be about \$6,300. Job descriptions for the two new positions were included in the package. Gordon asked about timing, noting that the Commission had agreed the change to create the new position of Executive Director should wait until the end of the year. Anderson said he'd like to make all the changes below the Executive Director as soon as possible. The Commission agreed it was important to hire the M&O Supervisor prior to Finance Manager Angi Mozer taking maternity leave in early June.

Commissioner Dennis Gregoire had concerns about the brief linkages to the Port's Comprehensive Scheme and the Strategic Plan. The Introduction portion of the document includes the following language:

This proposed plan focuses specifically on the fourth strategic goal defined in the 2013-2019 Comprehensive Scheme: Improve the Port's financial performance by meeting the following objectives:

- *Balance investments required to operate, maintain, and improve existing assets with new investments in economic development opportunities*

- *Pursue low cost opportunities to generate revenue*
- *Strive for operational self-sufficiency or overall profitability across all facilities*
- *Partner with local jurisdictions to pursue grants and project funding opportunities*

Gregoire said the whole purpose of the restructure is to provide the governing framework that allows the Port Commission to carry out the Strategic Plan and the Comp Scheme, but governance was not addressed in either document. Gordon suggested they review the Strategic Plan in December and provide an addendum if needed at that time. Noting that the Introduction referred only to the fourth goal, Gregoire said the Organization Restructure Plan (ORP) actually relates to all five goals. He said most strategic plans have a sixth goal: Governance. That should be the addendum to the Port's Strategic Plan in December.

If the Commission approves the draft ORP as presented, Anderson will start making changes below the Executive Director level and begin the hiring process for the M&O Supervisor. Gregoire did not believe the Commission could take action because he thought this was a Workshop. Port Clerk Molly MacLeod-Roberts clarified that it had been announced as a Special Meeting and the Commission can take action as long as the topic is on the Meeting Agenda. Gordon recalled that during the regular April meeting, the Commission agreed to table the discussion in order to further discuss and take action during this Special Meeting. Gregoire said the wording in the draft ORP needs to reference the Strategic Plan.

ACTION: A Motion was made by Halloran and seconded by Gordon to commit to reviewing and updating the Strategic Plan and Comprehensive Scheme at year-end to include the organization structural changes as discussed.

Before the Organization Restructure Plan can be adopted, Gregoire said the Introduction paragraph must include a statement that links it back to the five goals listed in the Strategic Plan and the Comp Scheme. He said, *"This (ORP) is a tool of the Strategic Plan which we did not cover in the Strategic Plan, but it is certainly within the scope of a strategic plan. Most strategic plans have a governance section in them. Ours doesn't, for good reason. I don't want to go ahead with the restructure without the clarification. The introduction references only one goal, and it's a Comp Scheme goal. This is not linked to the Comp Scheme; it is linked to the Strategic Plan."*

Halloran and Gordon agreed there is enough detail and reference to the Comp Scheme and the Strategic Plan in the ORP for the Board to take action on it tonight. Gregoire wants to make the link in the ORP now in order to have a much stronger framework to amend the Strategic Plan at the end of the year.

Gregoire requested the Motion be amended to include rewording of the ORP's Introduction paragraph to refer to all five goals listed in the Strategic Plan and clarify that the ORP (and creating the position of Executive Director) will help implement the Comp Scheme and Strategic Plan going forward.

Halloran accepted the amendment to his original Motion. Gregoire seconded the amended Motion. Gordon called for a vote on the Motion as amended. The Motion passed unanimously.

ACTION: A Motion was made by Gregoire and seconded by Halloran to adopt the draft Organization Restructure Plan as amended per discussion. The Motion passed unanimously.

Anderson asked if the Commission wanted to advertise for the M&O Supervisor position or hire from within. MacLeod-Roberts believed that since it was a new position that did not previously exist, the Port must advertise just as it did when the positions of Port Clerk and Finance Manager were created as employees. The Commission agreed it should be advertised with a salary range listed.

Gregoire believed one Port Commissioner should be involved in the hiring process, including the interviews, as part of the Hiring Committee. Gordon and Halloran felt confident that Anderson and Mozer could handle the hiring process and a Commissioner participant was not needed.

ACTION: A Motion was made by Gregoire and seconded by Halloran to direct Port Staff to advertise for, interview, and hire the Maintenance & Operations Supervisor. The Motion passed unanimously.

PUBLIC COMMENT: Although not on the Agenda, Gordon opted to allow the public to comment. Wayne Morrison said, *"If you're having a meeting, it would be nice if members of the public had copies of what is being discussed. It would also be nice if you provide an opportunity for public to comment formally."* Gordon explained that the meeting announcement specifically stated that the meeting was for Commission consideration, discussion and action on the specific issues listed on the Agenda and the Commission would not entertain public comment at this Meeting. Morrison asked if the documents discussed were available. Gordon said, *"Absolutely. Everything we have is available to the public."* Anderson provided Morrison with his copy of the ORP.

ISLAND COUNTY FAIRGROUNDS STRATEGIC PLAN: Gordon explained the Fair Association manages not only the Whidbey Island Area Fair (formerly the Island County Fair), but the fairground facilities as well. The property is owned by Island County and leased to the Fair Association. In the last few years, Island County has contributed a base rate of \$30,000 per year for maintenance of the fairgrounds and facilities. The Fair Association does not feel they can continue to run the Fair and maintain the facilities with just that and their gate receipts from the Fair. Local community and organization leaders formed a Fair Steering Committee to try to figure out "how to get and who to get to look at the situation." Initially, the Committee agreed to seek Rural County Economic Develop Funds through the Council of Governments to fund the cost of the study. However, in the final hour Island County Commissioner Jill Johnson pushed back on using those funds, and the \$71,000 for the Economic Development Council (EDC) to hire the consultant came from the County's General Fund instead. Gordon and former Port Commissioner Chris Jerome were asked to sit in on the Fair meetings, but due to the mid-day, mid-week schedule of those meetings, Gordon attended just two of them and Jerome just one.

Fairs Consultant Norman Landerman-Moore was hired based on his experience conducting numerous fair studies across the U.S., with a phenomenal wealth of data. Landerman-Moore brought in an architectural firm to survey and assess the facilities. The goal of the Strategic Plan is to bring the facilities themselves to a self-sustaining financial status so the Fair Association would not have to fund any of the improvements or ongoing maintenance of the fairgrounds with Fair proceeds.

Regarding the rollout of the consultant's report, Gordon said, *"It first met with public scrutiny when Landerman-Moore went to the City of Langley to do a preliminary introduction. What the public heard from the newspaper afterward was that 15 of 27 buildings were going to be torn down and/or replaced, and that over a 10-year period there would be \$10 million of public-leveraged funding. That funding could only be acquired if the Island County Commissioners agreed to create a Public Development Authority (PDA). The PDA would then get revenue bonds. The program also requires 500 people to donate \$1,000 each to a non-profit that would hire an executive director and start the process moving forward."* Gordon said it has met with a lot of public opposition. He said there is sort of "cultural link" to those facilities that people don't want to let go of, regardless of some "clean economic development outlook."

The EDC has scheduled a workshop for April 30th to review the Strategic Plan in order to present it and the EDC's recommendations to the Board of Island County Commissioners per the charge given. As the Port's EDC representative at that meeting, Gregoire would like to express the Port's viewpoint on what (if

anything) should be recommended to Island County. As President of the EDC Morrison said, *"I'm here tonight to try and hear what your position is relative to the Strategic Plan in advance of the meeting on April 30th."* Gregoire said there are too many things in the Strategic Plan and that it needs to be dissected and broken down with alternatives provided prior to going to Island County. He thinks Island County Commissioners should appoint a working committee separate from the EDC Board. That committee would break it down and come up with a fairly specific set of steps over time that incrementally get Island County to the goal of maintaining the Fair. Morrison said, *"The Plan was intended to be a strategic plan and only a strategic plan, with a strategic overall direction in creating an event forum that could be economically viable and self-sustaining. So when you talk about taking it apart and looking at the pieces, the intent was to get the package and give strategic direction. Then when you start looking at how it will be implemented and some of the subset factors (of which there are many) to be considered, and also to take that Plan with the wisdom of people from this community and tailor it to something that will fit this community, if anything. That's where we are. It is a Strategic Plan. If it moves forward in its current form, the next step would be to move forward on the PDA. I'm not saying that's the right thing to do – that's part of the discussion."*

Gordon said Ron Nelson (Executive Director, EDC) was at the final Steering Committee meeting when the decision was made by the group to go ahead with the public process and then take the PDA concept to the Island County Commissioners. He asked Morrison if that was no longer EDC's intention. Morrison replied that the EDC has no position at this time. Gordon asked if there would be some finalization in terms of the report with the EDC in front of the Island County Commissioners. Morrison said that has not been determined. They continue to gather public input but no conclusions have been reached.

Gordon thinks the Port needs to "play a little more wait and see." He appreciates the concept of separation of the Fair (the Association runs the fair) and the fairgrounds (another group takes on the management and maintenance of the facilities).

Wendy Sundquist introduced herself and Virginia Keck as individuals in opposition to the Strategic Plan. She offered her unique perspective in terms of some of the politics that are going on in the Fair Association and why things might not be working financially as well as they should be. Maintaining the buildings has never been a priority of the Fair Association – they don't really feel it's their job. Until two weeks ago, there was nothing on the Association's website about how to rent any of the facilities. Under the right management, the property could have rental income that could pay the costs of maintenance and improvements. Sundquist said the current situation is not sustainable and separating the two would be a good alternative. She said, *"I think there were some things missed. One of them is that we took a civil engineer through the fairgrounds and asked if the buildings were rotting from the ground up. Granted, they are not well maintained because volunteers do it, but many of the buildings that are slated for demolition are structurally sound, but need maintenance. There are some that have some rot, and obviously they need to be looked at in terms of being torn down. But I don't think there was a specific detailed analysis of the buildings in this study. I think the mission was to reimagine the grounds."*

Halloran surmised that doing nothing is not an alternative, and doing a "re-envisioning" of the site as laid out in the Plan is a non-starter. The solution is somewhere in between. He said, *"I think we all need to step back a little bit."*

Gordon wanted to emphasize one point he learned from the process: This would be much better served if there were two completely different factions that only interacted during the Fair. Basically, there would be a separate entity controlling all the facilities and a Fair Association that has only to worry about putting on a Fair and is simply a tenant for the facility. He said, *"My personal estimation is that's the best model."* The Commission agreed the message to the EDC is that there needs to be total separation between the Fair Association and the property management.

Virginia Keck said they had been thinking about the two entities as well, but added that the two entities need to be very knowledgeable about each other's operations and plans. Gordon agreed, noting that there would have to be a very detailed agreement/lease between them.

Morrison reiterated he was here to get some kind of direction from the Port and noted that he had also met with the South Whidbey Parks & Rec District. He said, *"It does seem to fit within the purview of the Port's mission relative to economic development for any one of the purposes that are outlined in the report. The Port is, was and will continue to be a possibility in some role in some capacity."*

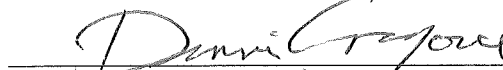
At the next EDC meeting, Gregoire asked if he could convey that the Port wants to continue to be involved in the discussions about the Fair and possible involvement. The Commission agreed.

ADJOURNMENT: The Special Meeting was adjourned at 7:45 p.m.

Approved:



Commissioner Curt Gordon, Clinton



Commissioner Dennis Gregoire, Freeland



Commissioner Ed Halloran, Langley

Minutes reviewed by:



Dane Anderson, Management Consultant

- Exhibit A: Voucher Listing
- Exhibit B: Draft Organization Restructure Plan