

THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND

REGULAR MEETING

Held via Zoom Meeting Service
Tuesday, November 10, 2020 at 4:15 p.m.

AGENDA

Join Zoom Meeting

<https://us02web.zoom.us/j/86558305137?pwd=czJKYTITSXddOFIhVHBudURSemx6Zz09>

Meeting ID: 865 5830 5137

Passcode: 276998

One tap mobile

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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 November Vouchers in the amount of **\$58,364.85** and the Minutes from the Special Meeting of October 1 and the Regular Meeting of October 13, 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 September 2020 Financial Statement

3-Phase Power Project at Fairgrounds

Clinton Dock – Float Removal and STBG update

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 – Review of Emergency Declarations

Resolution No. 20-01 Declaration of Local Emergency and Delegation of Authority – COVID-19

Resolution No. 20-02 Declaration of Local Emergency and Delegation of Authority – Clinton Dock

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

November 10, 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, November 10, 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 Special Meeting of October 1 and the Regular Meeting of October 13, 2020.

ACTION: A Motion was made by Commissioner Curt Gordon and seconded by Commissioner Jack Ng to approve the Consent Agenda as presented, including the authorization and acceptance of Vouchers dated November 2020 as signed today in the amount of \$58,364.85. The Motion passed unanimously.

PUBLIC COMMENT: Greg Richardson (Island Beach Access board member) expressed the importance of furthering the dialogue with Washington State Ferries (WSF) regarding the sand pile up under the Clinton loading dock. That pile up has caused an absence of sand at Clinton Beach. As a result, only one section of the universally accessible beach mats was able to be deployed this past season. He hopes WSF will clear that area so the beach mats can once again provide access to the water in May 2021.

EXECUTIVE DIRECTOR REPORT:

Financial Update and September 2020 Financial Statement: The Commission acknowledged receipt of the September 2020 Financial Statement which was distributed to them previously. Executive Director Stan Reeves reported the Port received \$54,000 in operating, tax, and capital revenue (plus \$64,487 from Island County for the Small Business Grant Program); and incurred \$71,000 in operating and capital expenses (plus \$63,252 in grant payouts) during September 2020. Ending cash balance at 9/30/20 was \$1,351,000 consisting of \$734,000 in the Bond Fund and \$617,000 in the General Fund. The Port is still lagging far behind on the capital projects. Revenue from the Humphrey Road Parking Lot is about 50% of what was at this point 2019. The Harbor had the best October it has ever had. Reeves said Harbormaster Patrick Boin has done a fantastic job. July through October the Harbor did exceptionally well, even compared to historical norms.

Clinton Dock – Float Removal and Surface Transportation Block Grant (STBG) Update: The Island Regional Transportation Planning Organization (IRTPO) entered the STBG spending plan was entered into the Statewide Transportation Improvement Plan (STIP). That earmarked \$75,000 in Fiscal Year 2021 and another \$25,000 in FY2022 for the planning portion of the Clinton Dock project (total of \$115,607 with the Port's match requirement). Since the Port was able to move the funding from the removal phase to just the planning phase, the documentation was much simpler and Reeves was able to submit the documents required

for funding obligation. As of November 3rd, they are under review by the Washington State Dept of Transportation (WSDOT). Once it has passed review, WSDOT can obligate the money and the Port can start spending it after the Port Commission passes a resolution to approve a "Local Agency Agreement" with WSDOT. The Port will then need to create a Scope of Work and a Request for Qualifications/Proposals for an engineering firm.

Gordon asked for the status on hiring former Executive Director Angi Mozer to manage the grant. Reeves reported that Mozer first needs to get a UBI number from the State of Washington and register for a business license. Once that is done, she can register with the Municipal Research & Services Center (MRSC) to be on the Port's consultant roster and submit a Statement of Qualifications.

Fairgrounds

- **Rural County Economic Development Funds (RCEDF):** Island County has approved the extension request for the grant, so the Port now has until December 31, 2021 to spend that money. Budget Director Elaine Marlowe said the Washington State Department of Agriculture (WSDA) grant money for design work on the restroom facilities will be allowed to count towards the match requirement. She will also prepare an amendment to the RCEDF agreement allowing the Port to transfer funds between project budgets as identified in the grant, for a total of not-to-exceed 10% of the total award.

- **3-Phase Power:** Blue Mountain Electric will start trenching on November 30th and vault installation is scheduled for December 7th. The project was delayed because Puget Sound Energy's (PSE) permit from the City of Langley had expired and they didn't realize it. PSE reapplied and the City of Langley came through and issued the new permit in just one week.

- **Coffman Building:** Rick Brown of The Brown Associates/Architects had a misunderstanding of what he's doing for the Port. He mistakenly thought he could do a design/build with a contractor and that contractor be hired to do the work. Reeves will meet with Brown tomorrow and make sure he has a clear understanding of his work/responsibilities, and then get cost assessment.

Island County Economic Recovery Task Force: The final tally paid out to small businesses was just under \$201,000, and the Port billed Island County \$4,700 to administer the grant program.

Clinton Dock: The Port had a plan in place to remove the floats last Friday, but had to cancel due to the small craft advisory in effect.

State Audit: The State Auditor's Office will conduct an Exit Interview with the Commissioners for the 2017-2019 Audit at the beginning of the Special Meeting on Tuesday, November 24th.

Preliminary 2021 Budget: Reeves reviewed the adjustments he had made since the last time it was discussed, including:

Line 3: Property Tax Income - increased from \$820,000 to \$825,000

Line 10: Fairgrounds Camping Fees – decreased from \$80,000 to \$60,000

Line 20: Humphrey Road Revenue – reduced from \$39,150 to \$29,500 (the parking lot has been greatly impacted by Covid-19, the 2019 budget was \$65,000)

Lines 174 and 180: Capital Revenue, RCEDF Grant and Capital Expenditures, Fairgrounds Capital Improvements both increased as a result of adding the 3-phase power project back into 2021 since the work won't be completed until December 2020.

Reeves said the Estimated Ending Cash at December 31, 2020 might change based on the October Treasurer's Report. Gordon wanted to know the total estimated ending cash for 2020 in the General Fund (without the Bond Fund); Reeves said it was \$663,138. Gordon noted that Reeves' had voluntarily reduced his salary by 10% and asked how ending cash would be impacted if that deferred compensation was paid out by the end

of the year. Reeves said it would reduce the cash balance by less than \$5,000. Gordon said Reeves and Port Staff had done a great job dealing with the impacts of Covid-19 on the Port's finances. He believes Reeves should take his full salary and the deferred compensation should be paid in this year's budget. Halloran and Ng agreed. Gordon added that Reeves had handled the budget process well, and quickly adapted to the County's needs with the CARES Act funding which made everything go smoothly and helped a lot of businesses. The deferred compensation will be included in Reeves' December paycheck.

ACTION: A Motion was made by Gordon and seconded by Ng to approve the Preliminary 2021 Budget as presented for publication. The Motion passed unanimously.

The Public Hearing on the 2021 Budget was scheduled for Tuesday, November 24, 2020 at 3:00 p.m. via Zoom Meeting Service, followed by a Special Meeting during which the Commission shall approve the final budget for 2021 and approve the required resolutions. The State Auditor's Office will also participate in the Special Meeting and hold an Exit Conference for the Port's Accountability Audit for years 2017-2019.

STATUS REPORTS:

Fairgrounds

Fairgrounds Director Report: Fairgrounds Director Bryon Midkiff provided his monthly report. Campground revenue continues to be a challenge; only \$2,500 was collected last month which is considerably less than budgeted. Campers are staying 1-2 days rather than 4-5 days. There is a new tenant in the Pole Kitchen who will prepare heat & eat, ready to serve meals while they customize their menu. Vibrant Fitness and Bekah Bee Music remain steady; Whidbey Island Fine Arts Studio has canceled their workshops through the end of the year. Bart's Better Foods recently received a grant and is looking at potentially expanding their operation through partnerships with local growers and vendors. Midkiff and Fairgrounds Maintenance Ben Wooldridge have removed the fencing in the Dog Arena, cleared vegetation, marked utility lines, etc. to allow access for the trenching and other work related to the 3-phase power project. **Langley Creates** has asked about partnering with the Port to obtain grants for heat in the Pole Building and other small projects. Reeves reported that the group has collected private donations and other fundraising, and received a \$15,000 grant from the Department of Commerce coming through ArtsWA for capital improvements to the courtyard area around Whidbey Island Center for the Arts (WICA) and the former school buildings where the South Whidbey Community Center is located.

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. A contractor with a forklift had asked for permission to use the **Possession Beach** boat ramp to take ecology blocks over to Mukilteo. While the forklift was there, they agreed to help move two of the **Clinton Dock** cells that had been stored at Possession since being removed in 2018. Nichols Brothers had stated they could use those cells at their Langley location. Although they couldn't lift the cells onto a trailer, they were able to move them onto the boat ramp. Kisch then contacted Dunlap Tug and Barge, managed to get the cells floating at high tide and lash them together, and they were towed to Nichols in Langley. Reeves was at Clinton Beach when a crew from the Department of Natural Resources was removing creosote logs, and asked them about removing the third and last cell from Possession. Because Kisch had tried to break it up, DNR viewed it as hazardous helped the Port remove and dispose of it. The next opportunity to remove the remaining floats and take them over to Nichols Brothers' Everett facility is the week of November 23rd.

South Whidbey Harbor

Harbormaster Report: Harbormaster Patrick Boin was on hand to present his monthly report. October was busy, and the Harbor is slowly filling in with winter moorage customers. The base plate project is still on hold due to weather, scheduling conflicts and tidal conditions. Maintenance and repairs continue. Gordon said the Harbor staff are doing a super job not just with revenue, but also with keeping expenses down.

ACTIVITIES/INVOLVEMENT REPORTS

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

P&M: No meeting held.

EDC: Ng asked EDC Executive Director Sharon Sappington to report in his stead. The EDC is wrapping up the Working Washington 2.0 Grant. The half-time SBDC (Small Business Development Center) Advisor started two weeks ago; she will be announced after she has completed her certification through Washington State University. As an Associate Development Organization (ADO), the EDC is a partner the Department of Commerce (DOC). The DOC has excess CARES funding and is trying to get ideas from ADOs for quick spends for that money by the end of the year, such as workforce projects or a business recruitment program they could help with. One example is the decommissioned mill in Port Angeles that they are trying to get going again and will bring 40 jobs. For the Working Washington 2.0 grant, Gordon asked if she could provide the Port with information about how it helped South Whidbey businesses and how it was allocated, and the names of the businesses if that is allowed. He also reminded Sappington that she was going to provide some testimonials from businesses the EDC has helped.

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

CCC: The CCC was wrapping up their discussions with Island County Planning on the Gateway Study.

COG: Reeves sat in for Gordon on both COG and IRTPO. At the COG meeting, there were aides from the offices of U.S. Representative Rick Larsen and U.S. Senators Patty Murray and Maria Cantwell reviewing the legislative priorities for the next session. The common theme was public health response to and economic recovery from COVID-19. They all talked about various initiatives including possibilities of a second round of the Payroll Protection Program (PPP), additional \$1,200 stimulus checks, CARES money being pushed down to smaller jurisdictions (city, town and county level), and expansion of broadband infrastructure in rural areas.

IRTPO: John Vezina (Washington State Ferries Director of Government Relations) gave an update and specifically addressed recent newspaper articles that discussed the cancellation of the Coupeville/Port Townsend route, etc. He explained the basis for the article was a budget drill that WSF was directed to do by the State, i.e. "If you had a 20% budget cut, what would that mean to your organization?" Vezina said there is no way they are planning to cut any ferry routes right now. Essentially, if WSF had to cut 20% of its budget, they would have to retire 7 vessels (not just take them out of service – retire them). It was just an exercise. The budget they will actually submit may have as much as a 10% cut, but they have no intention of cancelling that ferry route. Additionally, Vezina made it clear that they don't even have the power to do that anyway; cancelling a ferry route would require the approval of the state legislature.

The group briefly discussed the Clinton Dock funding changes and there were no issues with it. Noting that there has been some confusion at the COG regarding the status of the Clinton Dock as a potential location for a passenger-only ferry, Gordon said he would like to make a small presentation at the next meeting. Reeves said he could provide the graphs, etc. from the North Sound Transit Alliance meeting. He added that the Puget Sound Regional Council (PSRC) plans to have their draft proposal to the State Legislature prepared by early to mid-December, and they will have all the stakeholders on a Zoom meeting and let them know which locations they are taking.

Reeves had also spoken with the people at Hat Island Ferry and asked for specifications on their new vessel to make sure the Port can accommodate it at South Whidbey Harbor, and then as an initial planning tool for whenever a scope of work is developed for Clinton Dock. He also discussed the possibility for the Hat Island Ferry to run to Clinton, Langley, Hat-Island and Everett (not just Hat Island to Everett), and they were very excited about that. Gordon noted that the Port of Everett is also very excited about it.

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: There was an incredible, very in-depth presentation of the ongoing plans for Oak Harbor, which Halloran categorized as a complete redo of the entire basin. He provided background on what MRCs do and how they are funded. He invited others to sit in on one of their Zoom meetings; he thinks they would enjoy it. The group also discussed the "Needs Summary" which will be conducted by interviewing County officials from top to bottom.

WPPA: No meeting held.

Joint Parks Committee: No meeting held.

OLD BUSINESS – Review of Emergency Declarations

Resolution No. 20-01 Declaration of Local Emergency and Delegation of Authority – COVID-19: The Commission agreed no action needed at this time.

Resolution No. 20-02 Declaration of Local Emergency and Delegation of Authority – Clinton Dock: The Commission agreed no action needed at this time.

NEW BUSINESS: None.

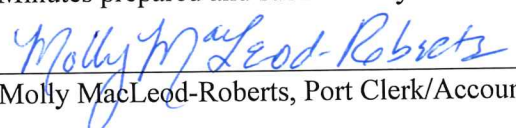
ADJOURNMENT: Without any further action, the Meeting was adjourned at 6:01 p.m.

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 December 8, 2020, which was held online via Zoom Meeting**