

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

Held at Freeland Library Meeting Room, 5495 Harbor Avenue, Freeland WA 98249
Tuesday, November 12, 2019 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 November Vouchers in the amount of **\$127,491.74** and Minutes from the Regular Meetings of September 10 and October 8, 2019.

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.*

EXECUTIVE DIRECTOR REPORT

Financial Update and September 2019 Financial Statement

Memorandum 2019-02: Transfer of funds from the General Obligation Bond Account to the General Operating Account

Commission Approval of Preliminary 2020 Budget for Publication

Mukilteo Parking

Fairgrounds Property Improvements/Renovations

Langley Creative District

STATUS REPORTS

Fairgrounds

- Fairgrounds Advisory Committee Report
- Fairgrounds Director Report

Port Operations

- Maintenance & Operations Supervisor Report

South Whidbey Harbor

- Harbor Operations & Harbormaster Report

ACTIVITIES/INVOLVEMENT REPORTS

Halloran: Marine Resources Committee (MRC), City of Langley Council Meetings, Washington Public Ports Association (WPPA) and Joint Parks Committee

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

Gordon: Council of Governments (COG), Island Regional Transportation Planning Organization (IRTPO) and Clinton Community Council (CCC)

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

November 12, 2019

Freeland, Washington

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

Port Staff Present: Stan Reeves (Executive Director), Molly MacLeod-Roberts (Port Clerk/Accountant), Patrick Boin (Harbormaster), and Pat Kisch (Maintenance & Operations Supervisor)

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, November 12, 2019, in the meeting room of the Freeland Library at 5495 Harbor Avenue in Freeland, 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 Meetings of September 10 and October 8, 2019.

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 November 2019 as signed today in the amount of \$127,491.74. The Motion passed unanimously.

PUBLIC COMMENT: Dennis Keefe (neighboring property owner at Bush Point - adjacent to the Port's parking lot and the house) was present to follow up on his request to put up a fence between the parking lot and his property; hopefully before summer. Executive Director Stan Reeves said he had included the cost in the 2020 Budget (under Bush Pt - Minor Improvements line item). The Port has received one quote for approximately \$4,500, and is seeking additional quotes but it will definitely be above Reeves' spending authority. The Commission agreed it should be done as soon as possible.

ACTION: A Motion was made by Halloran and seconded by Ng to authorize Executive Director Stan Reeves to expend no more than \$10,000 for the purchase and installation of a fence at Bush Pt. The Motion passed unanimously.

Keefe thanked the Commission and said he would contact Reeves with any follow up questions.

EXECUTIVE DIRECTOR REPORT

Financial Update and September 2019 Financial Statement: The Commission acknowledged receipt of the September 2019 Financial Statement which was distributed to them previously. Executive Director Stan Reeves reported the Port received \$81,000 in tax, operating and bond revenue and incurred \$153,000 in operating and capital expenses during September 2019. Ending cash balance at 9/30/19 was \$1,190,000 consisting of \$767,000 in the Bond Fund and \$423,000 in the General Fund. Revenues are slight above projections overall, and expenditures are slightly below projections. The high cash balance is due to the slow movement of the capital projects. South Whidbey Harbor is still showing revenue just above the expense line, so it's doing well this year. Reeves said revenues are not quite as high as they'd like, but expenses are much better than expected. At the Fairgrounds, the expenses are higher than projected but the revenues are

much higher than projected. Revenues will drop off during the rest of the year as there is not as much activity at the Fairgrounds during the fall and winter months.

Memorandum 2019-02 – Transfer of Funds from the General Obligation Bond Account to the General Operating Account: Reeves explained the purpose was to reimburse the General Operating Account for the Fairgrounds Capital Improvements totaling \$42,840.03 related to the Port office renovations, 3-Phase power, and the Coffman Kitchen expansion.

ACTION: A Motion was made by Halloran and seconded by Ng to authorize Stan Reeves, Auditing Officer, to transfer funds from the General Obligation Bond Accounts in the amount of \$42,840.03 to the General Operating Account as presented. The Motion passed unanimously.

Commission Approval of Preliminary 2020 Budget for Publication: There were a few changes from the previous draft:

- Line #2 – Property Taxes: Increased from \$800,000 to \$810,000 following a session with Island County Assessor and working on the levy calculations and allowing for the recommended “pad” of \$10,000 for what the Port could potentially receive.
- Under Operating Disbursements - Administration: Reeves had made a couple of salary adjustments.
- Under Capital Revenue: Pulled the money out of the Mukilteo Parking
- Estimated Beginning Cash changed slightly

ACTION: A Motion was made by Ng and seconded by Halloran to approve the Preliminary 2020 Budget for publication as presented. The Motion passed unanimously.

The Public Hearing on the 2020 Budget was scheduled for Tuesday, November 26, 2019 at 3:00 p.m. in the conference room of the Port office at 1804 Scott Rd, Suite 101, Freeland WA 98249.

Mukilteo Parking: On October 25th, the Port received official word from the Tulalip Tribes of their decision to back out of the project. Reeves subsequently attended the City of Mukilteo’s public hearing and the Council approved the changes to the Shoreline Master Program and municipal code that included the Tribes’ requested building height of 35’ and a provision added to allow parking within 75’ of the Observed High Water Mark if it supported a building with a water-dependent use. Reeves concluded that if the Tribes decide to develop there, they can – largely due to the participation of the Port that made those restrictions come to light and gave the Tribes the ability to respond.

Right now, the project is on an indefinite hold. Reeves has asked the Tribes if the Port could appear before their Board of Directors on Saturday, December 7th but has not heard back from them yet. The purpose would be to thank them for listening and participating, acknowledge understanding of their position, and let them know that if something changes in the future, the Port would love to be there to help.

Regarding the \$500,000 Department of Commerce grant for planning/engineering/study of the project, the Port has spent about \$70,000 to date and received reimbursement of approximately \$50,000. One final request of estimated \$23,000 will be submitted. Reeves said there might be some pushback on that reimbursement since the project is now indefinite, but according to the contract with the DOC, they should pay. It clearly states that if something happens and the work can’t be completed due to circumstances outside of the Port’s control, the DOC will reimburse the Port for the costs.

Gordon spoke with Washington State Senator Norma Smith on her way to meet with Washington State Ferries (WSF) Director Amy Scarton. He asked Smith to help ensure that the DOC reimbursed the Port for the final amounts. As a result of Smith’s efforts, John Vezina (Director of Government Relations at WSF)

called Gordon earlier that day. Vezina said his contact at the Tulalip Tribes believes that if the Port makes a gesture to the Tribes, they are open to reconsidering the concept of using the property as a temporary parking lot.

Fairgrounds Property Improvements/Renovations: The Port received payment of \$5,600 from Island County for the RCEDF (Rural County Economic Development Funds) grant for the 3rd reimbursement request (submitted on September 20th). **Coffman Kitchen project:** Bid opening was on November 1st. The Port received two bids: one for \$805,000 from Valdez Construction and one for \$1,044,000 from P & L General Contractors. The Port's construction budget tops out at \$475,000. He contacted the Washington State CERB (Community Economic Revitalization Board) today and asked if the Port could get funding to help cover that delta. The answer was "maybe, but it will take some time." Reeves thinks the Port needs to cancel or just not award a contract right now, and take time to regroup and seek a CERB grant for some of the project cost. In the meantime, he will pull out the trenching for 3-phase power from the Coffman project and award the 3-phase power project. Puget Sound Energy has approved the plan for power upgrades and the vouchers approved today include payment to PSE of \$53,000. Reeves thinks the cost of trenching will not be very much. Then, if CERB provides the needed funding, the Port could go back out to bid.

Gordon said separating the 3-phase power from the Coffman Kitchen project was a good idea. At the recent Washington Public Ports Association's Small Ports Seminar, there was a good discussion regarding design/build projects. Basically, an agency brings in an architect and a potential builder early and design to fit the cost and the need to "value engineer" the project. He asked if the CERB funding would be a grant or a loan, and Reeves said it would be a mixture of both. To get \$400,000 in funding, the Port would need to have a business plan that shows within 5 years the project will have created 13 full-time jobs making an average of \$18.36 per hour. Reeves also researched the design/build process and learned that the State has set a minimum project requirement of \$2 million so the Port would not be eligible. Halloran asked if it would be worthwhile to sit down with The Driftmire Architects and go over the plans piece by piece. Reeves said perhaps, but he doesn't have that expertise. It might be possible to bring someone else in to look at it. Ng wondered if it wouldn't be less expensive and better to tear down the building and start new. Gordon suggested the Port should call in a local architect to do a peer review of the project.

Reeves will complete the process of checking the references to confirm Valdez Construction is a responsible bidder. He will also try to get a peer review done prior to the December meeting, during which the Port may elect to decline bids.

On-Call Engineering: Davido Consulting Group has provided an estimate of \$48,000 for engineering/architect costs for renovating the three main restrooms on the Fairgrounds. Reeves subsequently applied for a grant through the Washington State Department of Agriculture (for fairgrounds) and they awarded the Port \$21,000 to defray that cost. The funds must be spent by May 2021, so he did not include it in the 2020 budget because the Port doesn't have the matching funds yet. The WSDA also awarded \$2,100 for the \$4,500 total cost for the purchase of Automated External Defibrillators (AEDs) at the Fairgrounds. Early next year, the Port will have a "safety stand-down" day to provide staff training on First Aid, use of AEDs and CPR.

Langley Creative District: Reeves has drafted a Memorandum of Understanding (MOU) that broadly outlines the Port's participation in the District. Langley Creates submitted a Letter of Intent to the Washington State Arts Commission (ArtsWA) to apply for certification, and the State's Program Manager visited last week to walk the area, etc. and provided some recommendations for changes. The group will make the changes, including modifying the footprint on the map. Once the State receives the map, the 60-day clock to complete the application will start ticking. It's about 90% done. They don't have a structure on how they will be organized, who has the power to do what, etc., but that's not necessary at this point. The application will get done on time. The group is still working on the budget but will have at least \$9,000 for

the first year from the State and Goosefoot. The signed MOU from the Port will need to be included in the final application when it is submitted (mid-December at the earliest). Gordon said the MOU looks good.

STATUS REPORTS:

Whidbey Island Fairgrounds & Events Center

- Fairgrounds Advisory Committee (FAC) Report: There was not a quorum at the meeting last week; no report.
- Fairgrounds Director Report: No report.

Port Operations

- Maintenance & Operations Supervisor Report: Maintenance & Operations Supervisor Pat Kisch provided 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. Pacific Pile will clear out their equipment from the **Humphrey Road Parking Lot** no later than November 15th. The ADA beach mats were picked up from **Clinton Beach** and will be stored at the Fairgrounds for the season. At **Possession**, the two floats closest to the beach are still in due to scheduling challenges of tide & time. Kisch plans to remove them on the morning of November 18th when the tide will be high enough.

Matthew Renshaw from Washington State Ferries had reached out to Kisch regarding ownership and maintenance of the "Welcome to Whidbey Island" carved sign welcoming visitors as they disembark the ferry in Clinton because it was overgrown with weeds/brush. Kisch didn't know, but with the ribbon cutting ceremony for the Ferry Dock Road project just a week away, he and Reeves agreed it would be within the Port's scope so he went ahead and cleared all the brush from that sign as well as the "Whidbey Scenic Isle Way" sign which was almost completely obscured. Gordon said he did a great job and the Commission thanked him.

South Whidbey Harbor

- Harbormaster Operations & Harbormaster Report: Harbormaster Patrick Boin was on hand to present his monthly report. Boin had just returned from vacation and reported that Assistant Harbormaster Nick Halstead is doing a great job. Three of the four scheduled yacht clubs visited in October, with fewer boats due to rough and wet weather. The Hat Island Express had to cancel their October 19th trip due to maintenance issues but plan to visit the Harbor again in November. Crabbing opened early on October 1st, but crabbers were very disappointed when it was closed just 3.5 weeks later due to quotas being exceeded in Areas 8-1 and 8-2. Winter moorage has picked up this year with 11 vessels total, including two liveaboards. Boin and Halstead have almost finished creating an extensive list of projects for the winter season. They are now prioritizing and scheduling the work. it was a very short season

ACTIVITIES/INVOLVEMENT REPORTS

Halloran: Marine Resources Committee (MRC), City of Langley Council Meetings, Washington Public Ports Association (WPPA), and Joint Parks Committee

MRC: Halloran will attend the MRC 2019 Conference in Everett on November 15-16. The October 1st meeting included an excellent presentation on Communications Planning.

Langley: The main topics for the City's last two meetings have been: infrastructure, water system, road work projects, taxes and a lengthy discussion regarding toilets at Seawall Park.

WPPA: All 3 Commissioners and Reeves attended the Small Ports Seminar in Leavenworth October 24-25. Halloran described it as very, very informative. The emphasis on leasing, renting and acquisition of funding provided excellent data.

Joint Parks Committee: No meeting held.

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

EDC: Ng attended the October meeting held at Skagit Valley College. George Henny is the new EDC president, and there are 21 board members now. Ng said there are many new faces and lots of energy and changes. Reeves had contacted EDC Executive Director Sharon Sappington regarding the Port's status with the group. Some entities have a permanent seat on the Board and he asked if the Port was one of those. Sappington stated there only two such entities: Island County and the U.S. Navy (N.A.S. Whidbey), but neither has a vote on the EDC. Gordon suggested Reeves should ask Sappington as well as the new Executive Director of Island Transit to provide brief presentations at one of the regular Port meetings. Reeves agreed.

P&M: No meeting held.

Gordon: Council of Governments (COG), Island Regional Transportation Planning Organization (IRTPO), and Clinton Community Council (CCC)

COG: Gordon was not able to attend the most recent meeting which included a presentation from State Representative Dave Paul.

IRTPO: No report.

CCC: The CCC has been working with the people working on the Gateway Study and Island County planners as the County develops an Economic Development element to include in the County's Comp Plan. The Gateway Study will try to define the needs of Clinton and other unincorporated areas of the County. Gordon said there is some potential restructuring of the zoning within the current RAID (Rural Area of Intense Development), and Clinton needs that. The CCC is staying on Island County for the grants for walkability, etc. Rep. Dave Paul was able to secure a \$1 million grant just to study and figure out how to acquisition property for a trail from the ferry dock to Ken's Korner.

OLD BUSINESS: None.


NEW BUSINESS: None.

ADJOURNMENT: The Meeting was adjourned at 7:54 p.m.

Approved:

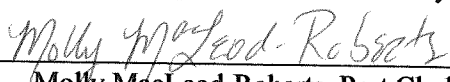


Commissioner Curt Gordon, Clinton



Commissioner Ed Halloran, Langley

Minutes prepared and submitted by:



Molly MacLeod-Roberts, Port Clerk/Accountant

Commissioner Jack Ng, Freeland

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.