

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

Held at South Whidbey Parks & Rec District, 5475 Maxwellton Rd, Langley WA
Tuesday, October 10, 2017 at 6:30 p.m.

AGENDA

WORKSHOP (6:15 – 6:30 PM): Commission review of vouchers and recent correspondence

REGULAR MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

COMMISSIONER ACTIONS

Consent Agenda: Approval of October Vouchers in the amount of **\$81,492.03** and Minutes from the Special Meeting of August 30 and the Regular Meeting of September 12, 2017.

PUBLIC COMMENT – *This is time set aside for members of the public to speak to the Board regarding any subjects of concern/interest, including items on the Agenda. The Board will take all information under advisement, but generally will not take any action unless it is emergent in nature. To ensure your comments are recorded, please state your name and city of residence. Please limit comments to 5 minutes. If you have any documents to present to the Board, please hand them to the Port Clerk prior to speaking.*

FINANCIAL UPDATE

August 2017 Financial Statement and Executive Director Report

STATUS REPORTS

November Port Meeting Schedule

South Whidbey Harbor

- Harbor Operations & Harbormaster Report

Port Operations

- Maintenance & Operations Supervisor Report

Mukilteo Parking

Clinton Dock

Island County Fairgrounds

- Property Improvements/Renovations
- Fairgrounds Property Manager Report

Possession Beach Waterfront Park

- Boat Ramp Renovation Project

ACTIVITIES/INVOLVEMENT REPORTS

Gordon: Council of Governments (COG), Island Regional Transportation Planning Organization (IRTPO), Washington Public Ports Association (WPPA) and Clinton Community Council (CCC)

Halloran: Marine Resources Committee (MRC), City of Langley Council Meetings and Joint Parks Committee

Ng: Economic Development Council (EDC) and Port-wide Marketing & Promotion Committee (M&P)

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

October 10, 2017

Langley, Washington

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

Port Staff Present: Angi Mozer (Executive Director), Molly MacLeod-Roberts (Port Clerk), Pat Kisch (Maintenance & Operations Supervisor), Duncan McPhee (Harbormaster), and Roxy Taylor (Fairgrounds Property Manager)

MEETING CALL TO ORDER: Following a Workshop from 6:15 p.m. to 6:30 p.m. for informal Commission review and discussion of vouchers and recent correspondence, the Regular Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, October 10, 2017, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwelton Rd., Langley, Washington. Commissioner Curt Gordon (President) called the Regular Meeting to order at 6:30 p.m., followed by the Pledge of Allegiance.

CONSENT AGENDA

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.

Approval of Minutes: Minutes from the Regular Meeting of September 12 and the Special Meeting of August 30, 2017.

ACTION: A Motion was made by Commissioner Ed Halloran and seconded by Commissioner Jack Ng to approve the Consent Agenda as presented, including the authorization and acceptance of Vouchers dated October 2017 as signed today in the amount of \$81,492.03. The Motion passed unanimously.

PUBLIC COMMENT

Minda Myres (Innkeeper at the Boatyard Inn) asked if a float plane dock is included in any of the plans for the expansion of South Whidbey Harbor, and if the option could be added if it is not. Harbormaster Duncan McPhee and Executive Director Angi Mozer agreed to look into it, and the Commission agreed to discuss it at the upcoming joint meeting with the Langley City Council.

Sharon Edberg (Whidbey Island Garden Tour) thanked the Port for \$2,000 awarded for new signage for the Garden Tour. A total of 736 tickets (at \$20 each) were sold for the Tour. Volunteers were given 110 tickets, and another 50 were given to merchants who sold tickets at their business. A busload of visitors from Alki Tours came from Seattle and arranged to have Charmers Restaurant in Freeland provide box lunches that they ate on the bus while visiting the various gardens on the Tour. Over 60% of the online ticket sales came from off-island. From the proceeds, the Tour gave away \$5,185 to South Whidbey School District, \$3,993.67 to Good Cheer Food Bank, \$985 to Ryan's House and \$4,000 to Meerkerk Gardens.

Mel Trenor (Island Beach Access) provided an update on the Clinton Beach Universal Accessibility Project. There was a very nice article on the project in the recent edition of the South Whidbey Record. The project is working very well with lots of individuals using the expanded ADA parking and the mats to access the beach. The only negative complaints have been regarding the uncleanness of the

restrooms. A drone photographer spent several hours photographing the area last week; the photos will be used in the posters in the display case at the Park. Maintenance & Operations Supervisor Pat Kisch will coordinate the effort to roll up the beach mats and store them for the season later this month.

FINANCIAL UPDATE

August 2017 Financial Statement and Executive Director Report: The Commission acknowledged receipt of the August 2017 Financial Statement which was distributed to them previously. Executive Director Angi Mozer reported the Port received \$160,000 in tax, operating and grant revenue and incurred \$306,000 in operating and capital expenses during August 2017. Ending cash balance at 8/31/17 was \$295,000.

Draft Preliminary Budget for 2018: Mozer provided a first draft, noting that it was very much a work in progress. It is almost balanced (with an excess of \$2,000). It includes \$25,000 for Consultant Services, a line item that serves as “a catch-all” but can also serve as a buffer for any unanticipated expenses or changes as the budget goes along. The Port’s insurance costs in 2018 will be at least \$10,000 higher due to the Fairgrounds acquisition. Mozer reported that the Revised Code of Washington states that commissioners of port districts with \$1,000,000 or more in gross operating revenue in the preceding year shall receive a salary of \$254 per month in addition to the per diems. Since the anticipated gross operating revenue for 2017 exceeds \$1,000,000, the Port Commissioners will receive the \$254/month salary beginning in 2018 and it will be included in the 2018 budget. Additional capital expenditures in 2018 will include the Harbor Archway project and work on the Bush Pt. floats. Gordon wants the Port to have year-end cash balance of \$500,000-\$600,000.

STATUS REPORTS:

October & November Port Meeting Schedule

- Joint Port/City of Langley meeting: Tentatively scheduled for Wednesday, October 18th at 3:00 p.m. at Langley City Hall. Mozer suggested the following agenda items for that meeting: Harbor Master Plan, Harbor Archway, Fairgrounds (in general, plus overlay zoning), Joint Rural County Economic Development Funds Application, and Float Planes. Halloran noted that the Langley Chamber of Commerce successfully applied for tourism dollars from the City to promote the upcoming San Juan Clipper visits. He suggested the Port ask the City for similar funding for the modification of the wave wall on D Dock that is required to accommodate the Clipper visit to the Harbor. The Port should also seek funding for a golf cart or other means to get people up/down Wharf St. during the Clipper visits. Mozer said she would add those items.
- Special Meeting: Tuesday, October 24th at 3:00 p.m. at the Fairgrounds to discuss the William Shelton story pole and consider the bids for the Clinton Dock Repair Project.
- Special Meeting: Tuesday, November 7th (time/location to be announced) to review and approve the preliminary 2018 budget for publication.
- Regular Meeting: Tuesday, November 14th at 6:30 p.m. at South Whidbey Parks & Rec Building. Both Mozer and Ng will absent.
- Public Hearing on the 2018 Budget, followed by a Special Meeting: Tuesday, November 28th (time/location to be announced) to approve the Final 2018 Budget and a potential presentation from Mike Nortier, Executive Director of Island Transit.

South Whidbey Harbor

- Harbormaster Operations & Harbormaster Report: Harbormaster Duncan McPhee was on hand to present his monthly report. He attended the Pacific Coast Congress of Harbormasters semi-annual conference in Anacortes last month. The topics were relevant and very informative. Halloran sat on one of the panels. The Harbor’s Washington State Clean Marina Certificate was renewed following an inspection visit. A “Clean Marina” is one that follows practices and encourages boaters to protect coastal

waters by engaging in environmentally sound operating and maintenance procedures. Clean Marina facilities are obligated and encouraged to provide educational material to Harbor users concerning “clean” practices. McPhee is working with Mozer on the possibility of the Port having a booth at the 2018 Seattle Boat Show, with participation from the local Chambers of Commerce. Commercial crabbers are starting the season with the largest catch quota in recent years, and the two commercial crab boats in the Harbor are confident they will be crabbing through February. The Boatyard Inn is currently offering a 3rd night free, which will especially help attract visitors with smaller boats during the winter.

Port Operations

- **Maintenance & Operations Supervisor Report:** Pat Kisch was on hand to provide his monthly report on maintenance & repairs completed/ongoing/planned at Clinton Beach, Humphrey Road Parking Lot, Bush Point, Possession Beach Waterfront Park and the Fairgrounds. Floats were removed for the season at Possession on October 4th and will be removed from Bush Point on October 11th. The slope of the new ramp and the height of the trailer created difficult conditions for the tow vehicle/truck. Gordon suggested using the Port’s backhoe instead. Kisch will explore that possibility.

Mukilteo Parking: Gordon went to the Tulalip Tribes headquarters yesterday and met with several of the Tribes’ representatives and Mukilteo’s Planning Director Patricia Love. The Tribes provided a draft Memorandum of Understanding, but the Port is not ready to do anything with that just yet. Sound Transit had \$8 million from its ST2 Plan for parking but the City of Mukilteo wouldn’t permit parking on the property they wanted to use, so they pulled back. But apparently in the ST3 Plan, Sound Transit got another \$20 million, so there is a chance that at this stage, the Port might end up connecting Sound Transit and the Tribes with the Port in the middle. Sound Transit has to come up with another 65 parking stalls and there isn’t any other property available for parking. Washington State Senator Barbara Bailey, State Representatives Norma Smith and Dave Hayes, and representatives from US Senator Patty Murray’s office and US Representative Rick Larsen’s office all attended the recent Island County Council of Governments (COG) meeting, and the Mukilteo parking problem got a lot of attention. Smith in particular is willing to step in when needed, i.e. support grant applications for funding, etc. Subsequent to Commission approval at the regular September meeting of Davido Consulting’s proposal of \$13,756 for Civil Engineering Services for the Mukilteo Waterfront “Tank Farm” Potential Parking Lot, Davido had provided a Short Form Agreement. The Commission confirmed the Agreement was acceptable. Mozer will provide her signature.

Clinton Dock: The project has been advertised; bid opening is scheduled for Monday, October 23rd. A site visit is scheduled for Thursday, October 12th at 10:00 a.m. There are 3 registered bidders on the Builder’s Exchange.

Fairgrounds

- **Property Improvements/Renovations:** The Port will need grants and loans to accomplish the improvements and renovations. As far as loans are concerned, one of the options is a bond. The drawback to a bond is that the Port would receive all the money at one time and must start paying interest immediately based on the full amount. Another option would be a line of credit, which would allow the Port to get influxes of revenue as the work goes along in order to avoid paying interest on a the full amount from the start. Mozer approached Columbia Bank regarding a line of credit, but the Bank is not interested. She contacted Jim Blumenthal of Martin Nelson & Co., Inc. (MNCO - the underwriter of the Port’s previous bond for the Harbor project), and he was able to provide an option that is not exactly a line of credit. In her financial projections, Mozer had \$400,000 over the next year in a line of credit to help cover some of the start-up costs while the Port is getting the rest of the financing together and potentially selling bonds at that future point in time. MNCO offers to provide interim financing of that \$400,000 through a tax-exempt Bond Anticipation Note (BAN), with the agreement that the Port would then go through MNCO for a future bond. A BAN would be low interest (1.5%), low paperwork and the

Port could receive the funds by December. The Port would not have to make the interest payment of \$3,000 until June 2018, and would make interest only payments every six months until the debt is called in December 2019, presumably with a bond. She asked Blumenthal if the Port could take out the different portions of the \$400,000 during the year, but he explained that a BAN is not set up for that and the Port would have to pay legal fees every time for a brand new note. Mozer said she could continue to look into a line of credit but doesn't believe the interest rate would be as low as the BAN's interest rate. The Commission agreed.

Mozer had previously provided the Commission with a draft Application for Rural County Economic Development Funds. Gordon recommended adding cost estimates for the project and providing a description of the "grand scheme" for the Fairgrounds and how the application fits into that. Mozer agreed to make those changes.

- **Fairgrounds Property Manager Report:** Roxy Taylor was on hand to provide her monthly report, including an overview of all the current tenants and upcoming events. September was busy in the campground and with tenants throughout the Fairgrounds. She is ramping up marketing/promotion of the property with ads in local publications, signage, etc. and attending community meetings such as the Langley Chamber of Commerce and the Langley Arts Commission. Her goals for 2018 include finalizing proposals for the campground reservation system, the extensive signage plan, the new name for the Fairgrounds and landscaping.

Possession Beach Waterfront Park

- **Boat Ramp Renovation Project:** There was a \$7,000 change order during construction as a result of the design that was based on a "not so great" survey by the engineer's subcontractor. Gordon and Mozer met with the engineer and are hoping to work out a credit for the Port. There is an outstanding bill of \$8,000, so the Port is just waiting for the engineer's response.

ACTIVITIES/INVOLVEMENT REPORTS

Halloran: Marine Resources Committee (MRC), City of Langley Council Meetings, and Joint Parks Committee

MRC: The October 3rd meeting provided a comprehensive review of the MRC's activities during the last year and reviewed the ongoing projects. The terms for the MRC board are three years and Halloran's term ends December 31st. Dawn Pucci (Island County Lead Entity Coordinator) presented the Salmon Recovery Technical and Citizen Committee's Plan Update and Feedback. Halloran plans to attend the MRC Conference in Bellingham November 3-4.

Langley: Bob Waterman provided an historic perspective of Langley. Brigid Reynolds (City Planner) reported the final draft of the City's Comprehensive Plan is available. Inge Morascini provided a great report on the Chamber's activities.

Joint Parks Committee: No meeting held.

Ng: Island County Economic Development Council (EDC), Port Promotion & Marketing Committee (P&M), and Freeland Water & Sewer District (FWSD):

EDC: Ng attended the September 20th meeting at Skagit Valley College. The joint Port/City of Langley application for Rural County Economic Development Funds (RCEDF) was discussed. The EDC is not supporting that application; instead, the EDC wants to apply for its own grant to do business recruitment and have the ports and cities under the EDC's umbrella. Island County Commissioner Helen Price Johnson plans to host a meeting between the ports, cities and the EDC to discuss the issue on October 19th. The EDC is considering changing the name of the Council from Island County EDC to something like EDC of Island County or Island EDC to make it clear that it is a separate entity from Island County government. Gordon said he is not comfortable being part of the EDC or any agency's grant application without first having a discussion. The Commission strongly agreed that the Port's name should not be

included in that application. Mozer said she would relay the message at the October 19th meeting.

P&M: Mozer & Ng attended the 2nd meeting of the P&M. The 1st meeting consisted of a lot of brainstorming. The 2nd meeting focused on signage and advertising. The committee agreed that not all of the Port's facilities are marked well so many people don't know the Port owns them. They discussed the need for very consistent signage at each of the facilities so they become recognizable as a Port facility. The members also discussed the Humphrey Road Parking Lot and the best ways to sign and market it, including the stairs up from the highway and newspaper ads. Mozer said the Port will participate in the 2018 Boat Show and all 3 of the South Whidbey Chambers of Commerce (Clinton, Freeland & Langley) are really excited to help and participate with the Port at the event.

Gordon: Council of Governments (COG), Island Regional Transportation Planning Organization (IRTPO), Washington Public Ports Association (WPPA) and Clinton Community Council (CCC)

COG: Various state legislators attended the recent meeting and much of the discussion was regarding the Hirst decision concerning ground water rights. The Republicans and Democrats have not been able to come to an agreement on the issue, so a capital budget has not been passed.

IRTPO: The Letter of Input to the Washington Transportation Plan was reviewed and approved.

WPPA: WPPA Executive Director Eric Johnson has requested that Mozer sit on a panel to discuss strategic and comprehensive planning at the Small Ports Seminar in Leavenworth. She and all three Commissioners will attend the Seminar October 26-27.

CCC: No report.

OLD BUSINESS: There was none.

NEW BUSINESS: The State Auditor's Office has scheduled the Port's Accountability Audit for the years 2014-2016 beginning Monday, October 23rd.

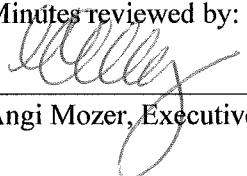
ADJOURNMENT: The Meeting was adjourned at 8:30 p.m.

Approved:



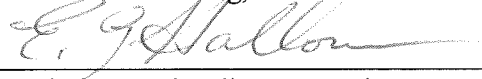
Commissioner Curt Gordon, Clinton

Minutes reviewed by:



Angi Mozer, Executive Director

Commissioner Jack Ng, Freeland



Commissioner Ed Halloran, Langley

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.