

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

Held via Zoom Meeting Service
Tuesday, October 13, 2020 at 4:15 p.m.

AGENDA

Join Zoom Meeting

<https://us02web.zoom.us/j/83240003480?pwd=ZWZOdDhTLzdQNjk0dXVtZFdjSUNXZz09>

Meeting ID: 832 4000 3480

Passcode: 482419

One tap mobile

+12532158782,,83240003480#,,,,,0#,,482419# US (Tacoma)

Dial by your location

+1 253 215 8782 US (Tacoma)

Meeting ID: 832 4000 3480

Passcode: 482419

WORKSHOP (4:00 – 4:15 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 **\$114,960.31** and the Minutes from the Regular Meeting of September 8, 2020.

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.*

EXECUTIVE DIRECTOR REPORT

Financial Update and August 2020 Financial Statement

Unincorporated Island County (District 1) Small Business Reimbursement Grant Program

3-Phase Power Project at Fairgrounds

Clinton Dock

Bush Point Residence

State Audit

Preliminary 2021 Budget

STATUS REPORTS

Fairgrounds

- Fairgrounds Director Report

Port Operations

- Maintenance & Operations Supervisor Report

South Whidbey Harbor

- Harbor Operations & Harbormaster Report

ACTIVITIES/INVOLVEMENT REPORTS

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)

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

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

October 13, 2020

Held via Zoom Meeting Service

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

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

MEETING CALL TO ORDER: Following a Workshop from 4:00 p.m. to 4:15 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 13, 2020, via Zoom Meeting Service. Commissioner Ed Halloran (President) called the Regular Meeting to order at 4:15 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 8, 2020.

ACTION: A Motion was made by Commissioner Jack Ng and seconded by Commissioner Curt Gordon to approve the Consent Agenda as presented, including the authorization and acceptance of Vouchers dated October 2020 as signed today in the amount of \$114,960.31. The Motion passed unanimously.

PUBLIC COMMENT: None.

EXECUTIVE DIRECTOR REPORT:

Financial Update and August 2020 Financial Statement: The Commission acknowledged receipt of the August 2020 Financial Statement which was distributed to them previously. Executive Director Stan Reeves reported the Port received \$59,000 in operating, tax, and capital revenue (plus \$106,573 from Island County for the Small Business Grant Program); and incurred \$137,000 in operating and capital expenses (plus \$104,123 in grant payouts) during August 2020. Ending cash balance at 8/31/20 was \$1,366,000 consisting of \$734,000 in the Bond Fund and \$632,000 in the General Fund.

Reeves had also provided his updated cash flow projections through the end of 2021 and included graphs of August and (unofficial) September projections based on the September 2020 preliminary Profit & Loss. As shown on the graphs, the financial trend is the same as it has been. Revenue from Humphrey Road Parking Lot is way down (about 50% lower than projections for the year). The ending cash balance is still very high since the Port hasn't done anything in the way of the capital projects and the grant money is still waiting to be spent. In September, South Whidbey Harbor did very well and revenue now just under projections for the year. Reeves said Harbor staff has done a fantastic job since they reopened in June. At the Fairgrounds, revenue is down but expenses are also way down. Capital projects at the Fairgrounds have been almost nil, but will hopefully start spending some of that money soon on the 3-Phase Power Project. The Port's Total Revenues vs. Total Expenses is just about at the breakeven point, with both less than projected for the year. The Fairgrounds projections for September show the impact of limiting campground stays to no more than 14 days. Campground revenue has been reduced nearly 2/3.

Unincorporated Island County (District 1) Small Business Reimbursement Grant Program: The last of the grant checks will be issued this month (included in the current vouchers approved today). The Port was allocated a total of \$222,000 for grants. A total of \$212,168 was awarded but some businesses did not submit receipts for the full amount or submitted ineligible receipts so the total payout was \$200,934. The Port will give back the unused \$21,000 to Island County for the grant program. That will likely go to the City of Langley and/or the Town of Langley. It is intended to stay in Island County District 1. The County also allocated \$22,000 to the Port for administrative expenses, but the Port's total expenses were just \$4,700 so another \$17,000 will go back to the County for Covid-related programs. When the Port receives the warrants next week, Reeves will place a copy of the warrant in each of the grant applicant's file and send all the grant packages up to the County.

3-Phase Power Project at Fairgrounds: The Port received quotes from 3 qualified, responsive bidders: Jerry Beck & Company, Blue Mountain Electric and Queen Anne Electric. Blue Mountain Electric was the lowest bid at \$69,568.00 (including tax) and Reeves recommended approval of that bid.

ACTION: A Motion was made by Commissioner Curt Gordon and seconded by Commissioner Jack Ng to award the Fairgrounds 3-Phase Power Upgrade project to Blue Mountain Electric for the Total Sum of \$69,568.00. The Motion passed unanimously.

Clinton Dock/Island Regional Transportation Planning Organization's Transportation (IRTPO) Alternatives Call for Projects: The contacts at Washington State Department of Transportation's (WSDOT) Surface Transportation division (who are managing the grant program for the Port) fully agree that the Port should remove the floats on our own without accessing any of the federal grant funding as that would take too much time. They also agreed that any funding dedicated to that Phase 1 removal can be moved to the engineering & design phase or the construction phase. Maintenance & Operations Supervisor Pat Kisch is making a lot of phone calls to local contractors, the Port of Everett, etc. to come up with a removal plan. On the funding piece, the IRTPO is having to shuffle money around because the Federal fiscal year starts October 1 and the state fiscal year starts July 1. Some of the money for the Port's grant was supposed to be spent in the last Federal fiscal year (ending September 30). That didn't happen, so the IRTPO is looking at pushing out the design/engineering piece to either late in the current Federal FY (in September 2021) or right at the beginning of the next Federal FY (October 1, 2021). That would allow time for the Port to get all the agreements in place with WSDOT, start building the Scope of Work, get a project/program manager on board, do all those types of solicitations, evaluations and awarding of contracts so the Port will be ready to select an engineering firm to do the design work. Reeves' perspective is that by taking that extra time, the Puget Sound Regional Council can catch up and figure out if the Clinton ferry route will be in the final study phase. Because if it does, the new dock design would need to be compatible with whatever the PSRC would be advocating for a passenger only ferry route.

Regarding the funding piece: The IRTPO has a "large bucket of money" spread over six years, and Island County Transportation Planner Susan Driver's job is to figure out which years the money should be spent in. By shifting the Port's priority until later in the fiscal year, it would allow the City of Oak Harbor to get one of their projects done in front of the Port that was originally scheduled behind the Port. The Port's money doesn't go away, it's just a matter of which fiscal year it gets obligated in.

On the removal piece: The Port of Everett does not want the largest and the most dangerous of the floats for their use, but they are interested in the other smaller section 10' x 40" that is in better condition. The Port of Everett okayed having the floats towed to their facility for Combined Construction to pull them out and haul them away. Kisch had also contacted Sound Slope & Shoreline, who said their vessel can tow the floats and asked about towing them to the boat ramp at South Whidbey Harbor for a truck to take them out and haul them away. That would be simpler, quicker and probably less expensive.

Gordon asked for clarification on the timing of the funding and when it has to be spent. Reeves explained that if Oak Harbor can get their project done in this fiscal year (by 9/30/21), then the Port would push its obligation to October 2021. If Oak Harbor can't, then the Port's obligation will hit in September 2021 (just one month earlier) and get spent in this fiscal year instead of next year. It doesn't have to all be spent in the same fiscal year; it just has to be obligated. Oak Harbor will know by mid-November if it will be able to get their project done this fiscal year. Reeves confirmed that if Oak Harbor gets its project funded, the Port would not be able to get any of its funding until October 1, 2021. Gordon does not want to wait; he thinks the Port should hire a consultant now and get moving on the grant. Reeves explained he thought it would be a good idea to wait because the money wasn't going away and it would give the Port time to see what's happening with the Puget Sound Regional Council (PSRC) before the Port gets into the design phase for the new dock. He doesn't want to go out with a scope of work to design a dock and then find out the PSRC supports a dock out of Clinton and the now the Port has to change the scope of work with the engineer. Gordon asked if there aren't a lot of steps to complete before hiring the engineer. Reeves said yes, and he planned on using the time between now and September to do that homework before the funds are obligated. He would be able to work on the interlocal agreements and work with WSDOT on the scope of work for the management consultant, because the Port can't really do anything anyway without that person on board. Gordon asked what are the qualifications for that position. Reeves' understanding is that the position is basically a project manager working with WSDOT to coordinate all the parts, i.e. engineering firm, WSDOT and whatever requirements the Federal government has for the funding piece. That position has to be worked out through the interlocal agreement with WSDOT.

Gordon reiterated that he doesn't think the Port should wait and should get going, hire a consultant, start working with the State and let everyone know that we are in process. Ng and Halloran agreed. Reeves will call Driver tomorrow and let her know the Port Commission wants to obligate the funds this fiscal year (Oct 1, 2020-Sep 30, 2021). Gordon wants to get someone on board to help with the grant right away.

Bush Point Residence: A home inspector was hired to do a top-to-bottom inspection of the residence. There are multiple issues with the residence and it appears that the Port would have to spend tens of thousands of dollars to get it back to a habitable state, if that's what the Port wants to do. It raises the questions of how much would it cost to demolish the structure and what would the Port do with the property. Gordon said the Port needs to get the as-builts on the septic from Island County, and find out if the setbacks in the area would preclude building a new structure if the house is demolished, which could greatly diminish the property value. Right now, it could be remodeled and then rented out or sold for significantly more than the cost of the remodel. Gordon added that the Port could also take out a small in-house bond with Heritage Bank as it did when purchasing the 203 Wharf St property.

State Audit: The audit process for years 2017-2019 started last week, with the actual audit scheduled for October 14-16. The Port has provided the State with approximately 75% of what has been requested so far. Reeves and Port Clerk/Accountant Molly MacLeod-Roberts will have a conference call with the State Auditor's Office tomorrow afternoon to go over what we have already given them and find out what else they require. An Exit Conference will also be scheduled at some point and Commissioners are welcome to participate in that. Gordon reported that he did the Risk Assessment of the Port with Auditor over the phone, answering 8-10 questions about processes within the Port. He thinks it would be worthwhile to have the Commission participate in the Exit Conference.

Preliminary 2021 Budget: Reeves said it still needs some massaging. The Fairgrounds revenues are overly optimistic right now, especially for the Campground and probably the Event Rentals as well. Humphrey Road Parking Lot revenue will also come down. As September and October revenues come in, he will adjust the preliminary budget accordingly. He included \$40,000 each for the Comprehensive Scheme and the Strategic Plan which are both due. All of the shoreline maintenance permits are up for renewal in 2021; the Port paid about \$40,000 for all the environmental studies and the paperwork to submit to the county, the state and the Army Corps of Engineers (USACE). He obtained extensions on all the permits except for USACE,

he's been trying for the last six months but there has been no response. The budgeted number for the Clinton Dock Repair will change in the next few weeks. Under Capital Revenue, there is a line item of \$21,951 for a WSDA (Washington State Department of Agriculture) Fairgrounds Grant. Reeves received an estimate of \$48,000 to get a set of plans to upgrade the 3 main restrooms to meet ADA requirements, upgrade the fixtures, and get all the required permits. He sent the estimate with the grant application to WSDA and they agreed to fund \$21,951 of that cost, but it has to be spent by May 2021. Gordon asked why the Port couldn't use the Rural County Economic Development Funds (RCEDF) grant for the match. Reeves said those funds were earmarked for other purposes. Gordon said those are loose earmarks; the intent is to make improvements at the Fairgrounds and the restrooms qualify.

Reeves will have a 2nd staff meeting next week to go over the budget again and will send an updated version to the Commission at the end of next week. The Commission will need to approve the preliminary budget for publication. The Port will then notify the public in the local newspaper that the preliminary budget is available for review and that a public hearing has been scheduled on the budget, after which the Commission will approve the final budget. The notice must appear once each week for two consecutive weeks and the first publication must appear not less than 9 days and no more than 20 days before the public hearing. The final budget must be submitted to the County by November 25th.

The actual levy calculation amount for property taxes is \$816K, so Reeves put \$820K in the budget. Last year's budget was \$810K. For the last several years, the Port has budgeted for \$5K-\$10K more than the calculation. Gordon cautioned that if the Port gets any more money than it budgeted, it would have to be sent back. Reeves will have all the documents laid out for the Commission at a Special Meeting.

STATUS REPORTS:

Fairgrounds

Fairgrounds Director Report: Fairgrounds Director Bryon Midkiff provided his monthly report. Campground revenue was down significantly due to the change in policy enforcement (14 days in and 14 days out) and the poor air quality from the fires. The road leading in and around the campground has been leveled and improved. Fairgrounds staff has been cleaning out the rain gutters and the roofs, and waiting on warmer temperatures to finish applying epoxy on all the restroom floors. As for tenants, Bekah Bee Music and Vibrant Fitness are steady; Whidbey Island Fine Arts Studio had to cancel their workshops for the rest of the year. Midkiff has talked to several potential commercial kitchen users. For the Langley Creative District, the bus barn has been primed and just a few minor repairs are still needed before painting can begin. Noriko Sparkman (Admin & Accounting Support) has been organizing the files in the Fairgrounds office.

Port Operations

Maintenance & Operations Supervisor Report: Kisch presented 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. As suggested during the last regular meeting, Kisch used the Harbor's workboat to add a cable around the west end piling on the **Clinton Dock**. Within 5 days the piling hoop came off and sank. He received a verbal estimate of \$3,000 just to transport the Clinton gangway up to the Humphrey Road Parking Lot – crane/forklift NOT included. The paybox was broken into again at **Humphrey Road Parking Lot**; approximately \$30 was stolen. In his initial search for a stronger, more secure means of collection he found that \$10,000 would buy two solar powered pay stations that were WiFi enabled. The three new Automatic External Defibrillators (AEDs) have arrived. All Port Staff will receive training on AED use, CPR and First Aid on October 21st at the Fairgrounds. The **Clinton Beach** universally accessible beach mats will be rolled up and stored offsite on October 15th. Boarding floats will be removed for the season at **Bush Point** on October 26th and at **Possession Beach** on November 13th.

South Whidbey Harbor

Harbormaster Report: Harbormaster Patrick Boin was on hand to present his monthly report. The numbers dipped in September, mostly due to the unusual weather and the smoke from the fires. The seasonal staff did

a wonderful job through the summer season. Recreational crabbing has opened for Areas 8-1 and 8-2. They are currently filling in slips for winter moorage and are now accepting boats 30' LOA and under. Gordon said the Harbor is doing a really great job.

ACTIVITIES/INVOLVEMENT REPORTS

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

P&M: No meeting held.

EDC: Ng had missed the meeting so he asked EDC Executive Director Sharon Sappington to report in his stead. Sappington and George Henny provided presentations to both the Council of Governments (COG) and the Island County Commissioners on the EDC's new Strategic Priorities for 2020-2025. There are two tiers of Priorities, with the top tier of helping businesses, providing one-on-one business advising or whatever support they need. The rest of the priorities include workforce housing and tourism.

The application window has closed on the EDC-administered \$147,000 federal grant for small businesses throughout Island County. The County subsequently added another \$100,000. Sappington reported there were 85 eligible applicants, and the review panel has two representatives from each of the three County districts. The first amount of \$147,000 will have a quick turnaround because it is already in the EDC's account, but the \$100,000 will be slower as the County will be processing and cutting those checks.

The EDC is a partner in "Leadership Whidbey," a new program with the goal of increasing the overall leadership skills in the region. The first cohort class will be virtual starting in January 2021. The EDC is looking for students and seeking support from the community, including "day support" with an organization donating \$400 (the cost of a one-day class).

Gordon asked if the EDC gets testimonials from the businesses it has helped. Sappington said yes, and she will send them to him.

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

COG: State Senator Ron Muzzall and State Representative Dave Paul were in attendance as the COG reviewed their legislative priorities. Since Paul is on the Transportation Committee and Gordon asked him to make sure that they leave pedestrian overhead loading for the Clinton ferry terminal in the 2021-2023 budget. He also asked them to be aware that the Port is still looking for parking options in Mukilteo and might ask for State assistance.

IRTPO: Discussed earlier.

CCC: The CCC held several meetings related to the County's Gateway Study as part of the County's addition of an Economic Development Element in its Comprehensive Plan.

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

Langley: Not able to attend.

MRC: The MRC is conducting a Needs Assessment to feed into shoreline studies, etc.

WPPA: No meeting held. Due to Covid-19, the Annual Small Ports Seminar will be virtual this year.

Joint Parks Committee: No meeting held.

OLD BUSINESS: None.

NEW BUSINESS: None.

ADJOURNMENT: Without any further action, the Meeting was adjourned at 6:04 p.m.

Approved:

Minutes prepared and submitted by:



Commissioner Ed Halloran, Langley



Molly MacLeod-Roberts, Port Clerk/Accountant



Commissioner Curt Gordon, Clinton



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 303, Freeland WA 98249.

 *Commissioners Ed Halloran, Curt Gordon and Jack Ng approved the foregoing Minutes during the regular meeting of November 10, 2020, which was held online via Zoom Meeting*