

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING

LOCATION: SWPRD Meeting Room, 5475 Maxwelton Rd, Langley WA

DATE: July 12, 2011

7:00 PM – 7:30 PM WORKSHOP: Commission review of vouchers and recent correspondence

7:30 PM – REGULAR MEETING CALL TO ORDER

1. Pledge of Allegiance

BUSINESS MEETING

1. Consent Agenda:
 - A. Vouchers: Vouchers dated **July 2011**, as signed today in the amount of **\$70,734.08**
2. Approval of Minutes
 - A. Minutes on file: Minutes from the Regular Meeting of May 10, and the Public Hearing for Comp Scheme Amendment of May 24, 2011.

FINANCIAL ACTION ISSUES - Staff Report, Public Comment, Commissioners' Discussion

1. May 2011 Financial Report (e-distributed on June 16, 2011)
2. Process Review: Revised guidance for Applications for Funds and proposed standard authorizing Resolution, per input from Al Hendricks

PUBLIC COMMENT – Including Items not on Agenda: Please limit comments to 5 minutes

PROJECT ACTION ISSUES - Staff Report, Public Comment, Commissioners' Discussion

1. Possession Beach Waterfront Park
 - A. Review of proposed lease from Port Attorney.
 - B. Review of Purchase and Sale Agreement received July 11, 2011
2. South Whidbey Harbor
 - A. Expansion Project:
 1. *Status of Concept Design 266' + 133'*: Topic for Special Meeting, 7:00pm Wed. 7/20 at Port Ofc.
 2. *SWH Expansion Permit Status*:
 - Hydraulic Proj. Appvl: HPA **approved** by WDFW (Issued 2/13/10, revised 3/8/11) and follow-up HPA for Temp. Breakwater Parking **approved** by WDFW (Issued 3/4/11, revision being coordinated by Joe/Geo).
 - USACE Permitting for Complete Expansion: JARPA **submitted** Aug, 2009. Review of Impact-driving underway per pending MM & MM Protection Plan from Geo (**submitted** 4/21/11). Review may take 6 to 24 months.
 - USACE Permitting for 266+133 via Programmatic BioAssessment: Possible approach to enable limited initial phase with < 20 piles, as coordinated by Joe Callaghan/GeoEngineers
 3. *Boarding Floats & Uplands Design*: Proposal from Reid Middleton for design thru bid docs, (7/11/11)
 4. *Boarding Floats & Uplands Permit Status*:
 - Permit Extension Request to USACE: Revised JARPA **submitted** 2/22/11; USFWS questions issued 6/3/11; Response **submitted** 6/9/11 by RM; Shannon now contesting request for new plans.
 - Master Permit Appl. to Langley; **Approved** thru 12/29/11, w/ 1-year extension **pre-approved**.
 - DOE Water Qual. Cert & CZM: Valid through 12/29/11, with one-year extension **pre-approved**
 - HPA: #122942-2 **approved** on 3/3/11, with 30% grating requirement.

5. *Property Issues*: No update
 6. *Funding Issues*
 - Port Security Grant (Phase 1A): Unofficial approval, but no schedule for actual action
 - Boating Facilities Grant (Floats only): **Approved** for funding June 22!
 7. *Consortium Coordination*
 - InterLocal Agreement with ICFD #3: Waiting for FEMA
 - InterLocal Agreement with Is. Co. Sheriff: Waiting for FEMA
- B. Harbor Operations
1. *Electrical Refurb*: Underway
 2. *Fee Schedule for 2012*: Initial review of staff proposal
3. Port Operations
- A. Maintenance & Operational Wrap-up:
 1. *City Ramp Cleaning*: Working with City to address winter-season cleaning
 - B. Humphrey Rd. Parking Lot:
 1. *Port Operational Update*: Under way, running smoothly. So far, revenue exceeding expectations.
 2. *Stair Replacement*: Repl. units deliv. w/ wrong bolt pattern. Rework & install underway, credit TBD.
 - C. Re-Districting Process: Update from Dane. Use SWSD sub-districts?
 - D. Septic System Inspections per Island Co: Clinton Beach TBD
 - E. Finance Manager: Dane resigning effective 8/9 plus add'l assist: Hiring parameters & schedule?
 - F. Port Attorney: Al Hendricks retiring effective Sept. 1, is sending recommendation
5. New Project Opportunities
- A. Sustainable Economic Development and IPZ Issues (Tapert & Gordon)
 1. *Potential Langley-area 'Green' Business Park*
 - B. Mukilteo Parking Issues (Gordon)

ACTIVITIES/INVOLVEMENT REPORTS

1. Economic Development Council (EDC): Tapert
2. Council of Governments (COG): Gordon
3. Skagit-Island Regional Transportation Policy Organization (RTPO): Gordon
4. Marine Resources Committee (MRC): Jerome
5. Washington Public Ports Association (WPPA): Jerome
6. Holmes Harbor Shellfish Protection District: Tapert

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

July 12, 2011

Langley, Washington

Commissioners Present: Chris Jerome (Langley), Curt Gordon (Clinton) and Geoff Tapert (Freeland)

Port Staff Present: Ed Field (Port Operations Manager), Dane Anderson (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk). **Others Present:** Gordon Weeks (Whidbey Examiner), **Clinton Residents:** Marcia Monma, Clyde Monma, Bruce Buls and Doug Struthers; **Langley Resident:** Carl Robinson and **Freeland Resident:** Dennis Gregoire

WORKSHOP & MEETING CALL TO ORDER: Following a Workshop from 7:00 p.m. to 7:30 p.m. for informal Commission review 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 12, 2011, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwelton Rd., Langley, WA. Commissioner Chris Jerome, President called the Regular Meeting to order at 7:30 p.m. followed by the Pledge of Allegiance.

BUSINESS MEETING

Consent Agenda

A. 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**).

B. Minutes: Minutes from the Regular Meeting of May 10 and the Public Hearing for Comprehensive Scheme Amendment of May 24, 2011.

ACTION: A Motion was made by Commissioner Tapert and seconded by Commissioner Gordon to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers dated July 2011 as signed today in the amount of \$70,734.08. The Motion passed unanimously.

FINANCIAL ACTION ISSUES

May 2011 Financial Report: The Commission acknowledged receipt of the May 2011 Financial Statement, which had been distributed to them previously (**EXHIBIT B**).

Process Review: Revised guidance for Application for Funds and proposed standard authorizing Resolution, per input from Port Attorney Al Hendricks: Anderson noted that per Commission direction at the Port's last regular meeting and additional clarification from the Port Attorney, the wording on the cover sheet for the Application for Funds had been changed as follows:

At the March and September Regular Meetings, the Port Board of Commissioners considers Applications for Funds for grant funding in support of local economic development in general, and promotion of tourism within the District in particular, under two general categories:

- 1) Expenses for economic development via improvement of local business and tourism, typically expenses related to drawing business and visitors to South Whidbey by means of off-island advertising, brochures and other such promotions.*
- 2) Capital funding for economic development, specifically funds for capital projects which foster economic and tourism development for South Whidbey.*

Information that will assist the Commissioners in prioritizing the grant funding includes amount and effectiveness of off-island advertising/promotion, attendance amounts and durations for off-island visitors, and/or measurable economic development benefits of requested funds.

Hendricks had also provided a written statement on his position and a conclusion (**EXHIBIT C**) based on his interpretation of RCW 53.08.245(1) and RCW 53.08.245(2). Since economic development is not really defined in the RCWs, he recommends that when the Board approves an Application for Funds, it should be done in the form of a finding that is a Resolution by the Commission that states the funded program is for the development of the economy within the Port District of South Whidbey Island and provides a reasonable basis for that finding. Hendricks had also suggested that there should be a grant contract, but staff believed they could basically create a contract with proper wording of a standard resolution that incorporates all the application information and do it all in one step.

Jerome said the changes to the Application for Funds cover sheet were fine, but he noted that “economic development” is not mentioned anywhere in the body of the Application. He suggested it would be appropriate to add it to Item #4, which currently reads as follows: “4. Describe how your project fulfills the mission of the Port of South Whidbey’s six year Comprehensive Scheme.” The Commission agreed, and Field said he would revise Item #4 to specifically include economic development.

Tapert suggested the Port look into multi-year contracts for certain recurring groups who apply and are approved each year. He felt that would give the Port the ability to say: We’re not giving you the 2nd year financing unless you demonstrate there was economic benefit from the money you spent last year. Tapert said it would also minimize the number of applicants year after year, as well as the pool of money so there would be fewer applications to entertain. Gordon said he liked the wide variety of applicants and he felt the Board had kept the numbers down on all of them. He doesn’t mind the current process as it is working now, but he is open to the idea of multi-year contracts and he likes the idea of progress reports. Jerome suggested wording could be added to the Application requesting prior grant recipients include such reports of their previous year’s outcome. The Commission directed staff to draft the Resolution, revise the cover sheet and Item #4 of the Application for Funds, and work on the criteria for consideration at the August meeting. The Commissioners also agreed to look into the multi-year concept for next year.

PUBLIC COMMENT – Including Items not on Agenda:

Bruce Buls wished to comment on the Possession Purchase and Sale Agreement. Jerome said it was next on the Agenda and he could comment on it when it comes up - the Public Comment period should be for items not on the agenda. Staff was directed to change future agendas to eliminate the word “Including.”

There was no other public comment.

PROJECT ACTION ISSUES

Possession Beach Waterfront Park

A. Review of proposed lease from Port Attorney: Per Commission direction, Hendricks had reviewed AT&T’s proposed lease for construction and placement of a cell tower on Port property. Anderson reported that Hendricks has worked on several property leases for cell towers for various water districts, and was therefore able to provide one of those leases and modify it to become the new draft lease from Port District. Hendricks’ draft lease was distributed to the Commission previously. Gordon and Jerome subsequently provided comments on the draft and Anderson said their comments have been incorporated into the Draft Property Lease Agreement (**EXHIBIT D**). Anderson asked if the Commission had any additional comments/changes prior to sending the draft back to Goodman Networks/AT&T. The Commission said they needed additional time to review the draft lease and asked Anderson to redistribute

it. Jerome noted the payment and lease term issues still need to be addressed. The Commission agreed to add it to the agenda of the special meeting on July 20th, rather than wait until the regular August meeting.

B. Review of Purchase and Sale Agreement received July 11, 2011 (EXHIBIT E): Clyde and Marcia Monma had submitted the Agreement with a purchase offer of \$100,000. Gordon said that the Port can consider a purchase offer at any time, even though the property is no longer listed and he noted that the market appraisal of the property was \$235,000. The Commission agreed they would hear public comment prior to entering into an Executive Session to discuss the offer.

Clyde Monma said he had provided a lot of background information to his realtor, including the rationale for the price, and he encouraged the Commission to contact the realtor to learn more about that.

Bruce Buls said, *"I walk the (Dorothy Cleveland) Trail every day, especially before a Port meeting, and I try to figure out what the hell I'm going to say to you, and what can I do that will be persuasive in some way to preserve this thing? And obviously tonight, the way to preserve this thing is to lay it in your lap. You get money, the public benefits and they (the Monmas) aren't going to turn it into private dog park. They want to preserve it, and they're willing to put up this much money, partially to protect their property value. And that's another thing I have never understood from you guys: How you could propose a cell tower in the name of economic development that is going to take hundreds of thousands of dollars out of our neighborhood – out of our property values. And you've never acknowledged that; never acknowledged at all that 'hey, it's kicking you guys in the ass but it's for the greater good.' The good of who? AT&T? Ultimately. So I think this is a great opportunity and if you don't seize it, it looks like you're greedy and flying in the face of public sentiment to preserve the park as a park."*

Carl Robinson said he has spoken at Port meetings several times and he thought he could address some of the questions that have been raised. He said, *"Number one is property values. When property is sold, a seller's disclosure is required, and it would have to be disclosed to a potential buyer that this area is not economically developed as far as the ability to provide emergency services, television, communication and a vast array of other things that would be coupled with the installation of that cell tower. In addition to the considerable amount of money brought in by leasing the space for the cell tower, every 5 years they raise that amount another 15% or so. Another thing is that other carriers can piggyback onto the cell tower and they would also pay money to the Port. As a business owner, he would like to be able to use his cell phone in the area to call customers. Another big concern is the current lack of coverage for emergency services/first responders. God forbid you should be up on that Trail sometime and need emergency services – that would be catastrophic."* **Marcia Monma** interjected, *"I have AT&T and I have made cell phone calls while on that Trail, so what you are saying is simply not true."* Jerome reminded the public that they should direct their comments to the Commission only. Jerome said he appreciated Robinson's comments and added, *"My understanding is that AT&T's signal is fine up there, but there is an issue with emergency communications and there is an issue with cell phone signal elsewhere on the south end of the Island, which the data provided by Goodman Networks and AT&T suggests would be improved by the addition of the cell tower."*

Doug Struthers said, *"I've been amusing myself by carving a relief map of Whidbey Island based on the survey data here, and it's hard to find a place on Whidbey that has a steeper bank than that particular place where you want to put the cell tower. It's very instructive to look at, because you can see instantly by the contour lines just how dramatic that hill is and there also appears to be erosion that has worn a kind of channel or valley down that side. So if this is still on the agenda for the next Port meeting, I could bring the carving if you're interested."*

Tapert said, *"I'd like to point out that even if the Port approved a lease, AT&T would still have to go through all the hoops at the County, including environmental restrictions. Whether or not it is feasible is*

up to Island County and AT&T, so even if the Port approved a lease, there is no guarantee a tower would go up. We're not debating whether it's feasible or not; all we're debating is whether we would like to see a cell tower there." Struthers thought AT&T would have issues because of the steepness of the terrain.

Struthers continued, "My understanding is that you did not present value of the expected cash flow from the lease. Of course, nobody can really guess the future, but I felt that your cash flow projections were pretty optimistic – both in the length of time and because I really feel that we are approaching step changes in technology. My judgment in looking at the projected numbers is that they are very optimistic."

Buls said, "You guys should also keep in mind what the cost will be if you don't accept the (Monmas) offer and you do accept the AT&T lease, because our group has said we will probably bring a lawsuit to stop it, so there would be a cost there. You should keep that in mind as well as a potential part of the formula."

EXECUTIVE SESSION

The Commission agreed to hold a two-part Executive Session to discuss the Purchase and Sale Agreement submitted by Clyde and Marcia Monma. The Monmas would be included in the first part of the Session, and the second part would include staff and Commission only.

Tapert suggested that Dennis Gregoire should also be included in the Executive Session, as he is running unopposed for Port District #1 (Freeland) on the November ballot. The Commission agreed, and Clyde and Marcia Monma said they had no objection to Gregoire's inclusion.

The Board of Commissioners went into Executive Session at 8:01 p.m. for an expected duration of 30 minutes to discuss the Purchase and Sale Agreement with Clyde and Marcia Monma for approximately the first 15 minutes, followed by discussion with staff and Commission only for the remaining 15 minutes. Clyde and Marcia Monma exited the Executive Session at 8:10 p.m. At 8:31 p.m. the Board agreed to extend the Executive Session for an additional 10 minutes. The Board came out of Executive Session at 8:40 p.m. and returned to the Public Meeting at 8:41 p.m.

(REGULAR MEETING)

Gordon again noted that the property is not currently listed, so there isn't a proscribed number either way. He explained the Commission had discussed what would be acceptable as a minimum price and minimum assurances if the Port gives up the opportunity for the public to have a cell tower. He said, *"Regardless of what you all have brought to us today, we (the Commission) all believe that there is a benefit to the public to have a cell tower."* He asked Jerome and Tapert, *"Would it be safe to say that a minimum offer would be more in the neighborhood of \$200,000 with assurances for a public easement of the Trail in perpetuity along with stewardship of that Trail?"* Jerome and Tapert agreed.

Jerome said the Port has spent a lot of time discussing what the Port is supposed to be doing with its property, and he thinks it is safe to say that there has been "a lively exchange of ideas" about that. He continued, *"Regardless of what we believe the Port should be doing, we have the responsibility to make the best use of the assets that the public has bought for the Port and that the Port is managing. In that respect, we don't feel that this offer meets that obligation that we have to serve the whole district in terms of managing the assets the way they should be managed."* Clyde Monma said, *"Okay. Well, it's our choice to make an offer and your choice to reject it, so that's just the way it is."* Jerome added, *"But I am hearing that a sentiment that we would nevertheless entertain an offer to take the property private with protection of the Trail and its stewardship, but for a much higher value than this."* Monma responded, *"Double the price. Well, good luck. It won't be us. We've been told that we haven't seriously*

considered making an offer. I think we've made a serious offer from our point of view, so that argument is gone."

South Whidbey Harbor

A. Expansion Project

1. Status of Concept Design 266' + 133': Topic for Special Meeting at 7:00 p.m. on Wednesday, July 20th, at the Port office. Field said Reid Middleton should have the 30% submittal package by July 15th.
2. SWH Expansion Permit Status
 - Hydraulic Project Approval (HPA): Approved by Washington State Department of Fish & Wildlife (WDFW): Issued 2/13/10, revised 3/8/11. Follow up HPA for Temporary Breakwater Parking approved by WDFW: Issued 3/4/11, revision being coordinated by Joe Callaghan of GeoEngineers.
 - United States Army Corps of Engineers (USACE) Permitting for Complete Expansion: Joint Aquatic Resource Permit Application (JARPA) submitted August 2009. Review of impact-driving underway per pending Marbled Murrelet and Marine Mammal (MM&MM) Protection Plan from GeoEngineers, submitted on 4/21/11. Review may take 6 to 24 months.
 - USACE Permitting for 266'+133' via Programmatic BioAssessment: Possible approach to enable limited initial phase with <20 piles, as coordinated by Joe Callaghan of GeoEngineers.

Field had a lengthy discussion with Callaghan earlier in the day about the Port's permitting status. Callaghan is talking with USACE and the "the Services": The United States Fish & Wildlife Service and the National Oceanic and Atmospheric Administration's National Marine Fisheries Service (NOAA NMFS). It appears to be "back in the Services' hands." Callaghan is aware that by next week the Port needs some indication of whether it is likely to be permitted by January, so the Commission can make an intelligent design on whether to proceed with the plans and specs. Field said, "We're very close to going political," but Callaghan feels that although it is possible political assistance would help with USACE, it probably won't help with the Services, where the Port needs to get through the Endangered Species Act "ESA" process.

3. Boarding Floats & Uplands Design: Field said Shannon Kinsella from Reid Middleton had stopped at the Port office earlier in the day. She met with USACE regarding their request for new plans, and got them down to a location map, a site plan and a cross-section of the floats. Field noted that the Port already had or was on its way to having 90% of those. Reid Middleton emailed those documents earlier in the afternoon. Field will go over some of the details with Reid Middleton, and then they are due for submittal to USACE tomorrow. He added, *"So presumably that will continue moving. There is no indication that anyone has any problem with it, it's just that the 3rd project manager found the drawings confusing."*

Field referred the Commission to the proposal from Reid Middleton for design through bid documents dated 7/8/11 (**EXHIBIT F**). Reid Middleton's \$19,000 contract to take the project from concept to 30% design is at \$12,400, so they have held it "way under." The proposal to take it from the current stage through final design and bid and construction administration support is \$40,000, which includes approximately \$30,500 up to bidding, \$1,200 for assistance during bidding and \$8,300 for construction assistance (all Time and Materials). Field recommended acceptance of the proposal and authorize Reid Middleton to proceed with the drawings, with the hope and expectation that we will be merging the rest of the project with it as we go through the Fall and out to bid.

ACTION: A Motion was made by Gordon and seconded by Tapert to accept Reid Middleton's \$40,000 proposal for Final Design, Bid and Construction Administration for the Langley Boat Ramp Float as submitted. The Motion passed unanimously.

4. Boarding Floats & Uplands Permit Status
 - Permit Extension Request to USACE: Revised JARPA submitted 2/22/11, U.S. Fish & Wildlife Service questions issued 6/3/11; Response submitted 6/9/11 by Reid Middleton, Shannon Kinsella of Reid Middleton now contesting request for new plans.
 - Master Permit Application to City of Langley; City approved prior permits (including Shoreline Conditional Use Permit, etc.) through 12/29/11 with further one-year extension pre-approved.
 - Department of Ecology (DOE) Water Quality Certification and Coastal Zone Management (CZM) valid through 12/29/11 with one-year extension pre-approved.
 - HPA: #122942-2 approved on 3/3/11, with 30% grating requirement.
5. Property Issues: No update
6. Funding Issues
 - Port Security Grant (Phase 1A): Unofficial approval of Project List, but no schedule for actual action.
 - Boating Facilities Grant (Floats only): Approved for funding June 22nd! (Another \$229,000)
7. Consortium Coordination
 - InterLocal Agreement with Island County Fire District #3: Waiting for Federal Emergency Management Agency (FEMA).
 - InterLocal Agreement with Island County Sheriff's Office: Waiting for FEMA.

B. Harbor Operations

1. Electrical Refurbishment: Underway.
2. Fee Schedule for 2012: Initial review of staff proposal (**EXHIBIT G**). Harbormaster Rick Brewer has recommended that the transient overnight moorage rate should be changed to a uniform \$1.00 per foot, rather than the varying existing rates (\$24 for smaller slip, \$28 for larger slip, \$1 per foot for dock or end ties). Brewer would also like to provide a 10% discount for groups of 5 or more boats (reservations required), plus a couple of nights' free utilities for their next visit. Staff also proposes a coupon book for frequent Day Use boaters (Hat Island residents, etc.); 22 visits for \$200 instead of 20 visits.

Field explained that the Commission did not need to make a decision at this meeting, but ideally would do so at the August meeting so any changes could be reflected in the 2012 budget. Gordon said the changes were fine with him. Jerome noted that the draft schedule states "Effective May 1, 2011 through April 30, 2012". Staff said the revised fee schedule would be effective January 1 through December 31, 2012.

Jerome noted that a transient moorage customer had contacted the Port regarding the possibility of the Port providing a discounted rate or a coupon deal for weekday moorage (Mon-Thurs) when the Harbor is not full. Field said he'd work with Brewer and Anderson to determine occupancy and availability of weekday moorage and potential discounted rates.

The Commission gave Staff draft approval to proceed with the proposed base rates for budgeting while continuing to work on the details for the specials, etc.

Port Operations

A. Maintenance & Operational Wrap-up

1. City Ramp Cleaning: Working with City of Langley to address winter season cleaning.

B. Humphrey Road Parking Lot

1. Port Operational Update: Underway; running smoothly. So far, revenue is exceeding expectations. Anderson explained that the analysis of the lot usage was conducted in January, and the models were

therefore based on wintertime usage. After operating the lot for just 12 days, it appears the revenue in the summer is significantly higher than projected while the expenses are right in line with the projections.

2. Stair Replacement: Replacement units delivered with wrong bolt pattern (4" instead of 6" as noted in the shop drawings). Rework and install underway, credit to be determined based on additional time. Anderson noted that disposal of the old stair units could be expensive, so staff's recommendation is to use them as curb stops/borders at Phil Simon Park and Possession. The Commission agreed.

C. Redistricting Process: The Port is required to redistrict the Commissioner sub-districts (Freeland,, Langley & Clinton) per the 2010 Census to make the population within each sub-district as equal as possible. Anderson noted that at the regular July meeting, the Commission indicated they would like to look at the South Whidbey School District's (SWSD) recently approved redistricting of their sub-districts (**EXHIBIT H**). Their sub-district lines do not follow voter precinct lines, but according to county auditor, that is not a problem. If the Port adopted the same sub-districts and both the Port and SWSD had something on the same ballot, the election costs would be less. Jerome noted that SWSD's map actually has Clinton Beach in the Langley sub-district which Gordon disliked, and Anderson pointed out that it also has Sunlight Beach in the Clinton sub-district, as Gordon had requested. The Commission agreed they did not want to use the SWSD redistricting, and instead chose to redistrict based on the proposed #3 map presented at the July meeting (**EXHIBIT I**), which Anderson created based on voter precincts.

D. Septic System Inspections per Island County: Clinton Beach - To be determined (manhole covers rusted solid to the rings; working on opening them).

E. Finance Manager: Anderson resignation effective 8/9/11 (plus additional assistance as his schedule permits). Hiring parameters and schedule? Anderson said he was willing to engage in hiring his replacement as the Board deems appropriate and continue on as Auditing Officer until the replacement is ready to do so. Gordon thanked Anderson for all his work, and asked about his availability in August and September. Anderson explained that the auditing role takes very little time (2-3 hours one day per month). He will also be available to answer any questions the State Auditor might have during the Port's upcoming 3-year audit.

Field referred the Commission to their copies of the Staff Function and Responsibilities for the Position of Port Finance Manager (**EXHIBIT J**). He explained that the function and responsibilities would essentially stay the same and the job description would be the same as advertised last October. Field explained that based on Anderson's current workload and the status of projects, at this point he would recommend the Finance Manager should become a 3/4 time position, equivalent to that of Operations Manager with hours paid for hours worked (based on 6 hour days, 5 days per week). The benefits would be the same based on the 3/4 position. If the ad is posted in the newspaper for two weeks beginning July 16th, with applications due August 1, Anderson could review them as they came in and Field could review them on Monday, August 8th when he returns from vacation. The Commission could then review the applications at the regular meeting on August 9th, and select a short list of candidates to be interviewed later that week with at least one Commissioner present. The new hire could then start on August 15th.

Jerome expressed concern about reducing the position from full time to 3/4 time; and suggested the description should include the possibility of going to full time. Gordon said he would like to have a discussion about the Finance Manager position. He noted that Field had explained that he was hired first as a Project Manager and then became the Port Manager. When there was need for additional financial work, Anderson was hired as a consultant, and then the current Commission then created the position of Finance Manager. Gordon said, "I would like to look at the structure, and not just assume that we need to hire what we had. Maybe the Port District needs an Executive Director that is overall in charge, creates

a budget, drives the Port and has a lot of great ideas, and then on the side we have a Project Manager that runs the projects and maybe manages some of the Staff. I don't think we have to go down this road because that's what we were doing, and I'm not in the big hurry you guys are to just jump in and replace with the same model."

Tapert noted that the job description might change based on who gets hired, but added that he would like to hire someone soon since the budget process is about to begin. Field noted that there is a great deal of cash operations work right now, that didn't exist 3 years ago for the marina and a month ago for the parking lot. He said, *"We're busy,"* and explained that the Port Clerk's backlog for processing payments, cash and getting the minutes done is *"really stacked."* Field didn't want to wait too long to hire a replacement.

Jerome said a lot of thought went into the job description and he thought it has worked well. If the Port can find a qualified applicant, then they should continue with the model. If there are no qualified applicants, then the Commission might need to rethink.

Gregoire said the Port did a good job of crafting the Finance Manager position and that it seems to fit the needs of South Whidbey right now.

Gordon said the reasons he had wanted the Finance Manager to be full-time was because he wanted access to him and he wanted them (Operations Manager and Finance Manager) to be even, so that Commissioners could get action individually without having to act as a group all the time. He felt the position should remain full-time, and that this is a good opportunity to discuss the structure. Jerome disagreed about this being an opportune time to have that discussion; they can discuss it later and change the structure if needed when they have more time to discuss it, but right now the position needs to be filled. Anderson agreed that there are lots of opportunities to restructure (during the Comp Scheme review, the budgeting process, etc.), and the person hired now could apply for whatever new role comes out of that discussion.

Gordon said, *"We need someone that understands finance, but has a lot of energy toward the future – new projects, new ideas, and new opportunities. There's a little bit of that in the job description, but there's no requirement. I'm not comfortable to throw this back out and advertise for a job on Wednesday. I think we should take minute and make some changes or additions to the position."* Field said, *"We did hammer out this job description just 9 months ago."* Jerome felt that the current job description captures what the Port needs, and Field agreed. Tapert said he was okay with the job description and Gordon said he would go along with it.

Gordon said he would like it be a full time position, Tapert said he was fine with it being 3/4 time and Jerome suggested it could be 3/4 to full time. Jerome noted that Anderson had proposed 3/4 time based on the improvements to the accounting system that streamlined the processing. Anderson agreed, saying that right now, it's not an 8 hour/day job, but noted that when the Port Security Grant comes through and has to be tracked and the SWH project starts, the position will go to full time.

After some additional discussion, the Commission agreed to proceed with advertising for the position based on the current job description and that the position will be full time.

F. Port Attorney: Hendricks retiring effective 9/1/11; sending recommendation. Field said he would contact the Washington Public Ports Association for information on the process and possible list of attorneys specializing in port districts.

New Project Opportunities

A. Sustainable Economic Development and IPZ (Innovative Partnership Zone) Issues: (Tapert & Gordon)

1. Potential Langley area “Green” Business Park and “Impact Washington” Possibilities: No report. .

B. Mukilteo Parking Issues: (Gordon) Gordon said he met with John Mohr (Executive Director, Port of Everett) and State Representative Norma Smith regarding the parking issues. The only solution that the City of Mukilteo (Mayor Joe Marine and City Administrator Joe Hannan) has come up with is a future potential parking garage over a future potential Washington State Ferries (WSF) parking lot, and that is something that is 5 years or more into the future. Gordon explained to Mohr that the 100 parking spaces that the City of Mukilteo is trying to acquire from the Air Force on one of the pads at the tank farm would simply replace the 100+ spaces that are going to be **removed** from our commuters behind the Diamond Knot and converted to day use only. Gordon said, *“So there’s no net gain in parking.”*

Gordon said, *“It appears that the Air Force was going to grant all of the tank farm property to the Port of Everett. The Port of Everett would be a pass-through, because they had no intention of developing any of it. Some of it was going to go to WSF, some of it to Mukilteo, and other agencies like Sound Transit, but the process stalled for whatever reason. Subsequently, the City of Mukilteo began to make their own deal for a certain area of the tank farm that they are actually going to pay to lease.”* Gordon had pressed Mohr for a best case scenario on when the tank farm property could be turned over to the Port of Everett and was told if things went really, really well it would be at least 2 years. Unless there’s an inroad directly to the Air Force, there’s not much chance of the Port of South Whidbey getting anything through the Port of Everett. However, Smith is staying on the issue and is going to discuss it with U.S. Senator Patty Murray, who negotiated a lot of the original Air Force deal with all of the bureaucracies.

Gordon said he would need at least another month to sort out more details about whether there is any potential possibility of acquiring some kind of lease of the tank farm property.

ACTIVITIES /INVOLVEMENT REPORTS:

Economic Development Council (EDC): (Tapert) No report. Next meeting July 20th.

Council of Governments (COG): (Gordon) Gordon said the COG reviewed all of the previous Rural County Economic Development Fund (RCEDF) applications, all the awards, and what money has gone out. The COG is scrutinizing the awards to determine if the money is being spent appropriately; the funds are specifically meant for capital use for economic development (infrastructure, new roads, buildings, etc.). Mayor Slowik of Oak Harbor requested short-term money for an Environmental Impact Statement for the seaplane base so Nichols Brothers Boat Builders could potentially have a northern satellite there. It prompted a much needed discussion about the need for more flexibility in the RCEDF application process (instead of just once a year). Looking at the cash flow, there is a lot more current money available because the payouts are scheduled out in the future, but the budget is presented as if all those projects are going to happen in these years, so there’s no money and so no additional money can be awarded, not even \$50,000 for a small, short-term project like a commercial kitchen at the Fairgrounds.

Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon) No meeting this month; no report.

Marine Resources Committee (MRC): (Jerome) The representative from the Northwest Straits Commission was at the recent meeting, and Jerome said, *“Basically, they have no funding so we don’t know what’s going to happen there.”* He encouraged everyone to visit MRC’s new website at <http://www.islandcountymrc.org/> and in particular, check into the link for “Sound IQ” – a map based data

sharing website containing all the nearshore data and providing the opportunity to see all of it using overlays, etc.

Washington Public Ports Association (WPPA): (Jerome) No report.

Holmes Harbor Shellfish Protection District (HHSPD): (Tapert) No report.

OLD BUSINESS: None.

NEW BUSINESS: Jerome said Fred Lundahl and Eric Levine of the Langley Main Street Association would like to “piggyback” onto DockStock. They’d like to have an event in downtown Langley on the same day featuring historic photos, etc. They asked if the Port could provide a representative to show the design of the Harbor expansion. The Commission agreed it was a good idea, and Jerome said he’d be willing to be on hand to show the design and talk to people on August 27th at The Boy & Dog Park in Langley.

ADJOURNMENT: The meeting was adjourned at 10:17 p.m.

Approved:

Minutes prepared by:



Commissioner Chris Jerome, Langley



Edwin S. Field, Port Manager



Commissioner Curt Gordon, Clinton



Commissioner Geoff Tapert, Freeland

- Exhibit A: Voucher Listing
- Exhibit B: May 2011 Financial Statement
- Exhibit C: Draft Revisions to Application for Funds and Port Attorney comments regarding Econ Dev guidelines
- Exhibit D: Draft Property Lease Agreement for construction and placement of cell tower and antenna system
- Exhibit E: Vacant Land Purchase and Sale Agreement from Clyde & Marcia Monma, dated 7/10/11
- Exhibit F: Reid Middleton 7/8/11 proposal for Langley Boat Ramp-Final Design, Bid and CA
- Exhibit G: Draft SWH Fee Schedule and Specials & Discounts
- Exhibit H: SWSD Redistricting Map
- Exhibit I: Redistricting Map Proposal #3
- Exhibit J: Staff Function and Responsibilities: Port Finance Manager