

PORT DISTRICT OF SOUTH WHIDBEY ISLAND
Minutes of the Public Hearing for the 2008 Preliminary Budget
October 8, 2008
Freeland, Washington

Present at the meeting were:

Commissioner Lynae Slinden, Clinton
Commissioner Rolf Seitle, Langley
Commissioner Geoff Tapert, Freeland
Ed Field, Port Manager
Chuck Edwards, Port Accountant
Dane Anderson, Port Financial Coordinator
Molly MacLeod-Roberts, Port Clerk

Ron & Corrina Anger, Freeland Residents
Dennis Gregoire, Freeland Resident
Don McArthur, Freeland Resident
Jeff Hamilton, Freeland Resident

Absent: None

1. MEETING CALL TO ORDER:

The Public Hearing for the 2009 Preliminary Budget of the Port District of South Whidbey Island was convened by the Board of Commissioners on October 8, 2008, at the Freeland Library Conference Room in Freeland, WA. Commissioner Rolf Seitle, President, called the Hearing to order at 7:20 p.m., followed by the Pledge of Allegiance.

2. COMMISSIONERS' COMMENTS ON 2009 PRELIMINARY BUDGET:

Commissioner Seitle noted that the Draft 2009 Preliminary Budget (**EXHIBIT A**) discussed at the regular September meeting had been available to the public as required. At the request of the Commission, Port staff had prepared additional draft versions with a lesser deficit or a zero deficit. The Commission agreed to use the Draft 2009 Preliminary Budget Staff Proposal for Board Discussion (**EXHIBIT B**) and copies were distributed to the public in attendance.

Line 3 – Interest: Commissioner Seitle agreed with Staff recommendation to reduce the anticipated interest rate from 4% to 2%. Commissioners Slinden and Tapert also agreed.

Marina Revenue: Commissioner Slinden asked Staff if \$90,000 was a low, medium or high figure. Port Manager Ed Field said he hopes it is low, but he would hesitate to say it is high. Financial Coordinator Dane Anderson explained the figure is about \$9,000 higher than the last 3-year average. He thinks it is a good number based on more revenue with a full time harbormaster in place. The Commission agreed with Staff recommendation of \$90,000 for Marina Revenue.

Line 17 – Port Manager: Commissioner Seitle thought the figure was incorrect; his calculations based on 49 weeks per year totaled \$60,025. Ed explained that per his employment Agreement and as an employee of more than 5 years, he will be entitled to 3 weeks paid vacation (at 30 hrs/wk) in 2009. The Commission agreed to leave the amount at \$63,700.

Line 20 – Staff Augment: Finan. Coord.: Commissioner Seitle asked Dane if he was really going to spend more than half-time (1,000 hours) working for the Port in 2009. Ed explained the Port has had two \$30,000 contracts with Dane this year, although through the end of September,

Dane has billed the Port \$33,000 total. Dane's billing has admittedly been higher the last 2-3 months as he worked on the grant application and the project financing, but his second contract only just started so he has generally kept his time down. Ed said he carried the \$50,000 in Line 20 as an "outer envelope" for work Dane would do on loans, grants, etc. if the full project goes forward. Dane explained that he has been spending more than 50% of his time on the Port in the last few months, working 30-35 hours per week (3/4 time). The Commission agreed to leave Line 20 at \$50,000.

Line 11 – Trade Fair/Sponsorships and Line 41 – Tourism & Business Dev.: Commissioner Slinden proposed reducing each item to 2/3 of the amount, based on actual historical spending. The Commission agreed to reduce Lines 11 and 41 from \$10,000 to \$7,500.

Line 33 – Election Expenses: Commissioner Tapert noted that election costs for 2008 and 2009 are included, and asked which month they would be billed for the election costs. He wondered if they couldn't defer the 2009 election costs until the 2010 budget. Ed said they would most likely receive the bill for the primary during 2009. The Commission decided to leave the amount at \$9,000.

Line 25 – Travel Expense, Commissioners: Commissioner Seitle asked if that could be cut. Commissioner Slinden said they should be compensated for traveling, especially with the high cost of gas. She said it is important that they take the opportunity to get the education and information provided at committee meetings, etc. Commissioner Seitle said the administrative overhead as a percentage of the total budget is pretty high and he is just looking for ways to reduce it.

Line 32 – Per Diem, Commissioners: Commissioner Seitle proposed that regardless of how many meetings the Commissioners attend in a month, they would only get paid for one meeting per month. Ed explained that the Revised Code of Washington (RCW) states that, "...Commissioners **shall** be paid for every meeting that they attend." He added that Commissioners may individually submit a letter to the Secretary of the Commission requesting a waiver of their own per diem. They must also specify the dates for which the waiver is in effect. Commissioner Tapert said other small local governments like parks don't pay a per diem, and he was surprised the ports did. Port Accountant Chuck Edwards pointed out that water districts pay the same per diem as the ports. Commissioner Slinden said the per diem basically pays for someone to cover her office when she attends a daytime meeting. She added that there is some value to what the Commission contributes to the community, and she doesn't see a stipend as being a bad thing.

Dennis Gregoire, Freeland Resident: Gregoire said it's important to note that the port is a public entity which is building infrastructure. During down times in the economy, that is when port commissioners need to reach out to other groups. He doesn't think they should cut the expenses that allow the Commissioners to get out and connect and interact with other organizations. Gregoire suggested leaving the travel and per diem amounts unchanged.

Commissioner Seitle reiterated that he felt the administration expenses were too high. Commissioner Tapert said, "Compared to other government agencies, it's actually low – cities, other ports, etc." Commissioner Slinden felt the Port's administration expenses were not excessive at all. She felt there were other places in the budget where the costs could be deferred for the future, and suggested they look into the capital improvement projects. Commissioner Seitle said he agreed they should not carry any money for projects when they don't know what the projects are.

Line 43 – Mutiny Bay Site, incl. Planning: Commissioner Tapert said he spoke with an architect who indicated \$2,000 would be sufficient for preliminary planning as addressed in the Port's Comprehensive Scheme. The Commission agreed to reduce Line 43 from \$5,000 to \$2,000, and wait until 2010 for expanded effort on the project.

Line 44 – Langley Phil Simon Park: Commissioner Slinden suggested it could be postponed until Phase I – it doesn't need to be done separately since it is part of the bigger project. Commissioner Tapert disagreed based on the Port's commitment to the donors. He feels there should be money in the budget for maintenance, etc. regardless of whether the levy passes or not. Commissioner Slinden suggested reducing it from \$10,000 to \$5,000, but Commissioner Seitle felt \$10,000 was not enough to relocate and fix up the park and it should be done in 2009. The Commission agreed to leave Line 44 at \$10,000.

Line 64 – (Possession) Capital Improvements: Commissioner Slinden said she didn't foresee any major capital improvements at Possession in 2009, although she mentioned that the re-opening of the estuary is still a possibility. She proposed removing the \$4,000 from the budget, and the Commission agreed.

Line 62 – (Possession) Electricity: Commissioner Tapert noted that the water system had malfunctioned and was working overtime for several months, causing a major spike in the electric bills for Possession. He therefore felt that \$5,000 was too high of an estimate, and suggested it should be reduced to \$2,500. The Commission agreed.

Line 73 – (Clinton) Improvements: Commissioner Slinden said she didn't foresee any capital improvements at this time. Ed noted Improvements for the last two years have included annual sand replenishment and the new irrigation system for the green roof. The cost for the sand was \$1,300. The Commission agreed to reduce Line 73 from \$4,000 to \$2,000.

Line 69 – (Clinton) Maintenance (general): Commissioner Tapert questioned the \$8,000 for general maintenance, which is in addition to Line 66-Clinton Beach Manager wages. Ed explained that Line 69 includes approximately \$425 per month for Cascade Landscaping. Clinton Beach Manager Mike McCarthy has spent additional time there cleaning up after the seagulls – as a result of the Washington State Ferry System's anti-seagull actions on their docks, the seagulls have come over to the Port's docks. After a brief discussion on some of the detailed costs, the Commission agreed to leave Line 69 at \$8,000.

Line 70 – Water System: Commissioner Tapert asked if the \$4,000 budgeted was just for the water bill or if the sprinkler heads, etc. were included. Ed said it was just for the water bill. Commissioner Tapert proposed reducing the amount to \$2,000 and the Commission agreed.

Line 83 – (Bush Pt.) Completion & Improvements: Commissioner Slinden felt since there are no specific projects for Bush Pt., the \$4,000 could be removed. Ed said there are plans to install a urinal in the men's room and revise the curbing on the turnaround, which is currently too tight for a big boat and truck. The Commission agreed to reduce the amount for Line 83 to \$2,000.

Summary: Chuck Edwards reported the updated Budget now has a deficit of \$8,414, compared to the starting deficit of \$28,914. The Commission felt that was reasonably close to a balanced budget, and Commissioner Tapert said they would still have an operating reserve of over \$530,000 at the end of the year. He noted that if the election costs were taken out (since they are not incurred every year), the Budget would be balanced. The Commission approved the 2009 Preliminary Budget as discussed and revised herein.

Commissioner Seitle asked when the money would come in if the levy passed, and Chuck explained it would be collected beginning in 2009, when the property taxes are due (April 30 and October 31).

3. PUBLIC COMMENT FOR 2009 PRELIMINARY BUDGET:

Commissioner Seitle asked if there were any further comments from the attendees regarding the 2009 Preliminary Budget. There were none.

ACTION: A Motion was made by Commissioner Seitle and seconded by Commissioner Slinden to approve the 2009 Preliminary Budget as discussed and revised herein. The Motion passed unanimously.

4. ADJOURNMENT:

The Public Hearing was adjourned at 8:13 p.m.

Approved:

Minutes prepared by:

Commissioner Rolf Seitle, Langley

Edwin S. Field, Port Manager

Commissioner Lynae Slinden, Clinton

Commissioner Geoff Tapert, Freeland

Exhibit A: Draft 2009 Preliminary Budget for Board Discussion on 9/10/08

Exhibit B: Draft 2009 Preliminary Budget – Staff Proposal for Board Discussion (updated 9/30/08)