

THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND

**PUBLIC HEARING FOR 2022 BUDGET
&
REGULAR MEETING**

Held via Zoom Meeting Service
Tuesday, November 9, 2021

Public Budget Hearing at 4:00 p.m.

Regular Meeting (immediately following the Public Hearing at approx. 4:15 p.m.)

AGENDA

Topic: Port Regular Meeting and Budget Hearing

Join Zoom Meeting

<https://us02web.zoom.us/j/81788405707?pwd=YVhZby84dW5WMW1kSUhWMFI1b2R4UT09>

Meeting ID: 817 8840 5707

Passcode: 425917

One tap mobile

+12532158782,,81788405707#,,,,*425917# US (Tacoma)

Dial by your location

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Meeting ID: 817 8840 5707

Passcode: 425917

Find your local number: <https://us02web.zoom.us/u/kb7BtBHQ00>

3:45 PM: WORKSHOP - Commission review of vouchers and recent correspondence

4:00 PM: PUBLIC HEARING ON THE 2022 BUDGET

REGULAR MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE (immediately following the Public Hearing)

COMMISSIONER ACTIONS

Approval of 2022 Final Budget

Levy Certification and Ordinance/Resolution No. 21-05 to Establish 2022 Levy

Consent Agenda: Approval of November Vouchers in the amount of **\$82,187.56** and Minutes from the Regular Meeting of October 12, 2021.

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 2021 Financial Statement

Clinton Dock/Surface Transportation Block Grant

Shoreline Maintenance Permits – Update

Fairgrounds Capital Projects

Housing Concept on Fairgrounds

STATUS REPORTS

Fairgrounds

- Executive Director

Port Operations

- Maintenance & Operations Supervisor Report

South Whidbey Harbor

- Harbormaster Report

ACTIVITIES/INVOLVEMENT REPORTS

Gordon: Island Regional Transportation Planning Organization (IRTPO) and Clinton Community Council (CCC)

Ng: Council of Governments (COG), Economic Development Council (EDC), Washington Public Ports Association (WPPA) and Port-wide Marketing & Promotion Committee (M&P)

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

OLD BUSINESS – Review of Emergency Declarations

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

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

November 9, 2021

Held via Zoom Meeting Service

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

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

MEETING CALL TO ORDER: Following a Workshop from 3:45 p.m. to 4:00 p.m. for informal Commission review and discussion of vouchers and recent correspondence, and immediately following the Public Hearing on the 2022 Budget, the Regular Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, November 9, 2021, via Zoom Meeting Service. Commissioner Curt Gordon (President) called the Regular Meeting to order at 4:15 p.m., followed by the Pledge of Allegiance.

COMMISSIONER ACTIONS

Approval of 2021 Final Budget:

ACTION: A Motion was made by Commissioner Jack Ng and seconded by Commissioner Ed Halloran to approve the 2022 Budget as presented. The Motion passed unanimously.

Levy Certification and Ordinance/Resolution No. 21-05 to Establish 2022 Levy: The resolution authorizes an increase of 1% from the previous year's actual levy amount. The dollar amount of the increase over the actual levy amount shall be \$8,148.63.

ACTION: A Motion was made by Ng and seconded by Halloran to approve Ordinance/Resolution No. 21-05 as presented, providing authorization for the levy to be collected in the 2022 tax year. The Motion passed unanimously.

Reeves provided his signature as Auditing Officer on the Levy Certification and said he would deliver all the final signed documents to Island County prior to November 30th.

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 October 12, 2021.

ACTION: A Motion was made by Commissioner Jack Ng and seconded by Commissioner Ed Halloran to approve the Consent Agenda as presented, including the authorization and acceptance of Vouchers dated November 2021 as signed today in the amount of \$82,187.56. The Motion passed unanimously.

PUBLIC COMMENT: Greg Easton (Island County Housing Advisory Board) wanted to share with the Port a new opportunity in Island County to fund affordable housing. In the last session, the State Legislature passed HB-1590 authorizing counties and cities to levy an additional 0.1% retail sales tax, with the funds going toward the development of affordable housing. That taxing authority can be authorized by a vote of the Board of Island County Commissioners (BOICC). The BOICC intend to consider the tax increase at the beginning of 2022 and have encouraged public outreach and discussion, which is why Easton attended this meeting. The tax increase amounts to an additional 10 cents on every \$100 in taxable purchases, and would raise an estimated \$1.1 million annually for the County to spend on affordable housing. At least 60% of the funds must go toward development of affordable housing and any balance can go toward housing and mental

health services. Eligible housing projects are those that are affordable to households with 60% or less of the area's median income. In Island County, that equates to \$33K/year for a 1-person household, \$38K for a 2-person household, and \$48K for a 4-person household. Easton thinks those income levels would be applicable for many of the retail and service workers within South Whidbey and Island County. He noted that affordability is defined as total housing cost not exceeding 30% of income.

The purpose and intent is to use the funds from the tax increase to leverage private and non-profit investment and partnerships. For example, the County could purchase property and then advertise for non-profit developers to develop affordable housing on that site. The funds could also be used directly as public contributions to an affordable housing project. Along with the human benefits of providing shelter to people, there are economic benefits for the Port District as many businesses are struggling to find employees due to the lack of affordable housing available.

Easton encouraged the Port to discuss the issue. If the Commission is in favor of the increase, a Letter of Support or testimony at a BOICC meeting would be very meaningful and he hopes the Port will consider doing so. He had provided additional information and details to Executive Director Stan Reeves that can be passed on to the Commission, and offered to answer questions. Gordon confirmed that the current sales tax rate is 8.7% and if approved the new rate would be 8.8%. He noted that the Port takes such recommendations very seriously, and the perspective has to be that there is a greater benefit economically than there is a negative economic effect from increasing the sales tax. In his opinion, the Port needs to look at the net of the detrimental effect of raising the sales tax vs. the \$1.1 million per year it will raise for housing. Gordon noted that it is frustrating that the County's Housing & Human Services currently gets only \$1 million per year from recording fees. That has helped with rental subsidies, but it's not enough to get a building project going.

Gordon reiterated that he needs to know the economic benefit outweighs the detriment of the increased sales tax. Easton looked at it as how much more business activity there would be in the County as a result of eliminating the constraints on hiring employees by providing affordable housing. Many of the Langley businesses he has spoken with have indicated their ability to increase taxable sales would be far greater than the 0.1% tax collected. He will put together a worksheet that shows those benefits vs. the cost, and Gordon said that would be great. Ng likes the idea, and noted that Island County's tax rate is one of the lowest in the state. Easton agreed to send the statistics, etc. to Reeves prior to the next Port meeting for the Commission to review and discuss. The Commission thanked him.

EXECUTIVE DIRECTOR REPORT:

Financial Update and September 2021 Financial Statement: The Commission acknowledged receipt of the September 2021 Financial Statement which was distributed to them previously. Executive Director Stan Reeves reported the Port received \$65,000 in operating, tax, and capital revenue and incurred \$87,000 in operating and capital expenses during September 2021. Ending cash balance at 9/30/21 was \$1,412,000 consisting of \$695,000 in the Bond Fund and \$717,000 in the General Fund. For the first time this year, **South Whidbey Harbor** did not meet the monthly revenue projection in October, but it has exceeded its annual projection by \$6,000 with two months remaining in the year.

Clinton Dock/Surface Transportation Block Grant (STBG) – Washington State Department of Transportation (WSDOT): The Port has started negotiations with KPFF Consulting Engineers. There are issues with some of their subconsultants not having WSDOT-approved incidental cost rates, but they are still working on having a contract in place by mid-December.

Shoreline Maintenance Permits – Update: All the paperwork has been submitted to Island County; Reeves is trying to set up a meeting later this week to iron out some of the issues regarding the County's requests for additional information. The \$7,000 payment for County permits was included in today's approved vouchers.

Temporary Passenger Ferry Service Langley/Everett: The BOICC discussed the topic and support the concept, but they are not supportive of spending Island County funds for the service as they view it as the State's problem and should be addressed with state funding. The effort is ongoing with Hat Island in coordination with the City of Everett, the Port of Everett and other organizations on the Eastside. Reeves received a draft schedule for the service yesterday, indicating potentially running 7 days a week/4 times per day out of Langley. Reeves and Harbormaster Patrick Boin will research what type of resources will be needed and pencil out costs, etc. to determine feasibility, etc.

Fairgrounds Capital Projects: Last month, the Port received the \$26,174 reimbursement from the Rural County Economic Development Funds (RCEDF) grant. The BOICC will review the Port's extension request (through FY2022) for that grant tomorrow and will take action to approve or deny it during their meeting on November 19th. The County's Budget Manager doesn't see any issue with it being approved.

The Coffman Kitchen project passed through the Design Review Board and Building Code Review; payment for those permits was included in today's approved vouchers and permits should be ready on November 19th. Reeves will meet with Rick Brown (The Brown Associates/Architects) to get the plans/specs ready and out to bid with hopes of receiving bids mid-December/early January.

As discussed earlier, Reeves submitted an application for a \$250,000 grant from the WA Dept of Agriculture for the Bathroom Renovation. He hopes the estimated cost of \$500,000 is high, but if the Port gets the grant, \$127,000 of the cost will come from the Bond Fund, \$62,000 from the RCEDF grant and \$60,000 from the General Fund (from the property tax increase passed in 2016 for the Fairgrounds).

Memorandum 2021-02 Bond Fund Transfer: Reeves explained the purpose is to reimburse the general fund for the amounts paid for the Campground upgrade (including bathrooms) and Coffman Kitchen Expansion projects at the Fairgrounds during the period of January 13, 2021 through October 1, 2021.

ACTION: A Motion was made by Halloran and seconded by Ng authorizing Executive Director Stan Reeves to transfer \$30,184.98 from the General Obligation Bond Accounts to the General Operating Account. The Motion passed unanimously.

Gordon subsequently provided his signature as President.

USDA Rural Business Development Grant: In July, the Port was awarded \$50,000 for the ventilation hoods in the Coffman Kitchen and has one year to spend the money. Reeves must provide quarterly reports, and he reported no activity for the 1st quarter.

Fairgrounds Advisory Committee (FAC): At the October 27th meeting, Reeves notified the group that they were suspending the bylaws until the State's emergency proclamations have been lifted so they can hold meetings without the quorum requirements. It was the first time the meeting was held online and was well attended. After nearly two years, the FAC was able to approve the language for a plaque recognizing individuals for their contributions to the Fairgrounds.

STATUS REPORTS:

Fairgrounds

Fairgrounds Director Report: No additional report.

Port Operations

Maintenance & Operations Supervisor Report: Pat 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. All of the boarding floats have been removed for the season at **Bush Point** and all but the first float at **Possession** were removed pending a high tide and favorable weather conditions. As discussed earlier, there is significant damage to the hinge pins and devices that hold the floats together, especially at Possession. He hopes to have the repairs completed in time to launch next spring.

Still working on the window replacement at Possession with Kisch working on the exterior shingles and Caretaker Jim Conover working on the interior trim, etc. **Humphrey Road Parking Lot** has seen an increase in activity with the reduced ferry issues. He is working with Ben Wooldridge (**Fairgrounds Maintenance**) on winterizing the property and equipment. The ADA mats at **Clinton Beach** were removed for the season on October 14th.

South Whidbey Harbor

Harbormaster Report: Patrick Boin was on hand to present his monthly report. October was a little slower, with weather issues causing several cancellations. With all the driftwood, etc. Harbor staff is checking daily to make sure there aren't "deadheads" under the docks, etc. They are also winterizing. Regarding the Hat Island Ferry, Boin is confident that the Harbor can accommodate the vessel; the toughest issue will be the parking situation. **Krista Loercher (Whidbey Island Kayaking Company)** asked the Port to please let her know if/when the Hat Island Ferry route comes to fruition, as she might need to make changes to their kayaking tours and rentals to keep them safe as the ferry arrives/departs. Boin confirmed that he would absolutely reach out to her to discuss the details.

Gordon added that the Port will try to get grants, etc. to offset the costs of the passenger ferry. He agreed with the BOICC that the state's transportation system should help pay for it, saying "We have a highway here that is partially blocked." Unfortunately, there was a Zoom meeting with almost all the "players" but they left out the Port of South Whidbey. He has asked Reeves to set up a meeting with US Representative Rick Larsen's aide, someone from the Port of Everett and Island Transit, and start discussing at least the minimum that can be done.

ACTIVITIES/INVOLVEMENT REPORTS

Gordon: Island Regional Transportation Planning Organization (IRTPO) and Clinton Community Council (CCC)

IRTPO: No report.

CCC: No report.

Ng: Council of Governments (COG), Economic Development Council (EDC), Washington Public Ports Association (WPPA) and Port Promotion & Marketing Committee (P&M)

COG: Reeves and Ng both attended to discuss the potential Langley/Everett passenger ferry. Gordon suggested that if the Port was able to enlist Rep. Larsen's help for a large portion of the subsidy for the ferry, then the County might be willing to contribute a portion. During the discussion on workforce housing Ng was able to bring up the Fairgrounds Housing Concept. Reeves said the main focus of the meeting was the legislative priorities of the various representatives, including aides from the offices of US Representative Rick Larsen, U.S. Senator Patty Murray and U.S. Senator Maria Cantwell as well as State Representatives Greg Gilday and Dave Paul, as well as the members of the COG. Ng said housing and broadband were the top priorities.

WPPA: Ng attended the Small Ports Seminar in Leavenworth; it's always fun networking, etc. He met a couple of new commissioners, but the attendance was only 75% of the normal rate. He didn't learn as much he usually does at the event. The session on website marketing encouraged ports to use .gov instead of .org or .com for their website address.

P&M: No meeting.

EDC: No meeting.

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

MRC: At the November 2nd meeting, the group learned that the amount of funding from the Northwest Straits Committee might be as much as \$200,000 next year – it is usually \$70,000-\$80,000.

Langley: Did not attend. Councilmember Thomas Gill said nearly 1/3 of the City's revenue is from sales taxes. With the ferry issues, the fact that online sales now go to the City where they are delivered has been vital. Gordon hopes the Joint City/Port meeting can be scheduled early in 2022.

Joint Parks Committee: No meeting held.

OLD BUSINESS – Review of Emergency Declaration

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


NEW BUSINESS: None.

ADJOURNMENT: Without any further action, the Meeting was adjourned at 5:31 p.m.

Approved:



Commissioner Curt Gordon, Clinton

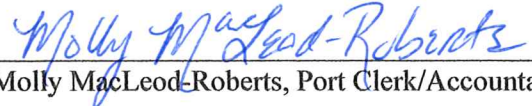


Commissioner Jack Ng, Freeland



Commissioner Ed Halloran, Langley

Minutes prepared and submitted by:



Molly MacLeod-Roberts, Port Clerk/Accountant

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 Curt Gordon, Jack Ng and Ed Halloran approved the foregoing Minutes during the regular meeting of December 14, 2021, which was held online via Zoom Meeting.*